

VanEck Asset Management B.V.

Annual Report 2020

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1. Report from the Board of Directors

Report of 2020

The company's objectives are to participate in, finance, manage companies and other undertakings and provide advice and other services. Beyond this its objectives are to invest assets, furnish security for the debts of legal entities affiliated with it in a group and to do everything which is related to or may be conducive to the foregoing, all in the broadest sense of the word.

2020 marked the eleventh year of VanEck Vectors™ ETFs N.V. (the ETF's or Sub-funds) existence since the listing of the first ETFs on 14 December 2009.

The total fund assets under management decreased in 2020 from EUR 2,126 million on 31 December 2019 to EUR 1,060 million on 31 December 2020, a decrease of roughly 50%. This decrease was mainly caused by the departure of one big institutional client and has been anticipated for quite some time. Being part of a global company with approximately 70 billion in assets, this has not endangered our continuity in any way, also it's good to note that the European part of VanEck actually grew, despite the outflow in the Dutch entity. The assets under management totalled EUR 1,199 million at the beginning of April 2021.

Furthermore, on the 22nd of December 2020 the company has been appointed by VanEck Vectors UCITS ETFs plc and VanEck ICAV as the Management Company. Before this the company already provided investment management services to a number of the sub-funds of VanEck Vectors UCITS ETFs plc. This will ensure additional revenue for going forward and we expect that VEAM will be profitable because of this in 2021 and the foreseeable future.

The assets under management of all funds managed by the company were 3,218 million on the 31st of December 2020.

The Tracking Difference (T.D.) is the difference in yield between the product or portfolio of investments and a particular benchmark. The benchmark is often an index. It could be a well-known stock market index, or a customized index. It is important in this context whether the benchmark is a Price index or a Gross Total Return index. The tracking difference per ETF fund is disclosed in the most recent (semi) annual report of VanEck Vectors™ ETFs N.V., which is available on our website.

Result 2020

The negative result for 2020 amounts to EUR 154,241 (2019: negative result of EUR 1,287,345). The costs incurred which amounted to EUR 6,671,219 (2019: EUR 5,616,153) mainly concern the proper structuring and maintaining of the ETF's; attention was primarily devoted in this context to excluding counterparty risk, ensuring tax efficiency and keeping costs low for the end investor. In order to guarantee a clear and transparent cost structure, the costs of the funds fall under the manager and not in the fund. VanEck's income consists of a management fee on the assets under management. The assets under management of all funds managed by the company increased in 2020 and therefor revenue increased and combined with the positive impact by the DTA the loss decreased. Being supported by our US head office made sure we were able to remain in a financial good condition. Becoming the ManCo for the Irish VanEck Vectors UCITS ETFs plc at the end of 2020, will ensure a larger revenue going forward. As mentioned earlier, we expect to be profitable in 2021 and beyond.

Risk management

VanEck's objective is to have its ETFs follow an index as closely as possible, both as the index increases and it decreases. This brings the investment risks of the ETFs entirely in line with the investment risks of the reference indices. The risk that prices can decrease is not hedged, therefore. The ETFs are subject to operational risks, however. The way in which VanEck offsets these operational risks as much as possible is discussed in more detail below.

VanEck owns all the underlying securities for the benefit of the ETFs. No use is made of synthetic replication, therefore the underlying securities are held in custody by CACEIS Bank. VanEck consciously opts not to lend out these underlying securities; this prevents counterparty risk from arising. Under the Securities (Bank Giro Transactions) Act (Wge), the property of the funds is legally separate from CACEIS Bank. Any bankruptcy on the part of CACEIS Bank would not affect the assets of VanEck.

As of 1 February 2021 State Street is be the new depositary and custodian instead of CACEIS Bank.

Most processes and procedures are outsourced. VanEck manages these processes and procedures by means of an analysis of the ISAE 3402 reports of the service providers, periodic evaluation discussions and daily contact with the service providers. We can identify the following operational risks:

Compliance risk

The risk that statutory and internal rules will not be complied with. VanEck has implemented the following control measures to mitigate this risk:

- appointment of an internal compliance officer
- appointment of an external compliance officer which reports independent to the board of Directors
- clear descriptions of the administrative processes and internal control
- compliance statements are put on the agenda of the meeting of the board of directors
- VanEck periodically receives external advice on new regulations

Outsourcing risk

The risk that a party to which activities have been outsourced will not (properly) comply with its obligations, thus jeopardising the continuity and/or quality of the outsourced activities. VanEck has implemented the following control measures to mitigate this risk:

- careful selection process in relation to the services outsourced
- sound Service Level Agreements
- sufficient in-house expertise and experience to solve problems for some time
- fall-back arrangements

Concentration risk

The risk of dependence on a few large (clusters of) clients. VanEck has implemented the following control measures to mitigate this risk:

- optimal servicing of the (relevant) clients
- active efforts towards a larger spread of clients

Legal risk

The risk that our working method must be amended due to changing regulations and the risk that contracts are not in good legal order. VanEck has implemented the following control measures to mitigate this risk:

- appointment of in-house counsel
- appointment of an external compliance officer

Operational risk

The risk of errors in the business operations. VanEck has implemented the following control measures to mitigate this risk:

- clear work processes and good monitoring of these
- fall-back arrangements in the event of malfunctions in IT systems

Solvency risk

As per article 63 of the Besluit prudentiële regels Wft (Decree on prudential rules under the Wft), the minimum required capital of the Company is the greater of (i) €125,000 plus an additional own funds requirement of 0.02% of assets under management of the Funds in excess of €250 million and (ii) 25% of total annual expenditure, subject to a maximum total capital requirement of €10 million. The minimum capital requirement for the Company is calculated periodically by calculation of the fixed overheads requirement. The Company has appropriate financial controls in place which include, but are not limited to, maintaining the minimum capital plus a minimum excess amount to ensure maintenance of the regulatory minimum. If there is any likelihood of the financial resources falling below the regulatory capital requirement, appropriate action will be taken immediately before any breach can materialize.

Continuity risk

The risk that an important policymaker will be unavailable for a longer period or will be definitively lost. VanEck has implemented the following control measures to mitigate this risk:

- back-up for positions within the business
- Board of Directors is very closely involved in the day-to-day policy

There are also risks in the funds which are indirectly applicable for VanEck as a manager. We can identify the following operational risks for VanEck as manager of the funds:

Creation/redemption

The issuing of new shares and/or redemption of shares issued earlier. The shares are delivered based on DVP, delivery versus payment, with the counterparty being an Authorised Participant or a broker. In the creation process, the ETFs are delivered and the basket of shares reflecting the percentages in the index or indices is received. The reverse takes place for a redemption. Both VanEck and the Authorised Participant check that the composition is correct - it is in the interest of both parties that the composition is correct, after all.

Reweighting

As soon as an index is reweighted, VanEck takes the necessary action to reweight the ETFs as well. Either by reweighting the fund itself by means of an execution-only agreement with CACEIS Bank or another broker, or by outsourcing the reweighting to a third party.

Dividend distribution by VanEck Vectors™ ETFs

Dividend distribution takes place on cash basis and is only made from the freely distributable reserves. It is also monitored whether adequate cash and cash equivalents remain to cover the costs that will be charged to the fund in the next period. This prevents a situation from arising in which the fund must sell assets to pay the costs.

Corporate actions

In the event of corporate actions in underlying securities, VanEck follows the index followed by the ETF.

Settlement risk

Virtually all settlement risks have been offset with the use of DVP. A risk that cannot be offset is the market (delta) risk of non-settlement of the underlying securities in the event a counterparty defaults. The principal is always guaranteed by the DVP settlement, however.

Statement concerning business operations

We have a description of the business operations that satisfies the requirements of the Financial Supervision Act (Wft) and the Market Conduct Supervision (Financial Institutions) Decree (BGfo).

We assessed various aspects of the business operations during the past financial year. In our activities we did not discover anything on grounds of which we must conclude that the description of the set-up of the business operations as referred to in section 121 of the BGfo does not satisfy the requirements contained in the Financial Supervision Act and related regulations.

On these grounds, we declare as manager for VanEck that we have a description as referred to in section 121 BGfo which satisfies the requirements of the BGfo.

We ascertained nothing indicated that business operations are not functioning effectively and in accordance with the description. We therefore declare with a reasonable degree of assurance that the business operations functioned effectively and in accordance with the description throughout the year under review.

Risks of financial instruments

Based on the Sub-funds activities, the Sub-funds are exposed to several financial risks: price risk (consisting of market risk, currency risk and interest rate risk), credit risk and liquidity risk.

Price risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as the index increases and it decreases. Consequently, every Sub-fund risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle. As a result, the ETFs are exposed to significant price risk.

