

REX

September 2026

CHIP

Investment case

The equipment, packaging, and measurement companies essential to chip manufacturing

REX AI Chipmaking ETF

THE AI BUILDOUT

AI Giga Cycle: Fueled by a Short List of Suppliers

Whichever AI chip wins, its factory buys from the same equipment makers.

$720 billion

Record cloud spending

Expected 2026F capital spending by Amazon, Alphabet, Microsoft, and Meta, per Bloomberg consensus[1]

That massive spending flows down the AI supply chain:

Traditionally, most AI-related ETFs focus on the top layers of this supply chain.

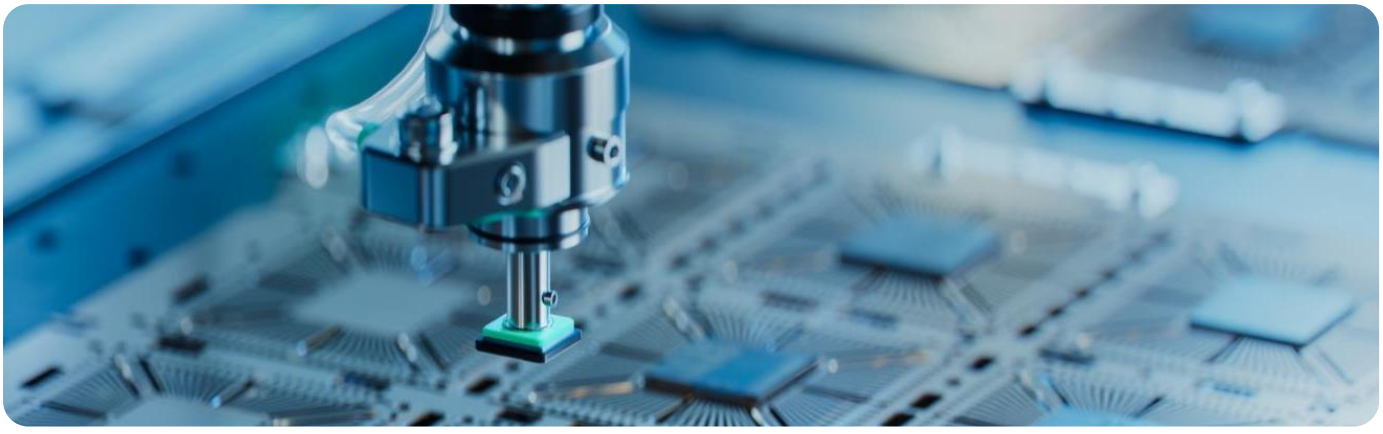
Cloud capital spending
About $720B from four cloud companies, 2026F[1]

Chip designers
NVIDIA, AMD, and in-house AI chips

Chipmakers
TSMC, Samsung, SK hynix, Micron

CHIP: AI Chipmaking ETF → **Equipment makers**
ASML, Applied Materials, KLA, and others

CHIP focuses on the bottom layer: the equipment makers that benefit from rising AI spending, whichever chip designer wins.



WHAT THIS LAYER IS

Three Essential Processes to Chipmaking

CHIP: Machines in the equipment layer do three key jobs

Every chip needs all three steps, and industry forecasts expect each to keep growing through 2028[2].

1 Building chips
Wafer fab and measurement equipment
CAGR 2026F - 2028F **18%**

2 Testing chips
Test equipment
CAGR 2026F - 2028F **17%**

3 Packaging chips
Assembly and packaging equipment
CAGR 2026F - 2028F **13%**



Valuable machines

These are not ordinary machines. They are specialized, expensive, and hard to replace.

