

New 'Silk Road' Fund Hopes China's Eurasia Strategy Is A Money Maker



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A road in Tajikistan in Eurasia. These vast land masses of old nomadic tribes are along China's new Silk Road: a massive means to export capital, labor and products to new markets, many of which are not even considered frontier markets yet by the MSCI.

China's new Silk Road has put a whole host of backwater nations in Eurasia on the map. Uzbekistan. Kazakhstan. Even tiny Georgia and Albania are getting in on the act, welcoming Chinese money for building out China's so-called One Belt One Road project, an ambitious government initiative designed to connect high value added manufacturers in China with new markets across the Eurasian landmass and into Europe. And now there's an ETF for that.

New York based investment company KraneShares launched their One Belt One Road (OBOR) fund on Sept. 8. It tracks the MSCI China Infrastructure Exposure Index. The fund is down 0.32% since its launch, but was still in a full cash position as of Sept. 11.



China's OBOR should be called ARLE, as in All Roads Lead to Europe. China's new Silk Road cuts through the Eurasian landmass into Europe. Investors hope Chinese companies will be able to develop new markets there for its goods. Think Lenovos in Kazakhstan and Uzbekistan instead of Dells and Macbooks. (Shutterstock)

“We believe the OBOR initiative is creating a new paradigm in global investing,” Jonathan Krane, KraneShares CEO said in a statement. “The OBOR initiative will receive trillions of dollars of investment over the next decade and should increase the economies and trade of both China and the participating nations.”

The 85 positions they hold at the outset are mostly Chinese, but a few countries along the Silk Road are on the list. Russian oil company Rosneft is the fund's second largest holding. Kazakhstan Gas is also on the list, along with companies from Turkey, Malaysia, Poland and Singapore [to name a few](#).

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