Capture Xi's Emphasis on High-Tech Industries with Highly Relevant GX China Theme ETFs

Investors should not base investment decisions on this website alone. Please refer to the Prospectus for details including product features and the risk factors. Investment involves risks. Past performance is not indicative of future performance. There is no guarantee of the repayment of the principal. Investors should note:

- ***Global X G2 Tech ETF*** (the "Fund")'s investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Mirae Asset G2 Tech Index (the "Index").
- The Fund will primarily use a full replication strategy through investing directly in constituent stocks of the Index in substantially the same weightings in which they are included in the Index (the "Replication Strategy").
- Where the adoption of the Replication Strategy is not efficient or practicable or where the Manager considers appropriate in its absolute discretion, the Manager may pursue a representative sampling strategy and hold a representative sample of the constituent securities of the Index selected by the Manager using rule-based quantitative analytical models to derive a portfolio sample (the "Representative Sampling Strategy").
- The Index is a new index. The Index has minimal operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.
- Due to the concentration of the Index in the technology sector, the performance of the Index may be more volatile when compared to other broad-based stock indices. The price volatility of the Fund may be greater than the price volatility of exchange traded funds tracking more broad-based indices.
- The Fund has high exposure to technology themes. The technology business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. All these may have impact on the business and/or profitability of the technology companies that may be invested by the Fund and this may in turn affect the Net Asset Value of the Fund.
- The base currency of the Fund is USD but the trading currencies of the Fund are in HKD and USD. The Net Asset Value of the Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- The borrower may fail to return the securities in a timely manner or at all. The Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Fund's ability in meeting delivery or payment obligations from redemption requests. As part of the securities lending transactions, there is a risk of shortfall of collateral value due to inaccurate pricing of the securities lent or change of value of securities lent. This may cause significant losses to the Fund.
- The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Fund's Net Asset Value.
- Payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Share of the Fund and will reduce the capital available for future investment.
- ***Global X China Global Leaders ETF***'s (the "Fund's") investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Fund may invest in small and/or mid-sized companies. The stock of small-capitalisation and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general. The Fund's investments are concentrated in companies which are either headquartered or incorporated in Mainland China, Hong Kong or Macau. The Fund's value may be more volatile than that of a fund with a more diverse portfolio.
- China is an emerging market. The Fund invests in Chinese companies which may involve increased risks and special considerations not typically associated with investments in more developed markets, such as liquidity risk, currency risks, political risk, legal and taxation risks, and the likelihood of a high degree of volatility.
- The trading price of the Fund's unit (the "Unit") on the Stock Exchange of Hong Kong is driven by market factors such as demand and supply of the Unit. Therefore, the Units may trade at a substantial premium or discount to the Fund's net asset value.
- The Fund's synthetic replication strategy will involve investing up to 50% of its net asset value in financial derivative instruments ("FDIs"), mainly funded total return swap transaction(s) through one or more counterparty(ies). Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund.
- As part of the securities lending transactions, there is a risk of shortfall of collateral value due to inaccurate pricing of the securities lent or change of value of securities lent. This may cause significant losses to the Fund. The borrower may fail to return the securities in a timely manner or at all. The Fund may suffer from a loss or delay when recovering the securities lent out. This may restrict the Fund's ability in meeting delivery or payment obligations from realisation requests.
- ***Global X China Cloud Computing ETF***'s (the "Fund's") investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- Companies in the internet sector may face unpredictable changes in growth rates and competition for the services of qualified personnel. The products and services offered by internet companies generally incorporate complex software, which may contain errors, bugs or vulnerabilities.
- China is an emerging market. The Fund invests in Chinese companies which may involve increased risks and special considerations not typically associated with investments in more developed markets, such as liquidity risk, currency risks, political risk, legal and taxation risks, and the likelihood of a high degree of volatility.
- The trading price of the Fund's unit (the "Unit") on the Stock Exchange of Hong Kong is driven by market factors such as demand and supply of the Unit. Therefore, the Units may trade at a substantial premium or discount to the Fund's net asset value.
- The Fund's synthetic replication strategy will involve investing up to 50% of its net asset value in financial derivative instruments ("FDIs"), mainly funded total return swap transaction(s) through one or more counterparty(ies). Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund.
- As part of the securities lending transactions, there is a risk of shortfall of collateral value due to inaccurate pricing of the securities lent or change of value of securities lent. This may cause significant losses to the Fund. The borrower may fail to return the securities in a timely manner or at all. The Fund may suffer from a loss or delay when recovering the securities lent out. This may restrict the Fund's ability in meeting delivery or payment obligations from realisation requests.
- ***Global X China Electric Vehicle and Battery ETF's*** (the "Fund's") investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- Electric vehicle companies invest heavily in research and development which may not necessarily lead to commercially successful products. In addition, the prospects of Electric vehicle companies may significantly be impacted by technological changes, changing governmental regulations and intense competition from competitors.
- China is an emerging market. The Fund invests in Chinese companies which may involve increased risks and special considerations not typically associated with investments in more developed markets, such as liquidity risk, currency risks, political risk, legal and taxation risks, and the likelihood of a high degree of volatility.
- The trading price of the Fund's unit (the "Unit") on the Stock Exchange of Hong Kong is driven by market factors such as demand and supply of the Unit. Therefore, the Units may trade at a substantial premium or discount to the Fund's net asset value.
- The Fund's synthetic replication strategy will involve investing up to 50% of its net asset value in financial derivative instruments ("FDIs"), mainly funded total return swap transaction(s) through one or more counterparty(ies). Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund.
- As part of the securities lending transactions, there is a risk of shortfall of collateral value due to inaccurate pricing of the securities lent or change of value of securities lent. This may cause significant losses to the Fund. The borrower may fail to return the securities in a timely manner or at all. The Fund may suffer from a loss or delay when recovering the securities lent out. This may restrict the Fund's ability in meeting delivery or payment obligations from realisation requests.

