

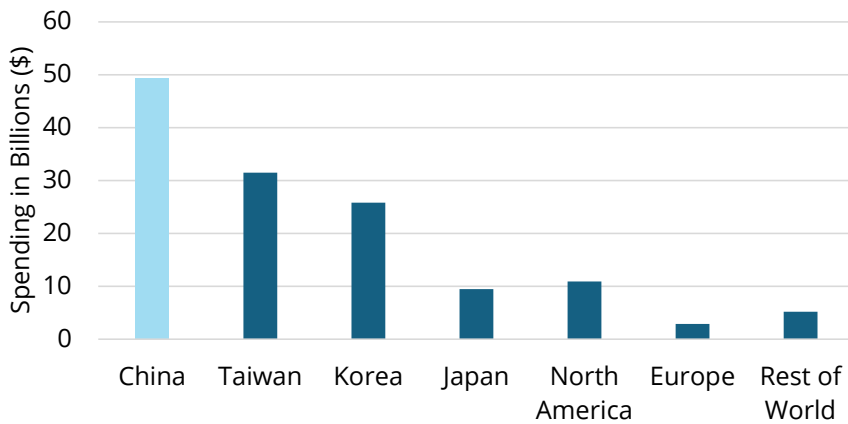
China's Race to the Future

VanEck China Semiconductor ETF

SMHC

China is building its own semiconductor industry. While most of the world's chip exposure sits in a familiar set of US, Taiwanese, and European incumbents, China is constructing a parallel supply chain inside its own borders, spanning chip design, manufacturing, equipment, and advanced packaging. Almost none of these companies appear in a conventional semiconductor allocation or a broad China allocation, which means most investors who think they own semiconductors do not own these companies. Backed by national policy and a captive base of domestic demand, this is a build-out with a long runway ahead of it.

China Became the World's Largest Chip Equipment Spender in 2025



Source: SEMI. Past performance is no guarantee of future results.

US Restrictions Fueled the Build-Out

US export controls accelerated the buildout rather than slowing it. Every major restriction since 2018 has triggered a step-up in China's equipment spending, pushing Chinese fabs and chip designers to source domestically what they can no longer import. China surpassed every other country in semiconductor manufacturing equipment spend in 2025, a leading indicator of where production capacity is headed.

A Captive Customer Base

The build-out is not chasing uncertain demand. Beijing has made chip self-sufficiency a national priority and steers government bodies, state-owned enterprises, and strategic sectors like energy and telecom toward domestic suppliers. That creates a captive order book, a base of guaranteed customers that lets these companies scale before they have to win on global cost or performance. Where export controls are building out the supply side, procurement mandates are underwriting the demand side, so the growth rests on policy commitments at both ends rather than on competing in the open market.

China Is Building Its Own Semiconductor Industry

A Distinct Opportunity Not Captured by Existing Allocations

Sanctioned Companies Are Removed by Design

VanEck China Semiconductor ETF (SMHC) seeks to track as closely as possible, before fees and expenses, the price and yield performance of the MarketVector™ China Semiconductor 25 Index, which is intended to track the performance of 25 of the largest and most liquid Chinese companies in the semiconductor industry.

Fund Details	
Fund Ticker	SMHC
Index Ticker	MVSMHCTR
Inception Date	6/23/2026
Management Fee(%)	0.65
Expense Ratio (%) ¹	0.65

¹Expenses are unitary fees. Van Eck Associates Corporation (the “Adviser”) will pay all expenses of the Fund, except for the fee payment under the investment management agreement, acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses. Notwithstanding the foregoing, the Adviser has agreed to pay the offering costs until at least May 1, 2028.

Total Return (%) as of 3/31/2026		SMHC	MVSMHCTR
3 Mo	NAV	-	-
	Share Price	-	-
1 Yr	NAV	-	-
	Share Price	-	-
3 Yr	NAV	-	-
	Share Price	-	-
5 Yr	NAV	-	-
	Share Price	-	-
10 Yr	NAV	-	-
	Share Price	-	-

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month ended. Periods greater than one year reflect annualized returns.

The “Net Asset Value” (NAV) of a Fund is determined at the close of each business day, and represents the dollar value of one share of the fund. It is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF’s intraday trading value. Investors should not expect to buy or sell shares at NAV.

MarketVector™ China Semiconductor 25 Index intends to track the performance of 25 of the largest and most liquid Chinese companies in the semiconductor industry.

Shares of the Fund are not sponsored, endorsed, sold or promoted by the Index provider. The Index provider makes no representation or warranty, express or implied, to the owners of the Shares of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Shares of the Fund particularly or the ability of the Index to track the performance of its respective securities markets. The Index is determined and composed by the Index provider without regard to the Adviser or the Shares of the Fund. The Index provider has no obligation to take the needs of the Adviser or the owners of the Shares of the Fund into consideration in determining or composing the Index. The Index provider is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Shares of the Fund to be issued or in the determination or calculation of the equation by which the Shares of the Fund are to be converted into cash. The Index provider has no obligation or liability in connection with the administration, marketing or trading of the Shares of the Fund.

An investment in the Fund may be subject to risks which include, among others, risks related to investing in the semiconductor industry, information technology sector, equity securities, depositary receipts, foreign securities, foreign currency, special risk considerations of investing in China issuers, special risk considerations of investing in Chinese-issued A-Shares, Stock Connect, emerging market issuers, PRC tax, medium- and large capitalization companies, cash transactions, market, operational, index tracking, authorized participant concentration, new fund, no guarantee of active trading market, trading issues, passive management, fund shares trading, premium/discount, liquidity of fund shares, non-diversified, index-related concentration, and issuer-specific changes risks, all of which may adversely affect the Fund. Emerging market issuers and foreign securities may be subject to securities markets, political and economic, investment and repatriation restrictions, different rules and regulations, less publicly available financial information, foreign currency and exchange rates, operational and settlement, and corporate and securities laws risks. Medium- and large-capitalization companies may be subject to elevated risks. Investments in Chinese issuers may entail additional risks that include, among others, lack of liquidity and price volatility, currency devaluations and exchange rate fluctuations, intervention by the Chinese government, nationalization or expropriation, limitations on the use of brokers, and trade limitations.

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 contains this and other information, call 800.826.2333 or visit vaneck.com/etfs. Please read the prospectus and summary prospectus carefully before investing.

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