Currency risk

The underlying investments of some of the Sub-funds are denominated in euro's, which means those Sub-funds are not exposed to significant currency risk. The investments of the following Sub-funds - C VanEck Vectors Multi-Asset Conservative Allocation UCITS ETF, D VanEck Vectors Multi-Asset Balanced Allocation UCITS ETF, E VanEck Vectors Multi-Asset Growth Allocation UCITS ETF, F VanEck Vectors Global Equal Weight UCITS ETF, G VanEck Vectors Global Real Estate UCITS ETF, K VanEck Vectors Sustainable World Equal Weight UCITS ETF, L VanEck Vectors European Equal Weight UCITS ETF, M VanEck Vectors Morningstar North America Equal Weight UCITS ETF and N VanEck Vectors Morningstar Developed Markets Dividend Leaders UCITS ETF are indeed listed in foreign currency to some extent, which means these Sub-funds can be exposed to significant currency risk.

Interest rate risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as the index increases and it decreases. Consequently, every Sub-fund risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle, therefore. The Sub-funds with monetary financial instruments with a fixed interest rate in the portfolio are consequently exposed to significant interest rate risk.

Credit risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as the index increases and it decreases. Consequently, every Sub-fund risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle. The Sub-funds with monetary financial instruments in the portfolio are consequently exposed to significant credit risk.

Liquidity risk

Shares in the Sub-funds can be bought and sold on one or more regulated stock-exchanges, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. Consequently, the Sub-funds are exposed to very little, if any, liquidity risk.

Remuneration

The remuneration policy is in line with the manager's strategy and the objective and investment policy of VanEck. In 2020 the members of the board of directors and the other staff received a variable remuneration next to the fixed remuneration. The variable remuneration includes a share component and a deferred component. The variable remuneration is paid out as follows:

- 40% directly
- 20% after 1 year
- 20% after 2 years
- Remaining 20% after 3 years

The remuneration for the 2020 financial year is as follows:

(amounts x € 1)	Number	Fixed	Variable	2020
Board of Directors	2	686,190	693,162	1,379,352
Non-identified staff (FTE)	11	1,187,020	610,000	1,797,020
Total	13	1,873,210	1,303,162	3,176,372

The amounts above are gross amounts.

Outlook

It's always been difficult to provide a good outlook on the growth of our business because of the unpredictable nature of the markets and the way that can impact our business. In view of the developments regarding COVID-19 the expectations will be even more difficult to predict, and therefore we won't make a prediction for 2021. But we would like to state that our scope has always been beyond the next 12 months. As part of VanEck's global business we take a long term view on our business and despite the current uncertainty, we remain confident that our strategy for the coming 5 years will prove sound and our US headquarters shares our view in that regard. For the next 12 months we hope that our family, colleagues and clients will stay safe.

The COVID-19 epidemic is believed to have originated in Wuhan, Hubei, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organisation declaring the COVID-19 outbreak a pandemic on 11 March 2020. Containment efforts are impacting global supply chains, general public confidence and all major stock markets have fallen significantly since year end. There has also been a large decline in energy prices, including oil, the decline in price of which has been further exacerbated by tensions among leading oil producing nations. The Board of Directors is aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic. The Board of Directors has also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak.

The developments related to COVID-19 have not led to a material uncertainty about the continuity of our business. The necessary short-term measures have been taken to ensure the operational functioning of our organization. Almost all employees can work digitally and remotely. We have seen both creations and redemptions of reasonable size which could be traded in the market like before the pandemic. No Liquidity issues. So at this moment we see no problems for VanEck Asset Management B.V. with regards to solvability and liquidity. The Board of Directors will continue to monitor this situation.

We would like to state that the decrease in AUM that occurred in summer 2020 was unrelated to COVID-19 and was due to the (long anticipated) departure of one big institutional client. Being supported by our US head office made sure we were able to remain in a good financial condition. Becoming the ManCo for the Irish VanEck Vectors UCITS ETFs plc at the end of 2020, will ensure a larger revenue going forward. As mentioned earlier, we expect to be profitable in 2021 and beyond.

