

EMQQQ


GLOBAL

THE RISE OF INDIA

6.22.24



OUR STRATEGIES

 <p>EMQQ</p> <p>www.EMQQetf.com</p>	 <p>FMQQ</p> <p>www.FMQQetf.com</p>	 <p>INQQ</p> <p>www.INQQetf.com</p>
The Emerging Markets Internet Index	The Next Frontier Internet Index	The India Internet Index
EMQQ	FMQQ	INQQ
All EM + FM	All EM + FM (ex-China)	India
46 Countries	45 Countries	1 Country
112 Stocks	66 Stocks	25 Stocks
NYSE	NYSE	NYSE
Inception 2014	Inception 2021	Inception 2022

THE INDIA INTERNET + ECOMMERCE ETF

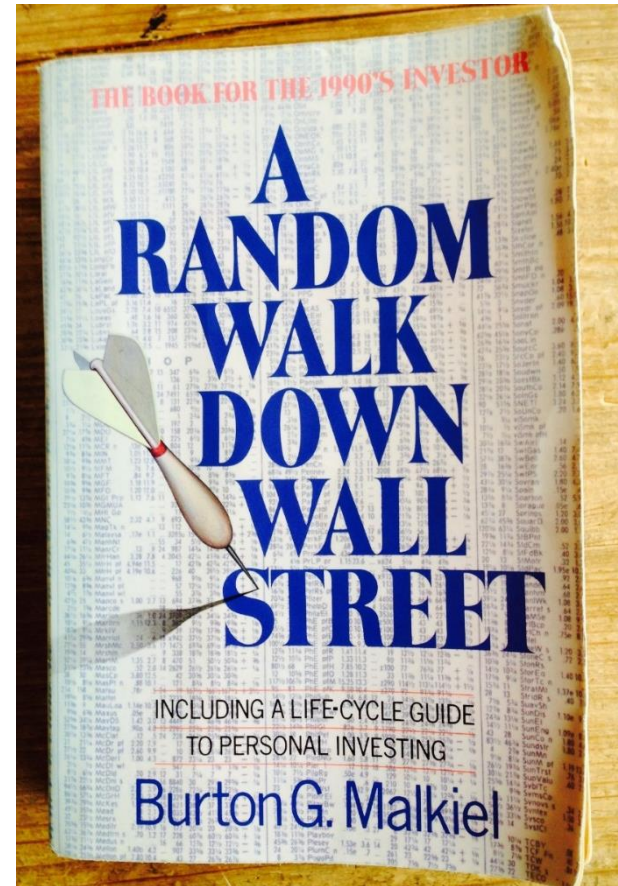


FROM WALL STREET TO THE GREAT WALL



A RANDOM WALK DOWN WALL STREET

January 1992



WHAT WE NEED IS AN INDEX FUND

1973

A Step through the Mutual Fund Mire

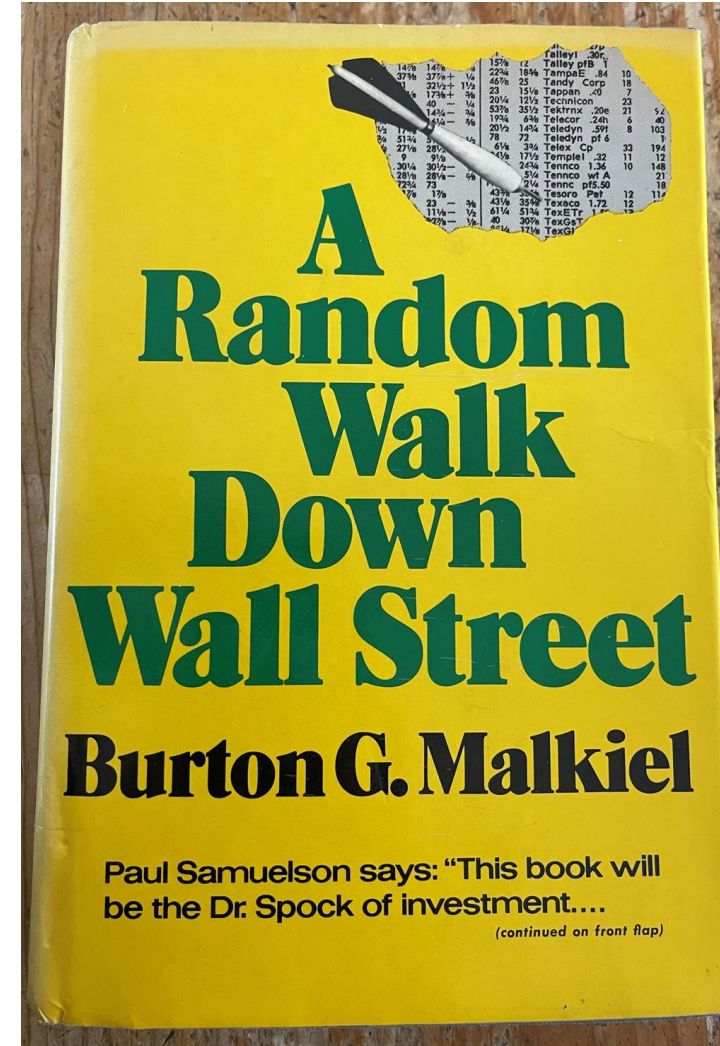
226

The Author's Suggestion: A New Investment Instrument

What we need is a no-load, minimum-management-fee mutual fund that simply buys the hundreds of stocks making up the broad stock-market averages and does no trading from security to security in an attempt to catch the winners. Whenever below-average performance of any mutual fund is noticed, fund spokesmen are quick to point out, "You can't buy the averages." It's time the public could.

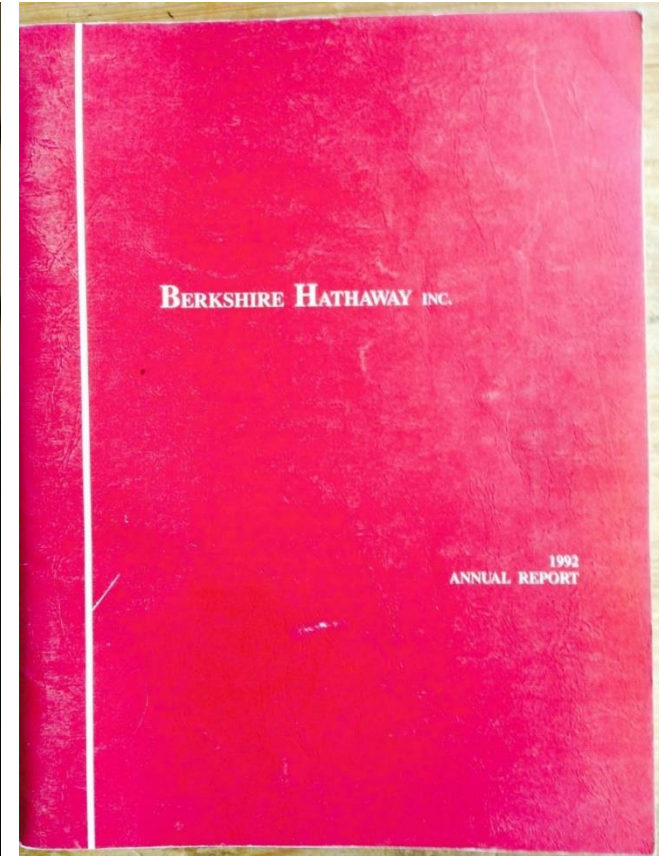
If the New York Stock Exchange were genuinely interested in the plight of the small investor, there is no greater service it could provide than to sponsor such a fund and run it on a nonprofit basis. This would give all individuals a chance to ride with the average rather than trying to beat the market. It would also provide a performance yardstick against which regular mutual funds could be judged.

Such a fund is much needed, and if the New York Stock Exchange (which, incidentally, has considered such a fund) is unwilling to do it, I hope some other institution will.



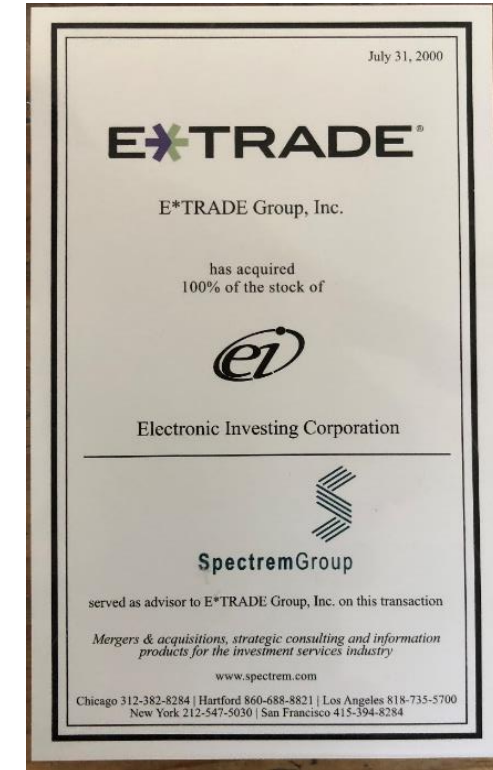
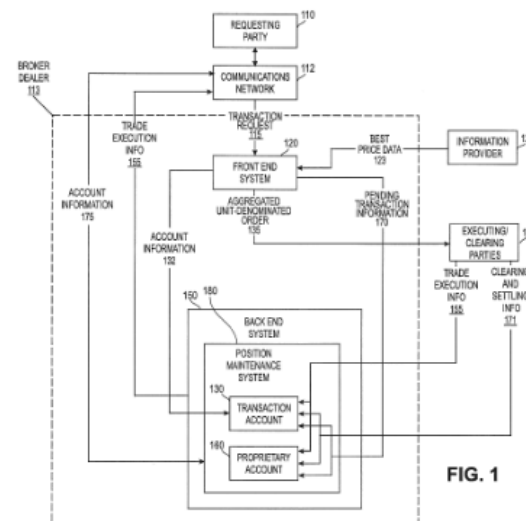
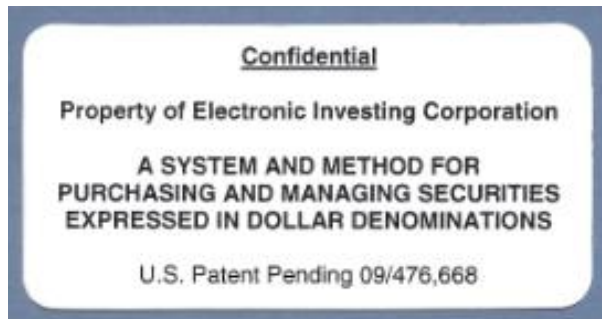
I PRAY TOWARD OMAHA

August 1992



WHAT WE NEED IS FRACTIONAL SHARES

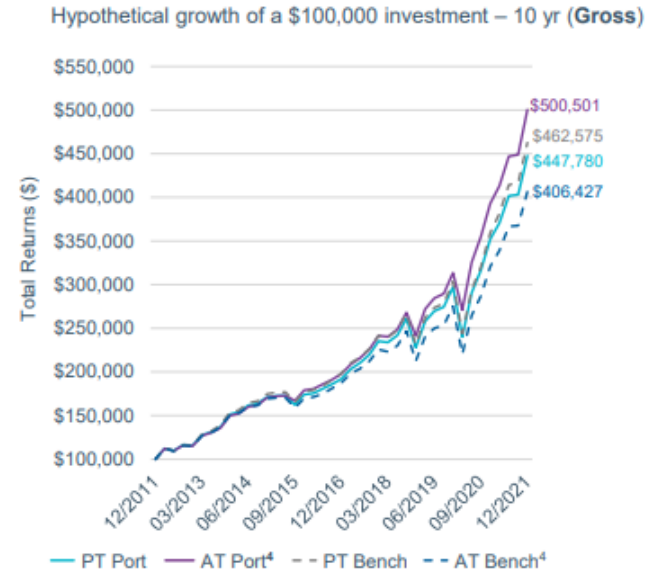
June 1999



Created fractional shares

WHAT WE NEED IS ACTIVE INDEXING (DIRECT)

December 2001




Period returns² (Gross %) – Maximum Federal and State Tax Rates

	AIA S&P 500® Pre-Tax	S&P 500® Index Pre-Tax	Pre-Tax Difference	AIA S&P 500® After-Tax	S&P 500® Index After-Tax	After-Tax Difference	Tax Alpha
3 Months	11.12	11.03	0.10	11.50	10.59	0.91	0.81
YTD	27.20	28.71	-1.51	27.35	26.70	0.65	2.16
1 Year	27.20	28.71	-1.51	27.35	26.70	0.65	2.16
3 Years	25.26	26.07	-0.81	27.54	24.11	3.43	4.24
5 Years	18.45	18.47	-0.03	20.41	16.73	3.68	3.70
10 Years	16.17	16.55	-0.38	17.47	16.09	2.42	2.80
Since Inception (11/2002)	11.47	11.38	0.09	13.8	10.31	3.47	3.38

Created direct indexing


20 YEARS LATER BOTH ARE MAINSTREAM

June 2020



Introducing
Schwab Stock
Slices™ –
Designed to make
investing easier
and more
accessible

Choose up to 10 companies for as
little as \$5 each. Your choice.



June 2022

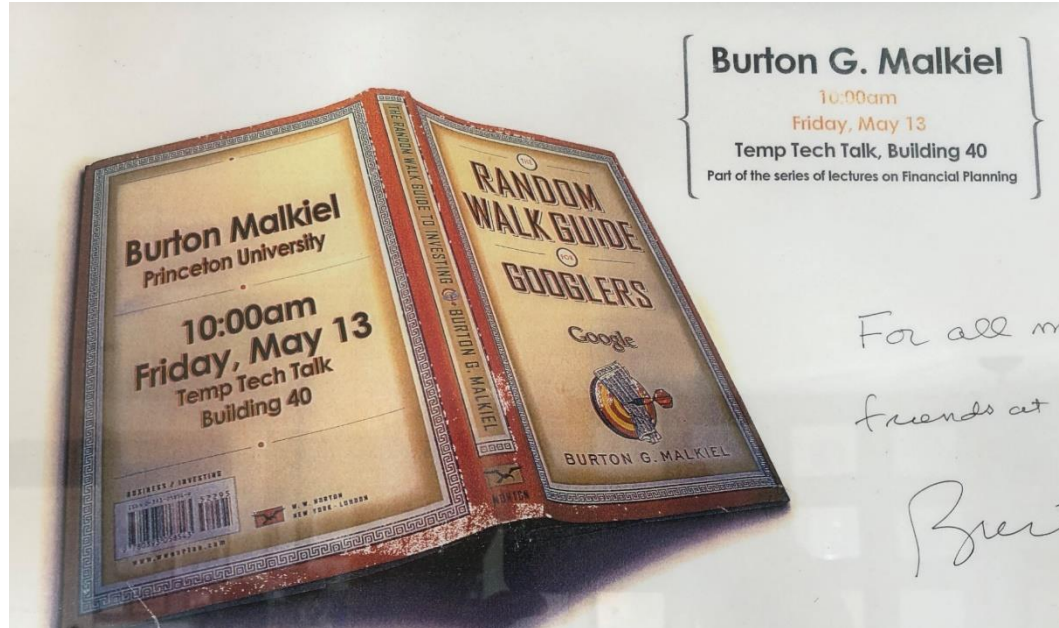
**Vanguard
Personalized
Indexing. Find
your edge.**

**Direct indexing managed accounts are
expected to grow 12.3% annually and reach
\$825B in assets by 2026.⁴**

Let us show you how our personalized direct indexing technology could help
deliver additional value to you and your clients.

GOOGLE GOES PUBLIC

August 2004



Burton G. Malkiel
10:00am
Friday, May 13
Temp Tech Talk, Building 40
Part of the series of lectures on Financial Planning

Talks
at
Google





"WE WANT TO INVEST IN CHINA"

April 2006



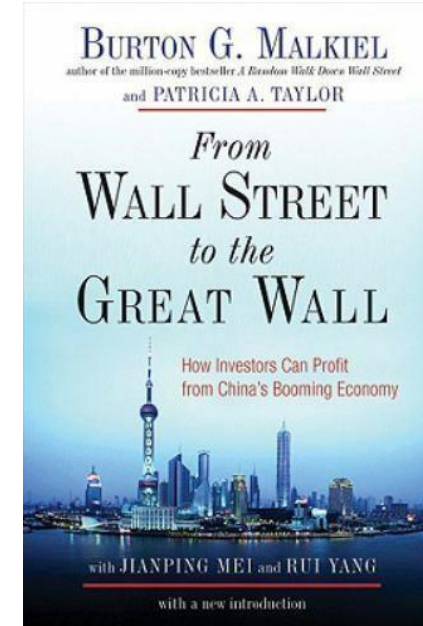
For all my
Friends at
Active
all the best
Burt Malkiel

Burton Malkiel
Professor of Economics, Princeton University
Author, *A Random Walk Down Wall Street*

Investing in China

Wednesday, April 19 at 10:30am (all are welcome)
Building 42 Tech Talk

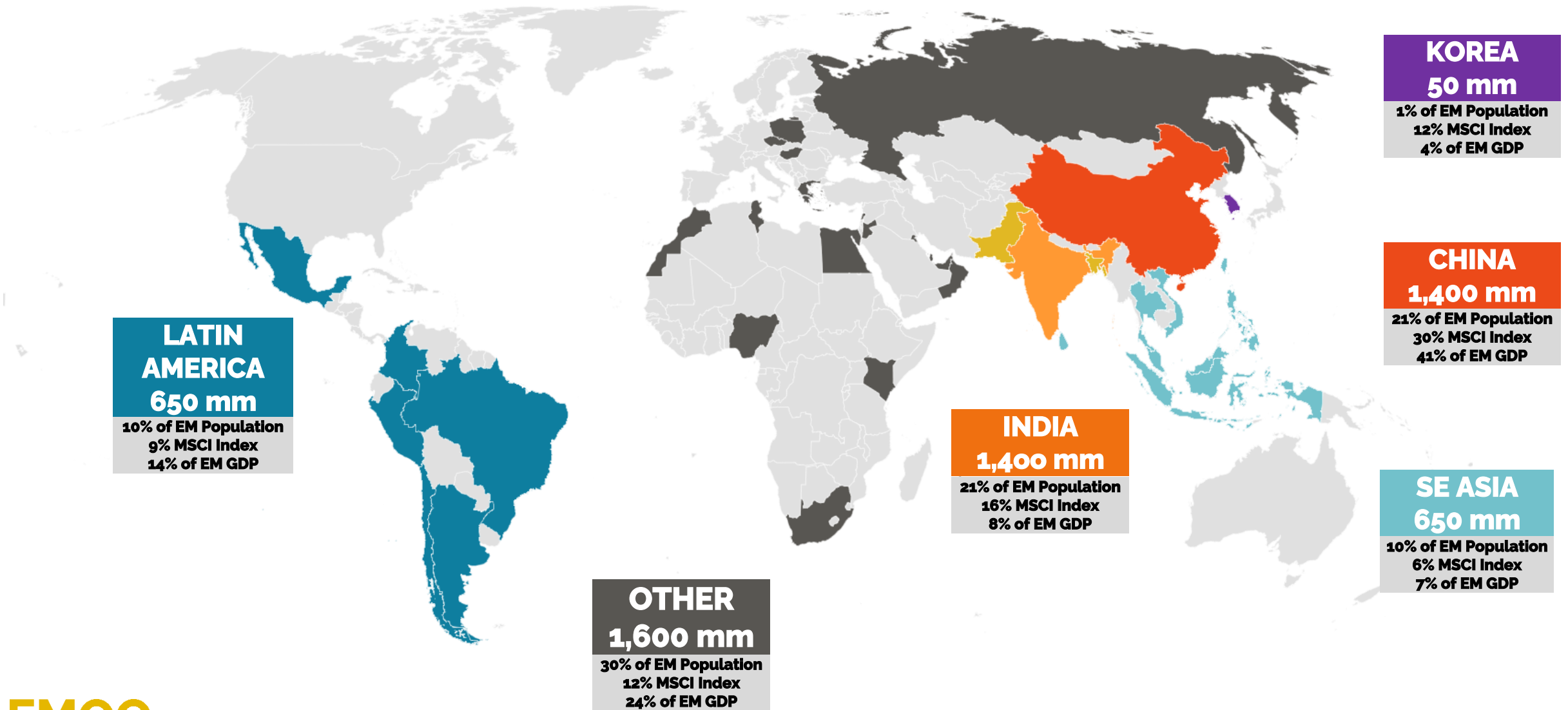
Since the beginning of economic reforms two decades ago, the economy in China has produced real growth rates of between 8 percent and 10 percent per year. It's believed that China will continue to experience exceptional growth for decades to come at rates well above those of any other large country in the world. But how are ordinary investors like us supposed to take advantage of the Chinese burgeoning economy to increase our portfolios?



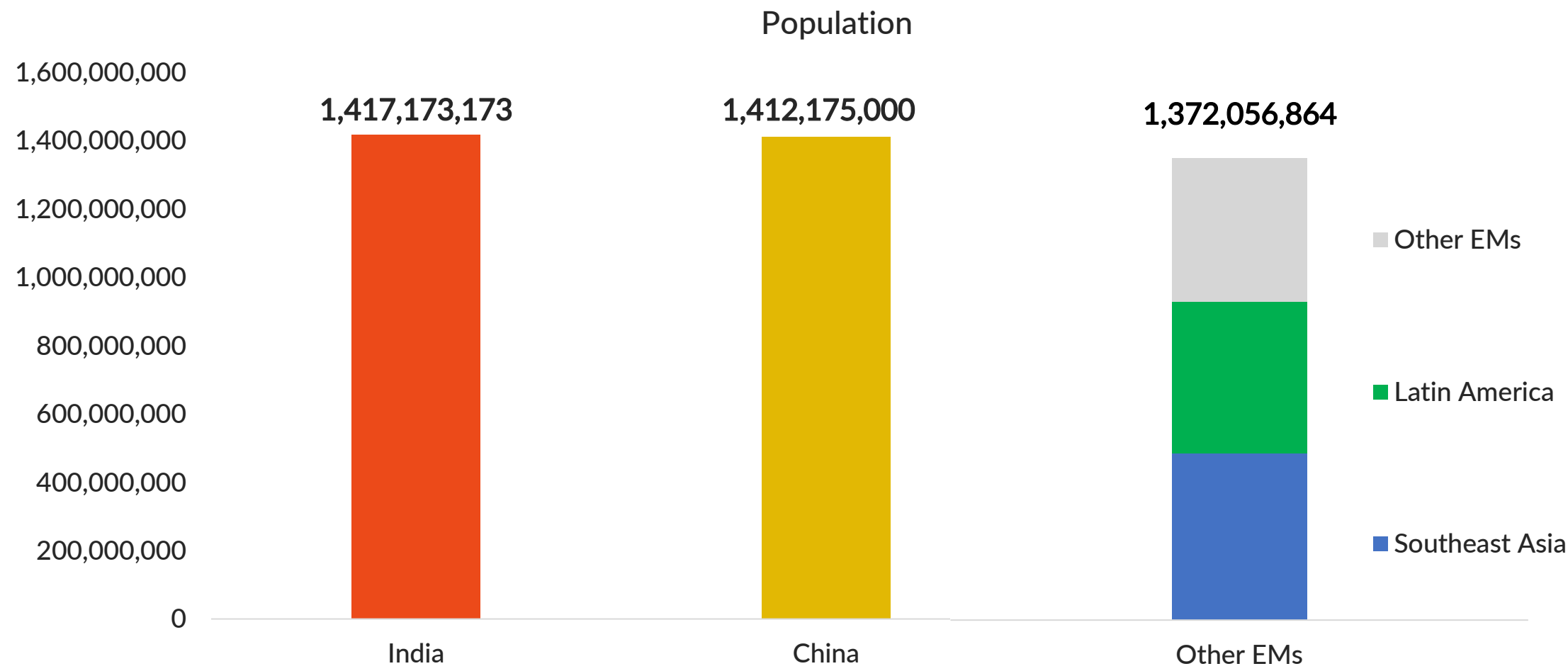
INVESTING IN EMERGING MARKETS



WHERE ARE EMERGING MARKETS?



