



Access the opportunities.

Media Contacts

Nicki Bourlioufas
Director, Spot On Content & PR
nicki@spotoncpr.com
+61 411 786 933

Brad Livingstone-Foggo
Head of Marketing
bfoggo@vaneck.com
+61 2 8038 3321
+61 422 794 035

China New Economy ETF to launch on ASX in an Australian first

Sydney, 24 October 2018 – The VanEck Vectors China New Economy ETF will list on the Australian Securities Exchange (ASX) with the trading code 'CNEW' in November. CNEW will be an Australian first and enable Australian investors to access a diversified portfolio of profitable and fast growing China A-shares via a single trade on the ASX.

VanEck is one of a select few Australian asset managers to be granted an exclusive Renminbi Qualified Foreign Institutional Investor (RQFII) licence, which enables it to invest in China-A shares directly, independent of Stock Connect. The RQFII program was established in 2011 by the Chinese government to allow select foreign institutions to invest directly in Mainland China's equity and bond markets.

CNEW will be the first Australian ETF of its kind and will track the CSI MarketGrader China New Economy Index, which is a smart beta strategy that targets the most fundamentally sound Chinese companies from the consumer discretionary, consumer staples, healthcare and technology sectors.¹ The Index selects only China A-shares based on 24 fundamental indicators across four analytical categories: growth; value; profitability; and cash flow.

Arian Neiron, VanEck Managing Director and Head of Asia Pacific, said: "China's economy is undergoing a profound transformation. Company profits and growth are being fuelled by the consumer staples, consumer discretionary, technology and healthcare sectors, which comprise the 'New Economy'," said Neiron.

"Traditionally, Chinese economic growth has come from agriculture, manufacturing, property and finance. Now, several factors are transforming the economy. China's middle class and its affluent youth are emerging as a huge spending force and e-commerce has skyrocketed. The aging population is leading growth in healthcare and pharmaceutical consumption while the high rate of adoption of technology is driving exponential growth in the technology sector.

¹ Sector classification is based on CSI's 1st level sector classification



Access the opportunities.

“All of these factors are spurring on the growth in healthcare, consumer staples, consumer discretionary and the technology sectors in China, creating the ‘New Economy’,” said Neiron.

“Our RQFII licence gives us the ability to directly invest in China A-shares and gain a broader exposure to the Chinese economy and we are one of only a few local fund managers that can do this. CNEW is an Australian ETF industry first and with one trade on ASX, investors can access companies driving growth in China’s New Economy,” said Neiron.

“Holdings in CNEW include companies with very high return on equity (ROE), including liquor maker Kweichow Moutai, with a ROE of 33.8% and total debt to total capital of just 12.2%.² Another is Xiamen Kingdomway, which develops, manufactures and distributes nutrition enhancers and bio-medical products, with a ROE of 18.4% and total debt to total capital of just 18.4%³,” said Neiron.

“This is an important market for investors. China A-shares are represented on mainland China’s two main stock exchanges, the Shanghai and Shenzhen exchanges. Combined, those exchanges form the second largest share market in the world after the US. Now, retail investors can tap into the economic boom we are seeing in China and diversify their portfolios into profitable, fast growing and financially sound Chinese companies,” said Neiron.

Fund	ASX code	Features	Management Costs
	CNEW	<ul style="list-style-type: none">Tracks the CSI MarketGrader China New Economy Indexon four factors:<ul style="list-style-type: none">growthvalueprofitability, andcash flowAll the benefits of ETFs including:<ul style="list-style-type: none">Simple trading on the ASXLiquidTransparent daily holdingsCost effective	0.95% p.a.

General information only

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 China New Economy ETF (the Fund). Units in the Fund are not currently available. The Fund has been registered by ASIC and VanEck has lodged an application with ASX for units in the Fund to be admitted to trading status on ASX under the code ‘CNEW’.

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 not yet available. The PDS will be lodged with ASIC OFFER list in coming weeks and will be available after the end of the exposure period at www.vaneck.com.au or by calling 1300 68 38 37.

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

² Factset, Morningstar, 7 August 2018.

³ Factset, Morningstar, 7 August 2018.



Access the opportunities.

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.

The Fund tracks the CSI MarketGrader China New Economy Index. "MarketGrader" And "CSI MarketGrader China New Economy Index" are trademarks of MarketGrader.com Corporation. MarketGrader does not sponsor, endorse, sell or promote the Fund and makes no representation regarding the advisability of investing in the Fund. The inclusion of a particular security in the Index does not reflect in any way an opinion of MarketGrader or its affiliates with respect to the investment merits of such security.

About VanEck

Founded in 1955, VanEck was among the first asset managers helping investors achieve greater diversification through global investing. Today we are recognised for being a pioneer in global markets and for drawing on our experience to offer innovative solutions. We offer these solutions to individual investors and institutions, including endowments, foundations, pension plans and private banks.

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.

Further information about VanEck is available at vaneck.com and vaneck.com.au