27 April 2021,



The Board of Directors,

M. Rozemuller G. Koning

1. Financial Statements 2020

2.1 Balance sheet as of 31 December (before appropriation of the result)

(amounts x € 1)		2020	2019
ASSETS			
<u>Non-current assets</u>			
Property, plant, and equipment	{1}	136,367	110,499
Intangible assets	{2}	124,964	-
<u>Current assets</u>			
Other assets	{3}	1,486,251	458,661
Deferred tax	{4}	1,327,322	-
Cash	{5}	3,561,879	1,336,221
Total assets		6,636,783	1,905,381
Equity			
Issued capital		18,013	18,013
Share premium		9,574,191	6,074,191
Other reserves		(5,675,241)	(4,387,896)
Undistributed result		(154,241)	(1,287,345)
Total equity	{6}	3,762,772	416,963
LIABILITIES			
Current liabilities	{7}	2,874,061	1,488,418
Total liabilities		2,874,061	1,488,418
Total equity and liabilities		6,636,783	1,905,381

The numbers next to the items refer to the notes to the balance sheet and profit and loss account. The notes form an integral part of the financial statements.

2.2 Profit and loss account

(amounts x € 1)		2020	2019
Income			
Management fees	{8}	4,651,500	4,047,983
Charging on of creation/redemption		496,929	291,510
Total income		5,148,429	4,339,493
Expenses			
Personnel costs	{9}	(3,176,372)	(2,417,126)
Other management costs	{10}	(3,494,847)	(3,199,027)
Total expenses		(6,671,219)	(5,616,153)
Interest expense		(2,380)	(681)
Exchange differences foreign currency		43,607	(10,004)
Financial income and expenses		41,227	(10,685)
Result before tax		(1,481,563)	(1,287,345)
Taxes		1,327,322	-
Result after tax		(154,241)	(1,287,345)

The numbers next to the items refer to the notes to the balance sheet and profit and loss account. The notes form an integral part of the financial statements.

2.3 Cash flow statement

(amounts x € 1)		2020	2019
Result after tax		(154,241)	(1,287,345)
<i>Adjustments for:</i>			
Investments in property, plant, and equipment		(188,132)	-
Depreciation of property, plant, and equipment		37,300	35,314
<i>Change in working capital:</i>			
Other assets		(2,354,912)	(30,721)
Current liabilities		1,385,643	(239,892)
Cash flow from operating activities		(1,274,342)	(1,522,644)
Capital contributions		3,500,000	-
Capital distributions		-	(1,825)
Cash flow from financing activities		3,500,000	(1,825)
Increase in cash		2,225,658	(1,524,469)
Cash and cash equivalents at beginning of the period		1,336,221	2,860,690
Cash and cash equivalents at end of the period		3,561,879	1,336,221

2.4 Notes to the balance sheet and profit and loss account

General notes

Activities

VanEck Asset Management B.V. was incorporated on 10 October 2008. The address of VanEck Asset Management B.V. registered office is Barbara Strozilaan 310, 1083 HN in Amsterdam. Hereafter the name 'VanEck AM' will be used to designate VanEck Asset Management B.V.

The company's objects are to participate in, finance, manage companies and other undertakings and provide advice and other services. Beyond this its objects are to invest assets, furnish security for the debts of legal entities affiliated with it in a group and to do everything which is related to or may be conducive to the foregoing, all in the broadest sense of the word.

The company does not provide any credit for the account of third parties, does not stand as guarantor and does not enter any suretyship obligations.

Group relations

In 2018, VanEck Associates Corporation obtained a controlling interest in VanEck AM. The founders and management of VanEck AM retain a small interest in VanEck AM. The group relations were as follows as of 31 December 2020:

Shareholder	31 December 2020
Van Eck Associates Corporation	99,0%
Angkor Holding B.V.	0,5%
Dutch Derivatives Holding B.V.	0,5%

Related parties

All shareholders, members of the board of directors, supervisory directors and closely related persons are designated as related parties. Transactions with related parties take place at arm's length, unless stated otherwise.

Going concern

The financial statements of the company have been prepared based on the going concern assumption. The Board of Directors have taken into account the net loss after tax of € 154,241 for the year ended 31 December 2020 and the deteriorated solvency of the Company. Agreements have been made with the majority shareholder. The majority shareholder confirmed to the Board of Directors by means of a letter of support that they will provide such financial support as is necessary to enable the Company to continue as going concern and to meet all the liabilities as they fall due, at least until 31 December 2021.

Notes to the cash flow statement

The cash flow statement has been prepared in accordance with the indirect method, whereby a distinction is made between cash flows from operational, investing and financing activities. In relation to the cash flow from operational activities, the net result is corrected for income and expenses that did not result in receipts and expenditure in the same financial year and for changes in provisions and accruals and deferrals. Cash includes cash in hand as well as freely available bank credits with a settlement date less than three months from the date of acquisition. Movements on account of currency translation differences are presented separately.