EM POPULATION = THREE THIRDS



WHY INVEST IN EMERGING MARKETS?

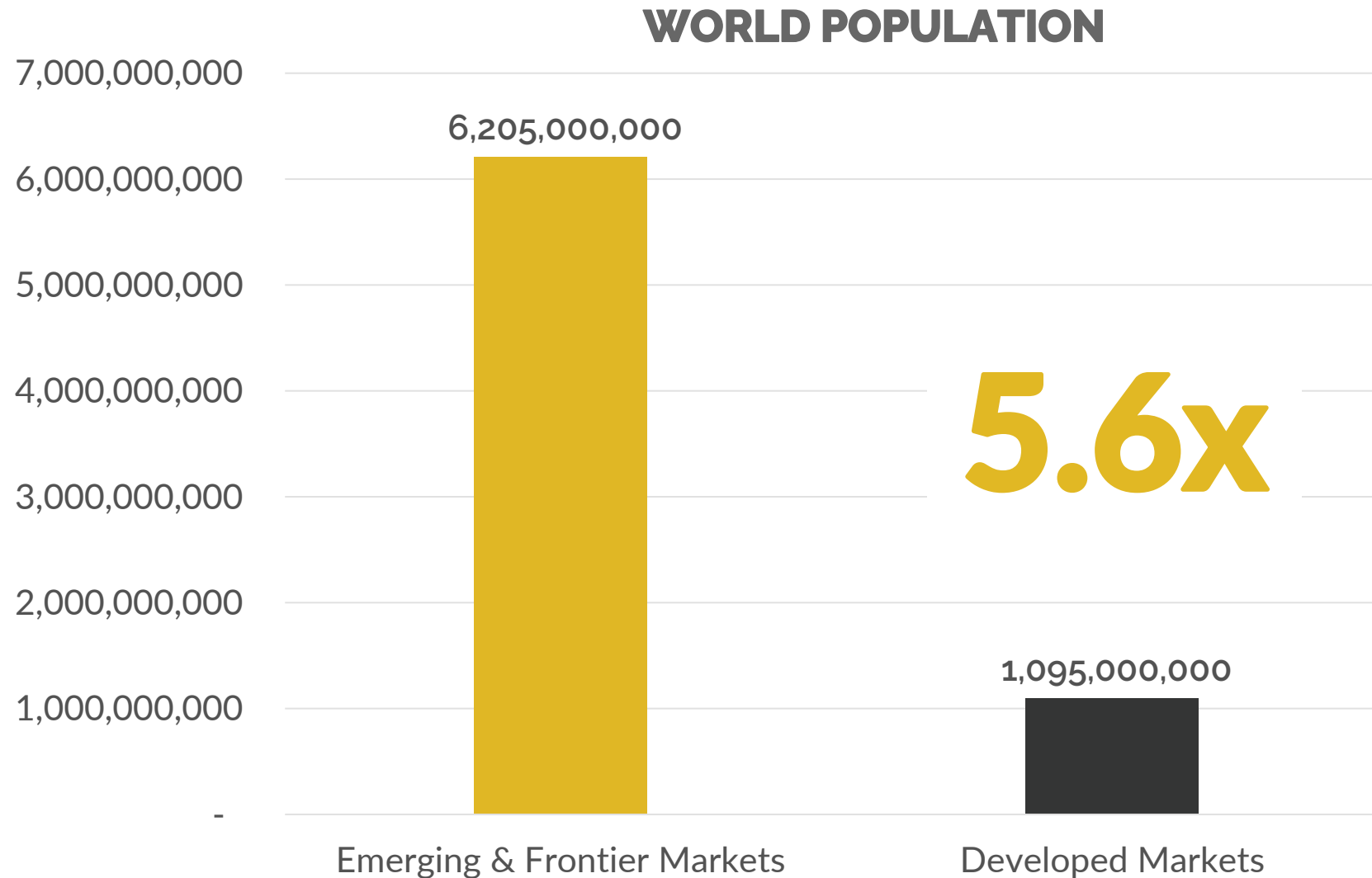
1. THEY HAVE **LOTS OF PEOPLE**

2. THEY ARE **YOUNG**

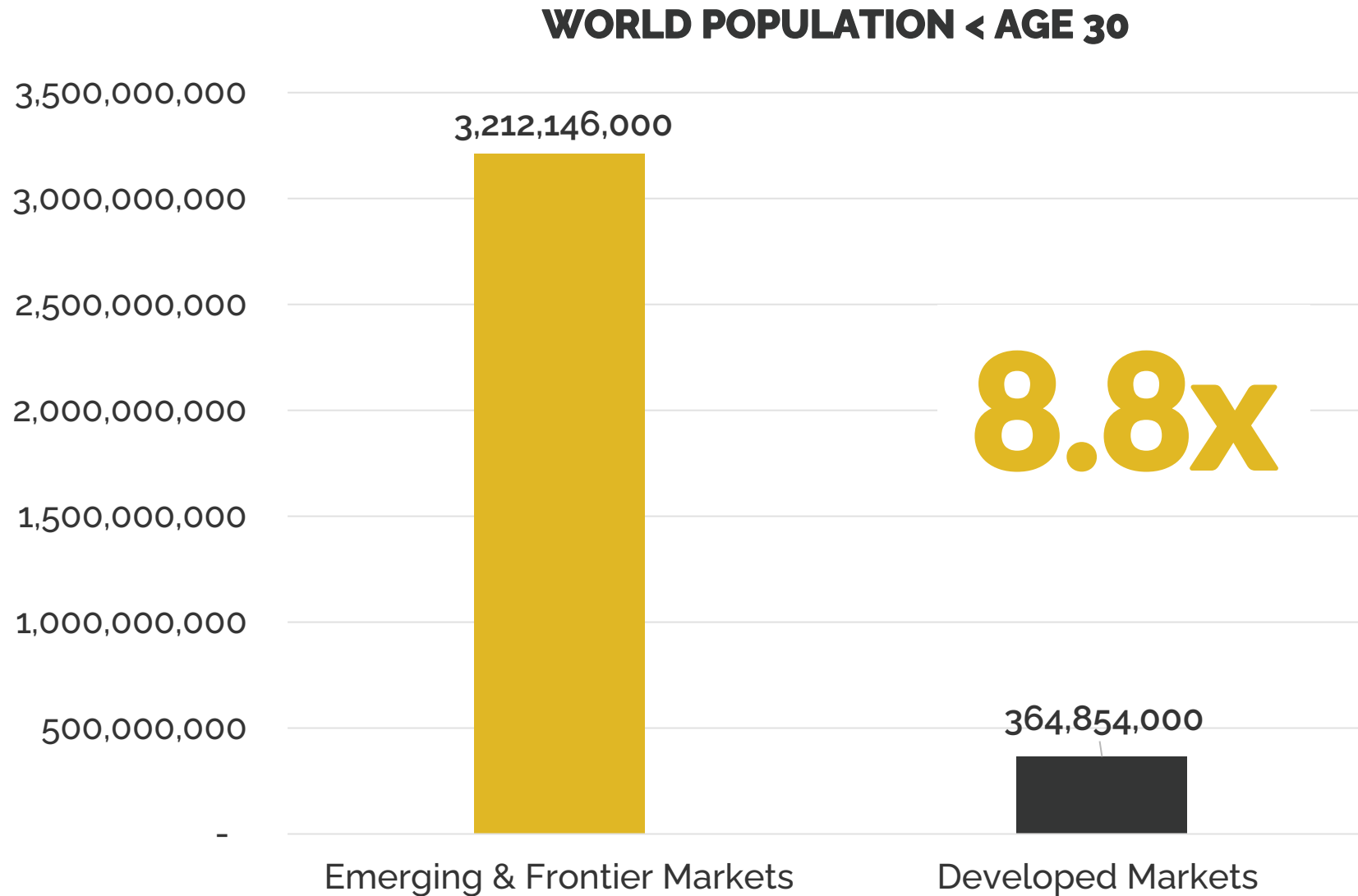
3. THEY HAVE **FAST GROWING ECONOMIES**

4. THIS GROWTH IS DRIVING **CONSUMPTION**

EMERGING MARKETS ARE 85% OF THE WORLD

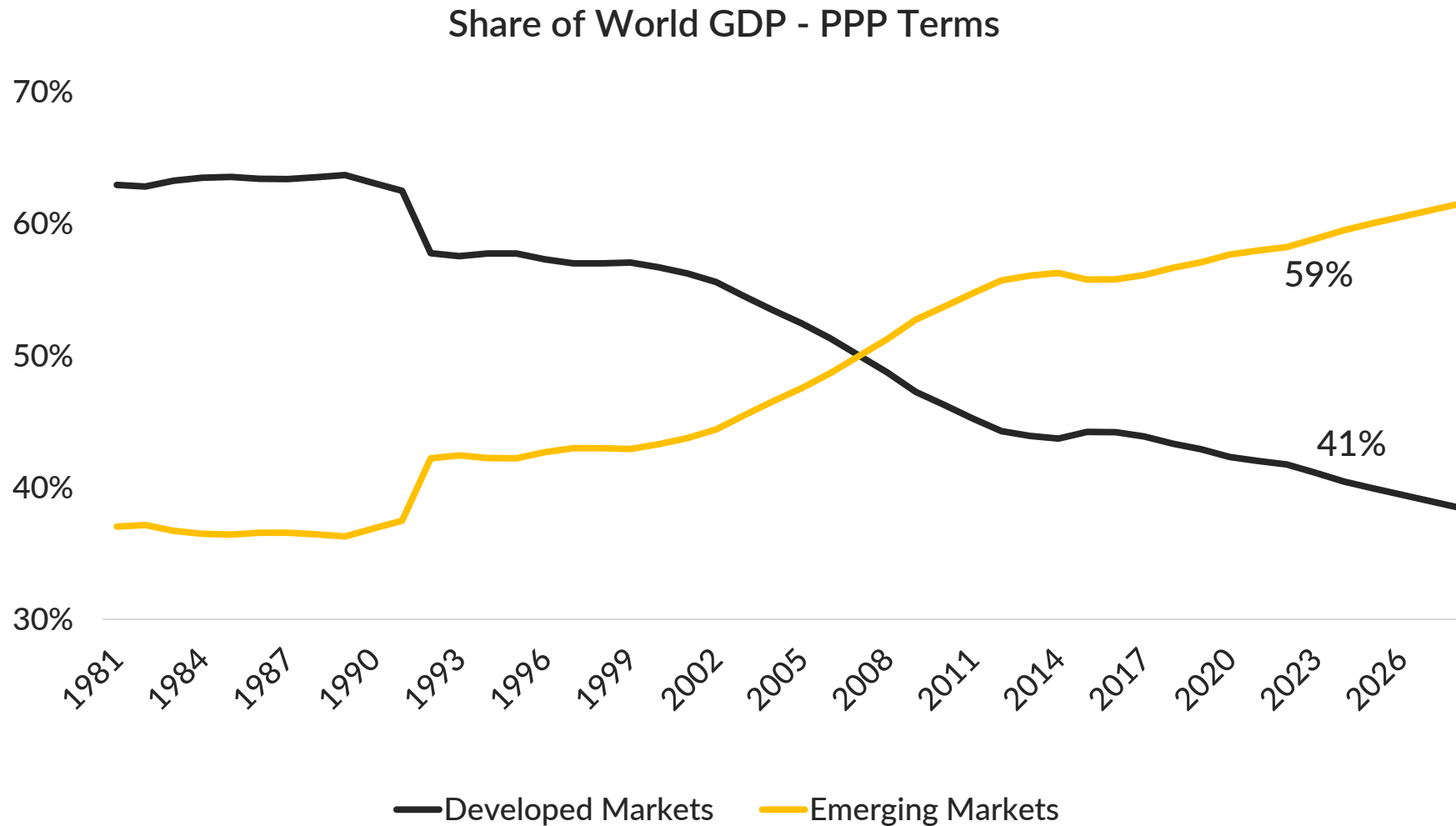


EMERGING MARKETS ARE YOUNGER

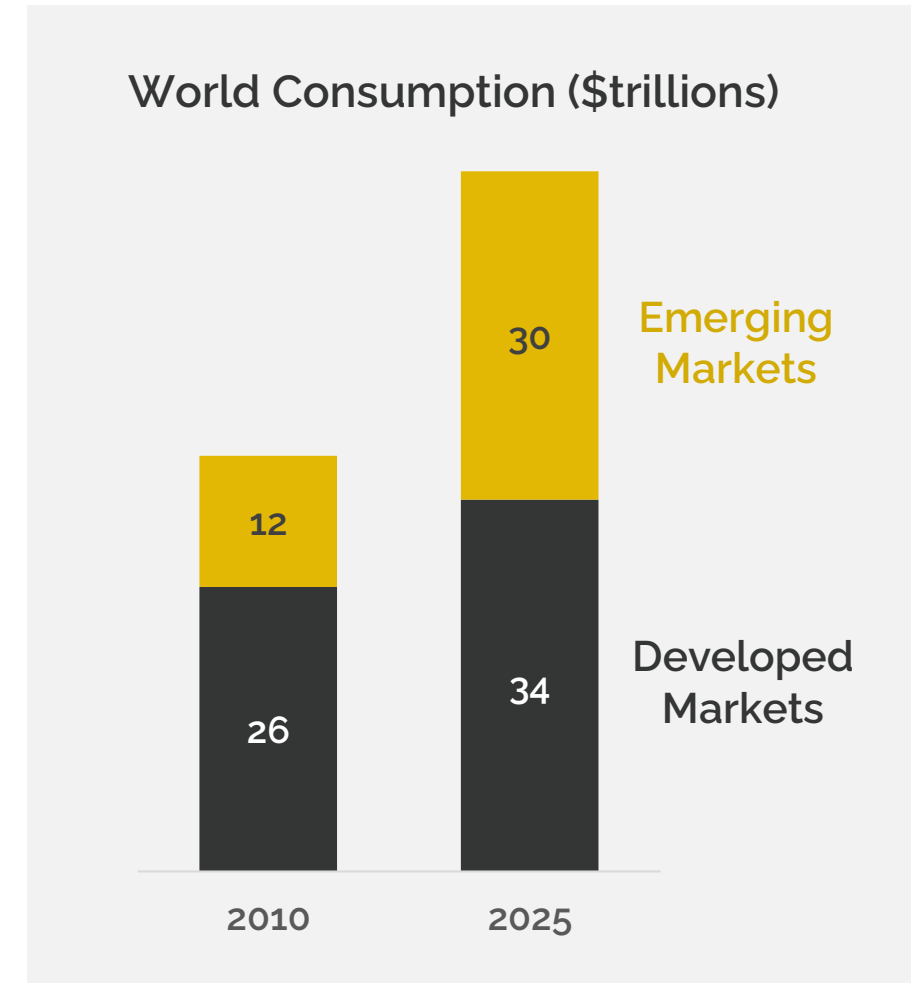
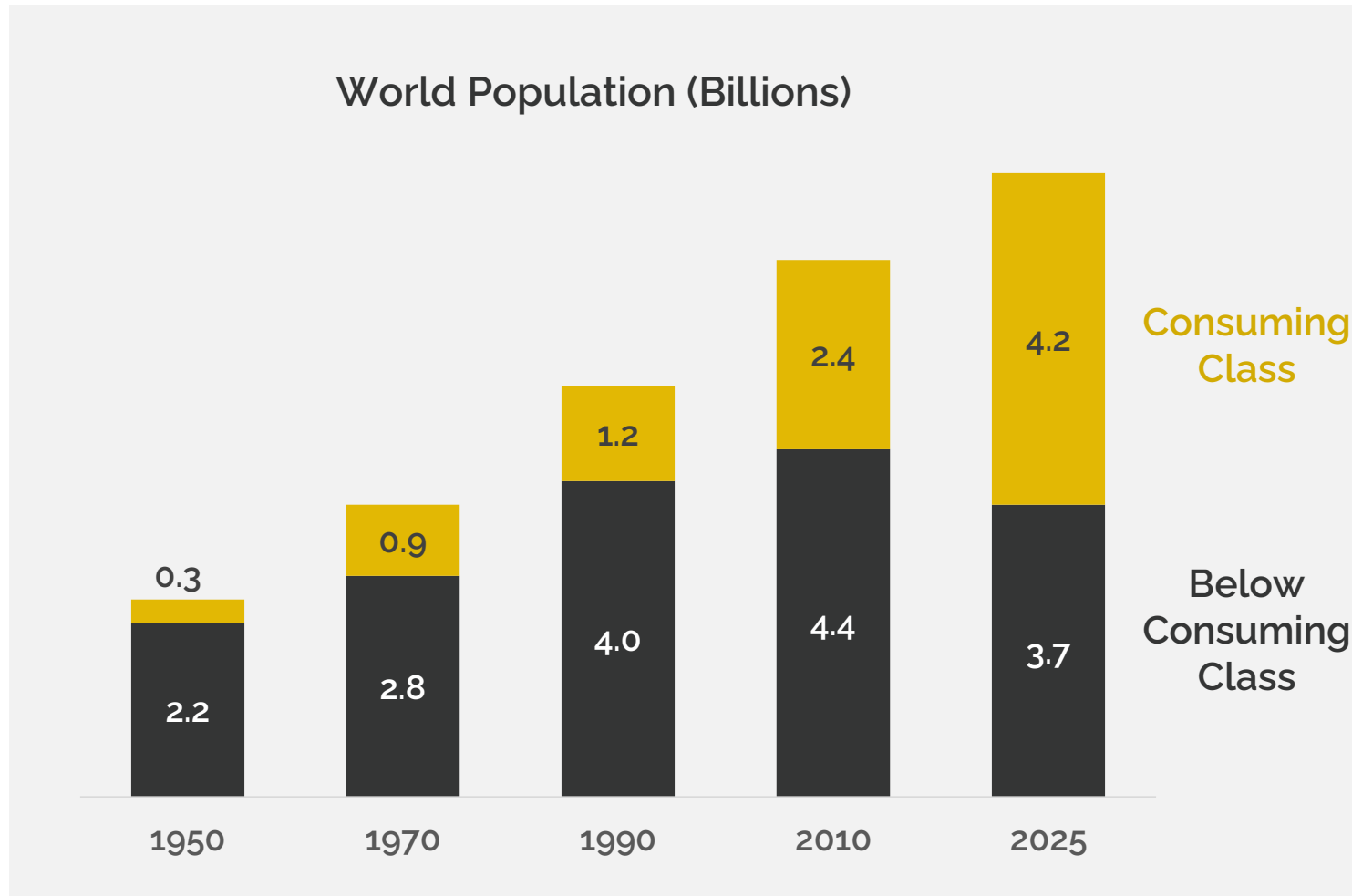


