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Access the opportunities.

Step into tomorrow's prosperity today

VanEck China New Economy ETF



ASX:CNEW

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CNEW provides investors with access to a portfolio of fundamentally sound companies domiciled and listed in China with growth prospects from the following sectors:

- consumer discretionary;
- consumer staples;
- healthcare; and
- technology.

It is these sectors which are the New Economy.

What is the New Economy?

Traditionally economies like China have been dependent on financials energy and materials. As GDP per capita has increased, domestic policy and reform has been focused on transitioning the economy to be consumption led.

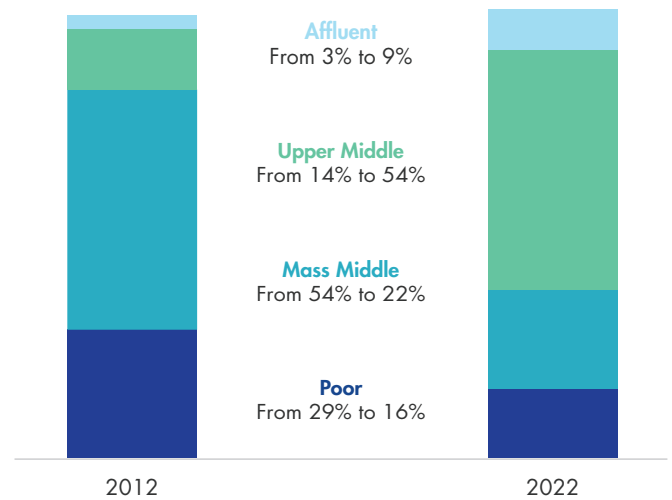
There are four forces behind this transition in which consumer-oriented sectors are gradually replacing heavy industry and low cost manufacturing as the country's economic engines:

1. Affluence and a growing middle class

Upward mobility



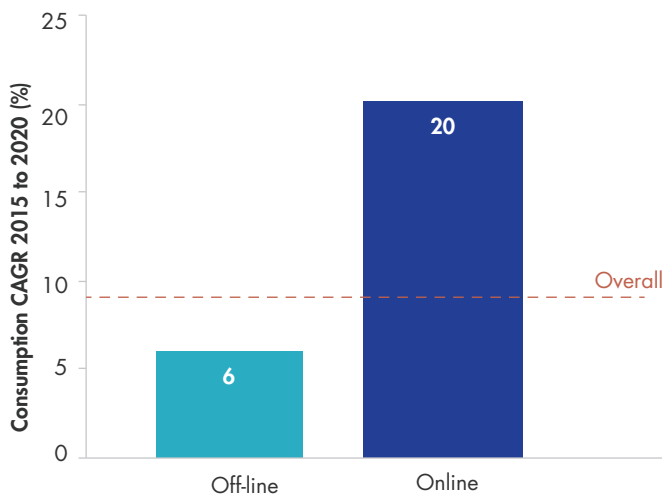
China's growing middle class



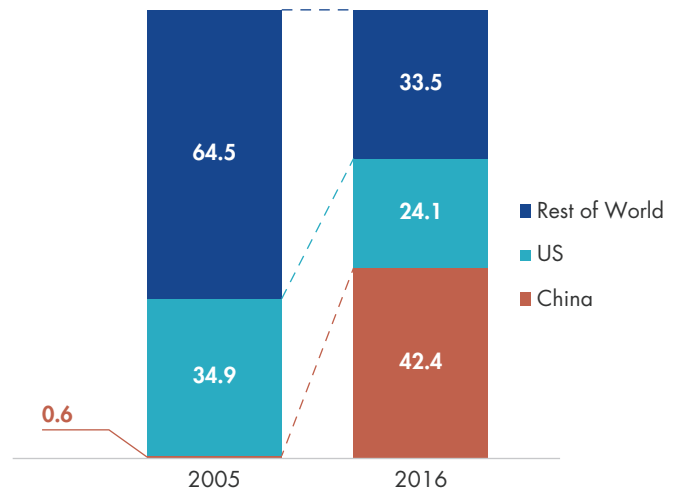
Source: BCG Analysis CAGR = compound annual growth rate (LHS) Emerging middle and middle classes include consumers whose annual household incomes range from \$10,001 to \$24,000; upper middle classes and affluent include consumers whose annual household incomes exceed \$24,000. Source: McKinsey 2016 China Consumer Report (RHS)

2. World leading digital technology

Growth of e-commerce



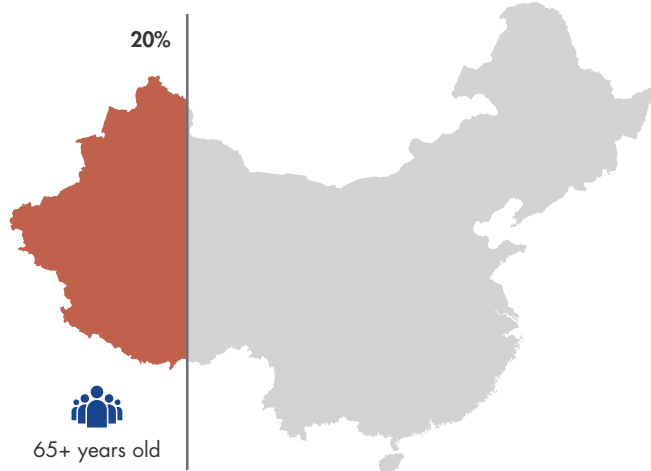
% of total retail e-commerce transaction value