Estimates

In order to be able to apply the policies and rules for drawing up the annual report, VanEck AM board of directors must reach a judgement on certain matters and make estimates that could be essential for the amounts included in the annual report.

If necessary for providing the insight required by article 2:362 (1) of the Dutch Civil Code, the nature of these judgements and estimates, including the corresponding assumptions, is included in the notes to the particular items.

Accounting policies for the valuation of assets and liabilities and determination of the result**General**

The company annual report has been drawn up in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the authoritative statements from the Annual Reporting Guidelines published by the Dutch Accounting Standards Board.

Assets and liabilities are generally stated at acquisition price or manufacturing cost or current cost. If no specific basis is reported for the valuation, valuation takes place at acquisition price. References are included in the balance sheet. These references refer to the notes.

Foreign currency**Functional currency**

The items in the annual report are valued taking into account the currency of the economic environment in which the company mainly conducts its business activities (the functional currency). The annual report has been prepared in euros (€), which is both the functional currency and presentation currency of VanEck AM.

Transactions, receivables, and liabilities

Transactions in foreign currency during the period under review are included in the annual report at the rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate as of the balance sheet date. The exchange rate differences arising from settlement and conversion are credited to or debited from the financial income and expenses in the profit and loss account.

Property, plant, and equipment

Property, plant, and equipment are initially valued at the fair value of the consideration. Depreciation is recognized in the profit and loss account on a straight-line basis over the estimated useful lives (5 years) of each item of the property, plant, and equipment. Depreciation starts as soon as the asset is available for its intended use and ends at a residual value of zero.

Other assets

The other assets consist of trade receivables and interest income still to be received. Trade receivables are initially valued at the fair value of the consideration. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank credits and call deposits with a term of less than twelve months. Current-account debts at banks are included under debts to credit institutions under current liabilities. The cash and cash equivalents are stated at nominal value.

Equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under equity. Payments to holders of these instruments are deducted from the equity as part of the profit distribution. Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income, and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense. The purchase of own shares is deducted from the other reserves.

Share premium

Amounts contributed by the shareholders of the company more than the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

Costs and capital taxes associated with the issue of shares that are not capitalized are deducted from share premium, after taken into account tax effects. If the share premium is insufficient for such deductions, the amounts are deducted from retained earnings.

Pensions

VanEck AM has a pension scheme for its board and employees, which is based on a so-called 'defined contribution' system. With the defined contribution system, a percentage of the employee's fixed salary is deposited as premium with a pension insurer, whereby the entity has no further obligations. The height of the percentage is age dependent. The pension premiums are recognised in the year to which they relate.

Provisions

Provisions are created for obligations enforceable by law or constructive obligations that exist on the balance sheet date if it is probable that an outflow of resources will be required and the size of these can be reliably estimated.

The provisions are valued at the best estimate of the amounts necessary to settle the obligations as of the balance sheet date. The provisions are valued at the nominal value of the expenditure expected to be required to settle the obligations, unless otherwise stated.

If it is expected that a third party will pay for obligations, and if it is probable that this payment will be received when the obligation is settled, this payment is included as an asset on the balance sheet.

Income and expenses

Income and expenses are recognised in the period to which they pertain. Liabilities and possible losses originating prior to the end of the financial year are included to the extent that they are known before preparation of the financial statements and the other conditions for including provisions have been satisfied.

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

Charging on of creation/redemption

The charges on of creation/redemption are the costs charged by VanEck AM for the effectuation of the entries and exits.

2.5 Notes to the balance sheet and profit and loss account

1. Property, plant, and equipment

Movements in the property, plant, and equipment can be specified as follows:

(amounts x € 1)	31 December 2020	31 December 2019
Balance of 1 January	110,499	143,988
Investments	63,168	1,825
Depreciation	(37,300)	(35,314)
Closing balance	136,367	110,499

During the reporting period investments were made in IT facilities.