Source: IMF, World Economic Outlook 2018

EMERGING MARKETS ARE GROWING FASTER



THE EMERGING MARKET CONSUMER IS THE STORY



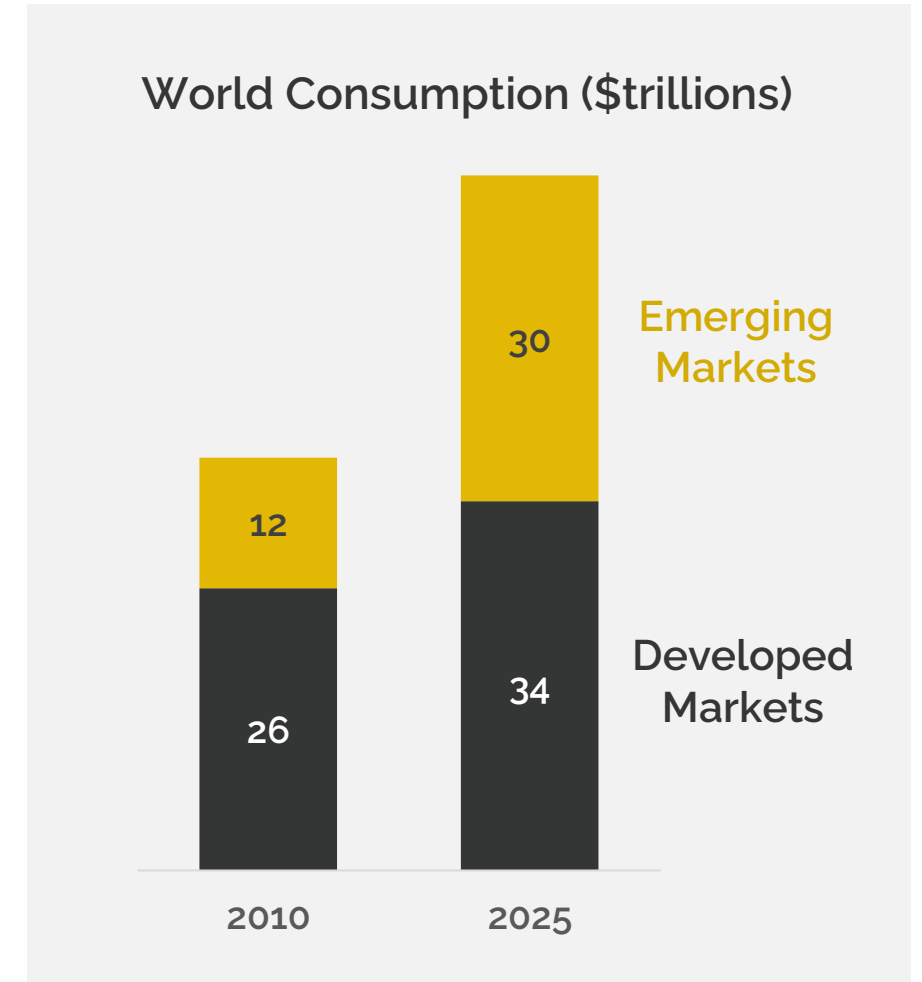
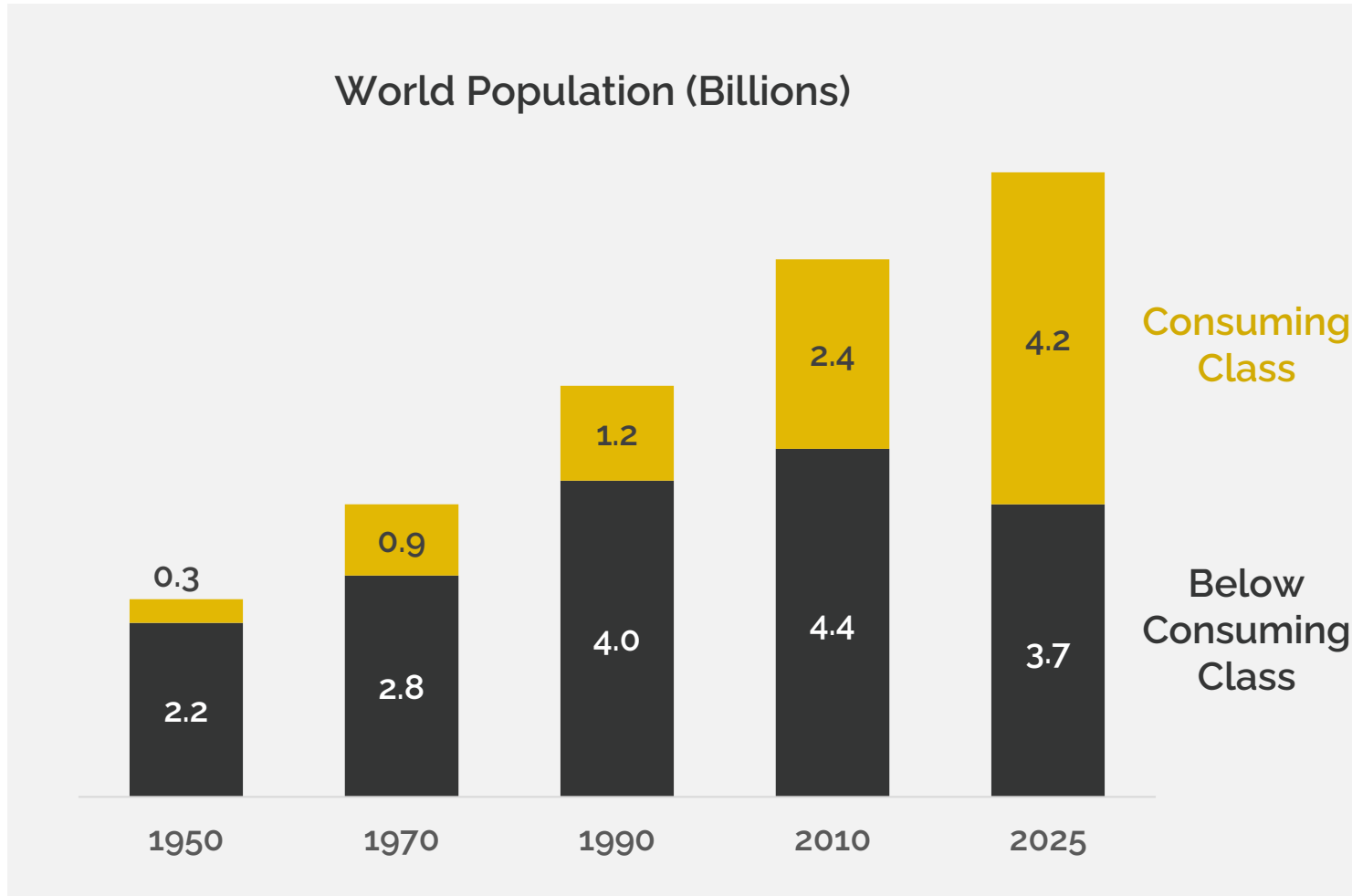
“...the biggest growth opportunity in the history of capitalism...”
- McKinsey & Company

THE GREAT CONFLUENCE:

3 MEGA TRENDS



#1: THE EMERGING MARKET CONSUMER IS THE STORY



“...the biggest growth opportunity in the history of capitalism...”
- McKinsey & Company

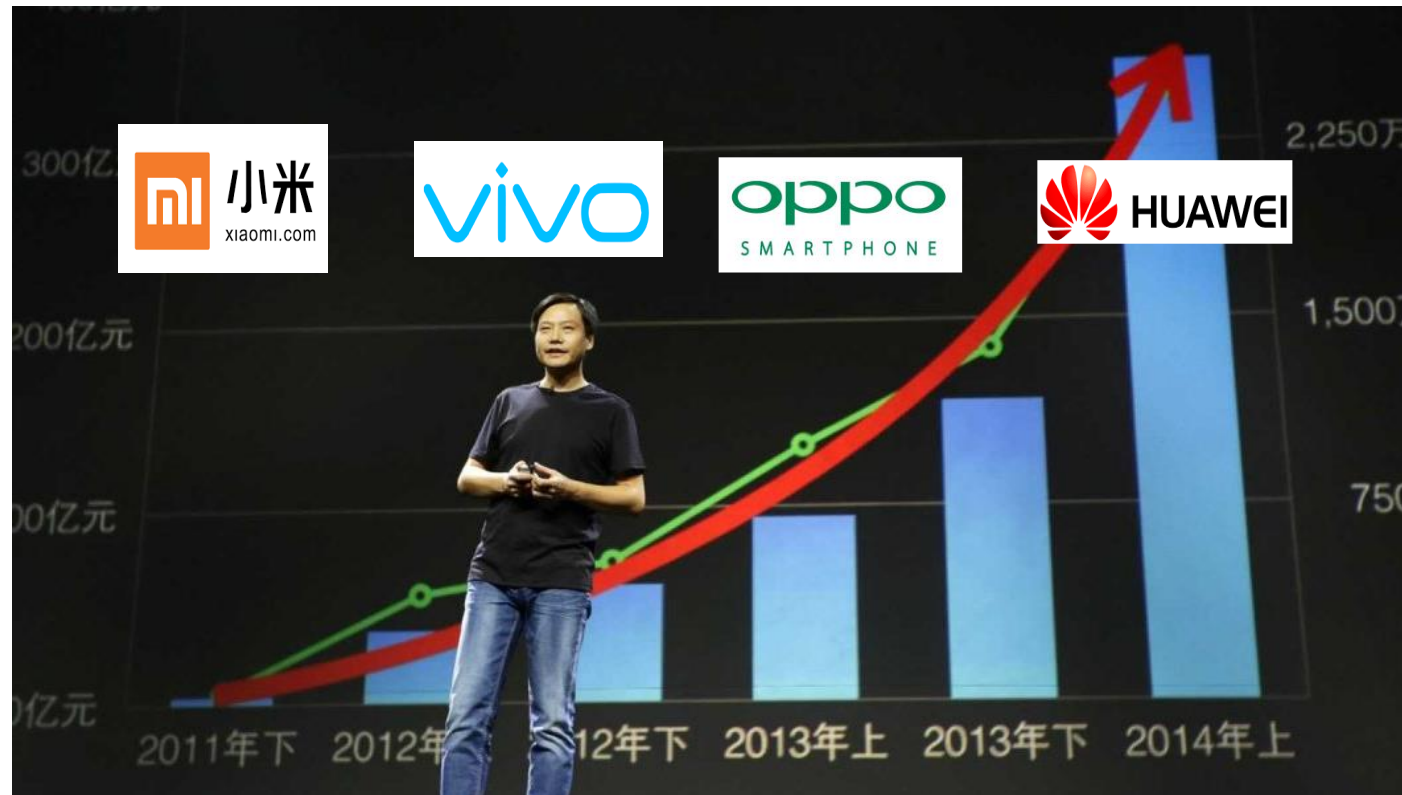
SMARTPHONES STILL RELATIVELY NEW

January 2007



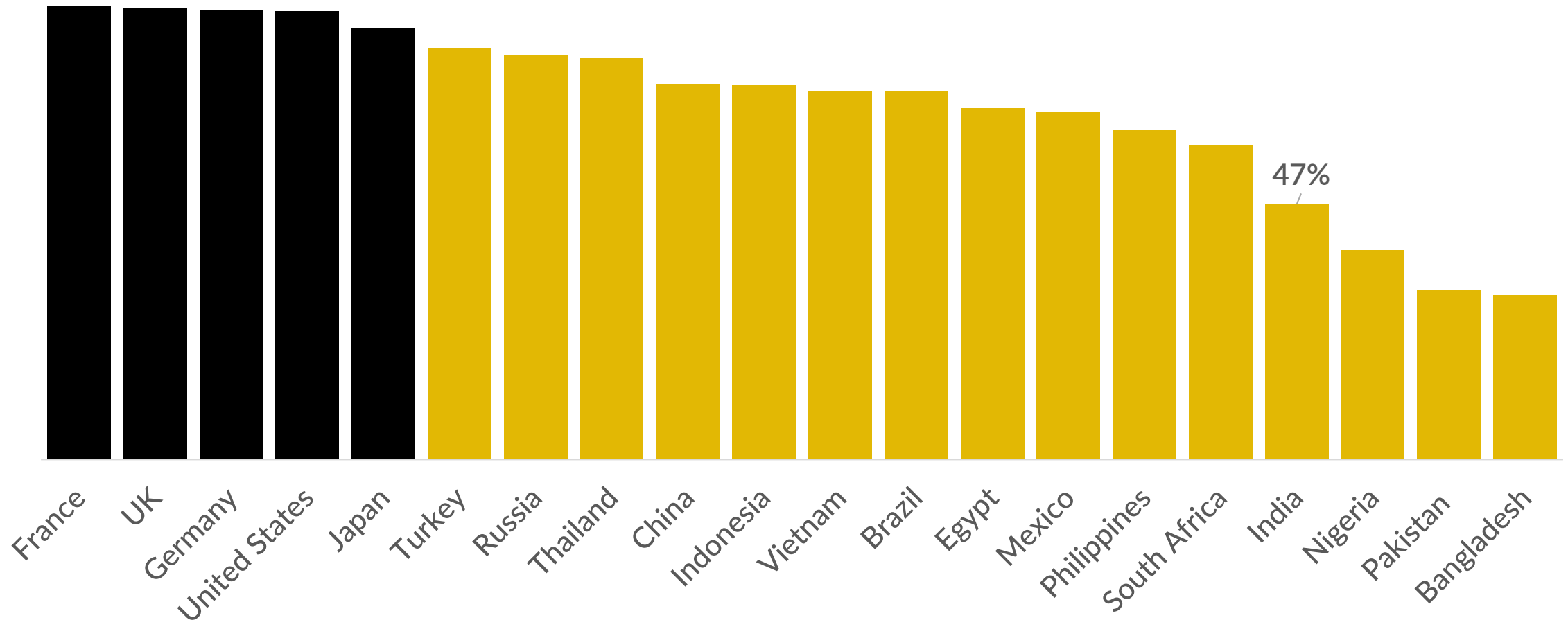
Apple CEO Steve Jobs demonstrates the first iPhone at the Macworld expo in 2007.

#2 – THE COMPUTER



#3: THE INTERNET

Smartphone Penetration by Country
% of Total Population (2022)



THE LEAPFROG EFFECT:

UNDERDEVELOPED
CONSUMPTION
INFRASTRUCTURE

These new smartphone-enabled consumers do not have bank accounts, debit or credit cards, cable televisions or automobiles and are **leapfrogging traditional consumption**.

PAYMENTS



Cash



Checking



Credit



Mobile Pay



TRANSPORTATION



Taxi



Car Ownership



App-Based
Ride Sharing



COMMERCE



Local Market



Big Box Retailer



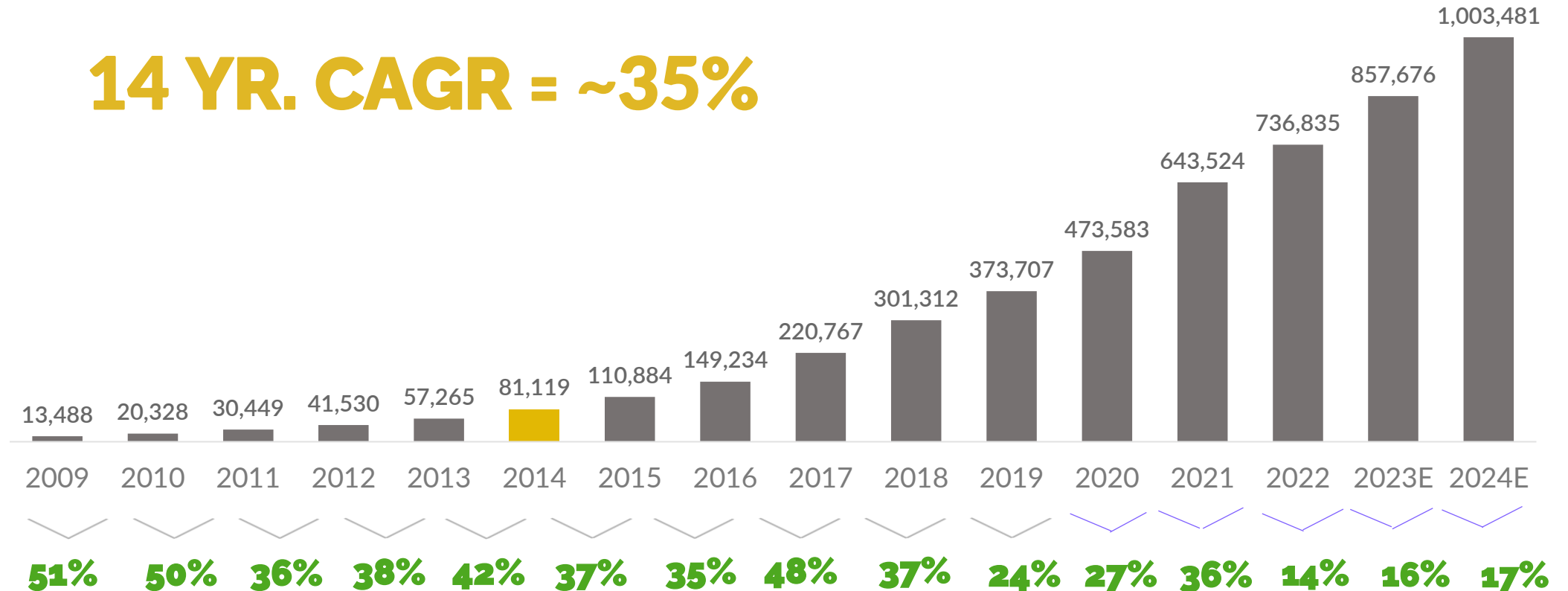
E-Commerce



RESULT #1: MASSIVE REVENUE GROWTH

Emerging Markets Internet Sector Total Revenue
2009 – 2024E (\$MM)

14 YR. CAGR = ~35%



YoY Revenue Growth of Emerging Markets Internet Sector

ALIBABA (NYSE: BABA)



TENCENT (HK: 0700)

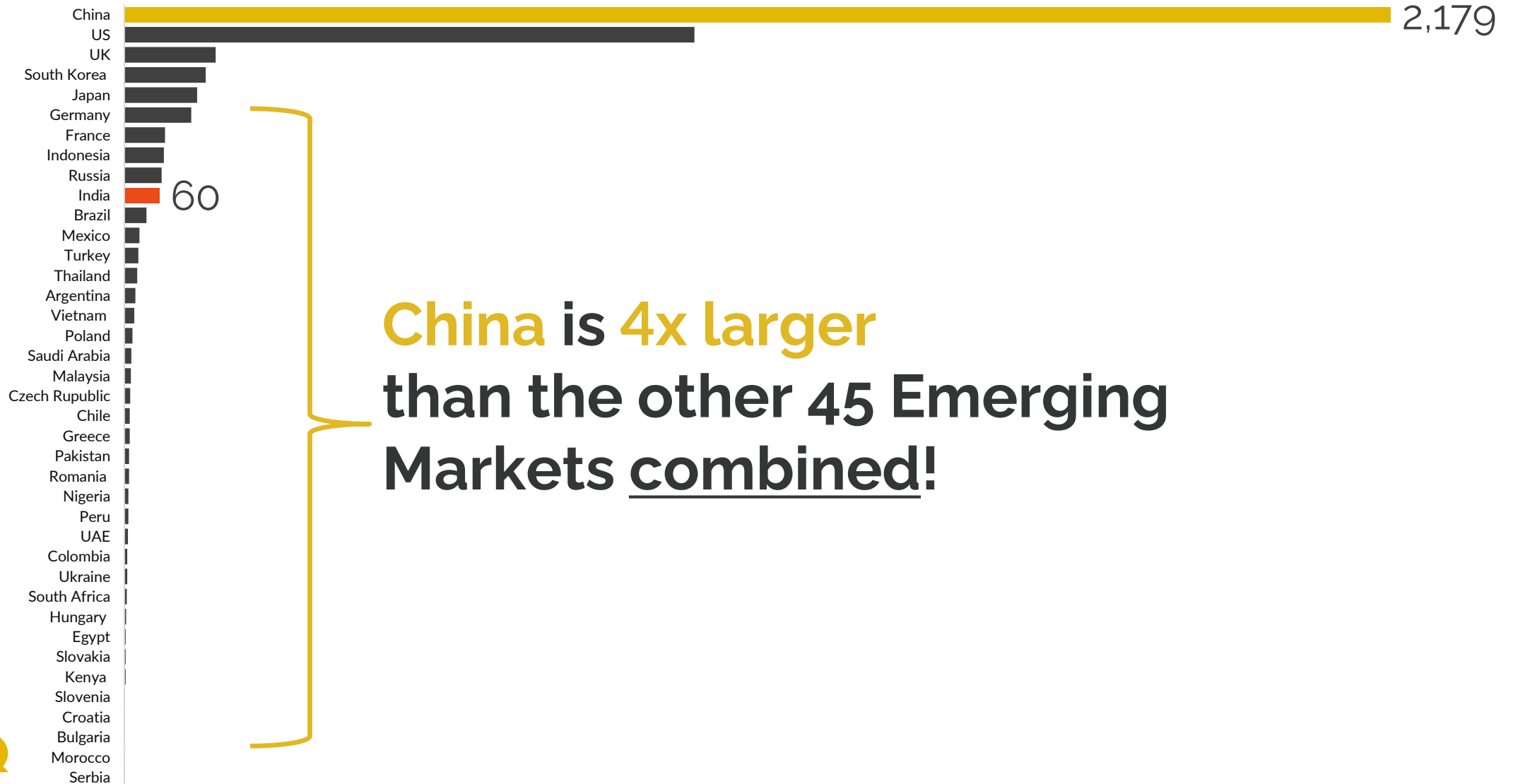


BEYOND CHINA: THE THIRD WAVE



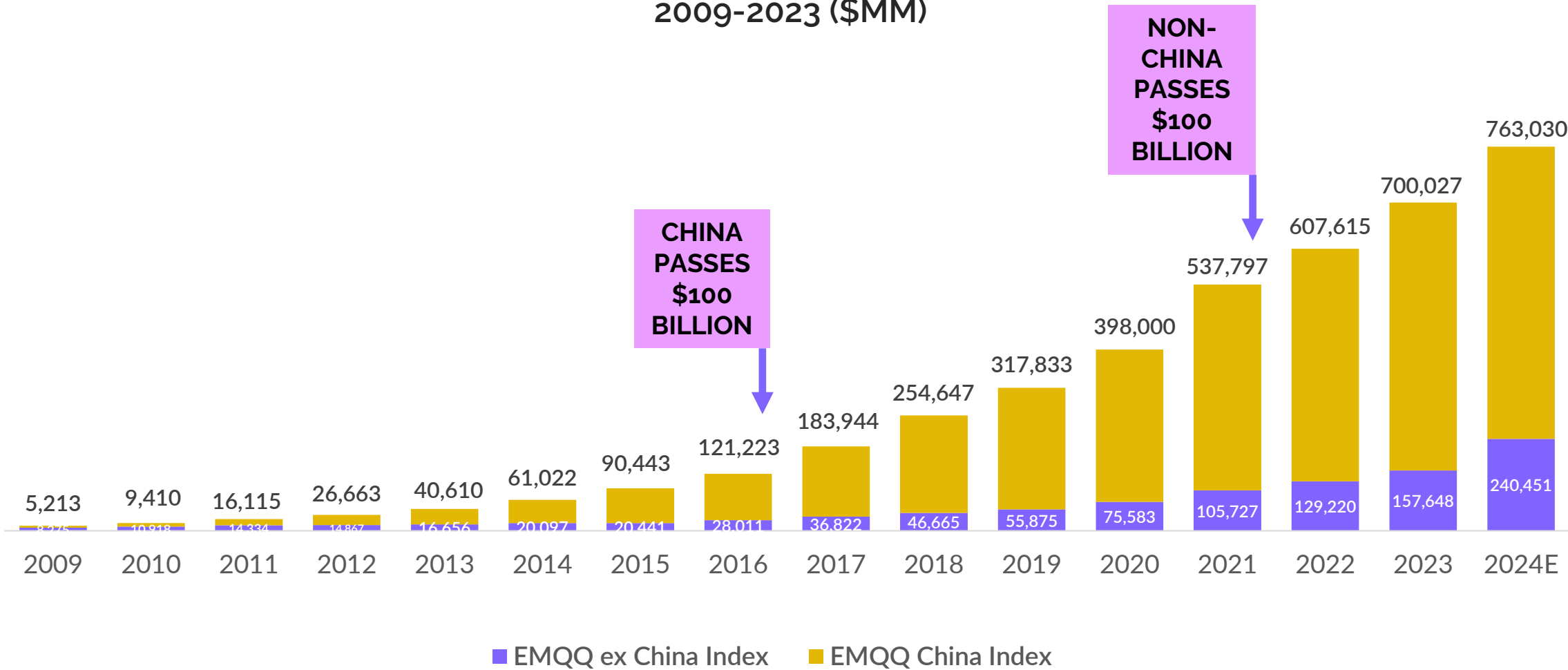
CHINA DOMINATES GLOBAL ECOMMERCE

Ecommerce Sales By Country (Billions)

