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Why India? And Why NDIA?

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Why India?

— **Multiple Potential Growth Catalysts:** We see a strong secular growth story based on (1) attractive demographics, (2) a market-friendly and democratically elected government, (3) supply chain diversification away from China, (4) a fast-growing middle class, and more.

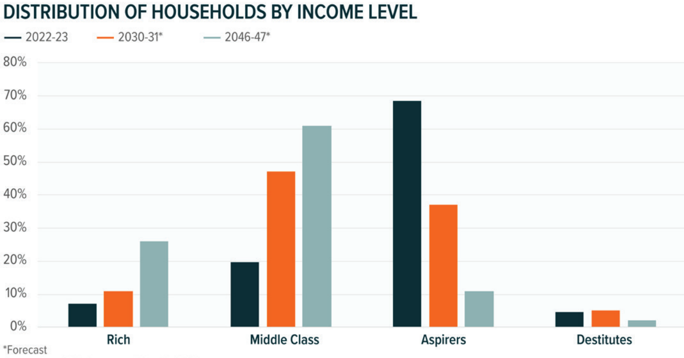
— **India Is the "Anti-EM":** Most emerging markets (EMs) are highly cyclical, commodity-driven, and dependent on exports. India is different: a domestically driven economy, less sensitive to global manufacturing cycles, and a major energy importer rather than exporter. This makes India a strong complement to investors already exposed to cyclical assets. When oil and metals cycles pressure exporters, India has often benefited through lower input costs and stronger consumption. India's beta to EM has fallen to approximately 0.5 from nearly 0.8 in 2018–2020, reflecting improved macro stability and reduced dependence on global capital flows.[1]

— **Best Demographic Dividend Story in the World:** India has the world's largest population and one of the youngest workforces globally, expected to contribute roughly 25% of global working-age population growth over coming decades.[2] Unlike aging developed markets and even China, India still has a long runway of labor force expansion, urbanization, rising incomes, and financialization.

- — Nearly 60% of people are below 35 years old.[3]
- — Youth literacy rate of approximately 99%.[4]
- — India ranked first globally in STEM graduates in 2025.[5]
- — India's Gen Z population of 377 million is expected to represent ~46% of Indian consumer spending—equivalent to $1.8 trillion—by 2035.[6]

— **Demographics Alone Are Not Enough (Governance Matters!):** India's potential advantage comes from combining demographics with increasingly credible governance and macro discipline. Under Prime Minister Modi, reforms around taxation, manufacturing, infrastructure, digitalization, and financial inclusion have improved economic efficiency. Government spending has focused heavily on productive capital expenditure rather than consumption subsidies. The fiscal deficit is targeting 4.3% of GDP in Fiscal Year (FY)2026/27—the lowest since 2020.[7] Inflation remains in the low single digits, and the Reserve Bank of India has maintained a prudent and credible monetary framework.

DISTRIBUTION OF HOUSEHOLDS BY INCOME LEVEL



*Forecast
Source: Price360, Data as of May 15, 2026.

— **Key Structural Reforms:** India's government continues to deliver meaningful structural improvements:

- — UPI (Unified Payments Interface): India accounts for 49% of the world's real-time payment transactions.[8] The Digital India Program (launched 2015) grew "new economy" sectors from approximately 5% to 15% of GDP by March 2024.[9]
- — Aadhaar: The world's largest biometric identity system, covering over 94% of India's population, enabling financial inclusion and access to essential services.[10]
- — Goods and Services Tax (GST): Transformed India's 29 states into a single unified market with consistent tax rates.
- — Corporate Tax Reform: The corporate tax rate was cut from 30% to 22% in 2019.[11] The rate for foreign companies was further reduced from 40% to 35% in 2024.[12]
- — Production Linked Incentive (PLI) Schemes: India's share of global FDI has risen to approximately 3.1% in 2023, versus an average of 1.4% from 1993–2023.[13]
- — Ease of Doing Business: India improved from 142nd in 2014 to 63rd in 2020 in the World Bank rankings.[14]

— **Biggest Beneficiary of Supply Chain Diversification Out of China:** As global companies diversify manufacturing away from China, India has emerged as a primary destination for capital, production, and FDI. FDI inflows rose to USD 73.31 billion in FY2025–26, a ~103% increase from FY2013–14.[15] India has also concluded free trade agreements with the UK, New Zealand, Oman, the EU (covering approximately 99.5% of Indian exports).[16] We are optimistic on the recent deal with the US. India is targeting $2 trillion in exports by 2030.

— **Underpenetrated Market with Long-Term Catch-Up Potential:** Despite similar populations, India significantly lags China across key metrics including car sales, domestic air passengers, internet users, and e-commerce market size.[17] India's mortgage penetration and domestic credit-to-GDP remain well below peers, representing a large runway for financial deepening.[18]

— **Capital Expenditure Driving Structural Growth:** The central government will spend Rs 17.1 trillion on capital expenditure in FY2026/27—the highest outlay ever, representing approximately 22% growth year-over-year and 4.4% of GDP.[19] This productive spending, alongside a declining fiscal deficit, supports both near-term growth and long-term structural development.