2. Intangible assets

Movements in the intangible assets can be specified as follows:

Balance of 1 January	-	-
Investments	124,964	-
Depreciation	-	-
Closing balance	124,964	-

During the reporting period investments were made in IT application

3. Other assets

(amounts x € 1)	31 December 2020			31 December 2019		
	Total	Remaining term		Total	Remaining term	
		< 1 year	> 1 year		< 1 year	> 1 year
Trade receivables						
Management fee still to be received	496,457	496,457	-	408,932	408,932	-
Investment management fee VEIL	943,821	943,821	-	-	-	-
Accrued assets						
Prepaid expenses	43,968	43,968	-	49,729	49,729	-
Other	2,005	2,005	-	-	-	-
Total	1,486,251	1,486,251	-	458,661	458,661	-

All trade receivables have a remaining term of less than one year. The trade receivables contains investment-management fee to be received from Dutch ETF's and Irish ETF's. Loans or advances have been provided to directors or supervisory directors.

4. Deferred tax assets

The taxes can be broken down as follows:

(amounts x € 1)	2020	2019
Balance of 1 January	-	-
Deferred Tax Assets	1,327,322	-
Closing balance	1,327,322	-

VanEck Asset Management B.V. became the management company of the VanEck Vectors UCITS ETFs plc as of 22 of December 2020, which have a positive impact on the result. Based on the positive forecast the board of directors of VanEck Asset management B.V. have decided to recognize the deferred tax assets in 2020. The deferred tax assets included in the records pertain to offsetable losses for the years 2012 to 2020.

5. Cash

The composition of the item cash is as follows:

(amounts x € 1)	31 December 2020	31 December 2019
Banks	3,561,879	1,336,221
Closing balance	3,561,879	1,336,221

All the cash is freely at the company's disposal.

6. Equity

The issued capital amounts to € 18,013 and consists of 18,013 ordinary shares with nominal value of € 1.

The composition of the equity as of 31 December 2020 is as follows:

(amounts x € 1)	Issued capital	Share premium	Other reserves	Undistributed result	Total
Balance as of 1 January 2020	18,013	6,074,191	(4,387,896)	(1,287,345)	416,963
Movements					
Paid in share premium	-	3,500,000	-	-	3,500,000
Result for the financial year	-	-	-	(154,241)	(154,241)
Other movements in the reserves	-	-	(1,287,345)	1,287,345	-
Closing balance as of 31 December 2020	18,013	9,574,191	(5,675,241)	(154,241)	3,762,772

During the year 2020 Van Eck Associates Corporation has made an capital contribution of total € 3,5 million.

The composition of the equity as of 31 December 2019 is as follows:

(amounts x € 1)	Issued capital	Share premium	Other reserves	Undistributed result	Total
Balance as of 1 January 2019	18,013	6,074,191	(3,443,732)	(944,164)	1,704,308
Movements					
Paid in share premium	-	-	-	-	-
Result for the financial year	-	-	-	(1,287,345)	(1,287,345)
Other movements in the reserves	-	-	(944,164)	944,164	-
Closing balance as of 31 December 2019	18,013	6,074,191	(4,387,896)	(1,287,345)	416,963

The result of the current financial year is reported in the unappropriated result. There were no dividend payments or other capital withdrawals in 2020.

7. Current liabilities

The current liabilities can be broken down as follows:

(amounts x € 1)	31 December 2020	31 December 2019
Trade payables	807,398	556,315
VAT payable	77,722	17,540
Salaries payable	1,164,492	862,947
Accrued Auditors and advisory fee	-	7,600
Other liabilities	824,449	44,016
Closing balance	2,874,061	1,488,418

The current liabilities all have a remaining term of less than one year. The trade payables as of 31 December 2020 mainly relate to recent marketing activities and administration and management costs for the ETF's. The other liabilities contains intercompany payable amounts.

8. Management fees

The management fees consist of the management costs deducted daily from the definitive net intrinsic value of a share in a Sub-fund in relation to the Sub-funds in VanEck's. The management costs for the investors in Sub-funds can vary per Sub-fund and are expressed as a percentage of the net intrinsic value of every individual Sub-fund. As of 22 December VanEck Management B.V. became the Manco for the Irish VanEck Vectors UCITS ETFs plc