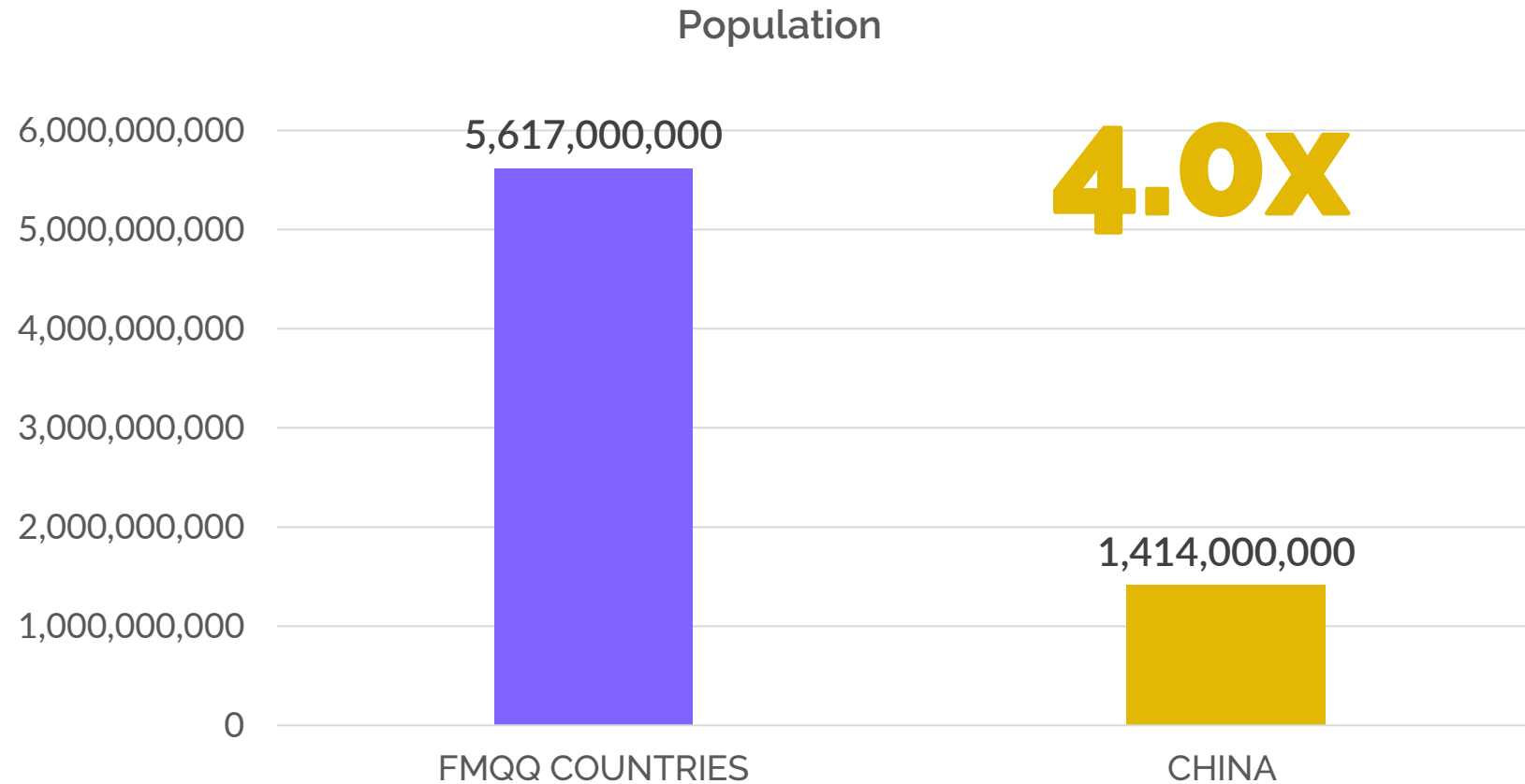


THIRD WAVE REVENUE PASSES \$100B

Total Revenue
2009-2023 (\$MM)

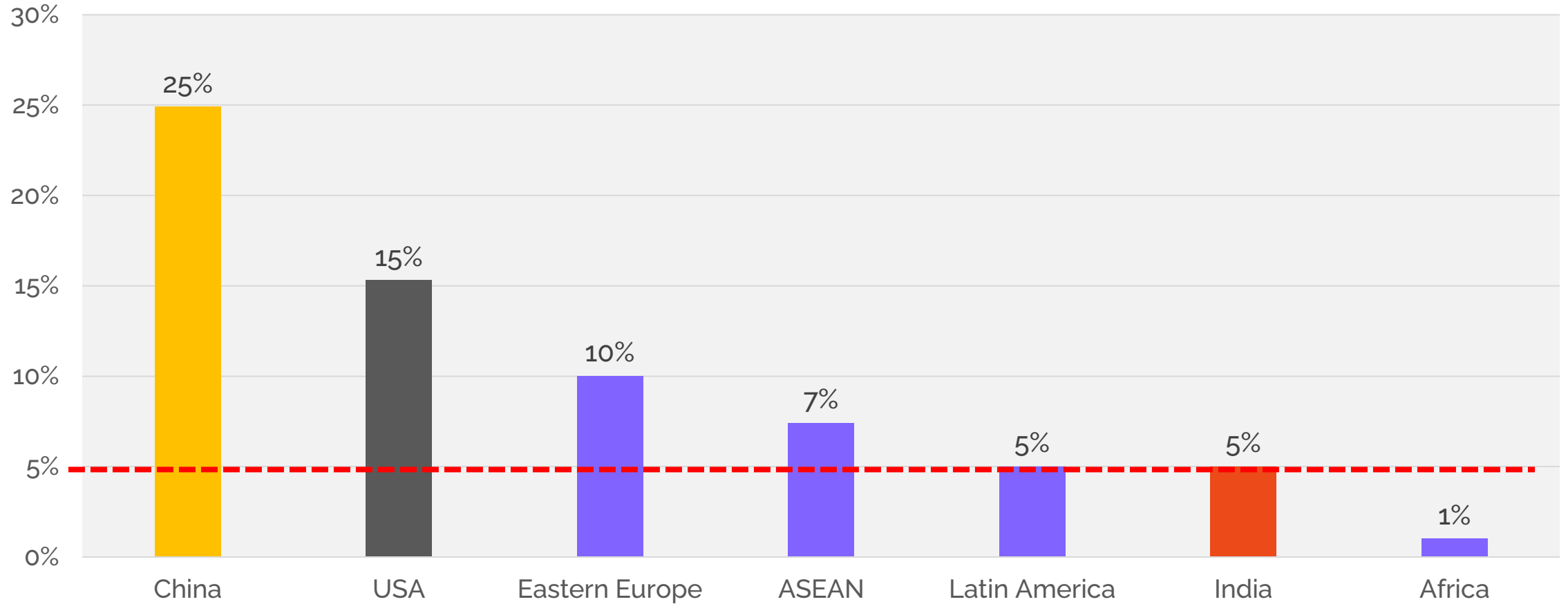


THIRD WAVE POPULATION = 4X CHINA

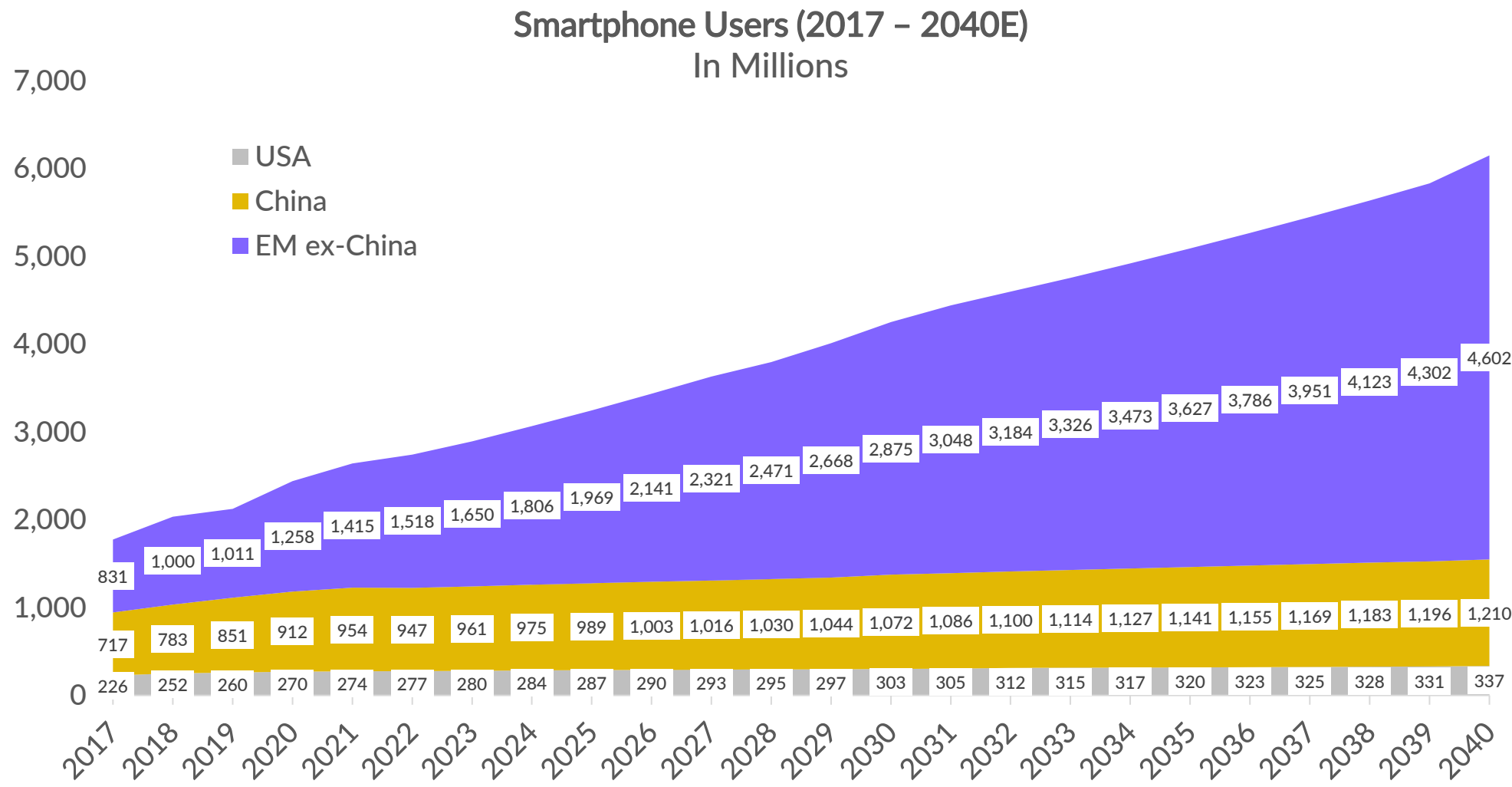


INDIA PENETRATION = ~1/5TH CHINA

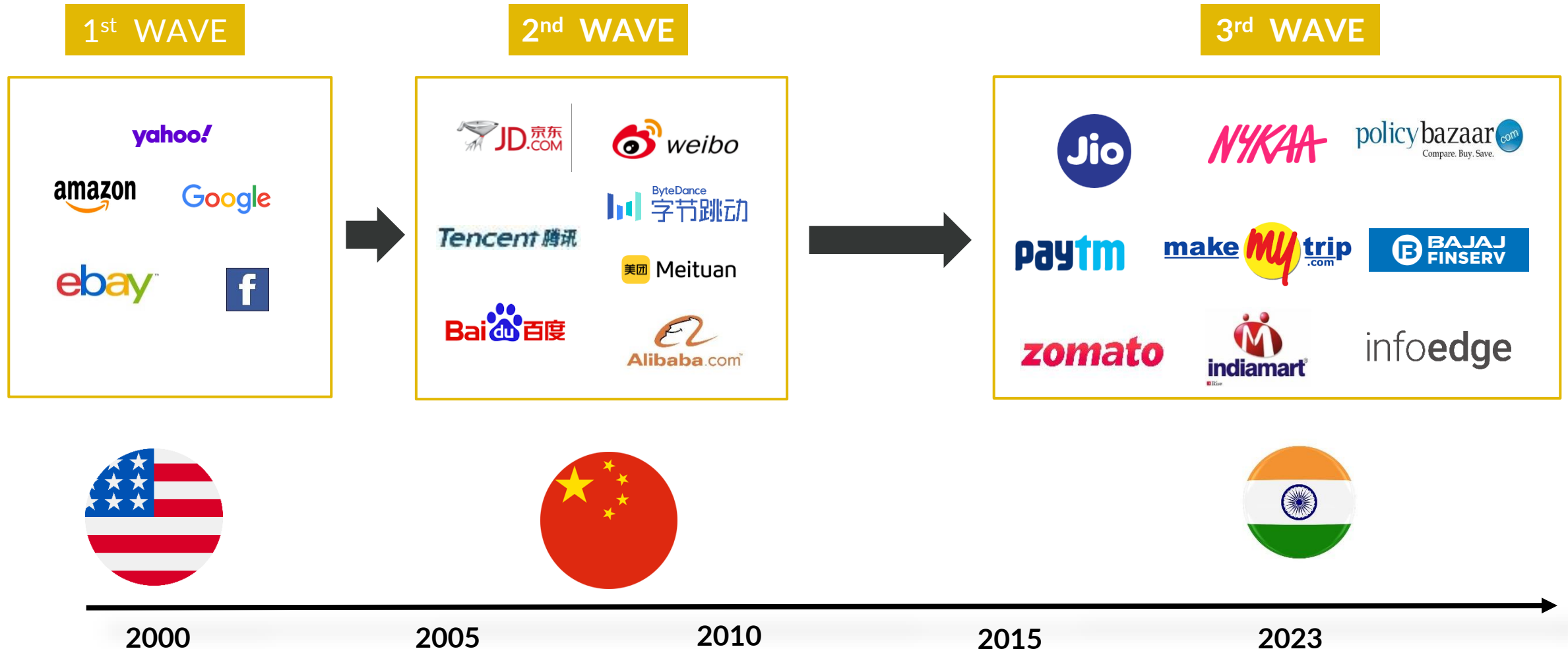
E-Commerce Penetration By Region (2021)



THIRD WAVE DWARFS FIRST TWO WAVES



INDIA IS THE BIGGEST PART OF THIRD WAVE



INDIA + EMQQ GLOBAL

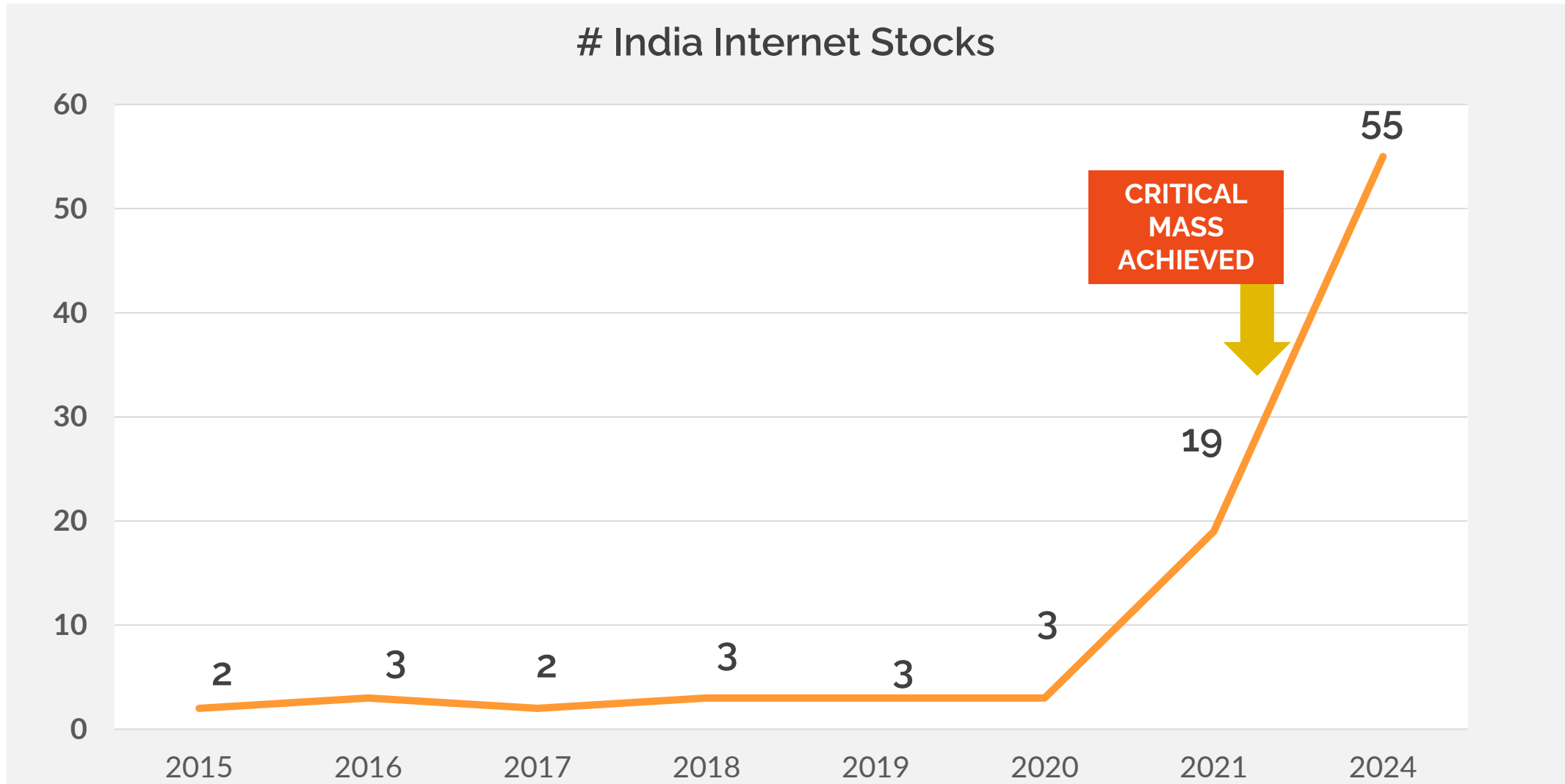
INDIA: A DEMOCRACY EMBRACING TECHNOLOGY



COMING SOON

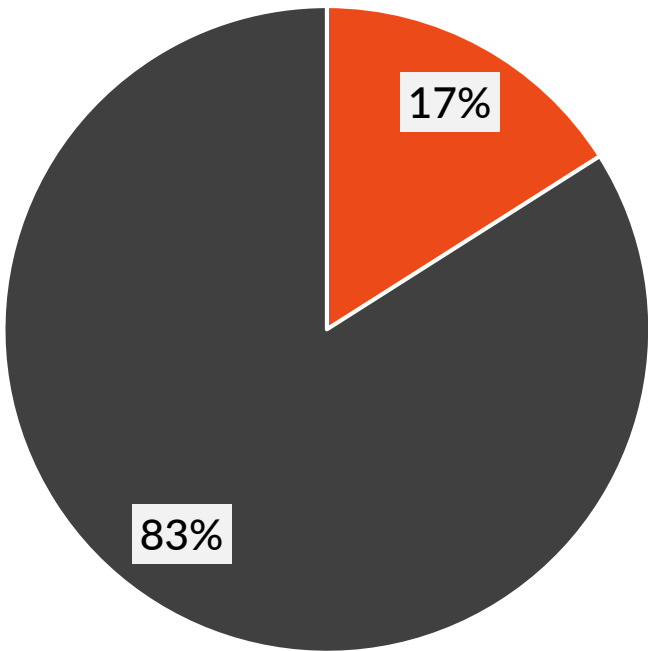


OF PUBLIC INDIA EMQQ COMPANIES SURGED



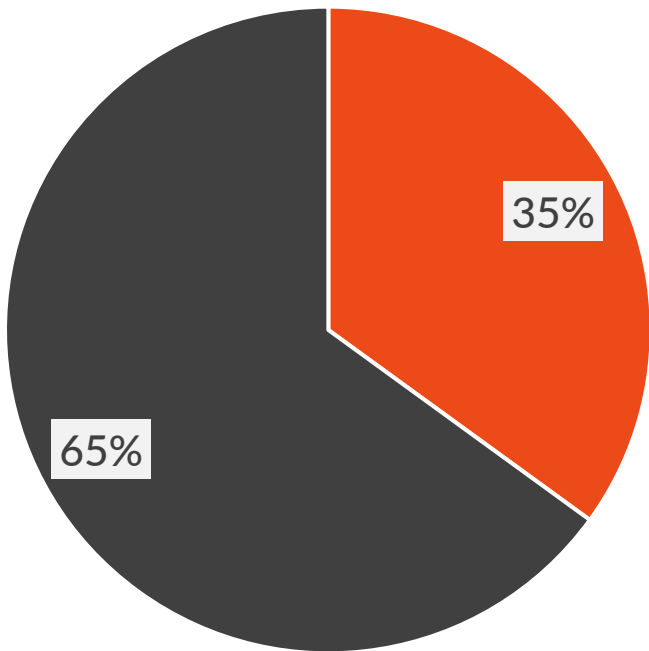
INDIA WEIGHT IN EMQQ GLOBAL INDEXES

EMQQ Index



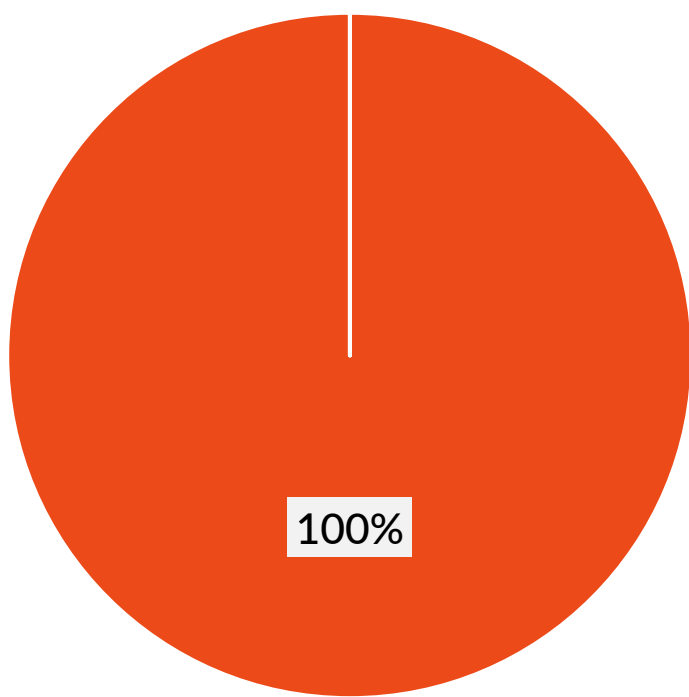
■ India ■ Non-India

FMQQ Index



■ India ■ Non-India

INQQ Index



■ India

IS INDIA THE PERFECT EMERGING MARKET?