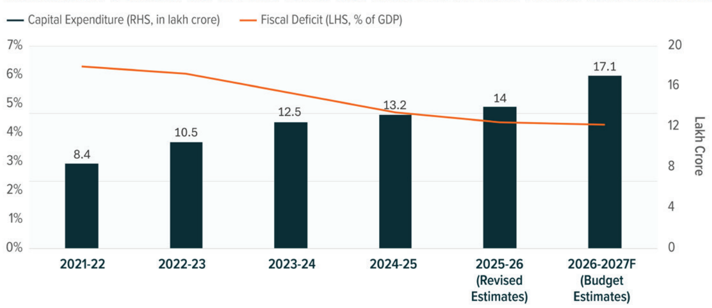
— **A Digital Revolution:** India's tech stack—built on Aadhaar (identity), UPI (payments), and an account aggregator framework (data)—has created unrivaled infrastructure for financial inclusion and digital commerce.[20] India now has the third-largest startup ecosystem globally, with over 123,000 startups and 128 unicorns valued collectively at more than $391 billion.[21] India is expected to have the second-largest base of online shoppers globally by 2030, surpassing 500 million.[22]

— **Attractive Growth Outlook:** India is on track to become the world's third-largest economy by the end of this decade, with GDP expected to surpass $6 trillion by 2030.[23] We believe this could push India's weight in the MSCI Emerging Markets Index above 25% from the current approximately 11.14%.[24]

— **Valuations Reflect Quality, Not Excess:**
India has always screened "expensive" relative to EM peers, but that premium reflects structurally higher growth, higher profitability (measured by ROE), stronger corporate governance, and a lower cost of capital. Importantly, after the recent pullback in the MSCI India Index, India now trades more than one standard deviation below its historical valuation premium despite maintaining superior fundamentals. The current forward P/E of approximately 18.47x[25] reflects better growth versus peers while corporates have also improved returns.

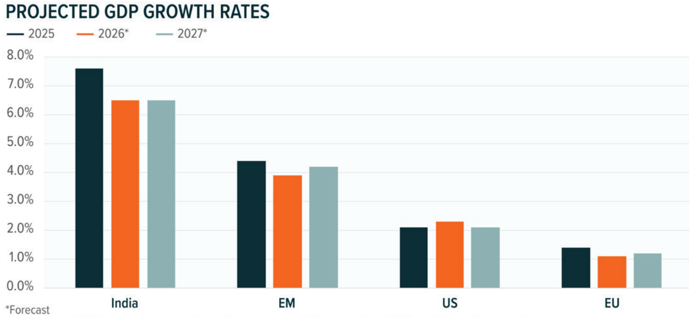
— **Attractive Historical Risk-Adjusted Returns:**
While past performance is not a guarantee of future results, India's benchmark equity index, the Nifty 50, has historically generated robust returns with reduced volatility relative to the Nasdaq 100 and S&P 500.[26]

INCREASING CENTRAL CAPITAL EXPENDITURE WHILE DELIVERING FISCAL CONSOLIDATION



Source: Press Information Bureau, Government of India Union Budget 2026–27 (April 6, 2026). Figures are in lakh crore rupees. In the Indian numbering system, 1 lakh crore equals ₹1 trillion.

PROJECTED GDP GROWTH RATES



*Forecast
Source: Global X ETFs with information derived from: International Monetary Fund (2026 April) World Economic Outlook.

Why NDIA?

The Global X India Active ETF (NDIA) was the first actively managed India ETF listed in the United States, combining New York-based portfolio management with the extensive on-the-ground research capabilities of Mirae Asset in Mumbai.

— **Leadership:** NDIA was the first active India ETF listed in the United States.

— **A Client-Friendly Structure:** Bottom-up active management with a competitive 0.75% expense ratio, offered with the liquidity and transparency of the ETF structure.

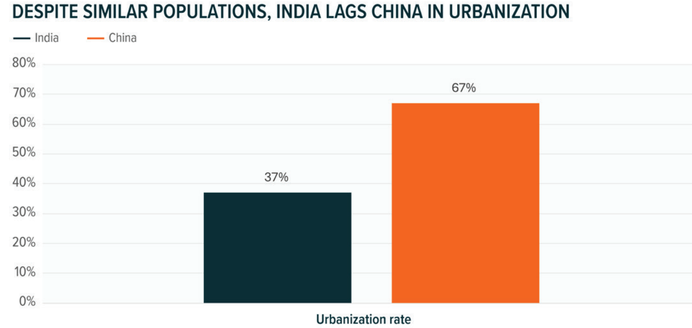
— **Deep Expertise:** Managed with the support of a 14-person on-the-ground investment team in Mumbai. Global X's affiliate, Mirae Asset, is one of the largest international asset managers in India.[27]

— **Concentrated, High-Conviction Portfolio:** NDIA runs a focused portfolio of 20–30 positions built around high-conviction ideas. Leveraging our expertise allows us to focus on what we believe are the best opportunities in India, while avoiding those we deem risky. As Warren Buffett observed: "Diversification may preserve wealth, but concentration builds wealth."