Management costs per Sub-fund	Prospectus	Fee
Dutch listed Funds		
Series A: VanEck Vectors™ AEX UCITS ETF	0.30%	537,202
Series B: VanEck Vectors™ AMX UCITS ETF	0.35%	88,913
Series C: VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF	0.28%	40,729
Series D: VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF	0.30%	75,701
Series E: VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF	0.32%	45,972
Series F: VanEck Vectors™ Global Equal Weight UCITS ETF	0.17%	1,014,920
Series G: VanEck Vectors™ Global Real Estate UCITS ETF	0.25%	384,006
Series H: VanEck Vectors™ iBoxx EUR Corporates UCITS ETF	0.15%	169,727
Series I: VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF	0.15%	79,060
Series J: VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF	0.15%	322,662
Series K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF	0.30%	463,290
Series L: VanEck Vectors™ European Equal Weight UCITS ETF	0.20%	75,698
Series M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF	0.20%	18,017
Series N: VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF	0.38%	121,252
Irish listed Funds		
VanEck Vectors™ Junior Gold Miners UCITS ETF	0.55%	167,150
VanEck Vectors™ Gold Miners UCITS ETF	0.53%	311,209
VanEck Vectors Morningstar US Wide Moat UCITS ETF	0.49%	90,517
VanEck Vectors Morningstar Global wide Moat UCITS ETF	0.52%	2,007
VanEck Vectors™ J.P. Morgan EM Local Currency Bond UCITS ETF	0.30%	3,585
VanEck Vectors™ Natural Resources UCITS ETF	0.50%	527
VanEck Vectors™ Preferred US Equity UCITS ETF	0.41%	953
VanEck Vectors™ Global Fallen Angel High Yield Bond UCITS ETF	0.40%	4,124
VanEck Vectors™ Emerging Markets High Yield Bond UCITS ETF	0.40%	2,137
VanEck Vectors™ Global Mining UCITS ETF	0.50%	2,493
VanEck Vectors™ Video Gaming and eSports UCITS ETF	0.55%	634,142
VanEck Vectors™ Semiconductor UCITS ETF	0.35%	646
Total		4,651,500

9. Personnel costs

The personnel costs can be broken down as follows:

(amounts x € 1)	2020	2019
Salaries	1,457,948	1,130,943
Remuneration	1,303,163	888,457
Social security costs	112,924	100,159
Pension costs	97,811	75,701
Other personnel costs	204,526	221,866
Total	3,176,372	2,417,126

The total number of employees increased from 11 to 13 in 2020.

10. Other management costs

The other management costs can be broken down as follows:

(amounts x € 1)	2020	2019
Commercial costs	625,172	527,322
ICT costs	55,822	5,807
Audit fees*	189,458	173,745
Consultancy fees	7,771	45,333
Index calculation costs	244,799	218,605
Administration costs	450,015	438,069
Supervision costs	388,821	509,043
Custody charges	237,590	185,124
Legal fees	34,048	30,673
Intercompany costs	167,271	139,000
Depreciation costs	37,300	35,314
Marketing costs	431,209	422,859
License Costs	275,963	205,389
Listing costs	59,309	180,041
Other expenses	290,299	82,703
Total	3,494,847	3,199,027

* € 17,315 of the audit fees relates to the audit of the financial statements of VanEck Asset Management B.V., € 117,358 relates to the audit of the financial statements of VanEck Vectors™ ETF's N.V. and € 4,500 excluding VAT relates to the assurance activities for the supervisory authority ensuring that the UCITS provisions from the BGfo are satisfied. The other fees, € 50,285, are related for preparing the semi annual reports, preparing of the annual reports and other extra costs for 2019.

Other notes**Off-balance-sheet rights and commitments**

There are no off-balance-sheet rights or commitments as of 31 December 2020.

Related parties

The following related parties are recognised:

- Van Eck Associates Corporation - 99,0% shareholder
- Angkor Holding B.V. - 0,5% shareholder
- Dutch Derivatives Holding B.V. - 0,5% shareholder
- VanEck Board of Directors
- Supervisory Directors of VanEck
- VanEck Vectors™ ETFs N.V.
- VanEck Investment Limited
- VanEck Vectors™ UCITS ETFs plc

Other than the received investment/management fee from the Dutch and Irish funds, no transactions took place with the board of directors or the supervisory directors during the period under review, other than transactions arising from the (employment) contracts. At year-end 2020, VanEck Asset Management B.V. does not have any commitments to related parties.

Remuneration Supervisory Board

The total remuneration to the supervisory board was € 0,- in 2020.

Average number of employees

During 2020, an average of 12 employees including the board of directors were employed by VanEck Asset Management B.V. based on full employment (2019: 11 employees). The employees all work in the Netherlands.

Proposal for result appropriation

It is proposed that the negative result for the 2020 financial year in the amount of € 154,241 be charged to the other reserves. This proposal has not yet been incorporated in the financial statements.

Events after the balance sheet date

As of 1 February 2021 State Street is the new depository and custodian instead of CACEIS Bank

Amsterdam, 27 April 2021

VanEck Asset Management B.V.

