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## **VanEck to Launch Australia Floating Rate ETF**

**Sydney, 20 June 2017** – VanEck, a world leading provider of exchange traded products, today announced that it is in the final stages of preparations to launch a new ETF on ASX, the VanEck Vectors Australian Floating Rate ETF. The new ETF will trade on ASX under trading code 'FLOT'.

The new ETF is the only one that will offer investors exposure to a diversified portfolio of Australian floating rate notes (FRNs). FLOT will track the market benchmark for Australian FRNs, the Bloomberg AusBond Credit FRN 0+ Yr Index. The Index includes around 200 Australian-issued FRNs from over 80 issuers. A FRN is a type of short-term bond that pays a variable coupon linked to an interest-rate benchmark, usually the bank bill swap rate (BBSW). FRNs are generally investment grade debt which provide investors with returns above cash and term deposit rates.

**Arian Neiron, Managing Director, VanEck Australia, said,** “We are delighted to shortly be offering a passive FRN option for Australian investors. FLOT is designed to be a potential solution for investors who are seeking a defensive source of income with a higher yield than cash investments in an easy-to-access and easily tradeable ETF.

“The strategy may suit investors such as retirees and self-managed superannuation funds who wish to preserve their capital but diversify out of very low yielding term deposits. Concerns about rising interest rates have prompted many investors to consider moving out of longer-term bonds where duration risk, or the risk that bond prices will fall if interest rates rise, is greater,” Neiron said. “In contrast, returns on FRN coupons are designed to rise with short-term interest rates, which will benefit investors, while their capital stays relatively intact.

“We expect to see strong demand for this ETF, which will give broad exposure to investment grade quality short-term bonds for a very low management cost.”

Fund	ASX code	Features	Management Cost
VanEck Vectors Australian Floating Rate ETF	FLOT	<ul style="list-style-type: none"> <li>• Invests in a portfolio of Australian FRNs</li> <li>• Minimum investment grade credit quality</li> <li>• Tracks an index which includes around 200 Australian-issued FRNs from over 80 issuers</li> <li>• Higher yielding than cash investments</li> <li>• Running yield of 2.74% as at 31 May 2017</li> <li>• Only ETF of its kind in Australia</li> </ul>	0.22% p.a.

**ENDS**

**IMPORTANT NOTICE:** 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 Vectors Australian Floating Rate ETF ARSN 617 941 241 [FLOT]. Units in FLOT are not currently available. FLOT has been registered by ASIC and VanEck has lodged an application with ASX for FLOT to be admitted to trading status on ASX.

This information is general in nature and not financial advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision investors should read the product disclosure statement and with the assistance of a financial adviser consider if it is appropriate for their circumstances. A copy of the PDS is expected to be available from the commencement of the prescribed exposure period on 20 June 2017 at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37. The PDS is subject to review by ASIC and therefore subject to change.

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