EMERGING MARKET CHECKLIST

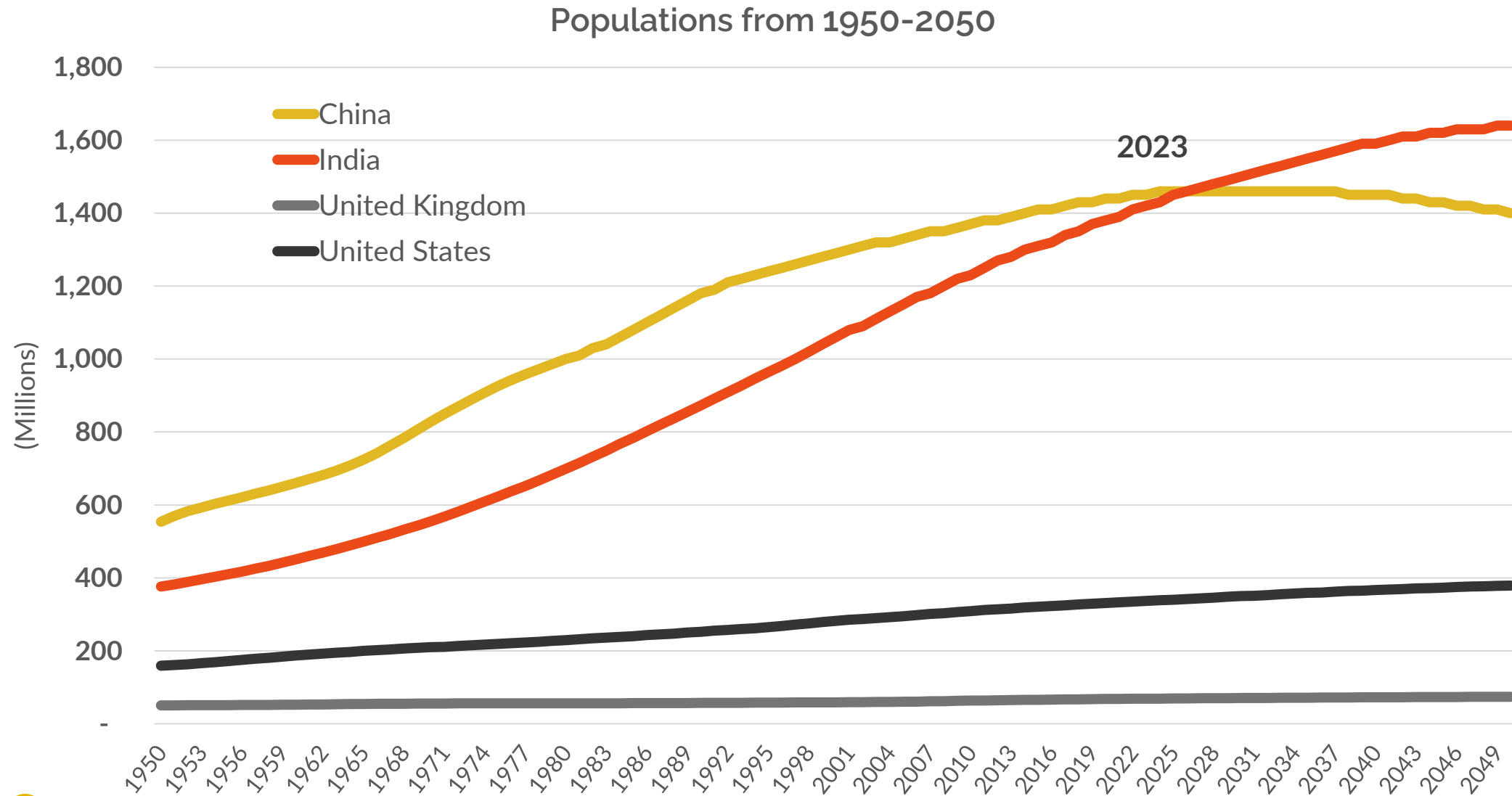
1. THEY HAVE **LOTS OF PEOPLE**

2. THEY ARE **YOUNG**

3. THEY HAVE **FAST GROWING ECONOMIES**

4. THIS GROWTH IS DRIVING **CONSUMPTION**

YES - #1 LARGEST POPULATION EVER+++

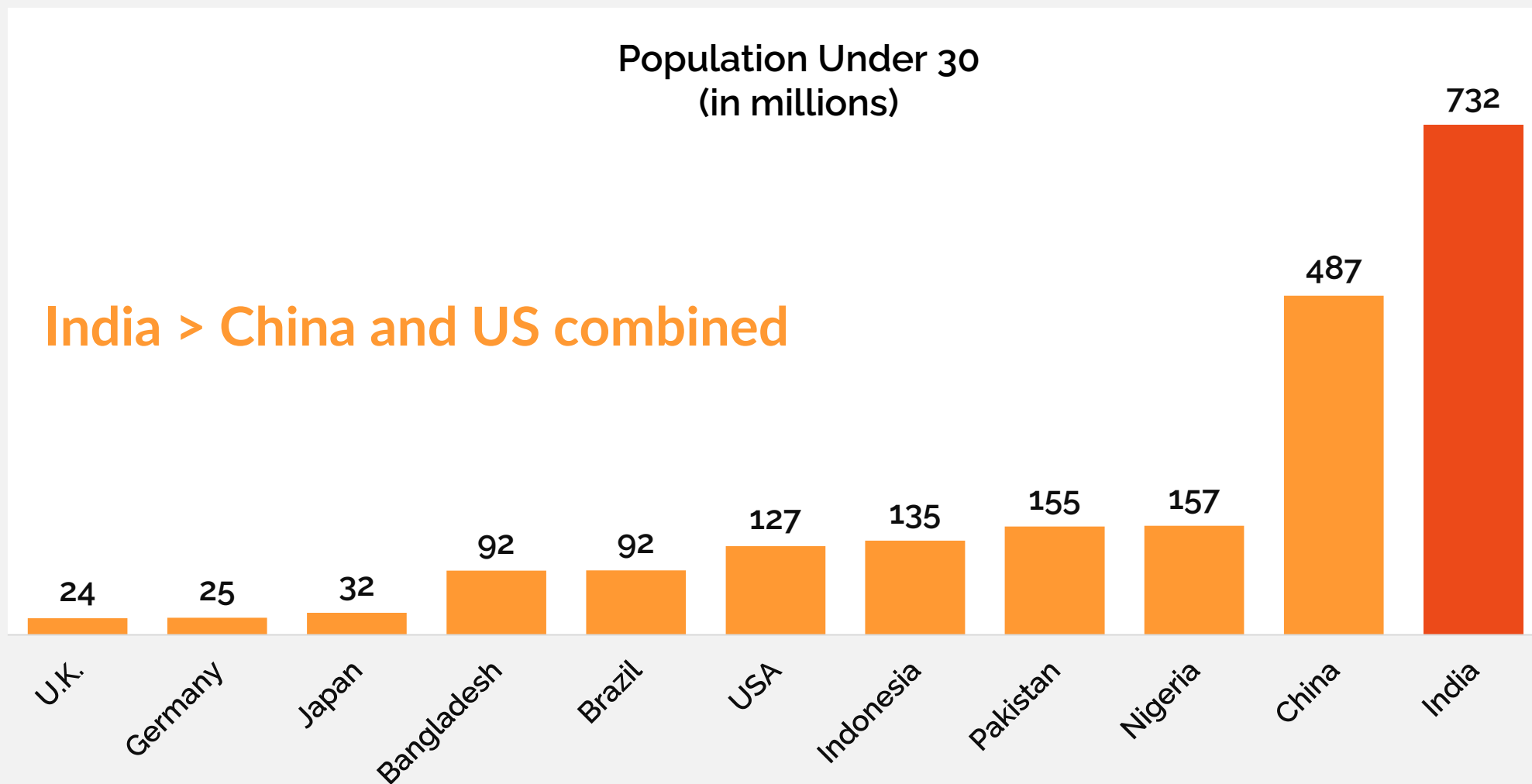


YES #1 - BIGGER THAN ALL OTHER EM (ex CHINA)

COUNTRY	Other EMs
Indonesia	275,501,339
Brazil	215,313,498
Mexico	127,504,125
Philippines	115,559,009
Egypt	110,990,103
Turkey	85,341,241
Thailand	71,697,030
South Africa	59,893,885
Colombia	51,874,024
Poland	37,561,599
Saudi Arabia	36,408,820
Peru	34,049,588
Malaysia	33,938,221
South Korea	26,069,416
Taiwan	23,570,000
Chile	19,603,733
Greece	10,566,531
Czech Republic	10,526,073
Hungary	9,683,505
UAE	9,441,129
Kuwait	4,268,873
Qatar	<u>2,695,122</u>
SUM	1,372,056,864
INDIA	1,417,173,173

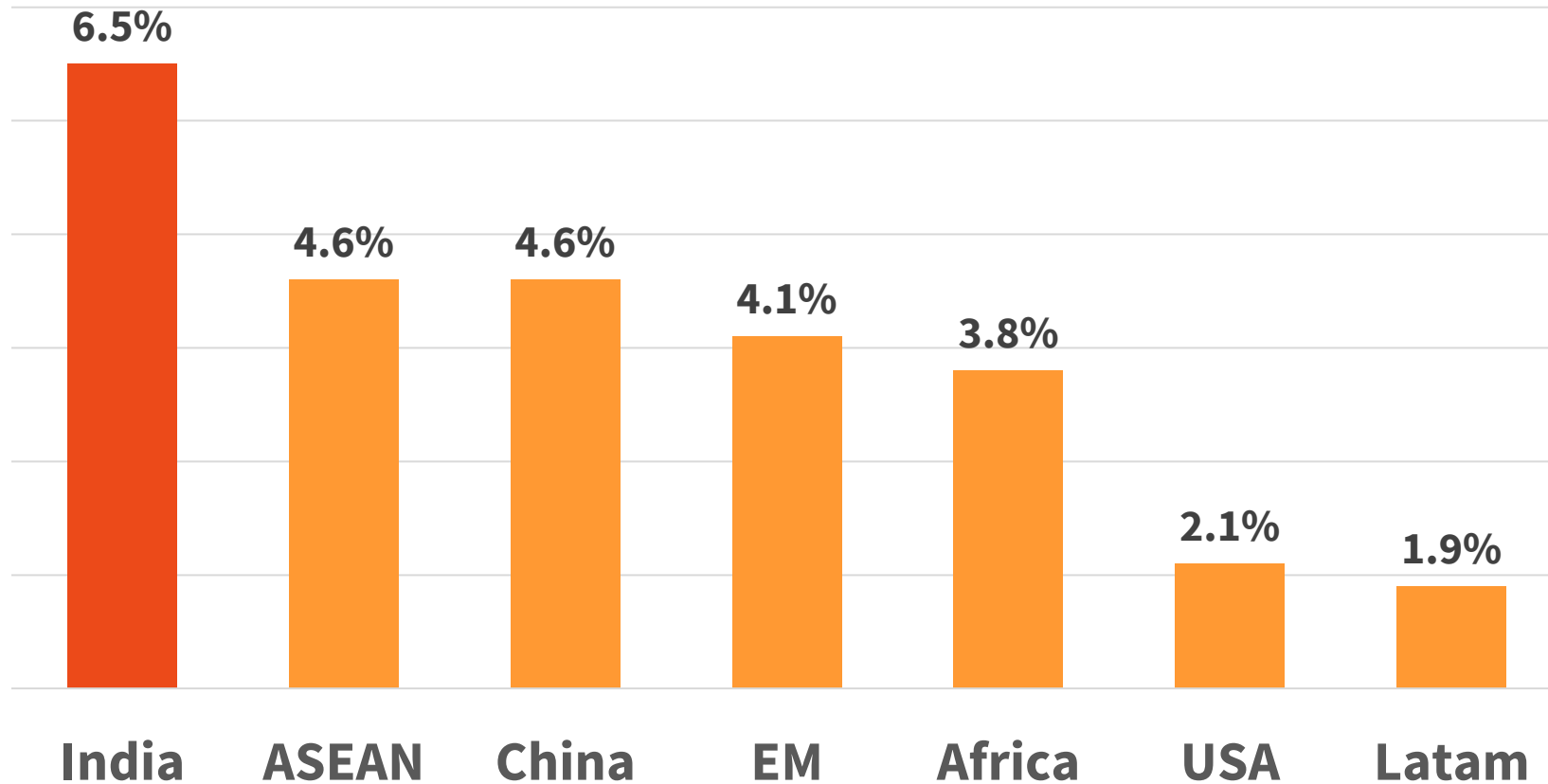
The population of
INDIA is larger
than every other
emerging market
combined
(ex-China)

YES - #1 MOST YOUNG PEOPLE



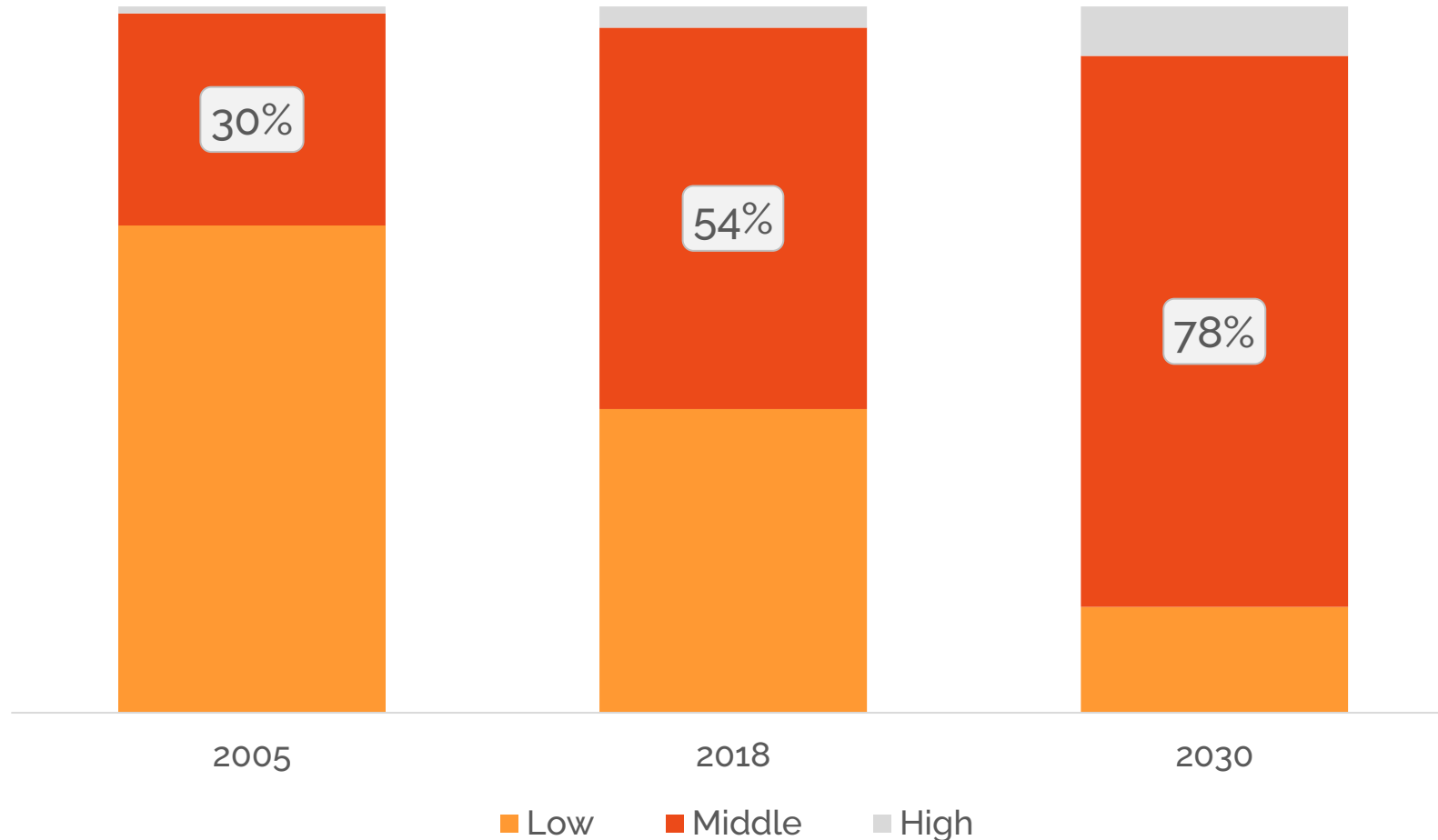
YES - #1 FASTEST GROWING MAJOR ECONOMY

IMF GDP Growth Projections (2024E)



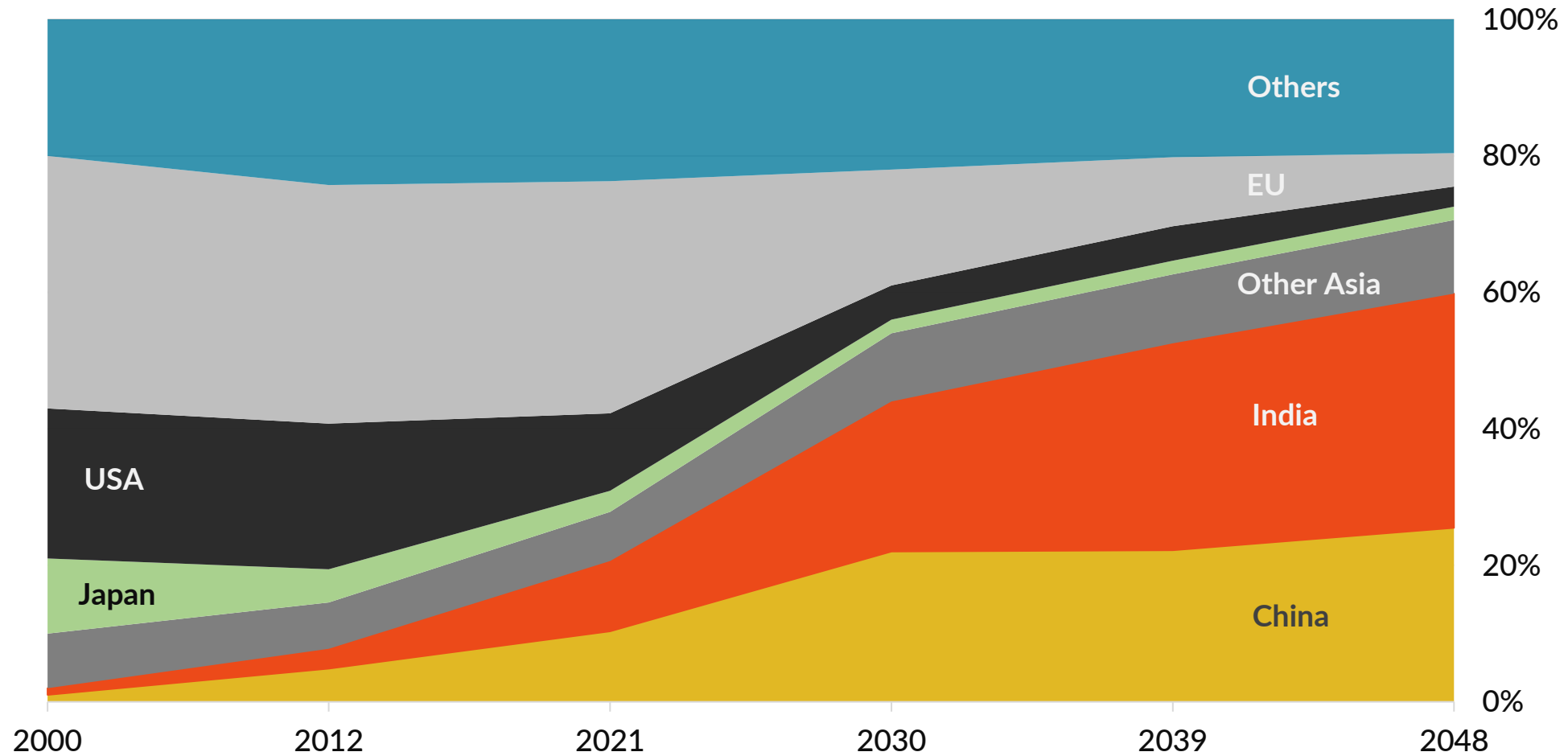
YES - INDIA HAS A SWELLING MIDDLE CLASS

Swelling Middle Income Households in India



YES – INDIA WILL HAVE #1 MOST CONSUMPTION

Emerging Markets Middle Class Consumption



WHY INDIA NOW?

