

EMQQ

THE EMERGING MARKETS INTERNET INDEX

Understanding EMQQ

EMQQ provides broad exposure to the Internet and e-commerce sectors of **Emerging Markets**. As the middle class continues to expand, affordable smartphones are providing Internet access to billions of people, many of whom are experiencing it for the first time ever. EMQQ aims to capture this consumer story and provide investors with access to the growth to come as Emerging Markets (EM) digitize.

5 Reasons to Invest in EM Digitization



1. **Massive Population:** Home to over 6 billion people
2. **Economic Growth:** EM economies were 50% of global GDP in 2023
3. **Swelling** middle-class rapidly adopting digital consumption
4. **Soaring** Internet adoption, first-time access via smartphones
5. **Exposure** to innovative, lesser-known global companies

EMQQ = ACCESSING REAL EM GROWTH



A Demographic Advantage & Middle-Class Consumer Wave

There are over 6 billion people living in EMQQ countries, with a significant portion being under the age of thirty. This new middle class consumer wave is increasingly connected and driving entire economies to digitize.



Rapid Digitization & Untapped Smartphone Adoption

Smartphone adoption has hardly scratched the surface in EMQQ countries, with ~1.7 billion people still living in a pre-smartphone world. As cost barriers continue to fall, adoption rates are accelerating.



Highest E-commerce Growth Rates

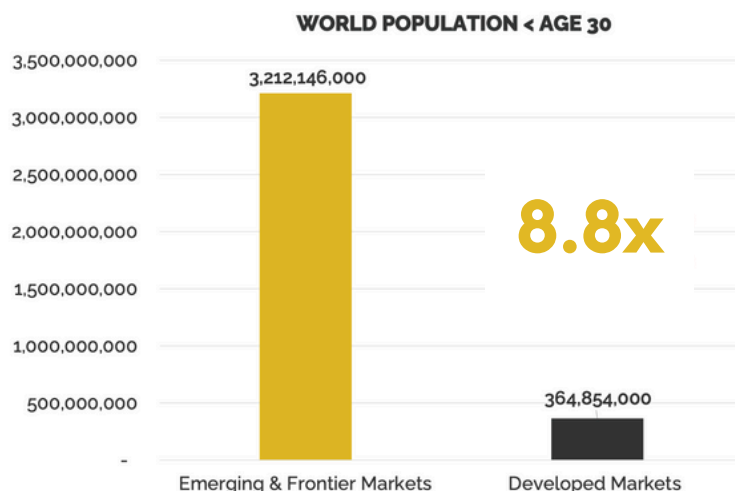
Nine of the top ten countries for e-commerce growth in 2023 are emerging markets. As all consumption verticals continue to digitize, we believe EMQQ companies are uniquely positioned to capitalize on this confluence of macro trends.



The EM Consumer is the Story

What's leading the Emerging Market opportunity?

The consumer. Over six billion people with rising incomes are hungry to access the convenience and goods available globally via first-time smartphones. These consumers are also young. Nearly 9X as many people under 30 live in EM versus developed nations.



Source: IMF, World Economic Outlook 2018

EMQQ Company Spotlights



MERCADO LIBRE

MELI is a massive online commerce and payments company serving Latin America.



PDD HOLDINGS

PDD is a e-commerce company in China that connects consumers, businesses, and communities.



SEA LTD.

SEA is a leading global consumer internet company with services in southeast Asia.



ETERNAL (FORMERLY ZOMATO)

Eternal is a restaurant aggregator, supplier and food delivery company in India.

EMQQ Global Index Methodology

RULES-BASED INDEX

- **All companies with >50% of revenue** from internet and/or ecommerce in respective geographies
- **Minimum \$1B** market capitalization
- **Liquidity screen** \$1.0mm average daily turnover
- **Rebalanced semi-annually** in June & December
- **Fast-track IPO inclusion** after 3 trading days if market cap >\$10 billion
- **Index Committee** discretion (vote for special inclusions or exclusions)
- **Market Cap weighted** with 8% max weight per security at rebalance
- **Country Cap weighted** with 45% China cap and 10% South Korea cap to ensure diversification

Top Weighted Countries in EMQQ



CHINA (48.2%)

INDIA (19.3%)

BRAZIL (9.2%)

SOUTH KOREA (8.2%)

INDONESIA (7.1%)

SOUTH AFRICA (3.1%)

KAZAKHSTAN (2.6%)

POLAND (1.8%)

TAWAIN (0.2%)

ARGENTINA (0.1%)

Eligible countries in EMQQ: All Emerging & Frontier Markets