

# Access China's Onshore Bonds

## CBON<sup>®</sup>

VanEck China Bond ETF

### Attractive Diversification

China's onshore bonds provide attractive diversification benefits within a portfolio with low correlation to core asset classes.

#### Low Correlation (9/29/2018 - 9/30/2023)

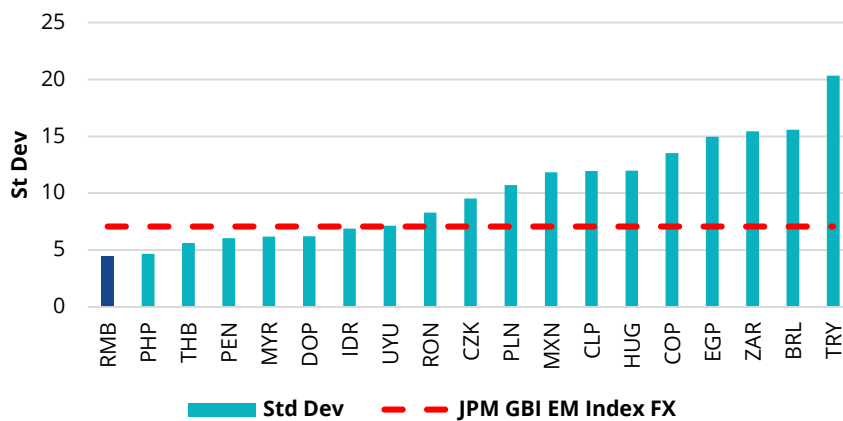
|                        | China Onshore Bond | EM Sovereign (Local) | EM Sovereign (Hard) | US Aggregate | Global Aggregate | China Onshore Equities | US Equities | EM Equities |
|------------------------|--------------------|----------------------|---------------------|--------------|------------------|------------------------|-------------|-------------|
| China Onshore Bond     | 1.00               | --                   | --                  | --           | --               | --                     | --          | --          |
| EM Sovereign (Local)   | 0.55               | 1.00                 | --                  | --           | --               | --                     | --          | --          |
| EM Sovereign (Hard)    | 0.40               | 0.86                 | 1.00                | --           | --               | --                     | --          | --          |
| US Aggregate           | 0.49               | 0.49                 | 0.63                | 1.00         | --               | --                     | --          | --          |
| Global Aggregate       | 0.59               | 0.65                 | 0.72                | 0.95         | 1.00             | --                     | --          | --          |
| China Onshore Equities | 0.63               | 0.55                 | 0.48                | 0.40         | 0.49             | 1.00                   | --          | --          |
| US Equities            | 0.34               | 0.64                 | 0.71                | 0.40         | 0.51             | 0.43                   | 1.00        | --          |
| EM Equities            | 0.59               | 0.84                 | 0.77                | 0.44         | 0.58             | 0.75                   | 0.74        | 1.00        |

Source: Factset.

### Stable Currency vs. EMFX

China's local currency (RMB) has shown significant low volatility compared with other emerging market foreign currencies<sup>2</sup>.

#### 10 Year Low Currency Volatility



Source: J.P. Morgan as of 9/30/2023. The standard deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance.

### Why CBON?

Access to the world's second largest bond market

High credit quality, including corporate issuers rated AAA by local rating agencies

Low correlation to other asset classes\*

\*Source: FactSet and ICE Data Indices, LLC.

Source: J.P. Morgan Index Research and Morningstar.

<sup>1</sup> The correlation is represented by monthly index return standard deviation. China Onshore Bond: ChinaBond China High Quality Bond Index; EM Sovereign (Local): J.P. Morgan Government Bond Index- Emerging Markets Global Core Index; EM Sovereign (Hard): J.P. Morgan Emerging Markets Bond Global Diversified Index; EM Corporate (Hard): J.P. Morgan CEMBI Diversified Index; US Bond: ICE BofA US Broad Market; Global Bond: ICE BofA Global Broad Market; US Equities: S&P 500 TR; EM Equities: MSCI EM Index.

<sup>2</sup> As represented by JP Morgan GBI-EM Index FX return. Currency Volatility is represented by 10-year annualized standard deviation of USD/country currency FX spot rate daily percentage changes.

