



2837

For Hong Kong Investors Only

# Global X Hang Seng TECH 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 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 Hang Seng TECH ETF (the "Fund")** seeks to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng TECH Index (the "Index").
- The Fund's investments are concentrated in companies with a technology theme. Technology companies are often characterised by relatively higher volatility in price performance. Companies in the technology sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences.
- The Fund's investments are concentrated in securities listed on the Stock Exchange of Hong Kong (the "SEHK") of companies that are active in technology sector may result in greater volatility in the value of the Fund than more diverse portfolios which comprise broad-based global investments. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the technology sector.
- The Index is subject to concentration risk as a result of tracking the performance of securities incorporated in, or with majority of revenue derived from, or with a principal place of business in, the Greater China region. The Fund's NAV is therefore likely to be more volatile than a broad-based 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.
- The trading price of the Fund unit (the "Unit") on the SEHK 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.
- Dividends may be paid from capital or effectively out of capital of the Fund, which may amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment and result in an immediate reduction in the Net Asset Value per Unit of the Fund.

COM-2024-10-04-HK-R-MK\_Flyer

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## Investment Case

- The ETF invests in 30 renowned Chinese internet platforms, consumer tech companies (Smartphone, PC), and other high-tech companies (EV, Semiconductor) that rank among the top choices for global investors seeking opportunities in the Chinese market.
- **Undemanding valuation:** Even after market rally, HS Tech still trades at below historical average valuation. China internet companies still trade at a deep discount to US peers.
- **Improving profitability:** Though revenue and traffic growth entered into mature stage, internet companies are able to deliver decent profit growth through cost optimization and quality-focused growth strategy.
- **Ramping up shareholder returns:** Major internet platforms generate solid free cash flow, and they are proactively returning excess cash to investors through share repurchase and cash dividend.
- Sectors including ecommerce, advertising, EV, and 3C electronics are key beneficiaries of revived consumer sentiments under policy stimulus in China.
- With well-established ecosystem containing large user base and leading technology in place, we see further upside potential for these leading technology companies coming from the rapid development of structural growth themes such as EV and AI in China.

## Sector Allocation: Geared to Consumer Tech



Sector	Weight (%)
Consumer Discretionary	43.7
Communication Services	27.3
Information Technology	24.9
Consumer Staples	3.4
Financials	0.5
Cash	0.2

Source: Mirae Asset, as of 30 Aug 2024

## Top 10 Holding

Company	Weight (%)
Xiaomi Corp.	9.3
Alibaba Group	9.1
Meituan	8.9
Tencent	8.6
JD.com	7.8
Li Auto	6.4
Kuaishou Technology	6.2
Netease	5.2
Lenovo	4.6
Semiconductor Manufacturing International	4.2