COSTLY
About $400 million for the newest chip-printing machines[3]

PRECISE
Built to micrometer precision

LONG-LIVED
Machines operate for years

WHY DEMAND IS RISING

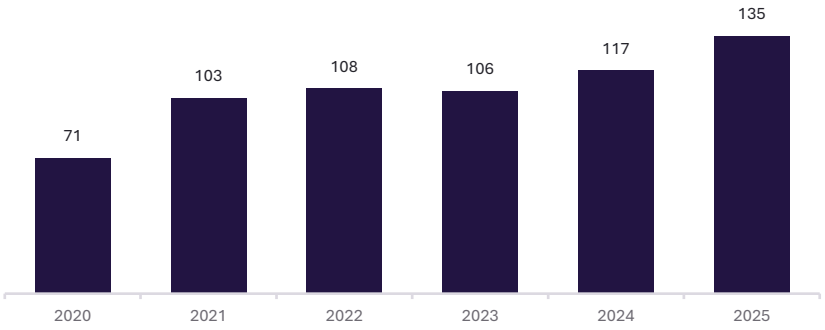
Chipmaking Demand: Record High and Growing

Chipmaking equipment sales rose 15% to a record $135 billion in 2025[4].

AI data centers need chips, and every new chip factory needs a full set of equipment.

Chipmaking equipment sales

$ billions[4]

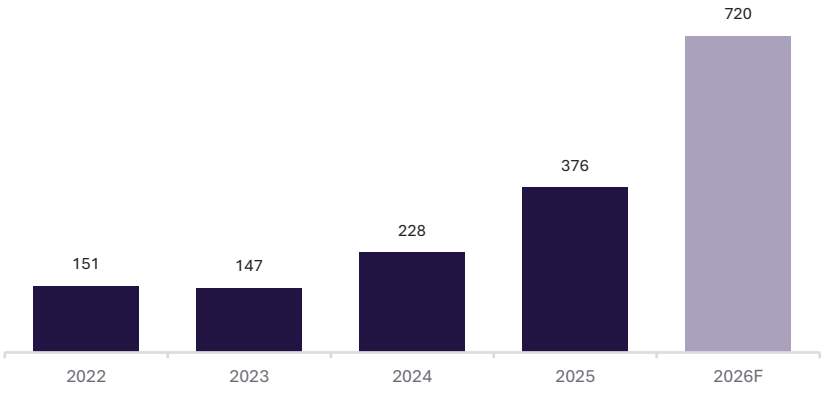


CAGR, 2020-2025: 14%[4] **Total growth: 90%[4]**



Capital spending by four cloud companies

$ billions; 2026F adds second-half forecasts to first-half actuals[1]



35% CAGR

average yearly growth in the four companies' capital spending from 2022 to 2025[1]

As cloud companies build AI data centers, CHIP is designed to track the equipment makers that supply them.

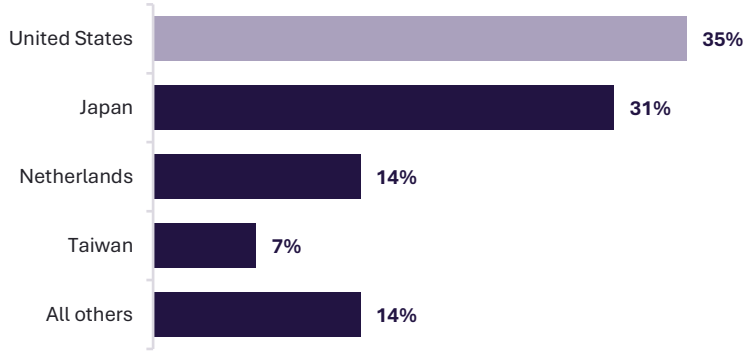
WHAT THE INDEX HOLDS

Most of the Index Is Based Outside the US

Japanese and Dutch companies make up more of the index than US companies do.

Many chipmaking equipment makers, including Tokyo Electron and ASML, are based in Japan and the Netherlands[5]. The index also resets its segment weights each quarter[6].

Where the index is based[5]



65%

International

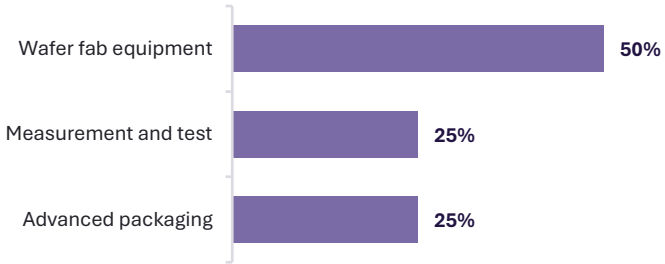
Only about 35% of the index is in US-based companies[5].



