GLOBAL X INSIGHTS

Global X Emerging Markets Ex-China ETF (EMM) 2Q26 Commentary

Malcolm Dorson
mdorson@globalxetfs.com

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Emerging Market ("EM") ex-China equities delivered positive returns over a volatile quarter, supported by commodity strength and relatively attractive valuations.

Market Review

The MSCI Emerging Markets ex-China Index Net Total Return (NETR) ("the benchmark") returned 34.53% in the second quarter, one of the strongest quarters on record for the asset class[1]. Technology led the advance across the region, driven by continued AI infrastructure spending and rising semiconductor demand. South Korea stood out, with the benchmark rallying more than 85% on the back of memory chip and hardware names[2], while Taiwan also posted a sharp gain on the same AI-driven demand. The S&P 500 rose 14.9% over the same period, underscoring the scale of the EM ex-China outperformance[3]. The U.S. Dollar Index firmed only modestly, moving up only 1.22% over the period, though did not have a strong impact on the appetite for EM ex-China equities. WTI crude oil fell sharply as geopolitical tension in the middle east improved and supply concerns eased[4]. Performance dispersion stayed wide even within the rally. South Korea, Taiwan, and Hungary stood out as the strongest performing countries, while Indonesia, Brazil, and Saudi Arabia lagged[5].

Fund Performance & Attribution

EMM returned 29.83% (NAV return) and 28.09% (market price return) in the second quarter versus 34.53% for the benchmark [6]. Year to date, the fund returned 32.71% (NAV) against 38.78% for the benchmark[7]. For context, EMM's NAV return has outpaced the broader, China-inclusive MSCI Emerging Markets Index (Net), which returned 24.05% in the second quarter and 23.85% year to date, the index EMM tracked prior to its March 30, 2024 benchmark transition[8].

From a country perspective, stock selection in Taiwan, South Africa, and Greece drove the largest relative gains. An underweight to South Korea was by far the largest detractor, as the fund's Korean holdings lagged a benchmark dominated by a handful of AI-exposed semiconductor names. Mexico and Poland also detracted on a much lesser scale.

From a sector perspective, positioning in financials, communication services, and real estate added to relative performance, while industrials, information technology, and consumer staples detracted.

In terms of individual securities, MediaTek, Aspeed Technology, and Fubon Financial Holding contributed the most to performance. The fund's underweight positions in SK Hynix, Samsung Electro-Mechanics, and Samsung Electronics were the largest detractors, reflecting the fund's lack of concentration to momentum in the strongest-performing corner of the Korean market.

We added Doosan Enerbility, HD Hyundai Electric, Kazatomprom, OTP Bank, Samsung C&T, Samsung Electro-Mechanics, and SK Square during the quarter, funded in part by trims to positions in Bank Central Asia, BDO Unibank, TBC Bank Group, and United International Transportation.

EMM PERFORMANCE THROUGH JUNE 30, 2026 (%)

	Q2	1Y	3Y*	5Y*	10Y*	Since Inception**
NAV	29.83	49.30	21.82	6.49	10.18	5.91
Market Price	28.29	50.79	22.29	6.72	10.29	5.98
MSCI Emerging Markets Index (Net)	24.05	43.51	23.03	7.20	10.07	5.65
MSCI Emerging Markets ex-China Index Net Total Return (NETR)	34.53	63.11	28.34	13.19	-	-

Source: Global X ETFs. EMM currently benchmarks to the MSCI Emerging Markets ex-China Net Total Return (NETR), launched March 9, 2017.

*Annualized

**Annualized from 09/24/2010

Effective May 12, 2023, the fund acquired the performance, financial, accounting, and other historical information of the Mirae Asset Emerging Markets Fund. Performance shown prior to May 15, 2023 reflects the return of the Mirae Asset Emerging Markets Fund's I shares with a NAV conversion ratio of 0.40 applied in connection with the acquisition. Market price returns prior to that date reflect the predecessor fund's NAV return.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. For performance data current to the most recent quarter- and month-end, please visit globalxetfs.com/funds/emm. Total expense ratio: 0.66%.

EMM TOP 10 HOLDINGS AS OF JUNE 30, 2026 EXCLUDING CASH (% OF NAV)

GLOBAL X INDIA ACTIVE ETF	17.55%	MEDIATEK INC	4.62%
TAIWAN SEMICONDUCTOR MANUFAC	9.70%	SK HYNIX INC	4.21%
SAMSUNG ELECTRONICS CO LTD	8.02%	DELTA ELECTRONICS INC	3.51%
GLOBAL X BRAZIL ACTIVE ETF	5.86%	SK SQUARE CO LTD	3.20%
TAIWAN SEMICONDUCTOR-SP ADR	4.69%	HON HAI PRECISION INDUSTRY	2.78%

Source: Global X ETFs.

Holdings are subject to change.

Outlook

We maintain a positive outlook on EM ex-China equities. A steady or weakening dollar, combined with an incrementally dovish Federal Reserve, would likely support capital flows into emerging markets. Within this backdrop, we see differentiated opportunities across regions. Korea and Taiwan offer strong technology fundamentals at discounted levels versus U.S. peers. India is expected to continue to benefit from structural growth, while ASEAN (Association of Southeast Asian Nations) markets offer favorable demographic trends. Greece, scheduled for developed market upgrade by MSCI in 2027, offers a compelling pocket of deep value with a catalyst. We are also holding off benchmark positions in Kazakhstan and Argentina. Latin America, particularly Brazil, Chile, and Colombia, stands out given improving policy dynamics, commodity exposure, and monetary policy flexibility.

Why This Fund

We believe active management remains critical as EM economies do not move in lock step together. Companies that generate returns above their cost of capital, supported by strong management teams and disciplined balance sheets, should outperform. The strategy focuses on identifying businesses with durable competitive advantages and the ability to compound returns over time. EMM delivers bottom-up fundamental analysis with the fee structure, liquidity, and transparency of its ETF wrapper, now with a lower expense ratio of 65 basis points (as of April 1, 2026).

Related ETF

EMM – Global X Emerging Markets ex-China 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. Data as of June 30, 2026. MSCI Emerging Markets ex-China Index Net Total Return (NETR).
2. Global X Analysis of Bloomberg Data as of June 30, 2026.
3. Bloomberg LP. Data as of June 30, 2026.
4. Bloomberg LP. U.S. Dollar Index (DXY Index); Generic 1st 'CL' Future (WTI Crude).
5. Global X Analysis of Bloomberg Data as of June 30, 2026.
6. Global X ETFs. EMM performance data as of June 30, 2026.
7. Bloomberg LP. Data as of June 30, 2026.
8. Global X ETFs. EMM 2Q26 Attribution Report, data as of June 30, 2026.

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any stock in particular.

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. A small number of companies and industries may represent a large portion of the market in a particular country or region, and these companies and industries can be sensitive to adverse social, political, economic, or regulatory developments in that country or region.

EMM is actively managed, which could increase its transaction costs (thereby lowering its performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate.

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.

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. The market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share, and do not represent the returns you would receive if you traded shares at other times. NAVs are calculated using prices as of 4:00 PM Eastern Time. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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