

2806

For Hong Kong Investors Only

Global X China Consumer Brand ETF



<https://www.globalxetfs.com.hk/>

Important Information

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

- 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.

COM-2024-10-04-HK-RMK_Flyer

Global X China Consumer Brand ETF (2806)

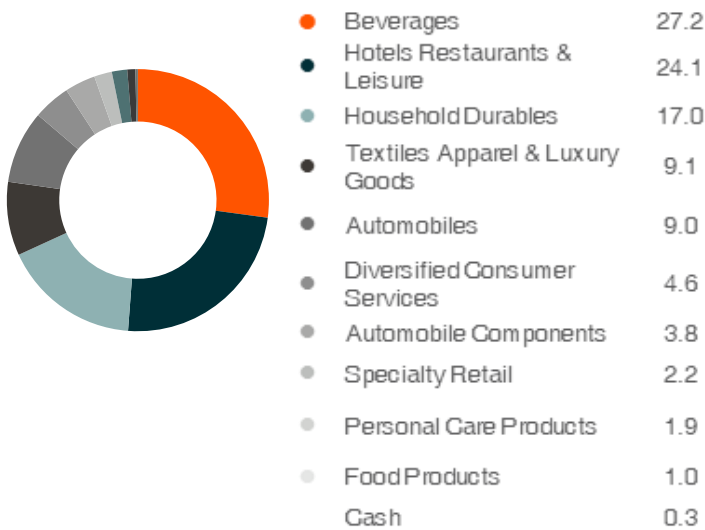


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Investment Case

- **Continued policy support from both central and local government:** The ongoing implementation of consumption stimulus policies—such as consumption vouchers, mortgage rate cuts, and consumer goods trade-in programs—has helped enhance consumer sentiment and boost domestic demand.
- **Attractive valuation:** over the past year, sector valuation is compressed under uncertain macro condition. Even after the recent rebound, the sector is currently trading at around 16x, still way below its 15 year average.
- **Earnings about to stabilize entering 4Q24:** most consumer sectors, especially for staple companies, are expected to stabilize and recover in 4Q24 given the easing comps.

Index Sector Breakdown



Source: FactSet, Mirae Asset, Data as of 30 August 2024

Top 10 Holdings

Ticker	Company Name	Weighting
TCOM US	Trip.Com Group	9.7
000858 C2	Wuliangye Yibin	9.6
000333 C2	Midea Group	9.3
600519 C1	Kweichow Moutai	9.1
LI US	Li Auto	6.8
YUMC US	Yum China	5.9
600690 C1	Haier Smart Home	5.7
2020 HK	Anta Sports	5.6
EDU US	New Oriental Educatio-Sp	4.5
HTHT US	H World Group	4.4

Source: Mirae Asset, 27 Sep 2024

China Consumer Policy Summary

Announced date	Relevant Authorities	Content
7/25/2024	Central government	Consumer goods trade-in program: China will allocate Rmb300bn out of the Rmb1trn long-term special treasury bond quota this year to support consumer goods trade-in and equipment upgrade programs.
From late-August 2024	Local government	Consumer goods trade-in programs: Cities including Beijing, Shanghai and Shenzhen unveiled policy details for equipment upgrades and consumer goods trade-in programs.
9/25/2024	Shanghai Municipal Development & Reform Commission	Consumption vouchers: Shanghai Municipal Development & Reform Commission announced it would issue Rmb500mn vouchers for the public to spend on dining (Rmb360mn), accommodation (Rmb90mn), movie tickets (Rmb30mn) and sports (Rmb20mn). Measures to be deployed in two phases: 1) First round to be available from 28 September through late October with additional dining and cinema vouchers set for release during the National Day holiday 2) Second round will run in November-December focusing on accommodation and sports vouchers to stimulate off-season spending.
9/25/2024	Central government	Cash subsidies for low income groups: China's central government announced one-off cash handouts to people living in extreme poverty before National Day Golden Week. Details of the living subsidies are to be announced.
9/26/2024	Ministry of Agriculture and Rural Affairs and six other ministries	Dairy subsidies and supports: 1) Demand side: encourage capable regions to hand out vouchers together with more advertising to stimulate milk consumption; 2) Supply side: stabilize the capacity of cattle and dairy cows and improve cost efficiency.
9/26/2024	Central government politburo meeting	Guidance on consumption: Combine social welfare and consumption mix upgrade. Cultivate new consumption formats and facilitate stable pricing of food and utilities.
9/29/2024	PBOC and local government	Stimulation policies on property market: On 29 September, PBOC announced it would guide existing mortgage rate cuts in the future. Shenzhen, Guangzhou and Shanghai all released policies to stimulate property markets