Inside the index

1. 36 of its 55 companies are based outside the US[5]
2. Fixed segment weights at each rebalance[6]

Index weight by segment at each rebalance[6]



THE FUND

CHIP Index: Rules-Based Approach

The REX AI Chipmaking ETF (CHIP) seeks to track the VettaFi AI Chipmaking Index, which includes makers of chipmaking and testing equipment, along with advanced packaging specialists[6].

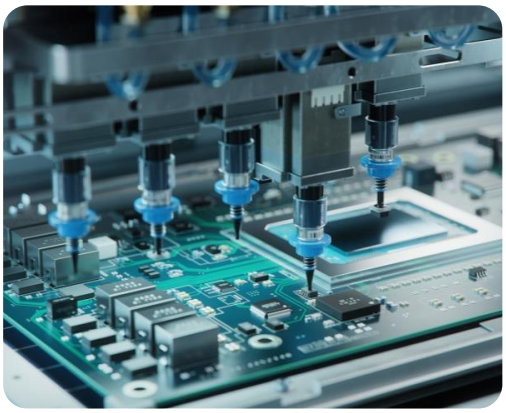
VettaFi AI Chipmaking Index Key Rules:

50% Revenue

To enter the index, more than 50% of revenue must come from wafer fab equipment, measurement and test, or advanced packaging[6].

5% Cap

Each company is capped at 5% at each quarterly rebalance. Weights can drift above the cap between rebalances[6].



Fund facts

Ticker and exchange	**CHIP, Nasdaq**
Inception date	**September 24, 2026**
Expense ratio	**0.65%**
Index	**VettaFi AI Chipmaking Index**

For more information or to view the fund's prospectus, visit rexshares.com/chip

CHIP top 10 holdings (Nov. 18, 2026):

1	**ASE Technology**	Package	**5.33%**
2	**KLA**	Check	**5.33%**
3	**ASML**	Build	**5.29%**
4	**Tokyo Electron**	Build	**5.22%**
5	**ASM International**	Build	**5.12%**
6	**Applied Materials**	Build	**5.09%**
7	**Advantest**	Check	**5.09%**
8	**BE Semiconductor**	Package	**5.02%**
9	**Lam Research**	Build	**4.67%**
10	**DISCO**	Build	**4.55%**

REFERENCES

References and notes

[1] **Bloomberg,** capital expenditure data for Amazon, Alphabet, Microsoft, and Meta, accessed Sept. 10, 2026.

[2] **SEMI,** "Global Semiconductor Equipment Sales Forecast to Reach a Record $229 Billion in 2028," July 14, 2026.

[3] **CNBC,** "TSMC, Samsung to use ASML High NA EUV tools for AI chips," Sept. 8, 2026.

[4] **SEMI,** "SEMI Reports Global Semiconductor Equipment Billings Reached $135 Billion in 2025, Up 15% Year-on-Year," April 7, 2026; 2020 figure from SEMI, "2020 Global Semiconductor Equipment Sales Surge 19% to Industry Record $71.2 Billion, SEMI Reports," April 13, 2021; 2021 to 2024 figures from later SEMI annual releases.

[5] **VettaFi,** VettaFi AI Chipmaking Index fact sheet as of Aug. 31, 2026.

[6] **VettaFi,** "VettaFi AI Chipmaking Index Methodology," Aug. 2026.

[7] **SEMI,** Equipment Market Intelligence page, equipment categories tracked, accessed Nov. 19, 2026.

Notes on data and calculations

Cloud capital spending. Cash purchases of property and equipment for Amazon, Alphabet, Microsoft, and Meta, as compiled by Bloomberg, with Microsoft restated from fiscal to calendar quarters. The 2026F figure combines reported first-half spending with Bloomberg consensus for the second half; consensus is not company guidance. Growth of about 35% a year is the compound annual rate from $151.3 billion in 2022 to $376.1 billion in 2025, (376.1/151.3)^(1/3) minus 1.