The Board of Directors

M. Rozemuller

G. Koning

The Supervisory Board

B.J. Smith

A.E. Philips

T. Hunke

J.R. Simon

2. Other information

Provisions from the articles of association concerning profit appropriation

The company's profit appropriation is laid down in article 23 of the articles of association:

1. The company may only make distributions to the shareholders insofar as the equity of the company exceeds the amount of the paid-up capital of the company plus the reserves that must be maintained pursuant to the law.
2. For each of the classes of shares a dividend reserve is kept on behalf of the holders of those shares, which reserve bears the same letter as the shares in question. If and to the extent the profit allows, an amount will be added from this profit to each of the dividend reserves in an amount equal to a percentage mentioned below of the relevant dividend reserve as of the end of the financial year. If a dividend reserve has not shown the same amount throughout the financial year, the profit addition will be calculated on the year average of the reserve. To determine the amount of the profit addition, the amount by which the dividend reserve must be supplemented pursuant to paragraph 7 of this article, second sentence, is added to the dividend reserve. The percentage referred to above is equal to half of the deposit rate of the European Central Bank effective as of the end of the particular financial year, plus two percentage points.
3. The profit remaining after the profit addition pursuant to paragraph 2 is at the disposal of the general meeting. The general meeting may add all or part of the remaining profit to the distributable reserves.
4. The profit that is not reserved by the general meeting in accordance with paragraph 3 will be added to the dividend reserves of a specific class in proportion to the total paid-up nominal amounts on the various classes of shares.
5. Only at the proposal of the meeting of holders of a certain class of share can the general meeting decide to partially or fully eliminate a dividend reserve for holders of shares of the class in question, subject to the provisions in paragraph 8. In that case the amount to which the elimination pertains is paid out to the holders of shares of the class in question prorated to the paid-up nominal amount of their shares of that class.
6. The general meeting can at any time make additions to the dividend reserves of a particular class at the expense of the distributable reserves. The addition takes place such that every one of the dividend reserves enjoys the addition proportionate to the nominal amounts paid up on the shares of the class, without prejudice to the provisions of paragraph 7, second sentence.
7. The general meeting will partially or fully eliminate a dividend reserve to cover losses. If a dividend reserve is drawn on to cover a loss, no payment of dividend - other than as a result of the elimination of a dividend reserve in the manner referred to in paragraph 5 - or reservation or addition to another dividend reserve will take place as long as the amount withdrawn to cover the loss has not been added to the particular dividend reserve. This can be deviated from if the general meeting unanimously resolves to do so. If several dividend reserves have been drawn on to cover losses, an addition as referred to in the second sentence of paragraph 6 takes place to the reserves in question in a manner proportionate to the withdrawals.
8. Profit additions or distributions may only take place to the extent the equity is greater than the paid-up and called-up portion of the capital plus the reserves that must be maintained pursuant to the law.
9. A profit addition or distribution takes place after the adoption of the financial statements showing that this is permissible.
10. The general meeting can resolve to make an interim profit addition or distribution, provided the provisions of paragraph 8 are duly observed.
11. The general meeting can, with analogous application of the provisions in paragraph 8, resolve to make distributions chargeable to a reserve which is not required to be maintained pursuant to the law.
12. No distribution for the benefit of the company takes place on shares the company holds in its own capital or the depositary receipts for such shares.
13. In calculating the profit distribution, the shares or depositary receipts for shares on which no distribution takes place for the benefit of the company pursuant to paragraph 12 are not counted.
14. The claim to payment expires by the passage of five years counted from the day the claim becomes payable.

Independent auditor's report

To: the board of directors of VanEck Asset Management B.V.

Report on the audit of the financial statements 2020 included in the financial annual report

Our opinion

We have audited the financial statements 2020 of VanEck Asset Management B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of VanEck Asset Management B.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ▶ The balance sheet as at 31 December 2020
- ▶ The profit and loss account for 2020
- ▶ The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of VanEck Asset Management B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the financial annual report

In addition to the financial statements and our auditor's report thereon, the financial annual report contains other information that consists of:

- ▶ Report from the board of directors
- ▶ Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the report from the board of directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of board of directors and the supervisory board for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, The board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- ▶ Obtaining 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 internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- ▶ Concluding on the appropriateness of the board of directors use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a fund to cease to continue as a going concern
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

Amsterdam, 29 April 2021

Ernst & Young Accountants LLP

signed by J.C.J. Preijde