1. MODI



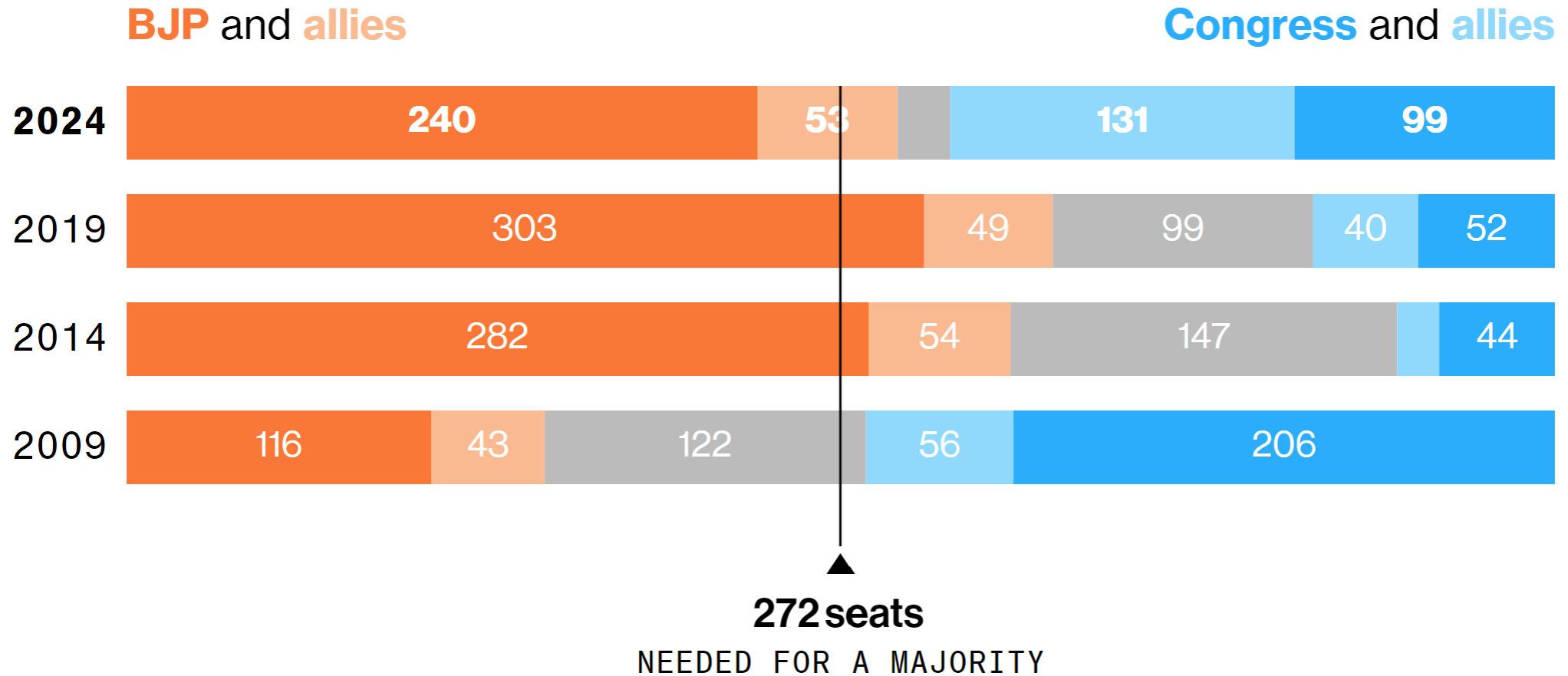
MODI =~ INDIA'S DENG XIAOPING



WORLD

India 2024 election results show Prime Minister Narendra Modi winning third term, but with a smaller mandate

MODI WINS BUT WITH SMALLER MAJORITY



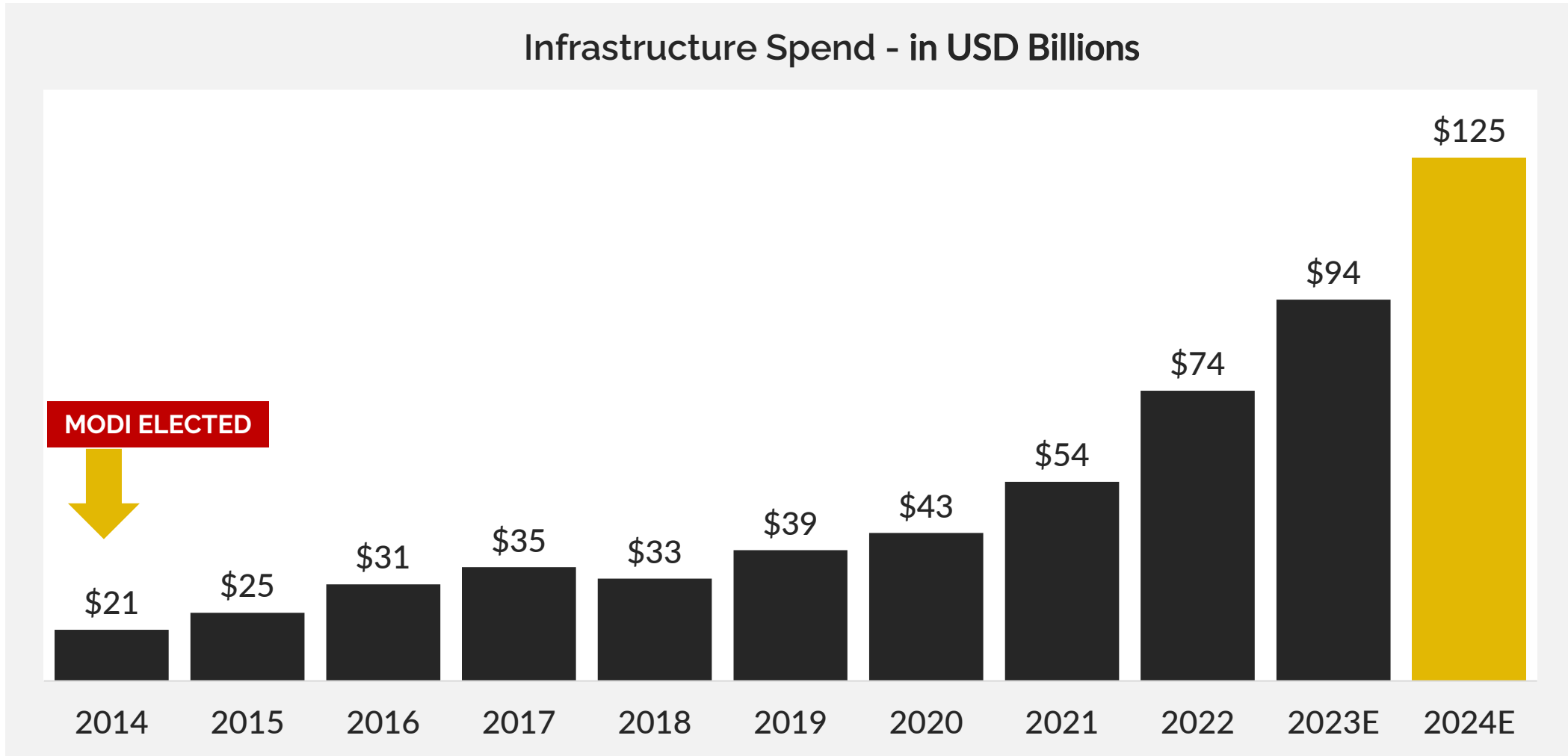
COALITION FORMED

6.5.24

Modi-led Alliance Agrees To Form Next India Government: Statement



INFRASTRUCTURE INVESTMENT SURGING





Indian Railways will revamp 200 train stations with modern facilities and will also build 300 new terminals in next five years.



Indian Railways will develop 400 new high-speed Vande Bharat Express trains in the next 3 years.



The Mumbai-Ahmedabad High Speed Rail Corridor will connect Mumbai with Ahmedabad. It will be India's first high-speed rail line.



India had 74 airports in 2014. It will triple that to 222 by 2025.





Deep Water Ports being constructed.



Estimates are that Apple will move 5% of its iPhone 14 manufacturing to India this year and could make 25% of all iPhones in India by 2025.



WORLD

India 2024 election results show Prime Minister Narendra Modi winning third term, but with a smaller mandate

2. HUMAN CAPITAL

A 50-YEAR-OLD TECHNOLOGY ECOSYSTEM

INDIA TECH SECTOR IS 50 YEARS OLD



1945



1968



1981

INDIA HAS WORLD CLASS TECH SCHOOLS



INDIA HAS UNMATCHED HUMAN CAPITAL

Company	Market Cap (\$B)	CEO
Microsoft	2,137	Satya Nadella
Alphabet/ Google	1,346	Sundar Pichai
Mastercard	356	Ajaypal Singh Banga
Adobe	174	Shantanu Narayen
Starbucks	123	Laxman Narasimhan
IBM	115	Arvind Krishna
Micron	67	Sanjay Mehrotra
FedEx	58	Raj Subramaniam
Palo Alto Networks	58	Nikesh Arora
VMware	55	Rangarajan Raghuram
NetApp	14	George Kurian
Youtube	Private	Neal Mohan
Deloitte	Private	Punit Renjen



3. THE INDIA STACK

“DIGITAL PUBLIC INFRASTRUCTURE”

#cheatcode

INDIA STACK = DIGITAL PUBLIC INFRASTRUCTURE



2023



Ecommerce Layer

2016



Payment Layer

2010



Identity Layer



**The Aadhaar (“Foundation”) of the Aadhaar - Nandan Nilekani.
Infosys Co-Founder has overseen India’s Digital Stack.**

AADHAAR = FOUNDATION



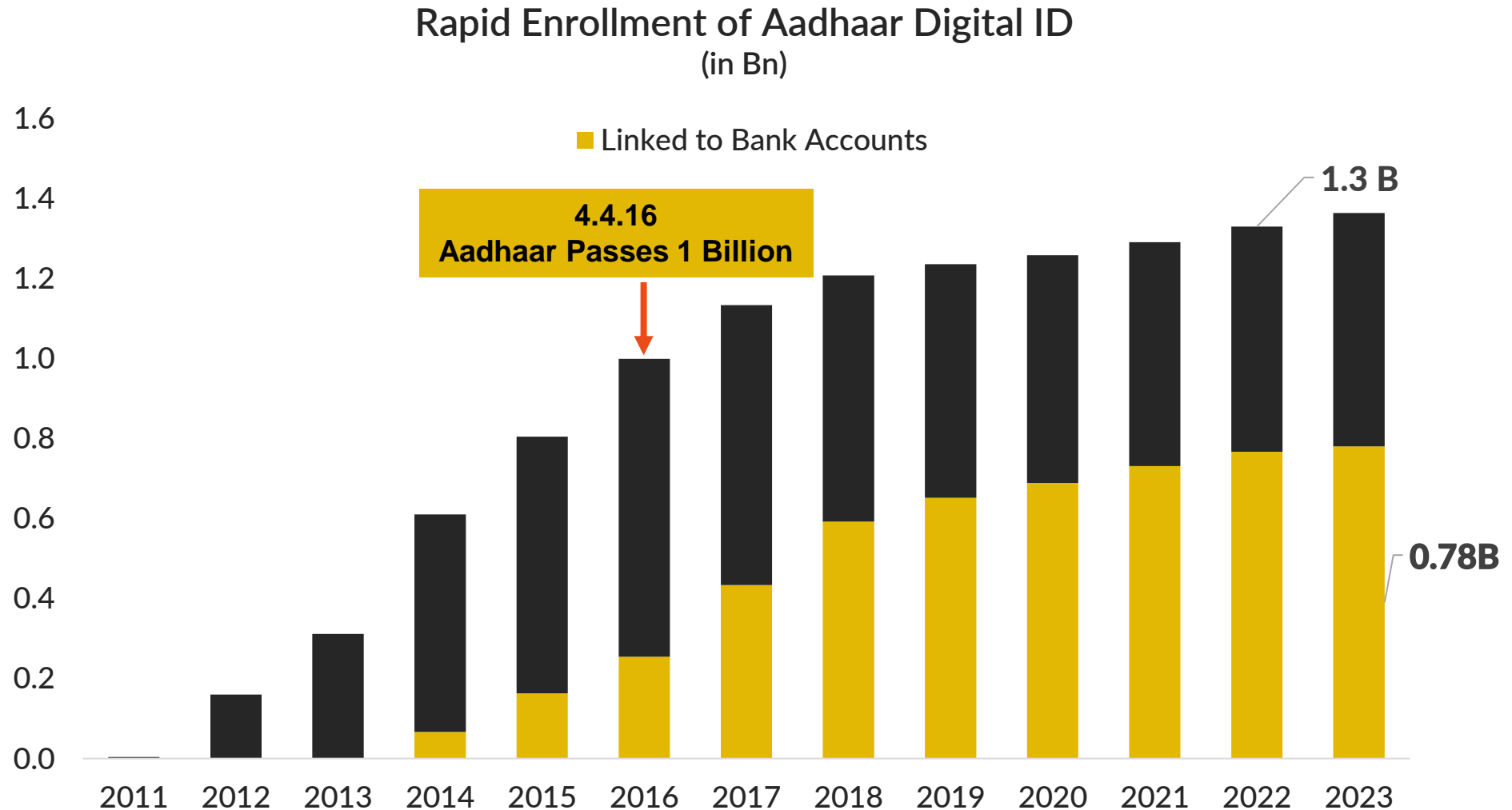
Launched in 2010

Aadhaar, which means 'foundation' in Hindi, centers around a 12-digit identity number, linked to fingerprints and eye scans. **Each Indian citizen receives a Aadhaar card with that number on it, which can be cross-referenced with the biometric data held in a central database.**

Aadhaar can be used to open a bank account and access a variety of government-run welfare programs as well as other digital services.



AADHAAR HAS DRIVEN FINANCIAL INCLUSION



2016 - UPI (UNIFIED PAYMENTS INTERFACE)



Launched 4.11.16

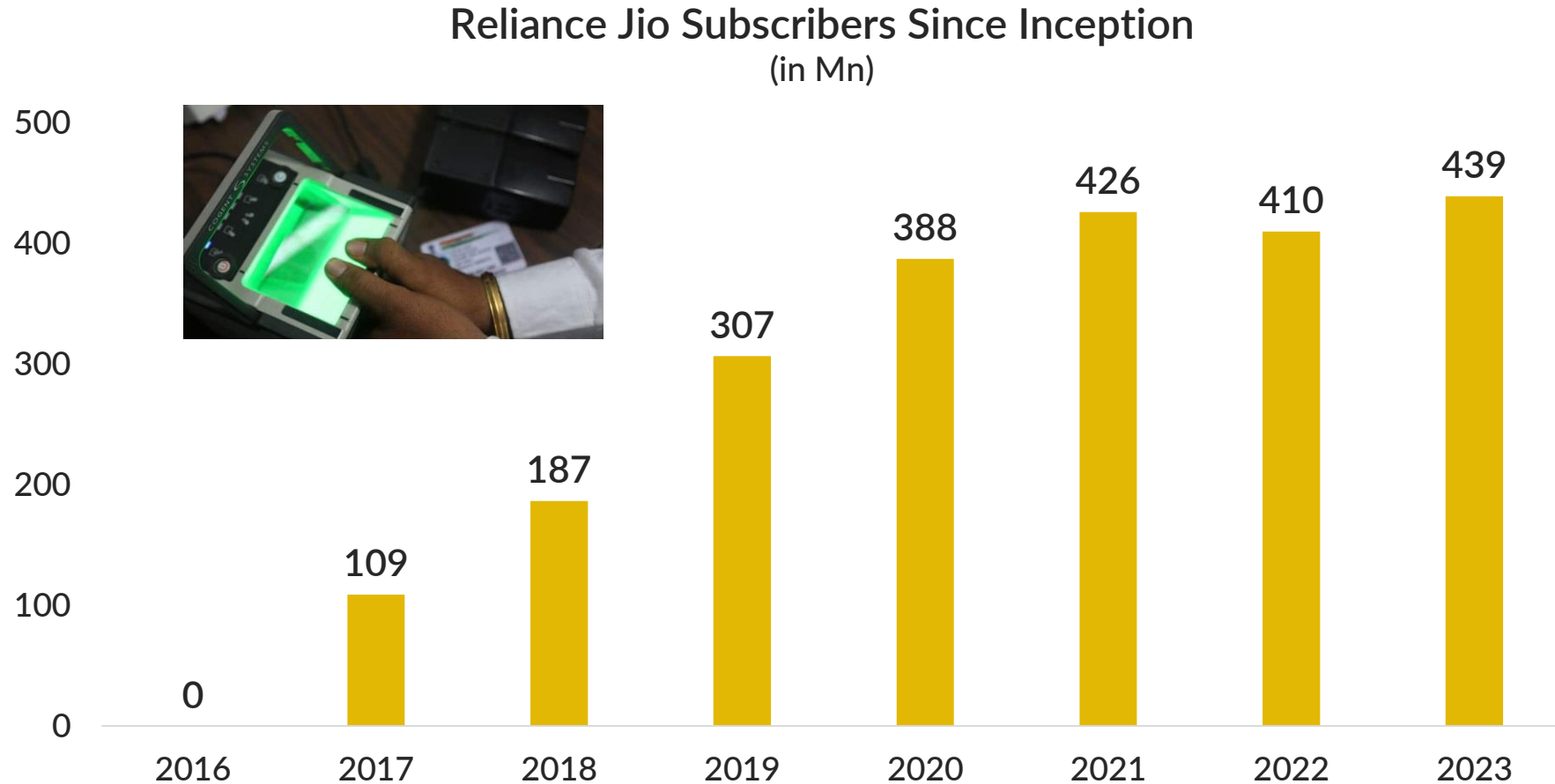
UPI is the backbone of the fintech infrastructure in India. It is an instant, real-time payment system developed by the Indian government to facilitate inter-bank peer-to-peer (P2P) and person-to-merchant (P2M) transactions.

Transactions are usually conducted via a QR Code, which (like China) have become ubiquitous in India. **It is simple, free of charge and instantaneous.**

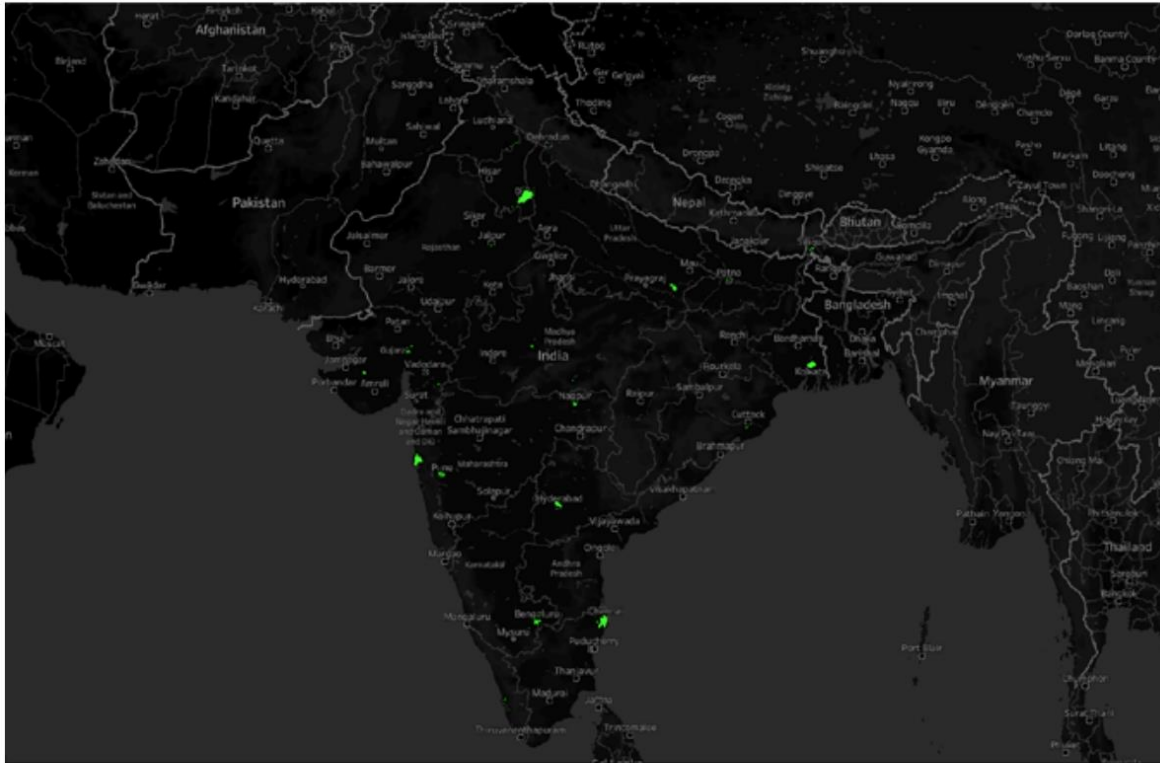


9.5.16 – Mukesh Ambani + Reliance launch 4G Jio Network.

