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Why Emerging Markets? Why EMC?

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Why Emerging Markets?

— **Dislocation:** Emerging markets (EMs) represent approximately 85% of the world's population, roughly 59-60% of global gross domestic product (GDP), and an estimated 75-80% of global GDP growth, yet EM equities remain underrepresented in global portfolios and benchmark allocations.[1,2,3]

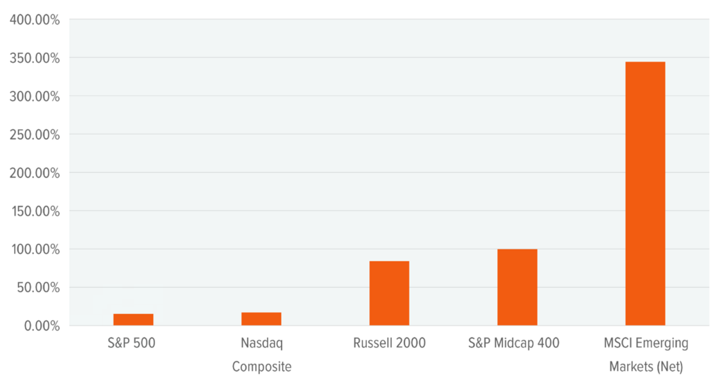
Yet EM equities account for only about 11–12% of global market capitalization in the MSCI ACWI IMI, despite EM-domiciled companies making up more than 35% of the index's constituent count, underscoring their continued underrepresentation in global portfolios and benchmark allocations. [4]

— **Positioning:** After nearly two decades of capital flows favoring U.S. equities, investor positioning toward emerging markets remains subdued relative to history. Global X believes this under-allocation could create opportunities if global growth differentials continue to widen and capital begins rotating internationally.[5,6]

— **Currency Hedge:** Historically, periods of U.S. dollar weakness have coincided with stronger relative performance for emerging markets. A softer U.S. dollar can reduce the local-currency burden of USD-denominated debt, improve global liquidity conditions, and support commodity-exporting economies. Global X analysis of Bloomberg data found that EM equities historically rose approximately 2% for every 1% decline in the U.S. Dollar Index (DXY).[7]

— **Diversification:** Emerging markets can provide differentiated sector, country, demographic, and economic exposures relative to developed markets[8]

10 YEAR CUMULATIVE INDEX TOTAL RETURNS (JANUARY 1, 2001 TO DECEMBER 31, 2010)
Sources: Global X ETFs with information derived from: Bloomberg LP. Data Accessed June 2026.



Index returns are for illustrative purposes only and do not represent actual Fund performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Why EMC?

— **The Opportunity:** Most Americans know the story of the baby boom. After WWII, birthrates in the U.S. surged, and eventually there was a significant expansion of our middle class. The U.S. benefitted from 76.4 million babies born from 1946 through 1964.[9] Global X believes there will be various similar economic patterns across emerging markets.

— **The Strategy:**

- The Global X Emerging Markets Great Consumer ETF's investment strategy is a broad active EM equity strategy focused on finding growth opportunities in domestic consumption stories across emerging markets.
- The fund is expected to consistently remain underweight materials and energy, which could reduce the risk of difficult-to-forecast moves in commodity prices, currencies, and trade rhetoric. All the while, this allows the investment team to focus on structural stories within the universe. We believe this approach could potentially reduce volatility and improve risk-adjusted returns.

— **Expertise:** Global X is a wholly owned subsidiary of Seoul-based Mirae Asset – a pioneer in Asian active asset management. EMC's investment team sits across both Asia and the Americas. The team carries personal, academic, and professional experience across emerging markets.

— **Client Friendly Structure:** EMC offers bottom-up active management with a competitive fee, along with the liquidity and transparency of the ETF structure.

— **Investment Philosophy:** We look for companies that are likely to benefit from both bottom-up and structural tailwinds, with moats helping them stand out from competition, management teams aligned with minority shareholders, and clear near- and long-term catalysts, exhibiting growth at a reasonable price characteristics. At the end of the day, we search for companies that we believe can consistently earn and compound returns above their costs of capital.

— **Investment Process:** A strict investment process based on a quantitative screen, sector specialists' stock analysis, and risk-adjusted portfolio construction.

The Team Behind EMC

EMC is structured with dual PM oversight across New York and Hong Kong for continuous, around-the-clock market coverage. The PM bench pairs a Brazilian manager in New York with Korean-national managers in Hong Kong — direct cultural and market fluency spanning Latin America and Northeast Asia, not just desk-based coverage.

8 investment professionals with over 109 years of combined industry experience.

8 languages across the team: English, Portuguese, Spanish, Korean, Russian, Mandarin, Cantonese, French — reflecting direct native-language and cultural fluency across the fund's key EM regions

Malcolm Dorson (New York) — Senior Portfolio Manager, Global X

Over 20 years industry experience. Brazilian and US citizen, raised in São Paulo. Wharton MBA, Lauder Institute MA in International Studies (Latin America concentration), University of Pennsylvania BA. Personal, academic, and professional experience in Emerging Markets.

Joohee An (Hong Kong) — CIO of Mirae Asset HK

Korean national based in Hong Kong. 21 years industry experience, 20 at Mirae Asset. Business degree, Yonsei University, Seoul.

Related ETF

EMC – Global X Emerging Markets Great Consumer ETF

Click the fund name above to view current performance and holdings.
Holdings are subject to change. Current and future holdings are subject to risk.

FOOTNOTES

1. International Monetary Fund, World Economic Outlook, October 2025, Statistical Appendix (Emerging Market and Developing Economies country classification).
2. International Monetary Fund, World Economic Outlook Database, "GDP based on PPP, share of world," DataMapper, accessed August 2026.
3. Visual Capitalist, "Who's Powering Global Economic Growth in 2026?," January 2026, citing IMF World Economic Outlook projections.
4. MSCI ACWI ETF (ACWI) fact sheet, July 2026; MSCI ACWI IMI Index composition data.
5. Global X analysis of Bloomberg LP and EPFR data as of December 31, 2025.
6. IMF, World Economic Outlook Update, January 2026 forecasts.
7. Global X analysis of 26 years of Bloomberg data for the MSCI Emerging Markets Index (MXEF Index) and U.S. Dollar Index (DXY Index) as of December 31, 2025.
8. New York Times, "The Risk of Avoiding Emerging Markets," December 17, 2021.
9. History.com, "Baby Boomers." HISTORY. Last updated May 28, 2025.

GLOSSARY

MSCI Emerging Markets Index The MSCI Emerging Markets Index seeks to capture large- and mid-cap representation across all 24 emerging market countries.

U.S. Dollar Index (DXY) Measures the value of the U.S. dollar relative to a basket of six foreign currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc. As of April 30, 2024, the index held 1,205 constituents.

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Investing involves risk, including the possible loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic, or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume

EMC is actively managed, which could increase its transaction costs (thereby lowering the fund's performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate. As an actively managed fund, EMC does not seek to replicate a specific index. There can be no guarantee that active management strategies and processes will be successful.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Carefully consider the fund's investment objectives, risks, and charges and expenses before investing. This and other information can be found in the fund's full or summary prospectuses, which may be obtained at globalxetfs.com. Please read the prospectus carefully before investing.

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