

VanEck Launches SMHX: Targeted Exposure To Fabless Semiconductor Designers

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SMHX targets fabless semiconductor companies that focus on design and R&D rather than manufacturing, and builds on VanEck's suite of thematic equity ETFs, which includes the \$23 billion VanEck Semiconductor ETF (SMH).

Fabless chip companies avoid the high costs of owning manufacturing facilities and can deploy more resources towards innovation, making them well-equipped to adapt to new technologies, market demands, and scaling needs.

NEW YORK, NY (August 28, 2024) – [VanEck](#) is today announcing the newest addition to its suite of thematic equity ETFs: the [VanEck Fabless Semiconductor ETF \(SMHX\)](#), targeting semiconductor companies that design and develop chips but outsource their manufacturing.

Unlike integrated chip manufacturers, fabless companies focus solely on chip design and development and outsource their production. This approach allows them to avoid the high costs of owning manufacturing facilities, allocating resources instead to invest heavily in research & development and respond more quickly to technological advances and changing market dynamics.

SMHX joins a VanEck thematic ETF lineup that already includes the [VanEck Semiconductor ETF \(SMH\)](#), a \$23 billion fund that is designed to provide exposure to the performance of the largest and most liquid companies in the global semiconductor industry, regardless of whether they operate as fabless or integrated organizations.

"The global semiconductor space has been going through a transformational period in recent years, as demand has spiked alongside advancements in generative AI and other fast-moving technologies. Despite recent volatility, there remain a number of tailwinds for the industry, including the CHIPS Act," said Nicholas Frasse, Associate Product Manager with VanEck. "While the Act is primarily aimed at increasing manufacturing capacity in the U.S., it bolsters the ecosystem fabless companies rely on. With their leaner operations and focus on R&D, companies that take a fabless approach are well-positioned to benefit from the enhanced manufacturing incentives, driving further innovation and gaining deployment capabilities. That's why we're very pleased to be making SMHX available to investors alongside SMH and our other thematic offerings."

SMHX seeks to track, before fees and expenses, the performance of the [MarketVector™ US Listed Fabless Semiconductor Index \(MVSMMHX\)](#), which is designed to track the overall performance of fabless companies in the semiconductor industry. To be eligible for inclusion, companies must be pure play in nature, generating at least 50% of their revenues from fabless semiconductor business lines.

"For investors who are more focused on innovation than vertical integration and on R&D spending as opposed to manufacturing, SMHX could be an important part of a diversified equity portfolio. We look forward to further educating all types of investors about the role fabless chip designers are playing in the powerful technological changes of the past few years and the advancements still to come," added Frasse.

VanEck regularly [publishes research and insights](#) around the semiconductor space and other key thematic areas, most recently providing an overview of [fabless semiconductor companies “in the CHIPS Act Era.”](#)

About VanEck

VanEck has a history of looking beyond the financial markets to identify trends that are likely to create impactful investment opportunities. We were one of the first U.S. asset managers to offer investors access to international markets. This set the tone for the firm's drive to identify asset classes and trends – including gold investing in 1968, emerging markets in 1993, and exchange traded funds in 2006 – that subsequently shaped the investment management industry.

Today, VanEck offers active and passive strategies with compelling exposures supported by well-designed investment processes. As of July 31, 2024, VanEck managed approximately \$111 billion in assets, including mutual funds, ETFs and institutional accounts. The firm's capabilities range from core investment opportunities to more specialized exposures to enhance portfolio diversification. Our actively managed strategies are fueled by in-depth, bottom-up research and security selection from portfolio managers with direct experience in the sectors and regions in which they invest. Investability, liquidity, diversity, and transparency are key to the experienced decision-making around market and index selection underlying VanEck's passive strategies.

Since our founding in 1955, putting our clients' interests first, in all market environments, has been at the heart of the firm's mission.

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An investment in the VanEck Semiconductor ETF (SMH) and VanEck Fabless Semiconductor ETF (SMHX) may be subject to risks which include, among others, risks related to investing in the semiconductor industry, special risk considerations of investing in Taiwanese issuers, information technology sector, equity securities, small-, medium and large-capitalization companies, foreign securities, emerging market issuers, foreign currency, depository receipts, issuer-specific changes, market, operational, index tracking, authorized participant concentration, new fund, no guarantee of active trading market, trading issues, passive management, fund shares trading, premium/discount and liquidity of fund shares, non-diversified, and index-related concentration risks, all of which may adversely affect the Fund. Small, medium and large-capitalization companies may be subject to elevated risks. 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.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of a 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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