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VanEck welcomes MSCI's decision to include China A-shares in EM Index

Sydney, 21 June 2017 – VanEck welcomes the decision today by MSCI to add 222 China A Large Cap stocks, representing on a pro forma basis approximately 0.73% of the weight of the MSCI Emerging Markets Index at a 5% partial Inclusion Factor.

Arian Neiron, Managing Director, VanEck Australia, said, “The announcement today by MSCI is a game changer for international investors and their need for China A-shares. The Shanghai and Shenzhen exchanges combined are the second largest share market in the world after the US, yet China currently only represents between 1 and 2 per cent of global stock indices,” Mr Neiron said.

“China A-shares are generally under-represented in worldwide indices and institutional portfolios. Once China A-shares are included in the MSCI Emerging Markets Index it is likely that other global fund managers, including superannuation funds and insurers, will also add China A-shares to their portfolios. This would mean hundreds of millions of dollars instantly mandated into China.

“Investors are able to capitalise on this event early by investing in China A-shares now. VanEck’s partnership with China Asset Management Company (ChinaAMC) has enabled it to be the only Australian ETF issuer to make a portfolio of A-shares available to investors using a single trade on ASX. [VanEck Vectors ChinaAMC CSI 300 ETF](#) (ASX: 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,” Mr Neiron said.

CETF was first listed on the ASX in 2015 and enables Australian investors to access a diversified portfolio of 300 China A-shares in a single trade on ASX.

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 market.Index provider is China Securities Index Co., Ltd (CSI).Index eligibility is determined firstly based on liquidity by ranking all companies by average daily trading volume and removing the bottom 50%; then the companies remaining are then ranked by weighted average market capitalisation and the top 300 selected.The fund is domiciled in the US and is unhedged.	0.72% p.a.

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