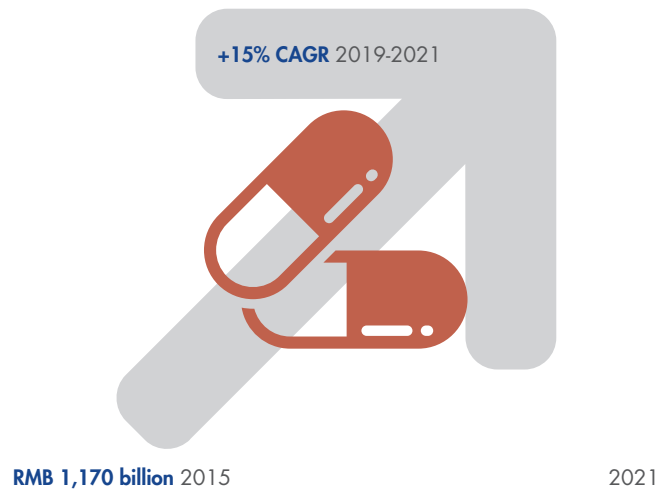
Source: BCG Analysis CAGR = compound annual growth rate (LHS). McKinsey Global Institute (Middle) Forrester Research (US) iResearch (China) via Financial Times. McKinsey 2016 China Consumer Report (RHS)

3. Aging population

China by 2035



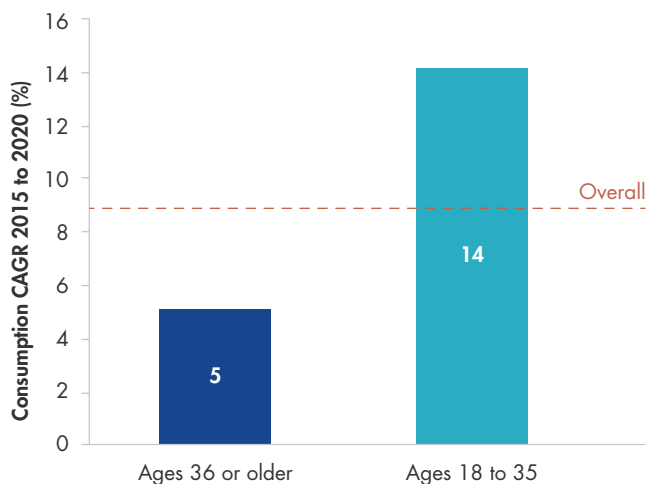
China's pharmaceutical market



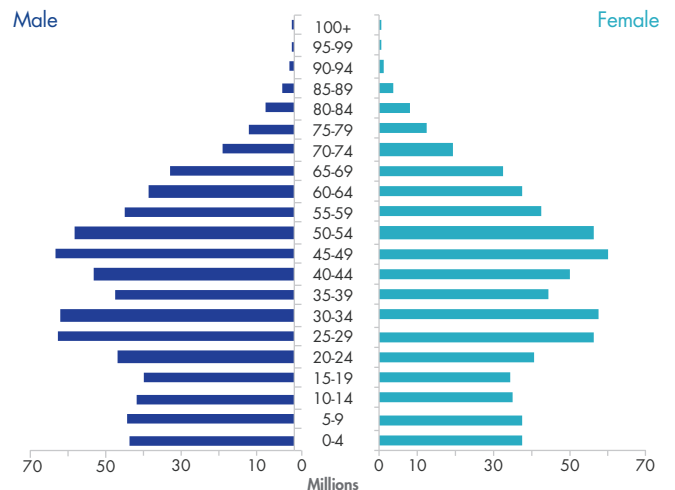
Sources: Credit Suisse, The United Nations "World Population Prospects: The 2017 Revision", CSRI "Emerging Consumer Survey 2017", IMS, Credit Suisse estimates

4. But with more millennials than anywhere else in the world

Generational Shift



Age Group



Source: BCG Analysis CAGR = compound annual growth rate. Source: CIA World Factbook (RHS)

This transformation is fuelling growth in the consumer staples, consumer discretionary, technology and healthcare sectors.

Step into tomorrow's prosperity today

The difficulty for Australian investors wanting to invest in this growth opportunity is gaining access. Many of the Chinese companies in the New Economy aren't available via other countries' exchanges and only trade on the mainland Shanghai and Shenzhen stock exchanges.

A RQFII licence holder, VanEck can trade these shares and for the first time we are offering Australian investors a way to step into tomorrow's prosperity today via an ETF on ASX.

VanEck China New Economy ETF	
ASX code:	CNEW
ASX commencement:	8 November 2018
Management costs:	0.95% p.a.
Index:	MarketGrader China New Economy Index
Stock number:	120
Bloomberg index ticker:	MGCNEAUN
Weighting methodology:	Equal

MarketGrader China New Economy Index

The MarketGrader China New Economy Index is a smart beta strategy that seeks to follow fundamentally sound companies domiciled and traded in China that belong to the consumer discretionary, consumer staples, healthcare and technology sectors.

The Index seeks to identify the companies in China with 'growth at a reasonable price' (GARP) attributes which are considered drivers of long-term capital appreciation. Companies are selected on the basis of the strength of 24 fundamental indicators across four categories:



Growth



Value



Profit



Cash Flow

This information is prepared in good faith by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck') as the responsible entity and issuer of VanEck China New Economy ETF (the Fund).

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An investment in the Fund is subject to various risks that may have the effect of reducing the value of the Fund, resulting in a loss of capital invested and a lack of income from the Fund. Chinese securities have heightened risks compared to investing in the Australian market. These risks include currency risks from foreign exchange fluctuations, ASX trading time differences, foreign laws and regulations including taxation, potential difficulties in enforcing contractual obligations, changes in government policy, expropriation, economic conditions including international trade barriers, restrictions on foreign ownership, securities trading restrictions, restrictions on repatriation and restrictions on currency conversion. No member of the VanEck group guarantees the repayment of capital, the payment of income, performance, or any particular rate of return from the Fund.

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