Source: Mirae Asset, as of 30 Aug 2024

## Internet: Improving Profitability

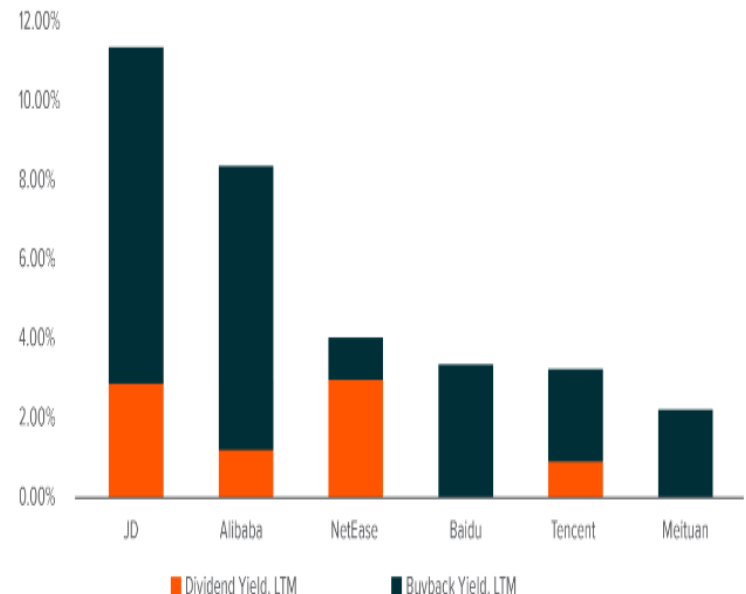
Gross Profit Margin Trend



Source: Company data; August 2024

## Internet: Share Buyback Continued

China Internet – Shareholder Returns



Source: Company data; September 2024

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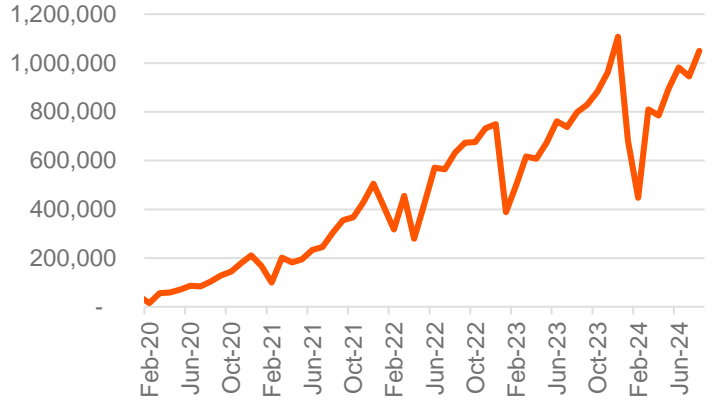
## China's Competence in EV Ecosystem to Nurture New Brand Like Li Auto, Xiaomi, Xpeng



Source: Li Auto, Xiaomi, Xpeng, 5 Apr 2024

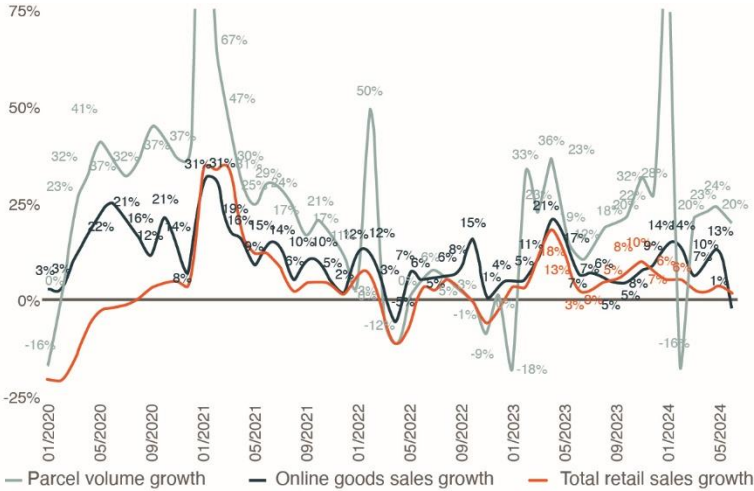
## China's EV Sales Exceeded 1mn in August 2024

China Passenger NEV Wholesale Volume



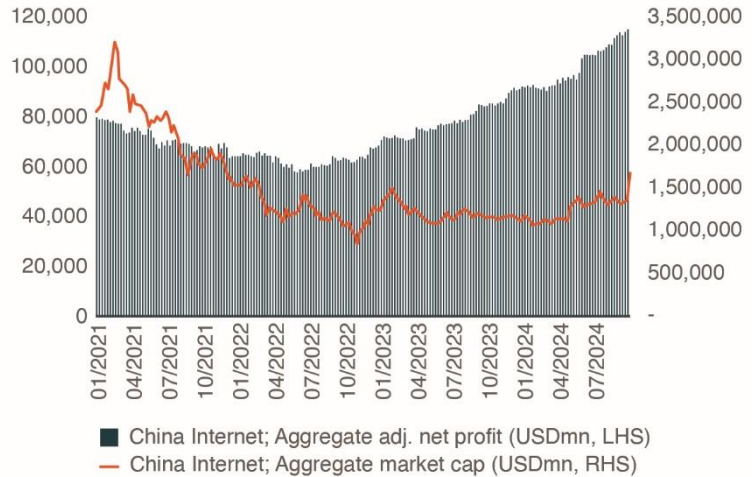
Source: CEVPost, CPCA, September 2024

## Online Sales Recorded Higher Growth than Total Retail Sales This Year



Source: Goldman Sachs, NBS, June 2024

## Earnings Growth For Internet Companies Remains Strong





# 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

#### 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

#### 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



## 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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