**Past performance does not guarantee future results. Index performance is not indicative of Fund performance. Indices are not securities in which investments can be made.**

**VanEck China Bond ETF** seeks to replicate, as closely as possible, before fees and expenses, the price and yield performance of the **ChinaBond China High Quality Bond Index (CHQU01TR)**. The index is comprised of fixed-rate, Renminbi (“RMB”)–denominated bonds issued in the People’s Republic of China by China credit, governmental and quasi-governmental (e.g. policy banks) issuers.

| Fund Details             | CBON |
|--------------------------|------|
| 30-Day SEC Yield (%)     | 2.16 |
| Gross Expense Ratio (%)* | 0.51 |
| Net Expense Ratio (%)*   | 0.51 |

\*Expenses are capped contractually at 0.50% until September 1, 2023. Expense caps exclude acquire fund fees and expenses, interest expense, trading expenses, taxes and extraordinary expenses. Expense ratio as of the most recent prospectus. Please see the Fund’s prospectus for more details information on expenses.

| Total Return (%) as of 9/30/2023 |             | CBON  | CHQU01TR** |
|----------------------------------|-------------|-------|------------|
| YTD*                             | NAV         | -2.04 | -1.84      |
|                                  | Share Price | -0.93 |            |
| 1 Yr                             | NAV         | 0.76  | 0.84       |
|                                  | Share Price | 0.62  |            |
| 3 Yr                             | NAV         | 1.20  | 1.79       |
|                                  | Share Price | 0.57  |            |
| 5 Yr                             | NAV         | 2.55  | 3.25       |
|                                  | Share Price | 2.43  |            |
| 10 Yr                            | NAV         | --    | --         |
|                                  | Share Price | --    |            |
| Since Fund Inception 11/10/2014  | NAV         | 1.47  | 2.28       |
|                                  | Share Price | 1.37  |            |

\*Returns less than one year are not annualized.

**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](http://vaneck.com) for performance current to the most recent month ended.**

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.

\*\*As of October 31, 2018, index data for the ChinaBond China High Quality Bond Index (the “Index”) for all periods presented reflect the CHQU01TR stream of the Index which is denominated in USD and converted by the index provider using the “offshore” Renminbi (CNH) exchange rate. Returns reflect temporary contractual fee waivers and/or expense reimbursements. Had the ETF incurred all expenses and fees, investment returns would have been reduced. Investment returns and ETF share values will fluctuate so that investors’ shares, when redeemed, may be worth more or less than their original cost. ETF returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV.

An investment in the Fund may be subject to risks which include, among others, investing in RMB bonds, RQFII regime, investing via the Bond Connect and the CIBM Direct Access Program, Renminbi currency, Chinese banking industry, PRC tax, sovereign bond, financial, industrials, credit, interest rate, subordinated obligations, foreign securities, emerging market issuers, cash transactions, market, operational, sampling, index tracking, authorized participant concentration, no guarantee of active trading market, trading issues, passive management, fund shares trading, premium/discount risk and liquidity of fund shares, non-diversified and concentration risks, all of which may adversely affect the Fund. Investments in mainland China may be subject to local customs, duties and rights of ownership, which might change at any time should policy makers deem them in China’s best interest. As the Fund invests in securities denominated in Chinese Renminbi, changes in currency exchange rates may negatively impact the Fund’s return. Foreign and emerging markets investments are subject to risks, which include changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, changes in currency exchange rates, unstable governments, and limited trading capacity which may make these investments volatile in price or difficult to trade.

Through the Renminbi Qualified Foreign Institutional Investor (RQFII) program or Qualified Foreign Institutional Investor (QFII) licenses, RMB Bonds are made available to certain foreign investors. The RQFII approves a specific aggregate dollar amount in which the RQFII or QFII can invest in RMB Bonds. The size of the Fund’s direct investment in RMB Bonds will be limited by the size of the RQFII quota, and should this quota be depleted, there is no guarantee more will be granted.

Index performance is not illustrative of VanEck ETF performance. J.P. Morgan GBI-EMG Core Index (Local Currency EM Sovereign) tracks bonds issued by emerging markets governments and denominated in the local currency of the issuer. J.P. Morgan EMBI Global Total Return Index (Hard Currency EM Sovereign) tracks USD-denominated sovereign bonds. ICE BofA US Broad Market Index (US Aggregate) tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, quasi-government, corporate, securitized and collateralized securities. ICE BofA Global Broad Market Index (Global Aggregate) tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities. S&P 500 Index (US Equities) consists of 500 widely held common stocks covering industrial, utility, financial, and transportation sector. MSCI Emerging Markets Equity Index (EM Equities) represents the performance of emerging markets equities. CSI 300 TR Index (China Onshore Equities) is a free-float weighted index that consists of 300 A-share stocks listed on the Shanghai or Shenzhen Stock Exchanges. ICE BofA Developed Markets Sovereign Bond Index tracks the performance of sovereign debt publicly issued and denominated in the issuer’s own domestic currency with a country of risk that is a member of the FX G10, all Western European countries, and territories of the U.S. and Western European countries. ICE BofA China Government Index tracks the performance of CNY denominated sovereign debt publicly issued by the Chinese government. USD/CNY FX Rate is 1 US dollar to Chinese Yuan exchange rate.

China Bond China High Quality Bond Index is compiled and calculated by China Central Depository & Clearing Co., Ltd. All copyright in the China Bond China High Quality Bond Index values and constituent list vests in China Central Depository & Clearing Co., Ltd.

**Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. 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](http://vaneck.com). Please read the prospectus and summary prospectus carefully before investing.**



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