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VanEck's China A-shares ETF provides most effective access to China A-shares market

Sydney, 28 July 2016 – After the decision today to wind up AMP's China Growth Fund (AGF) VanEck's China A-shares ETF (ASX: CETF) is the most effective way for Australian investors to access a diversified portfolio of the most traded A-shares companies in China.

Arian Neiron, Managing Director, VanEck Australia, said, "The decision today to wind up AMP's China Growth Fund (AGF) has left Australian investors with even fewer options to directly access China's A-shares market. China represents the second largest equity market in the world after the US and many of China's most important companies can only be accessed through A-shares," Mr Neiron said.

"VanEck's partnership with China Asset Management Company (ChinaAMC), one of the leading asset managers in China, gives us a unique opportunity to offer investors direct exposure to A-shares via our China A-shares ETF," he said.

CETF tracks China's CSI 300 Index which represents the largest and most liquid shares listed on mainland China's two stock exchanges, Shanghai and Shenzhen. CETF was first listed on the ASX last year and enables Australian investors to access a diversified portfolio of 300 China A-shares in a single trade on ASX.

"At present, China A-shares are significantly underrepresented in institutional portfolios relative to the size of the Chinese economy. Institutional investors often construct their portfolios similar to recognised indices. If index companies decide to add China A-shares to their indices in the future, it is likely that demand for China A-shares will increase significantly," he said.

The widely regarded benefits of ETFs are that they trade close to NAV with a dedicated market maker offering liquidity and volume, as well as transparency of holdings. More details about CETF are outlined below:

ASX code	Features	Management Fee
CETF	<ul style="list-style-type: none">Seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the CSI 300 Index, which comprises the 300 largest and most liquid stocks in the Chinese A-share marketIndex provider is China Securities Index Co., Ltd (CSI).Index eligibility is determined by ranking all companies by average daily trading volume and removing the bottom 50%; the companies remaining are then ranked by weighted average market capitalisation and the top 300 selectedThe fund is domiciled in the US and is unhedged	0.72% p.a.

	<ul style="list-style-type: none"> • All the benefits of ETFs including: <ul style="list-style-type: none"> - Simple trading on the ASX - Liquid - Transparent daily holdings - Cost effective - Trades at prices close to NAV • Top 5 companies by weighting (at 30/6/16): Ping An Insurance (4.07%); China Minsheng Banking Corp (2.47%); Industrial Bank (2.38%); China Merchants Bank (2.11%); and China Vanke (2.11%) • Sector breakdown (at 30/6/16): Financials (41.9%); Industrials (14.6%); Consumer Discretionary (10.4%); Information Technology (6.7%); Consumer Staples (6.1%); Materials (5.8%); Health care (5.6%); Utilities (4.1%); Energy (2.4%); Telecommunication Services (0.6%) 	
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With offices in key financial centres and regions including New York, Sydney, Shanghai, Frankfurt, Madrid and Zurich, VanEck offers investors broad investment reach with deep experience.

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