Capture Xi's Emphasis on High-Tech Industries with Highly Relevant GX China Theme ETFs

On 17 Feb 2025, President Xi convened an unusual meeting with leading entrepreneurs mainly from major tech and advanced manufacturing companies.

Several Global X China theme ETFs - China EV & Battery ETF (2845 HK), China Global Leaders (3050 HK), G2 Tech (3402 HK) and China Cloud Computing (2826 HK) - have significant exposure to companies attended the symposiums.

GLOBAL X CHINA THEME ETFS' EXPOSURE TO PARTICIPATING COMPANIES AT XI'S SYMPOSIUM

Source: Mirae Asset, data as of 18 February 2025.

Global X ETF Products	Name of Attendee	No. of Companies in the ETF	Net Asset in the ETF (%)
China Electric Vehicle and Battery (2845)	BYD, CATL	2	42
China Global Leaders (3050)	Alibaba, Xiaomi, BYD, Tencent, CATL, Will Semi	6	41
G2 Tech (3402)	Xiaomi, BYD, Alibaba, Tencent, Meituan	5	30
China Cloud Computing (2826)	Alibaba, Tencent, iFlytek	3	27

Frontier Tech & Advanced Manufacturing in Focus During Xi's Symposium

- **Who attended the meeting?**

  Companies attended are leaders from Internet, AI, Advanced Manufacturing (e.g. EV, batteries, electronics), Consumer and Agriculture, with notable participants including:

  1) Tech & AI: Tencent, Alibaba, Meituan and DeepSeek;

  2) Advanced Manufacturing: Huawei, BYD, CATL, Xiaomi, Will Semi and Unitree;

  3) Consumer & Agriculture: Feihe, Muyuan and New Hope.

  Among the 30+ private companies, representatives from 6 companies delivered speeches: Huawei, BYD, Xiaomi, Will Semi, New Hope and Unitree.

- **Key message delivered during the meeting:**

  Xi urged private sector leaders to maintain their competitive spirit and confidence in China's future. He committed to eliminating unreasonable fees and fines imposed on private firms and emphasized the need to create a fair competitive landscape.

Global X China Theme ETFs Positioned for the Push of China High-Tech Industries

As China's private sector is expected to experience a resurgence, particularly in frontier technology and advanced manufacturing, Global X ETFs are strategically poised to capitalize on this revitalization. We believe **China Electric Vehicle and Battery ETF (2845), China Global Leaders (3050), G2 Tech (3402)** and **China Cloud Computing (2826)** are well positioned to benefit from this trend, offering significant exposure to companies that attended in the symposiums.

China Electric Vehicle and Battery ETF (2845 HK) offers significant exposure to industry leaders such as BYD (23%) and CATL (19%), positioning it well within the rapidly expanding EV market. China Global Leaders ETF (3050 HK) encompasses c.30 leading Chinese brands across critical sectors such as technology and advanced manufacturing. These companies have not only survived intense domestic competition but have also evolved into global frontrunners, reflecting their resilience and innovation. G2 Tech (3402 HK) captures the growth and innovation of leading tech companies from both US and China. China Cloud Computing ETF (2826 HK) focus on China tech and software companies that are direct beneficiaries of the release of DeepSeek and is expected to see substantial growth as the demand for cloud solutions and AI-driven applications escalates.

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Implications of the Meeting and Outlook: Shifting to Supportive Stance

The meeting marks a crucial turning point in the central government's approach to the private sector, signifying a transition from a restrictive to a supportive stance. Following the crackdown in 2021, such as ANT, Didi, and various sectors including education and real estate, the government is now officially pivoting to encourage a vibrant and high-quality private sector. This shift indicates the introduction of measured policy support and the establishment of a more predictable regulatory environment over the next few years.

With a clearer framework in place, private sector leaders are likely to regain confidence, which is essential for fostering investment. As these leaders begin to invest again, the ripple effects on the broader economy in terms of employment and consumption could be substantial as private sectors account 80% of China employment. A revitalized private sector is not just a critical driver for economic recovery; it is also vital for sustaining long-term growth.

Looking ahead, we expect recent tech rally can extend to other industries in China if we see more supportive numbers and policies from upcoming NPC meeting and Two sessions. In this dynamic landscape, Global X ETFs are uniquely positioned to capture the growth opportunities stemming from the revival of China's private sector.

Authors: LIU Zijun (Licensed by the Securities and Futures Commission for Types 1 and 4 regulated activities under the Securities and Futures Ordinance). The author and her associate(s) do not hold the securities/funds mentioned in the article.

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