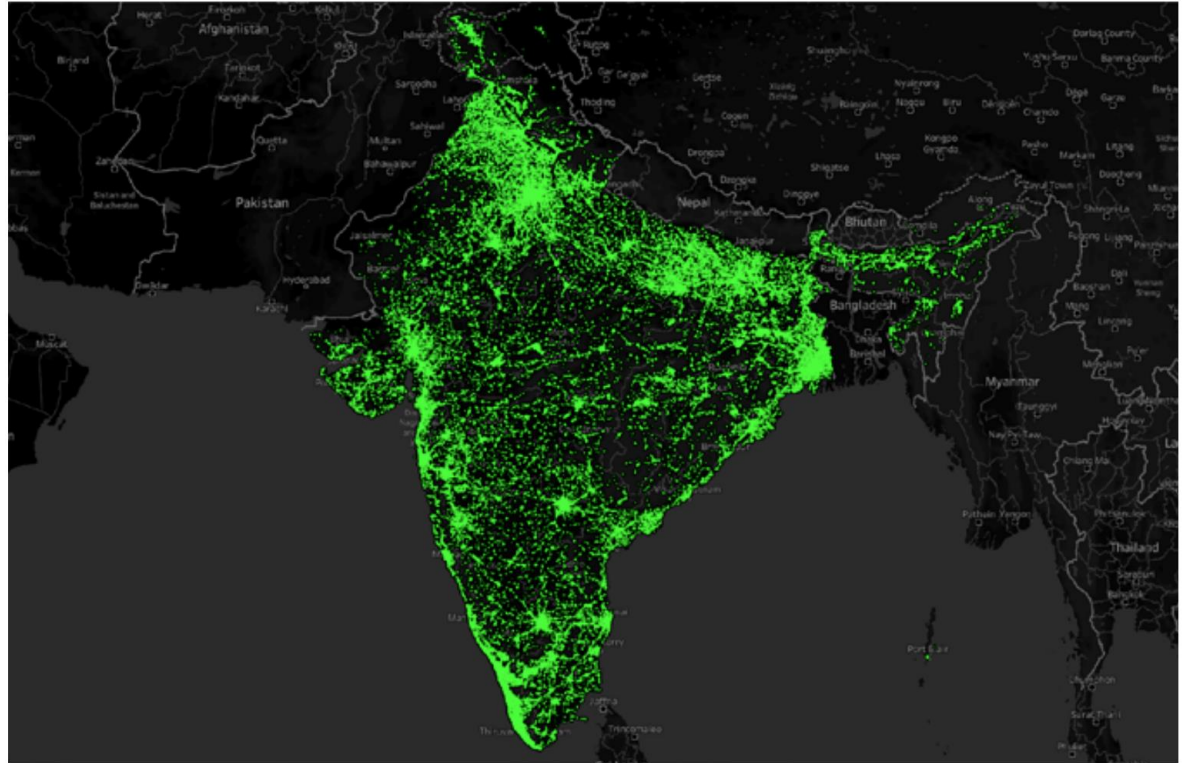
JIO DIGITAL: INDIA'S INTERNET BIG BANG



JIO HAS COVERED INDIA IN 5G



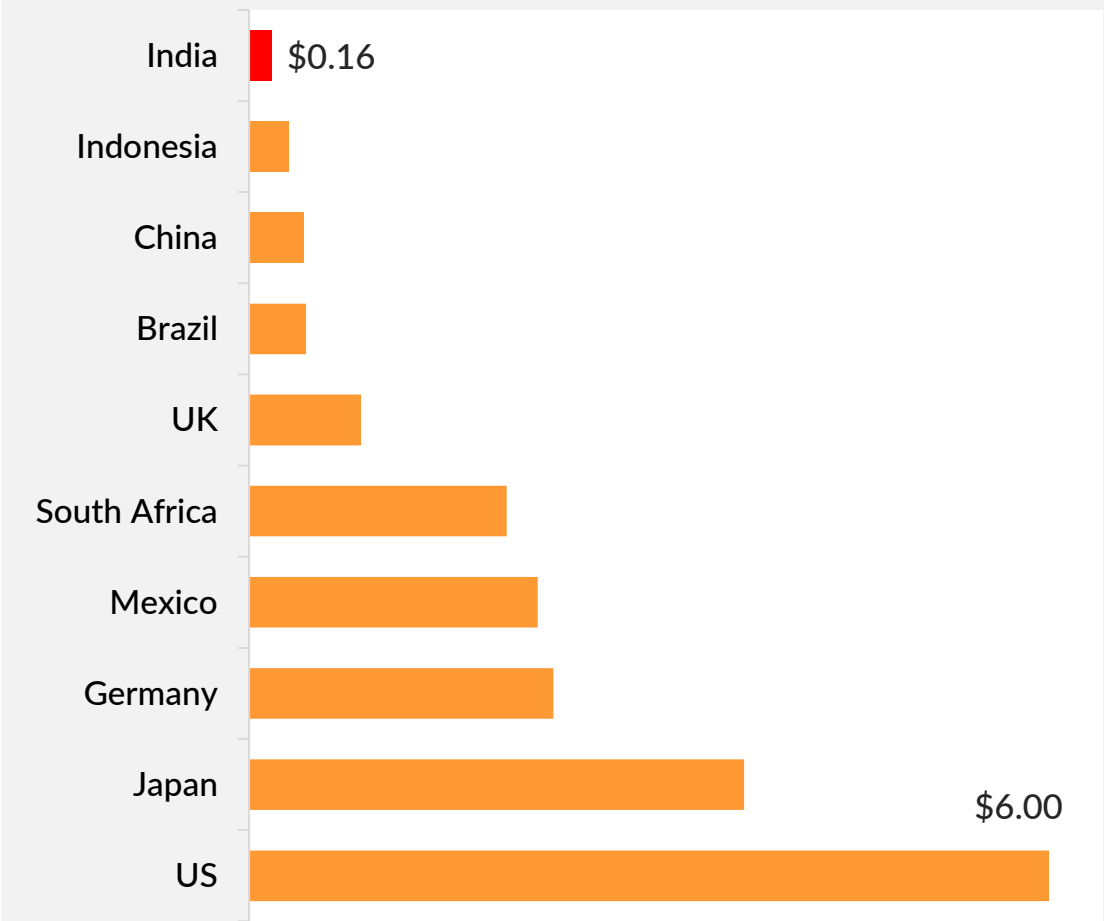
October 2022



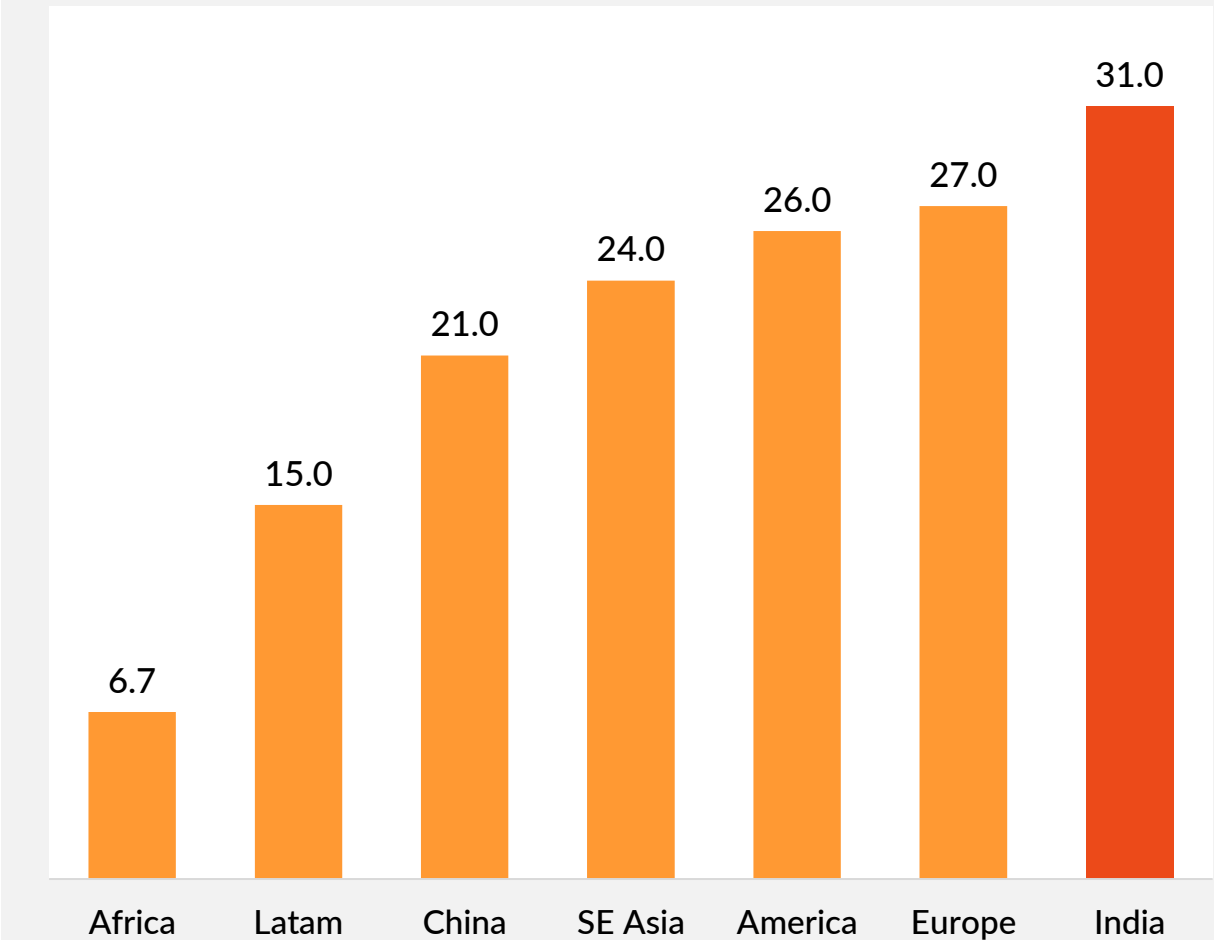
September 2023

INDIA HAS LOWEST DATA COST + MOST CONSUMED

Cost of 1GB of Mobile Data in \$ - 2023



Traffic Per Smartphone (GB) - 2023



2016 – DEMONETIZATION

11.8.16

Inside India's Unprecedented Assault on Cash

For a country where few families pay any income tax and even large transactions are often completed in cash, the disruption has been significant



2017 – TAX REFORM - GST GOES INTO EFFECT

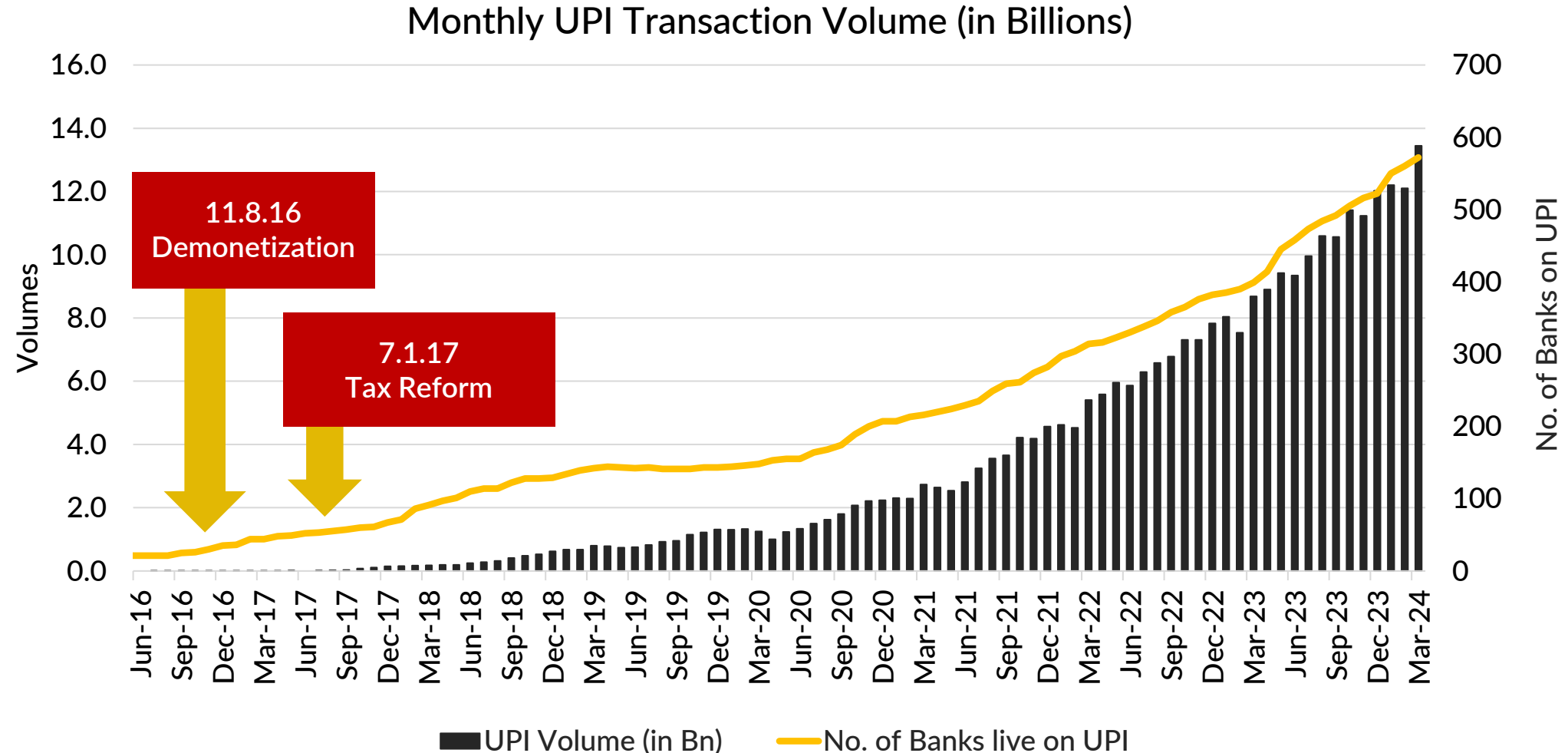
7.1.17

India's New Tax System Sparks Strikes and Protests

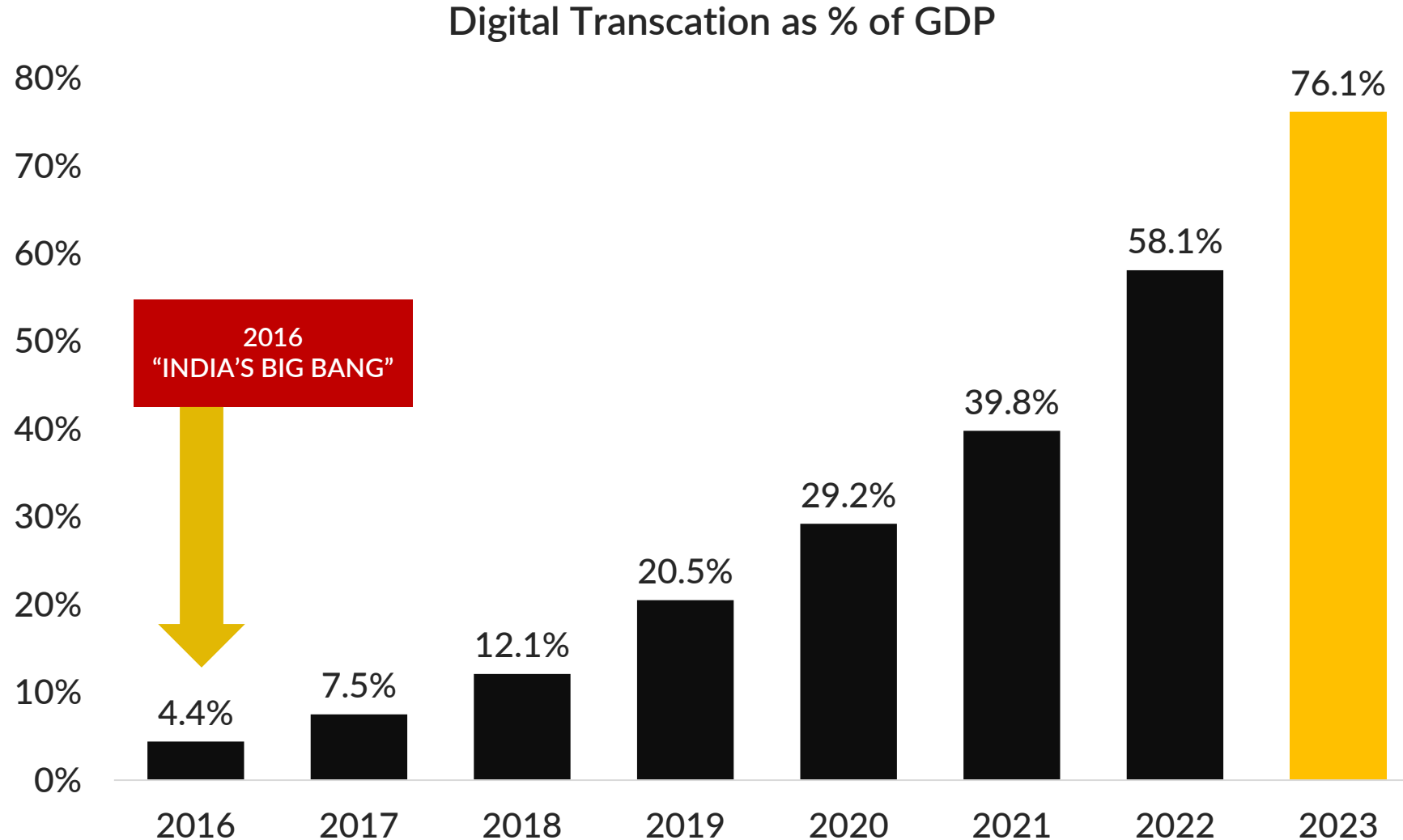
Businesses say they need more help and more time to prepare for introduction of goods and services tax



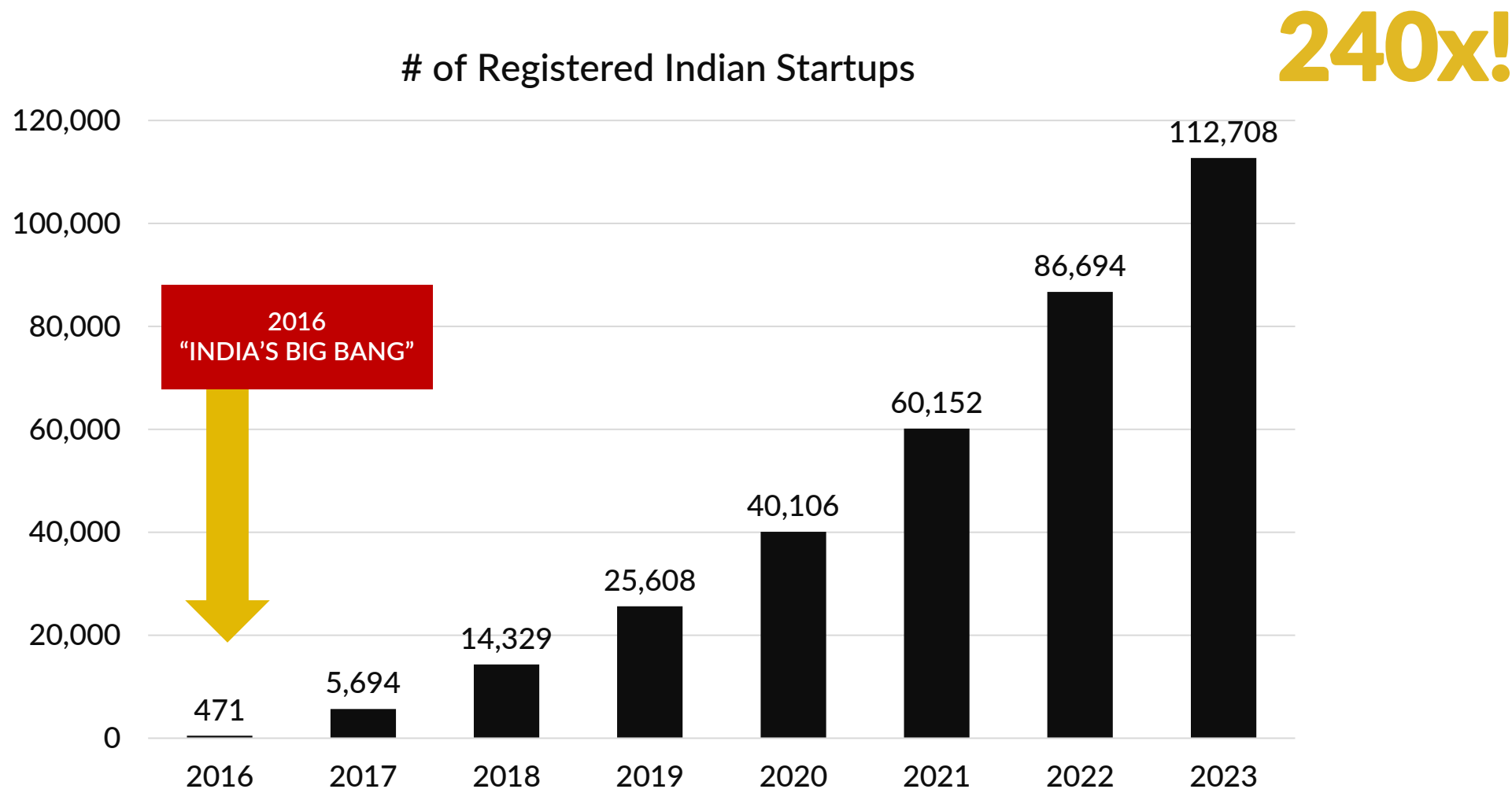
UPI - DIGITAL INDIA IS EXPLODING



FROM CASH TO DIGITAL IN 7 YEARS



ENTREPRENEURISM UNLEASHED!



INDIA EVEN HAS ITS OWN SHARK TANK



**IS INDIA LIKE CHINA
15 YEARS AGO?**





Apple opened it's first store in China 16 years ago.



Apple opened its first two stores in India last year (2023).



INDIA KIND OF IS “LIKE CHINA 15 YEARS AGO”

	China (2008)	India (2023)
GDP (\$ Billions)	4,577	3,737
GDP Per Capita	3,447	2,601
GDP Growth	9.7%	6.1%
Urbanization	47%	35%
Smartphone Penetration*	38%	47%

*China as of 2014

CHINA DIDN'T HAVE \$12 SMARTPHONES

Bloomberg

Ambani Bets on \$12 Phone to Disrupt India's Old Internet Network

- Company starts beta trials of the new phone from July 7
- Jio phones touted as amongst cheapest on offer in the country



“India is making irreversible nonlinear changes. Each change acts as an input to the other changes, leading to combinational innovation at populational scale. This new paradigm changes the rules of the game.”

- Nandan Nilekani



HOMEWORK = WATCH THIS



RESEARCH

How Digitalization Is Transforming India

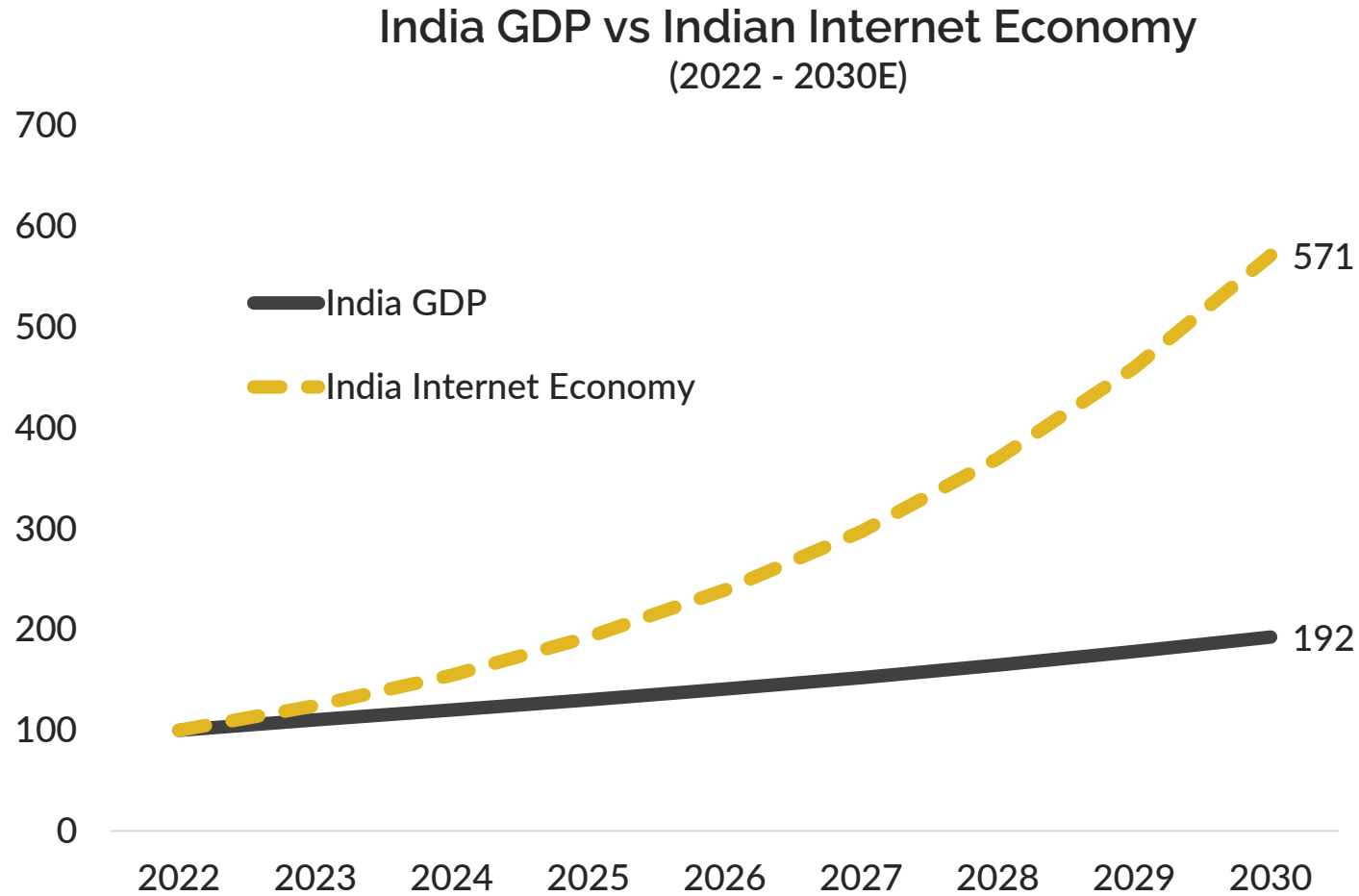
May 5, 2023

Morgan Stanley sits down with Nandan Nilekani, one of the visionaries behind India's digital transformation, to discuss how India's digitalization is transforming healthcare, education and banking in India—and driving its economic growth.