Equipment sales. Industry data and forecasts are from SEMI. On page 4, the CAGR of about 14% is (135.1/71.2)^(1/5) minus 1, from 2020 to 2025; total growth of about 90% is 135.1/71.2 minus 1. Page 3 segment rates are compound annual growth from 2026F to 2028F in the same forecast. Wafer fab equipment: 17.9%, from forecast growth of 21.8% in 2027 and 14.1% in 2028, (1.218 × 1.141)^(1/2) minus 1. Test equipment: 16.6%, from $15.3 billion in 2026F to $20.8 billion in 2028F, (20.8/15.3)^(1/2) minus 1. Assembly and packaging equipment: 13.3%, from $6.7 billion to $8.6 billion, (8.6/6.7)^(1/2) minus 1. The forecast has only these three segments, which add to the $165.9 billion 2026F total, and SEMI tracks inspection and measurement as a category separate from test and from assembly and packaging[7], so measurement tools are counted in wafer fab equipment. Forecasts may not be realized.

Index weights. Country weights are from the VettaFi fact sheet as of Aug. 31, 2026, using VettaFi's country classification; the company counts are from the same fact sheet. Segment weights of 50%, 25%, and 25% are the targets the index methodology sets at each quarterly rebalance, and actual weights drift between rebalances. The index's segments differ from SEMI's categories: the index groups measurement companies with test companies. Figures are rounded, and index constituents change over time.

Index and fund. Page 6 shows the fund's ten largest holdings as of Nov. 18, 2026; holdings are subject to change, and current holdings are at rexshares.com/chip. Weights move with prices between quarterly rebalances, so a holding can be above the 5% cap between rebalance dates. Index figures on page 5 are as of Aug. 31, 2026, and index constituents are not fund holdings. The index launched Aug. 21, 2026; any earlier index history is hypothetical, and no performance is shown. The fund began trading on September 24, 2026. It is not possible to invest directly in an index.

Companies and terms. Companies named are industry examples, not recommendations to buy or sell any security. CAGR is compound annual growth rate. F marks a forecast or estimate year.

DISCLOSURES

Important information

Before investing you should carefully consider the Fund's investment objectives, risks, charges, and expenses. This and other information is in the prospectus, a copy of which may be obtained from www.rexshares.com. Please read the prospectus carefully before you invest.

Investing in the Fund involves a high degree of risk. As with any investment, there is a risk that you could lose all or a portion of your investment in the Fund. The Fund began trading on September 24, 2026; it has limited operating history, and no Fund performance is shown. The Fund, Trust, and Adviser are not affiliated with the Fund's underlying securities.

Principal risks

Summarized from the Fund's prospectus, which contains the complete descriptions. Each is a principal risk regardless of the order in which it appears.

Chipmaking Enabling Companies Risk. CECs are companies whose business operations derive more than 50% of their revenues from Wafer Fabrication Equipment, Advanced Packaging, or Metrology. CECs may face significant capital expenditure requirements, intense competition, changing government regulation, customer concentration, pricing pressure, and risk that one or more products or manufacturing processes may become obsolete. CECs may be highly sensitive to semiconductor industry cycles, changes in process-node technology, shifts in capital expenditure budgets of semiconductor manufacturers, and delays or reductions in spending on AI, data center infrastructure, and advanced telecommunications networks. CECs may also be adversely affected by export controls, tariffs, sanctions, trade restrictions, restrictions on sales to particular countries or customers, supply-chain disruptions, shortages of critical inputs, and geopolitical developments, and may depend on a small number of large customers.

AI Industry Risk. Demand for the products and services of the companies in which the Fund invests depends in part on continued growth and adoption of AI technologies. The AI industry is relatively new, rapidly evolving, and subject to intense competition. Any slowdown in AI-related investment or adoption, changes in technological standards, or loss of market confidence could reduce demand for AI-related semiconductor manufacturing capacity and adversely affect the value of the Fund's investments.

Semiconductors and Semiconductor Equipment Industry Risk. These companies face intense competition that may adversely affect profit margins, may have limited product lines, markets, financial resources, or personnel, and may rely on a limited number of suppliers. Their products may face rapid obsolescence, capital equipment expenditures could be substantial, and they are heavily dependent on patent and intellectual property rights.