Source: Morgan Stanley Research, Sep 2024

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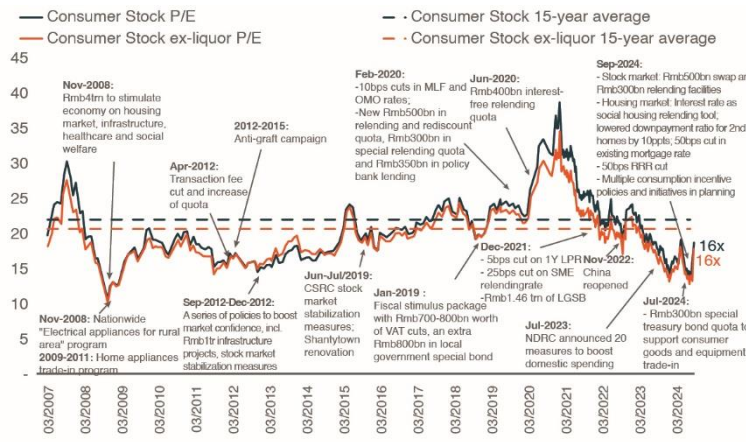


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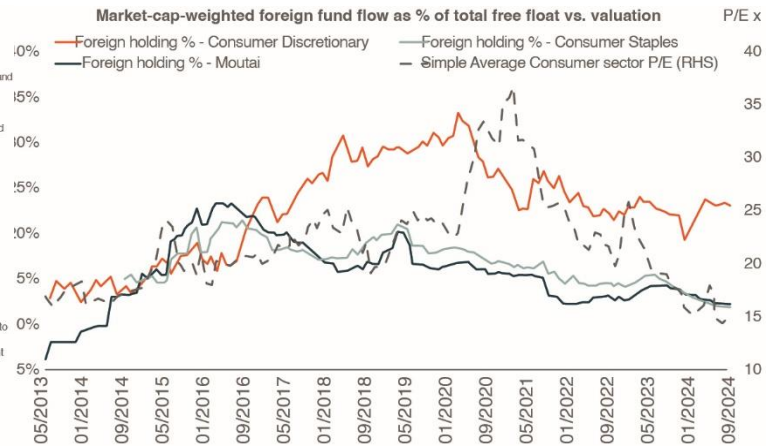
China Consumer Valuation Remain Attractive