— **Investment Philosophy:** The team looks for companies likely to benefit from both bottom-up and structural tailwinds, with sustainable competitive advantages (moats) helping them stand out from competition, management teams aligned with minority shareholders, and clear near- and long-term catalysts. The focus remains on businesses with visible cash flows, attractive valuations relative to growth potential, and the ability to consistently compound returns above their cost of capital—growth at a reasonable price.

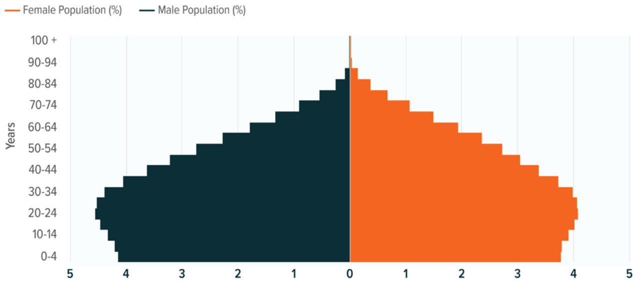
— **Disciplined Investment Process:** A strict, repeatable investment process beginning with a quantitative screen for quality companies, followed by deep fundamental analysis driving sector-level recommendation lists, and culminating in risk-adjusted portfolio construction with a clearly defined risk framework.

DESPITE SIMILAR POPULATIONS, INDIA LAGS CHINA IN URBANIZATION



Source: Statista Urbanization Rate Data, as of May 15 2026.

INDIA ESTIMATED POPULATION PYRAMID (2025)



Source: Global X ETFs with information derived from: U.S. Census Bureau. Data accessed on May 15, 2026.

The Team Behind NDIA

— Experienced, on-the-ground presence. NDIA pairs New York-based portfolio management with a 10-person research team resident in Mumbai, giving the fund direct local sector coverage rather than remote-only analysis.

— Over 230 years of combined industry experience across 13 investment professionals — 3 in New York providing portfolio management and macro/strategy oversight, 10 in Mumbai providing granular, sector-level research directly from the local market.

Related ETFs

NDIA – Global X India Active 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. Bloomberg LP, MSCI. India measured by the MSCI India Index and emerging markets measured by the MSCI Emerging Markets Index. Beta calculated using rolling monthly returns over the period January 2018–June 2026. Data as of June 30, 2026.
2. The Economic Times, "Working-Age Indian Population Rising; Expected at Around 64% in Next Census: SBI Research." September 24, 2024.
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4. World Bank Development Indicators, Youth Literacy Rate. Accessed May 07, 2026.
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8. The Times of India, "Digital Dominance: UPI Tops Global Real-Time Payments with 49% Share." December 8, 2025.
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16. Reuters, "India, EU Reach Landmark Trade Deal, Tariffs to be Slashed on Most Goods." January 27, 2026.
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18. World Bank Development Indicators, accessed on June 24, 2026
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22. IBEF, E-Commerce Industry Report. January 2025.
23. Statista, India GDP and Economic Outlook. Data accessed February 2, 2026.
24. Bloomberg LP. MSCI Emerging Markets Index. Data as of June 24, 2026.
25. Bloomberg LP. MSCI India forward P/E and characteristics as of June 26, 2026.
26. Bloomberg LP. Nifty 50, Nasdaq 100, and S&P 500 risk-adjusted return data as of June 30, 2026.
27. Business Today, Asset Management Company (AMC), May 2026

GLOSSARY

Nifty 50: The Nifty 50 is an index of 50 of the largest and most liquid stocks traded on the National Stock Exchange of India.

Nasdaq 100 Index: The NASDAQ 100 Index includes 100 of the largest non-financial companies listed on the NASDAQ stock market.

S&P 500 Index: The S&P 500 index includes 500 of the largest public companies listed on the stock market.

MSCI Emerging Markets Index: The MSCI Emerging Markets Index captures large and mid-cap representation across 24 emerging market countries.

UPI: Unified Payments Interface—India's national digital payment system.

PLI: Production Linked Incentive—a government scheme to incentivize manufacturing in India.

FDI: Foreign Direct Investment.

Beta: A measure of sensitivity to a benchmark. A beta of 1.0 indicates returns move in line with the benchmark, while a beta above (below) 1.0 indicates greater (lesser) sensitivity to benchmark movements.

Unicorn: A unicorn is a privately held startup company that has reached a valuation of $1 billion or more.

Forward P/E Ratio: The forward price-to-earnings (P/E) ratio is a valuation metric that divides a company's current stock price by its forecasted earnings per share (EPS) for the next 12 months.

Standard Deviation: A measure of the variability or volatility of returns. Higher standard deviation indicates greater fluctuations in returns, while lower standard deviation indicates more stable returns.

Return on Equity (ROE): A measure of a company's profitability relative to its shareholders' equity.
