

What's Missing from Your China ETF?

PEK[®] VanEck Vectors[™] ChinaAMC CSI 300 ETF

Many stocks listed on China's Shenzhen and Shanghai Stock Exchanges, known as A-shares,* are not listed on other international exchanges. Since much of China's A-Share market is accessible only by domestic Chinese investors and certain institutions, it can be difficult for U.S. investors and other foreign investors to directly invest in local Chinese companies that may be poised to benefit from China's rapidly growing middle class

Examples of locally listed companies

Discrepancies in share prices and NAVs generally result from changing investor sentiment. When investors are nervous, discounts typically appear. When investor sentiment is positive, those discounts tend to narrow or turn to premiums.

- SAIC Motor (China's largest automaker)
- Liaoning Cheng Da (China's largest textiles producer)
- Kweichow Moutai (one of China's most prestigious liquor brands)
- Daqin Railway (China's largest coal transport network)
- Qinghai Salt Lake Industry (China's largest potash producer)

PEK provides significant exposure to China's A-share market

VanEck Vectors ChinaAMC CSI 300 ETF (NYSE Arca: PEK) seeks to track the CSI 300 Index, a market capitalization weighted index consisting of 300 A-share stocks. Exposure to the China A-share market is primarily provided by A-shares physically held by the fund.

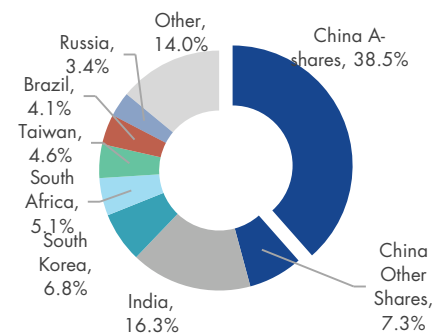
*A-shares are companies incorporated in China that trade on the Shanghai and Shenzhen Stock Exchanges, are quoted in Renminbi (RMB), and are only available to domestic Chinese investors, Qualified Foreign Institutional Investors (QFIs), and RQFIs (the "R" stands for Renminbi). B-shares are companies incorporated in China that trade on the Shanghai and Shenzhen Stock Exchanges, are quoted in foreign currencies (Shanghai: USD; Shenzhen: HKD), and are available to foreign investors. H-shares are companies incorporated in China that trade on the Hong Kong Stock Exchange. Red Chips are companies incorporated outside of China that trade on the Hong Kong Stock Exchange and are controlled by organizations or enterprises that are owned by the state, provinces, or municipalities of the People's Republic of China (PRC). P Chips are companies incorporated outside of China that trade on the Hong Kong Stock Exchange and satisfy the following criteria: 1) the company is controlled by PRC individuals, 2) the company derives more than 80% of its revenue from PRC, and 3) the company allocates more than 60% of its assets in PRC.

Did you know...

A-shares represent the largest portion of Chinese and emerging markets

Important companies are missing from many China-focused ETFs

Market Capitalization (\$) of Primary Emerging Markets



Data as of December 31, 2016. Source: Bloomberg, World Federation of Exchanges

What PEK offers

Exposure to A-shares not included in most China-focused, U.S.-listed ETFs

How PEK provides it

PEK tracks the CSI 300 Index, which represents the 300 largest A-shares

Why this helps investors

Broad exposure to the largest portion of China's equity market and domestic consumption

The CSI 300 Index provides coverage of the largest portion of China's equity markets

Index	CSI 300	FTSE China 50	MSCI China	S&P China BMI
Number of Constituents	300	50	150	789
Universe	A-shares	H-shares, Red Chips, P Chips	B-shares, H-shares, Red Chips, and P Chips	All listed Chinese companies available to foreign investors except A-shares
Market Capitalization (USD \$B)	3,378	577	1,045	4,989
% Onshore Market Cap	100%	0.0%	0.0%	~1.7%^

All data as of December 31, 2016. Source: MSCI, FTSE, S&P Dow Jones Indices, FactSet, Bloomberg. "% Onshore Market Cap" refers to the percentage of the index's weight that consists of A-shares or B-shares. ^Estimated using Bloomberg.