Concentration Risk. The Fund will be concentrated in an industry or group of industries to the extent the Index is so concentrated, and an adverse development affecting that industry, country, or region may affect the Fund more than a more broadly diversified fund.

Non-Diversification Risk. The Fund is classified as non-diversified and may invest a relatively high percentage of its assets in a limited number of issuers, making it more susceptible to a single adverse economic or regulatory occurrence.

New Fund Risk. The Fund is recently organized and has limited operating history, and there can be no assurance that it will grow to or maintain an economically viable size.

New Index Risk. The Index has limited performance history, and no assurance can be given that the Index methodology will result in the Fund achieving its investment objective.

Index Provider Risk. There is no assurance that the Index Provider will compile, calculate, or disseminate the Index accurately. Losses or costs associated with Index errors generally will be borne by the Fund and its shareholders.

Passive Investment Risk. The Fund is not actively managed, invests in Index securities regardless of investment merit, and generally will not take defensive positions in declining markets.

Non-Correlation Risk. The Fund's return may not match the return of the Index because of operating expenses, transaction costs, and differences between the Fund's holdings and the Index.

Foreign Securities, Currency, and Depositary Receipts Risk. Non-U.S. securities involve different accounting, regulatory, and market practices, less liquid markets, foreign taxes, and political risk. The Fund's net asset value could decline if a currency to which it has exposure depreciates against the U.S. dollar. Depositary receipts may be less liquid than the underlying shares.

Asia, Japan, and Europe Risk. The Fund may have significant exposure to Asian and Japanese issuers and exposure to European issuers, and may be adversely affected by economic, political, trade, and social developments, government intervention, tensions involving China or North Korea, and natural disasters in those regions.

Equity Securities, Large Capitalization, and Volatility Risk. Equity securities may be more volatile than other asset classes. Large capitalization companies may be less able to adapt to changing market conditions. The Fund may invest in securities that fluctuate significantly in price over short periods.

Market and Liquidity Risk. Fund shares could decline in value or underperform other investments because of economic, political, regulatory, or market developments, and some Fund investments may be difficult to sell, particularly in times of market turmoil.

Premium/Discount and Trading Issues Risk. Fund shares trade at market prices that may be above or below net asset value, and there can be no assurance that shares will trade with any volume, or at all. Trading may be halted, and bid/ask spreads may widen in stressed markets.

Authorized Participant and Market Maker Risk. The Fund has a limited number of authorized participants and may rely on a small number of market makers. If they step away, shares may trade at a material discount to net asset value and possibly face delisting.

Costs of Buying and Selling Fund Shares Risk. Brokerage commissions and bid/ask spreads may significantly reduce investment results, particularly for investors who trade frequently or make small investments.

Cyber Security and Operational Risk. The Fund is subject to operational risks, including breaches in cyber security, human error, and failures of service providers or systems.

VettaFi AI Chipmaking Index. A rules-based index of global companies that supply the equipment, packaging, and measurement used to make semiconductors, including chips used in artificial intelligence. A company must derive more than 50% of its revenue from wafer fabrication equipment, advanced packaging, or metrology (measurement and test) and meet minimum size and trading requirements. At each quarterly rebalance, the three segments reset to 50%, 25%, and 25% of the index, and each company is capped at 5%.

The VettaFi AI Chipmaking Index is a service mark of VettaFi LLC and has been licensed for use by REX Shares, LLC and the REX AI Chipmaking ETF. The Fund is not sponsored, endorsed, sold, or promoted by VettaFi LLC, and VettaFi LLC makes no representation regarding the advisability of investing in the Fund. It is not possible to invest directly in an index. Index constituents shown are not fund holdings, and holdings are subject to change. Shares are bought and sold at market price, not net asset value, and are not individually redeemed from the Fund. This material includes forecasts, estimates, and forward-looking statements by third parties that may not be realized; information from third-party sources is believed to be reliable but is not guaranteed. Companies named are industry examples, not recommendations to buy or sell any security. REX Advisers, LLC is the investment adviser to the Fund.

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