Foreign holding of China Consumer Remained Low Position

China Consumer Trading at below 15-year average



Source: Morgan Stanley Research, Sep 2024

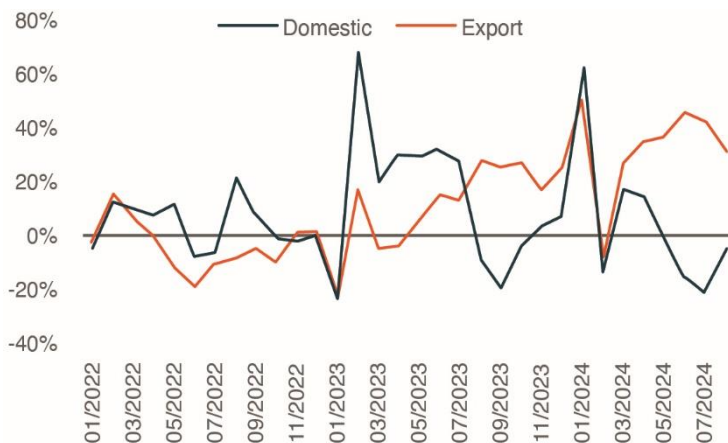


Source: Morgan Stanley Research, Sep 2024

AC shipments both beat on Aug 24 with 'trade-in' subsidies taking effect

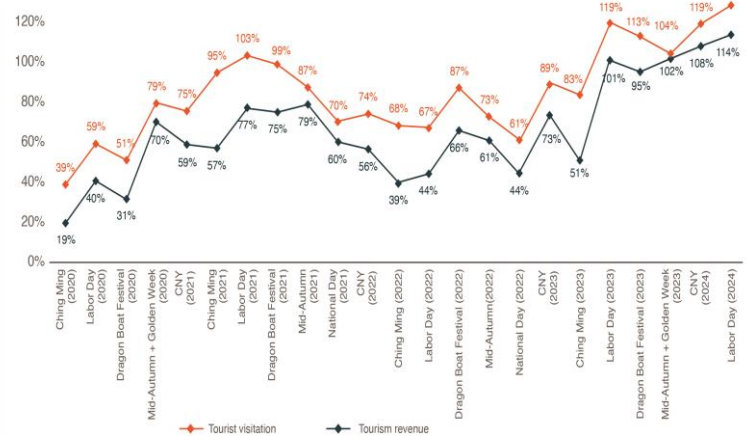
Tourism: Robust Recovery

AC Shipment YoY Growth – Domestic and Exports



Source: UBS, Aug 2024

Domestic Tourism Trips/Revenue Trends vs 2019

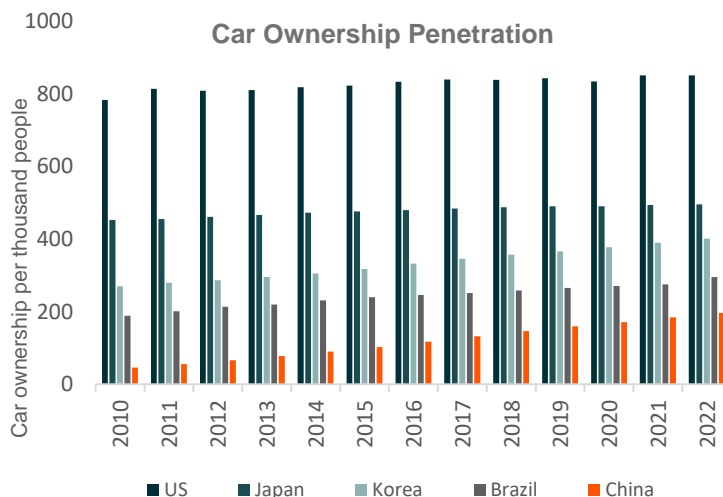


Source: Ministry of Culture and Tourism, Goldman Sachs Global Investment Research, May 2024

China's Auto Penetration Still Have Large Growth Potential

Key Information

Car Ownership Penetration



Source: UBS, Mirae Asset, March 2024

Listing Date	2020.01.17
Ongoing Charges over a Year ¹	0.68%
Exchange	HKEX
Reference Index ²	Solactive China Consumer Brand Index NTR

1. The Fund adopts a single management fee structure, whereby a single flat fee will be paid out of the assets of the Fund to cover all of the costs, fees and expenses of the Fund. The ongoing charges figure is an annualised figure based on the ongoing expenses of the Fund, expressed as a percentage of the Fund's average net asset value over the same period. The figure may vary from year to year. The Fund adopts a single management fee structure, whereby a single flat fee will be paid out of the assets of the Fund to cover all of the costs, fees and expenses of the Fund. The single management fee does not include the fees related to FDIs (including swaps) entered into by the Fund. The ongoing charges of the Fund are fixed at 0.68% of the Fund's net asset value, which is equal to the current rate of the management fee of the Fund. For the avoidance of doubt, any ongoing expenses of the Fund exceeding the ongoing charges of the Fund (i.e. the management fee) shall be borne by the Manager and shall not be charged to the Fund. Please refer to the Key Facts Statement and the Prospectus for further details. 2. The Underlying Index is a net total return, free float market capitalization weighted index. A net total return index reflects the reinvestment of dividends or coupon payments, after deduction of any withholding tax (including any surcharges for special levies, if applicable).

