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VanEck’s Australian Resources ETF receives rating upgrade

Sydney, 08 September 2016 – VanEck today announced that Lonsec has upgraded its rating to ‘Recommended ^{Index}’ for its Australian Resources ETF (ASX code: MVR). The rating indicates that Lonsec has strong conviction that the ETF can generate risk adjusted returns in line with relevant objectives.

Lonsec has maintained ‘Recommended ^{Index}’ ratings for VanEck Vectors Australian Equal Weight ETF (MVW); VanEck Vectors Australian Property ETF (MVA) and VanEck Vectors Australian Banks ETF (MVB).

Arian Neiron, Managing Director VanEck Australia, said: “We are delighted to receive a ‘Recommended ^{Index}’ rating for MVR which provides investors with diversified exposure to Australian resources companies. A number of Australian resources companies have outperformed this year and as a result of MVR’s diversified approach, the ETF has returned 14.33% p.a. over the past 12 months and 22.17% over the past 6 months,” Mr Neiron said.

“MVR is a smart beta ETF which tracks the MVIS Australia Energy & Mining Index providing investors with exposure to the largest and most liquid ASX-listed companies from the Australian resources sector. The index employs a unique rules-based capping methodology allocating a maximum weighting of 8% to individual stocks removing the large capitalisation biases to companies such as BHP and Rio Tinto which dominate traditional market capitalisation indices,” Mr Neiron said.

Lonsec confirmed MVR’s “underlying index differs from the more widely used Australian equity resources indices primarily from its use of the capping factors, which are designed to improve diversification and prevent large companies from dominating the index. Lonsec believes the cap-weighted methodology of the underlying index potentially assists in reducing stock concentration risk.”

Mr Neiron said, “We have seen strong demand across our ETF range from investors seeking outperformance, income and capital growth. MVW, for example, has returned 19.03% p.a. over the past 12 months outperforming the S&P/ASX 200 Index by 9.63%, demonstrating that an equal weight approach to investing in Australian equities can significantly outperform compared to market capitalisation approaches.”

VanEck is one of the world’s largest ETF providers and in Australia it is a leading provider of smart beta ETFs. VanEck now has 12 ETFs listed on the ASX offering diverse exposures to a range of asset classes.

Fund	ASX code	Features	Management Cost
VanEck Vectors Australian Resources ETF	MVR	<ul style="list-style-type: none"> Based on the MVIS Australia Energy & Mining Index which tracks the largest and most liquid ASX-listed companies that generate at least 50% of their revenue or assets from the Australian resources sector. The index employs a unique cap-weighted methodology removing the large capitalisation biases to BHP and Rio Tinto inherent in traditional Australian based indices by capping the maximum weighting to individual stocks at 8%. A minimum of 20 companies are tracked ensuring diversity. 	0.35% 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 effectiveness 	
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***All performance is at 31 August 2016. Source Morningstar.**

General information only

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The MVIS Australia Energy & Mining Index is the exclusive property of MV Index Solutions GmbH based in Frankfurt, Germany ('MVIS'). MVIS makes no representation regarding the advisability of investing in MVR. MVIS has contracted with Solactive AG to maintain and calculate the index. Solactive uses its best efforts to ensure that the index is calculated correctly. Irrespective of its obligations towards MVIS, Solactive has no obligation to point out errors in the index to third parties.

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VanEck is one of the world's largest exchange traded product issuers. In Australia our range of ETFs offer investors intelligently designed investment strategies that take advantage of targeted market opportunities.

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.au

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