Differentiated sector and holding diversification

Index	CSI 300	FTSE China 50	MSCI China	S&P China BMI				
Top 3 Sectors	Financial Services	40.6%	Financial Services	48.6%	Info. Tech.	31.8%	Info. Tech.	27.8%
	Industrials	16.4%	Energy	11.2%	IFinancial Services.	27.0%	IFinancial Services.	25.6%
	Cons. Disc.	11.2%	Telecommunication Services	9.5%	Cons. Disc.	9.2%	Cons. Disc	11.1%
Top 5 Holdings	Ping An Insurance	4.2%	China Construction Bank	9.5%	Tencent	13.3%	Tencent	10.5%
	Industrial Bank	2.3%	Tencent	9.4%	Alibaba	9.4%	Alibaba	7.6%
	China Minsheng Banking	2.3%	China Mobile	8.3%	China Mobile	6.2%	China Construction Bank	5.7%
	China Merchants Bank	2.0%	ICBC	6.6%	China Construction Bank	6.2%	China Mobile	4.6%
	Kweichow Moutai	1.8%	Bank of China	5.2%	Baidu	4.2%	Baidu	3.7%
Top 10 Total Weighting	20.2%	58.4%	53.5%	43.9%				

All data as of December 31, 2016. Source: FTSE, MSCI, S&P Dow Jones Indices, FactSet. Values are approximate.

DEFINITIONS: The CSI 300 Index consists of 300 stocks with the largest market capitalizations and liquidity among A-shares listed on the Shanghai and Shenzhen Stock Exchanges. FTSE China 50 Index includes the largest 50 Chinese stocks (H-shares, Red Chips, and P Chips) listed on the Hong Kong Stock Exchange, ranked by full market capitalization. MSCI China Index seeks to measure the performance of the top 85% of equity securities by market capitalization in the Chinese equity markets. S&P China BMI Index is a benchmark that defines and measures the investable universe of publicly traded companies domiciled in China, but are legally available to foreign investors.

Important Disclosures: Index characteristics are not illustrative of fund characteristics, and actual characteristics of the VanEck Vectors ChinaAMC A-Share ETF ("the Fund") may vary significantly from this data. Indices are unmanaged and are not securities in which investments can be made.

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Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called creation units and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

Risk Considerations: The Fund may gain exposure to the China A-share market by directly investing in China A-shares and investing in swaps that are linked to the performance of China A-shares. An investment in the Fund involves a significant degree of risk, including, but not limited to, the Adviser's and Sub-adviser's ability to manage the Fund, which depends upon the availability of China A-shares and the willingness of swap counterparties to engage in swaps with the Fund linked to the performance of China A-shares. The Fund may invest in swaps and derivatives, which entail certain risks, including limited availability of swaps, counterparty risk, liquidity risk, risk of A-shares and the RQFII system, tax risk (including short-term capital gains and/or ordinary income), and currency risk. The Fund may also invest in shares of other funds and may absorb duplicate levels of fees. Investors should be willing to accept a high degree of volatility and the potential of significant loss.

The Fund is subject to elevated risks associated with investments in securities of Chinese securities, including A-shares, which include risk of the RQFII regime and Stock Connect program, adviser and sub-adviser risk, which include political and economic instability, inflation, confiscatory taxation, nationalization, and expropriation, market volatility, less reliable financial information, differences in accounting, auditing, and financial standards and requirements from those applicable to U.S. issuers, and uncertainty of implementation of existing Chinese law. In addition, the Fund is also subject to liquidity and valuation risks, currency risk, non-diversification risk, and other risks associated with foreign and emerging markets investments.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus and summary prospectus, which contain this and other information, call 800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.

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