Fund Map

Global X ETFs Hong Kong



A lineup that spans emerging trends and disruptive tech, income, core and commodities ETFs. Or simply put, we strive to offer investors something beyond ordinary.

This document is intended for Hong Kong Investors only.

The following list consists of ETFs traded on the HKD counter (excluding USD and RMB counters). October 2024.

Investing in the Equity ETF(s) may expose to risks (if applicable) including general investment risk, equity market risk, sector/market concentration risk, active / passive investment management risk, tracking error risk, trading risk, risk in investing financial derivative instruments, securities lending risk, distributions paid out of capital or effectively out of capital risk.

Investing in the S&P Crude Oil Futures Enhanced ER ETF may expose to risks (if applicable) including passive investment risk, crude oil market risk, futures contracts risk, risk of material non-correlation with spot/current market price of the West Texas Intermediate crude oil risk, margin risk, trading risk, risk of investing in fixed income securities, tracking error risk, termination risk.

Investing in the USD Money Market Active ETF may expose to risks including general investment risk, active investment management risk, interest rate risk, risks associated with bank deposits, concentration risk, currency risk, trading risk, credit rating risk, downgrading risk, counterparty risk and distributions paid out of capital or effectively out of capital risk.

Investing in the Fixed Income Passive ETF(s) may expose to risks (if applicable) including general investment risk, passive investment management risk, interest rate risk, emerging markets risk, risks associated with PRC inter-bank bond market, Foreign Access Regime and Bond Connect, concentration risk, RMB/USD currency risk, securities lending risk, trading risk, credit rating risk, downgrading risk, counterparty risk, tracking error risk and distributions paid out of capital or effectively out of capital risk.

Investing in the Covered Call Active ETF may expose to risks (if applicable) including active investment management risk, futures contracts risk, margin requirement risk, failure of clearing house risk, concentration risk, securities lending transaction risks, currency risk, distributions paid out of capital or effectively out of capital risk, and trading risks.



THEMATIC GROWTH

CHINA

DISRUPTIVE TECHNOLOGY

2845	Global X China Electric Vehicle and Battery ETF
3191	Global X China Semiconductor ETF
2826	Global X China Cloud Computing ETF
2807	Global X China Robotics and AI ETF

PEOPLE & DEMOGRAPHICS

2820	Global X China Biotech ETF
2841	Global X China MedTech ETF
2806	Global X China Consumer Brand ETF

PHYSICAL ENVIRONMENT

2809	Global X China Clean Energy ETF
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MULTI-THEME

3050	Global X China Global Leaders ETF
2815	Global X China Little Giant ETF

GLOBAL

DISRUPTIVE TECHNOLOGY

3185	Global X FinTech ETF
3139	Global X Electric Vehicle and Battery Active ETF
3006	Global X AI & Innovative Technology Active ETF

ASIA

DISRUPTIVE TECHNOLOGY

3119	Global X Asia Semiconductor ETF
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MULTI-THEME

3150	Global X Japan Global Leaders ETF
3184	Global X India Select Top 10 ETF
3158	Global X K-pop and Culture ETF



COMMODITIES

COMMODITIES

3097	Global X S&P Crude Oil Futures Enhanced ER ETF
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CORE

CORE

3040	Global X MSCI China ETF
2837	Global X Hang Seng TECH ETF
3029	Global X Hang Seng ESG ETF



INCOME

DIVIDEND

3110	Global X Hang Seng High Dividend Yield ETF
3116	Global X Asia Pacific High Dividend Yield ETF
3419	Global X HSI Components Covered Call Active ETF
3416	Global X HSCEI Components Covered Call Active ETF

Dividend is not guaranteed and may be paid out of capital

FIXED INCOME

3059	Global X Bloomberg MSCI Asia Ex Japan Green Bond ETF
3041	Global X FTSE China Policy Bank Bond ETF
3137	Global X USD Money Market ETF
3075	Global X Asia USD Investment Grade Bond ETF
3450	Global X US Treasury 3-5 Year ETF

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