THE CASE FOR INDIA INTERNET SECTOR

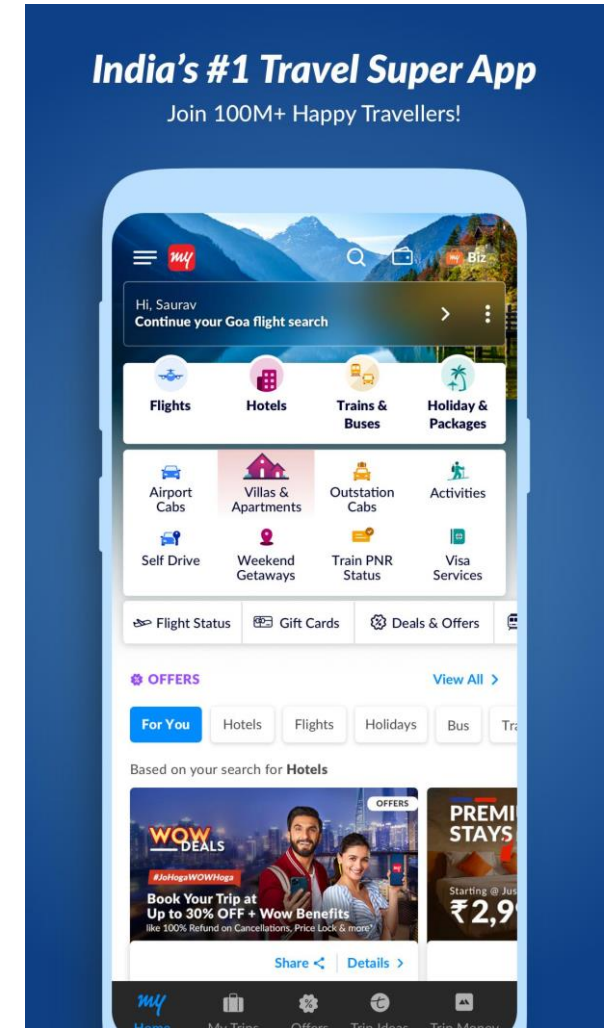


WHY INQQ? WHERE THE GROWTH IS

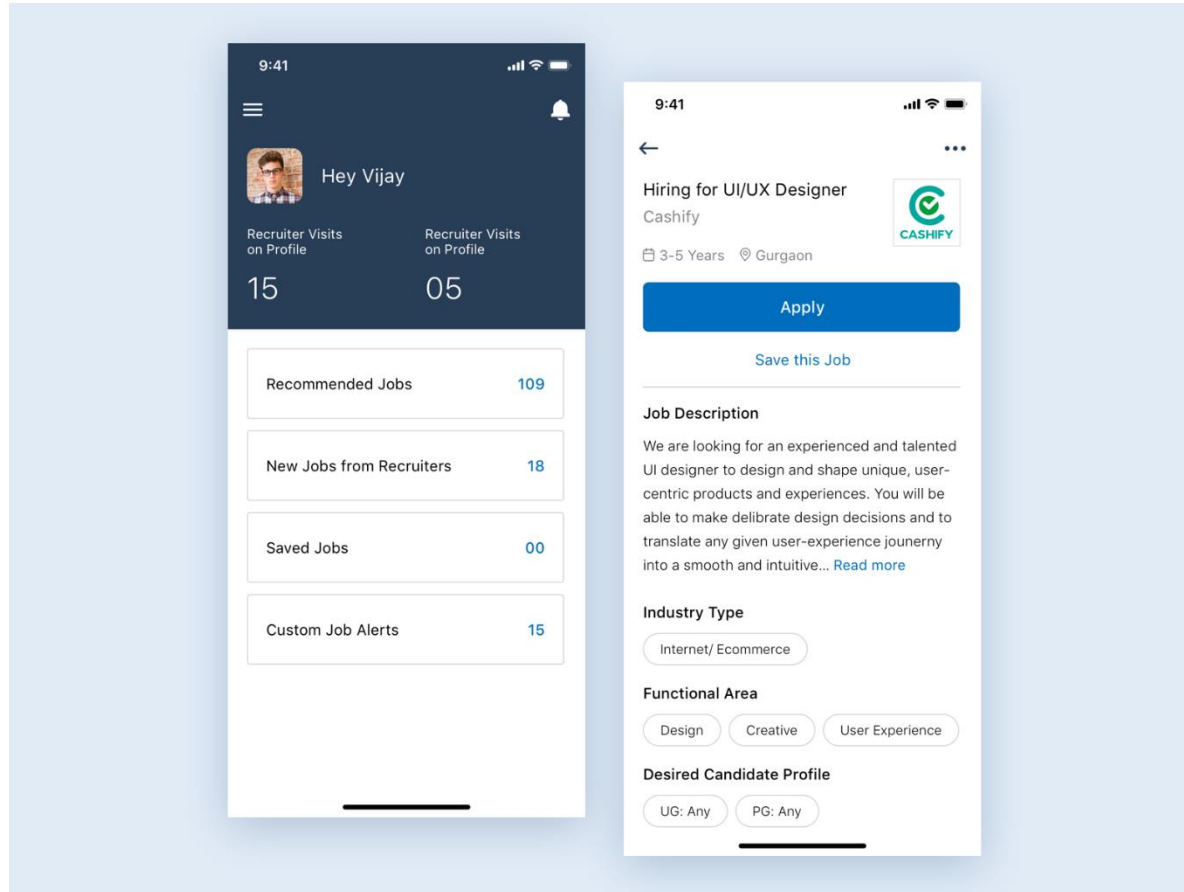


The INQQ Index targets the growth of the Indian internet economy.

(MMYT US): MAKEMYTRIP: “EXPEDIA OF INDIA”

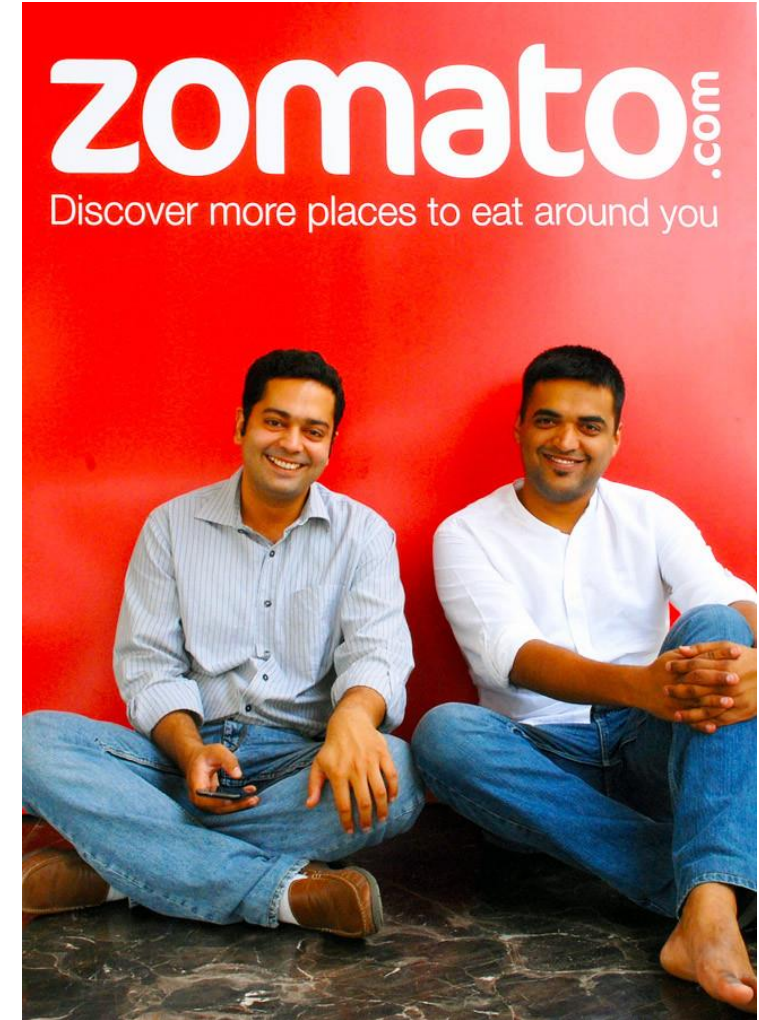


(NAKURI.NS): INFO EDGE: INDIA'S #1 JOBS SITE



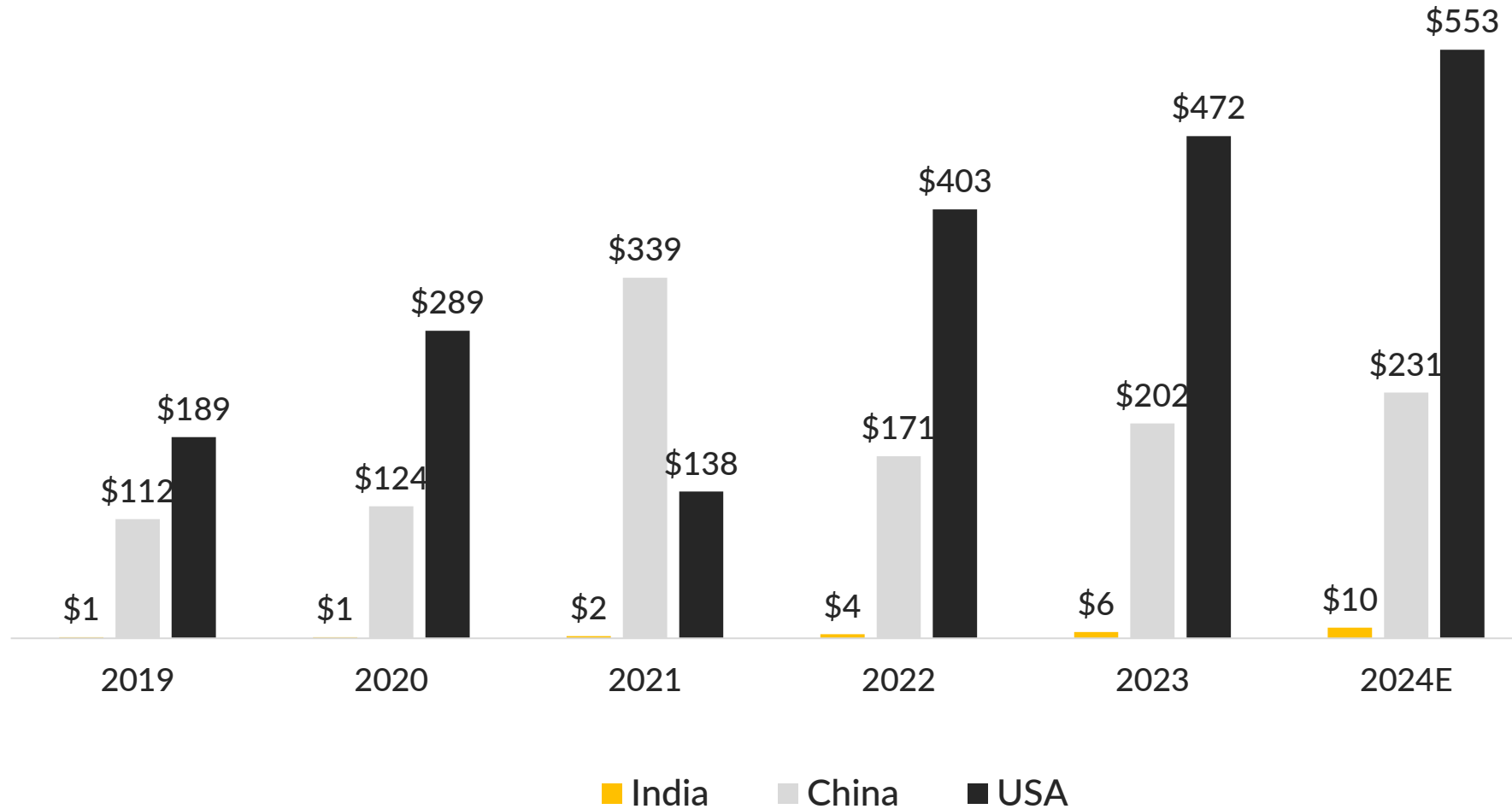
 **naukri.com**
India's No.1 Job Site

(ZOMATO.NS) ZOMATO: “DOORDASH OF INDIA”



GREENFIELD OPPORTUNITY FOR ZOMATO

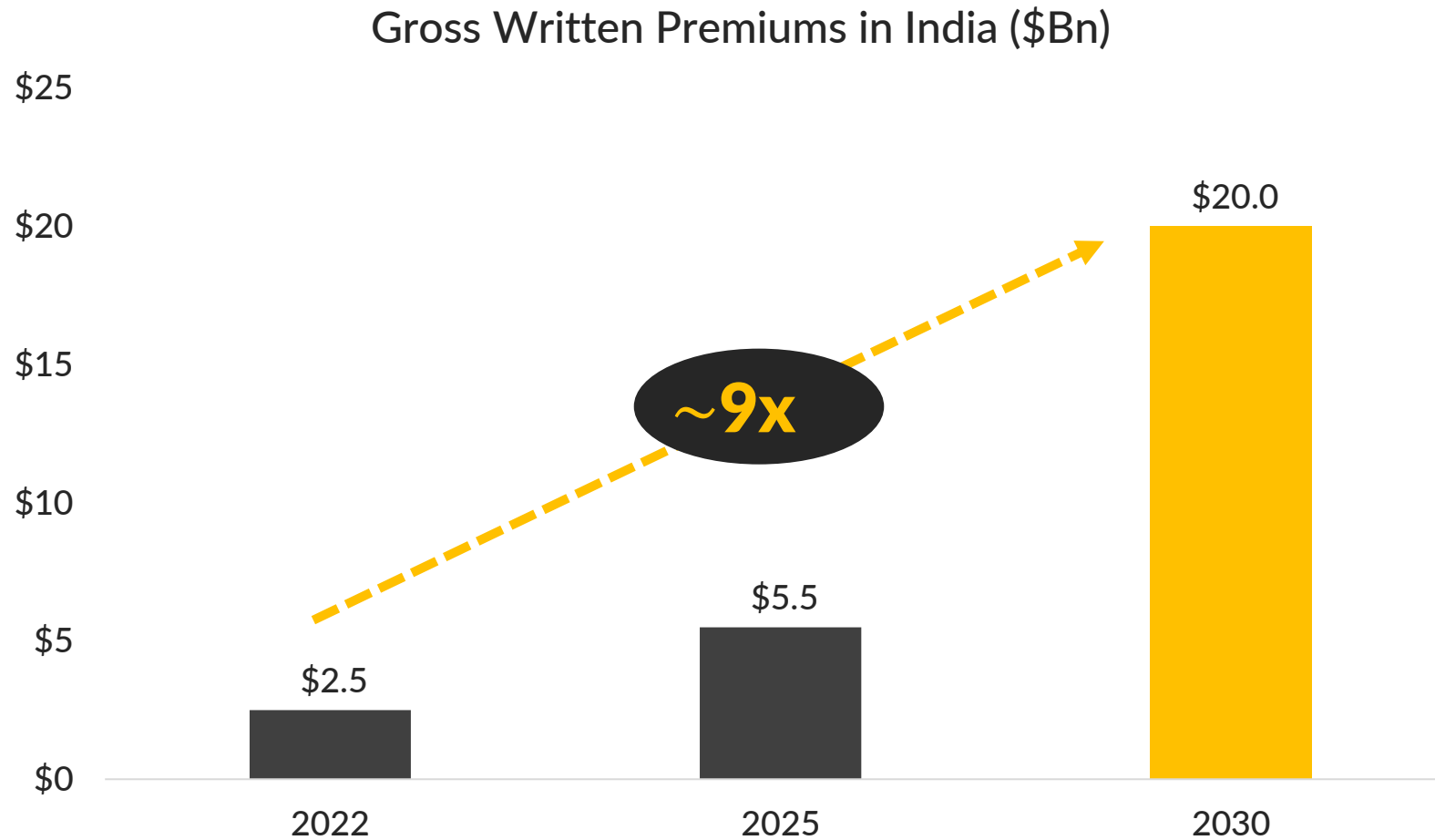
Per Capita Spend on Online Groceries (in USD)



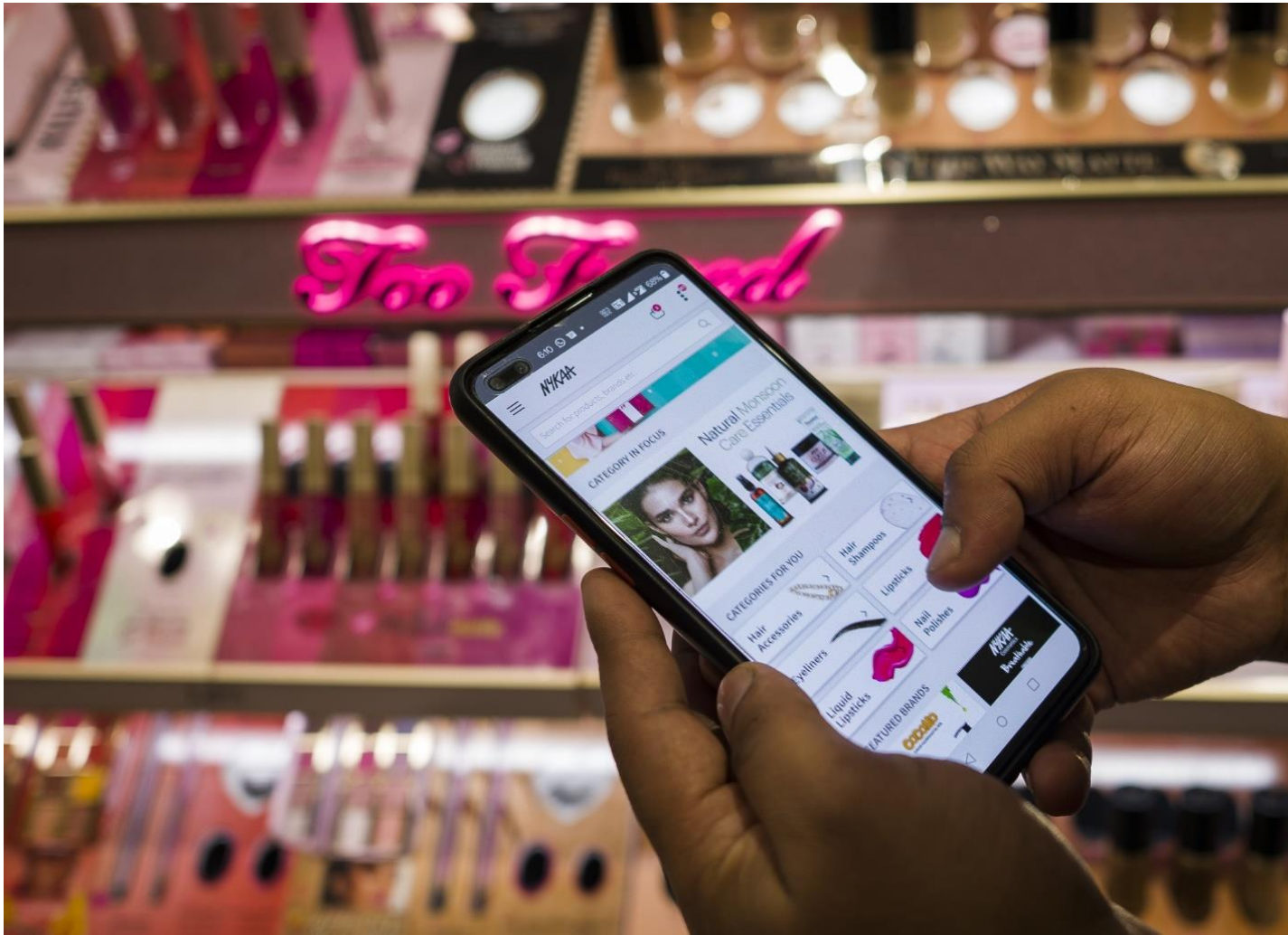
POLICYBAZAAR: ONLINE INSURANCE LEADER



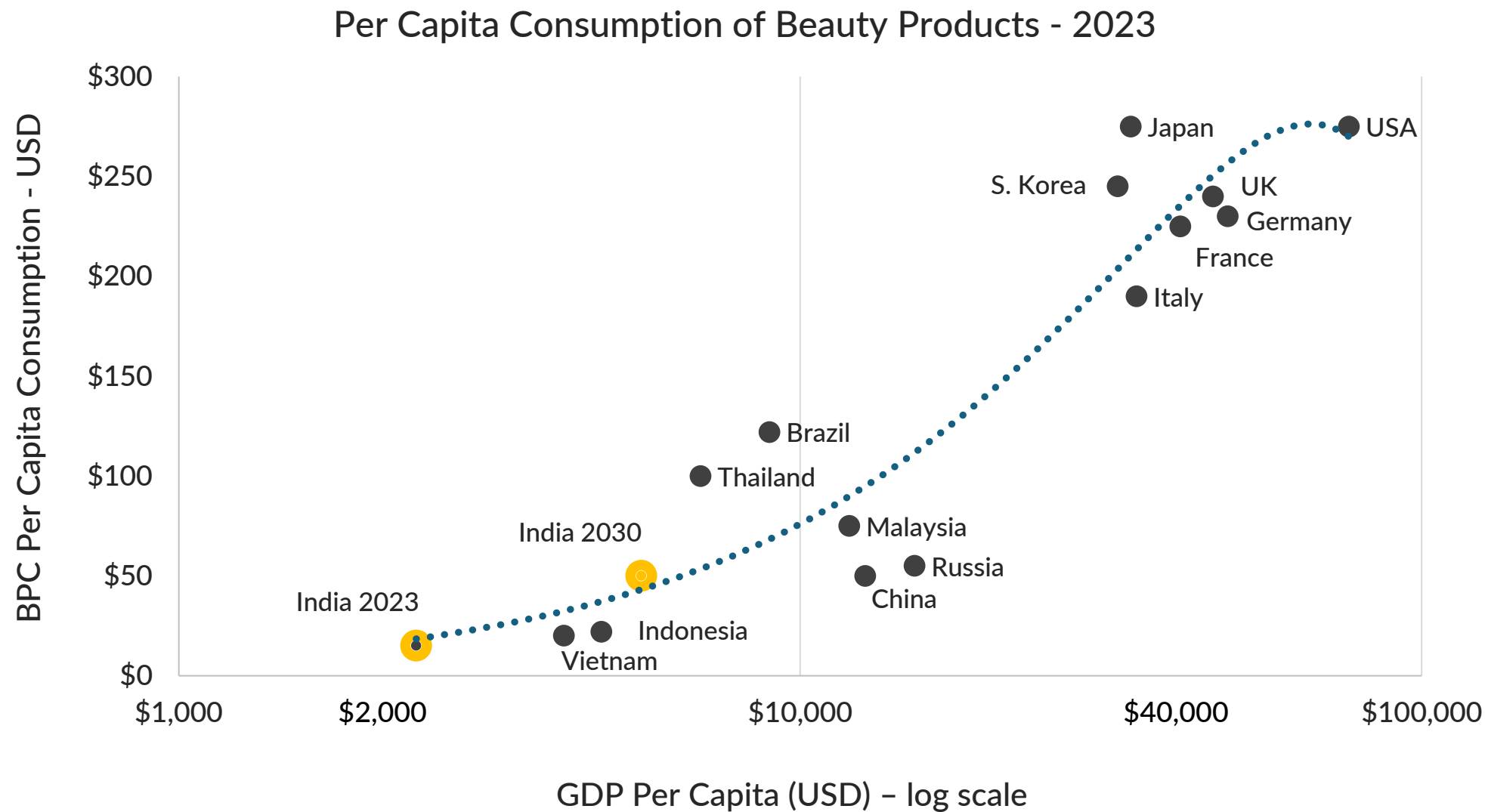
GREENFIELD FOR POLICYBAZAAR



(NYKAA.NS) NYKAA: ONLINE BEAUTY LEADER



GREENFIELD OPPORTUNITY FOR NYKAA



(NAZARA.NS): NAZARA: ONLINE GAMING



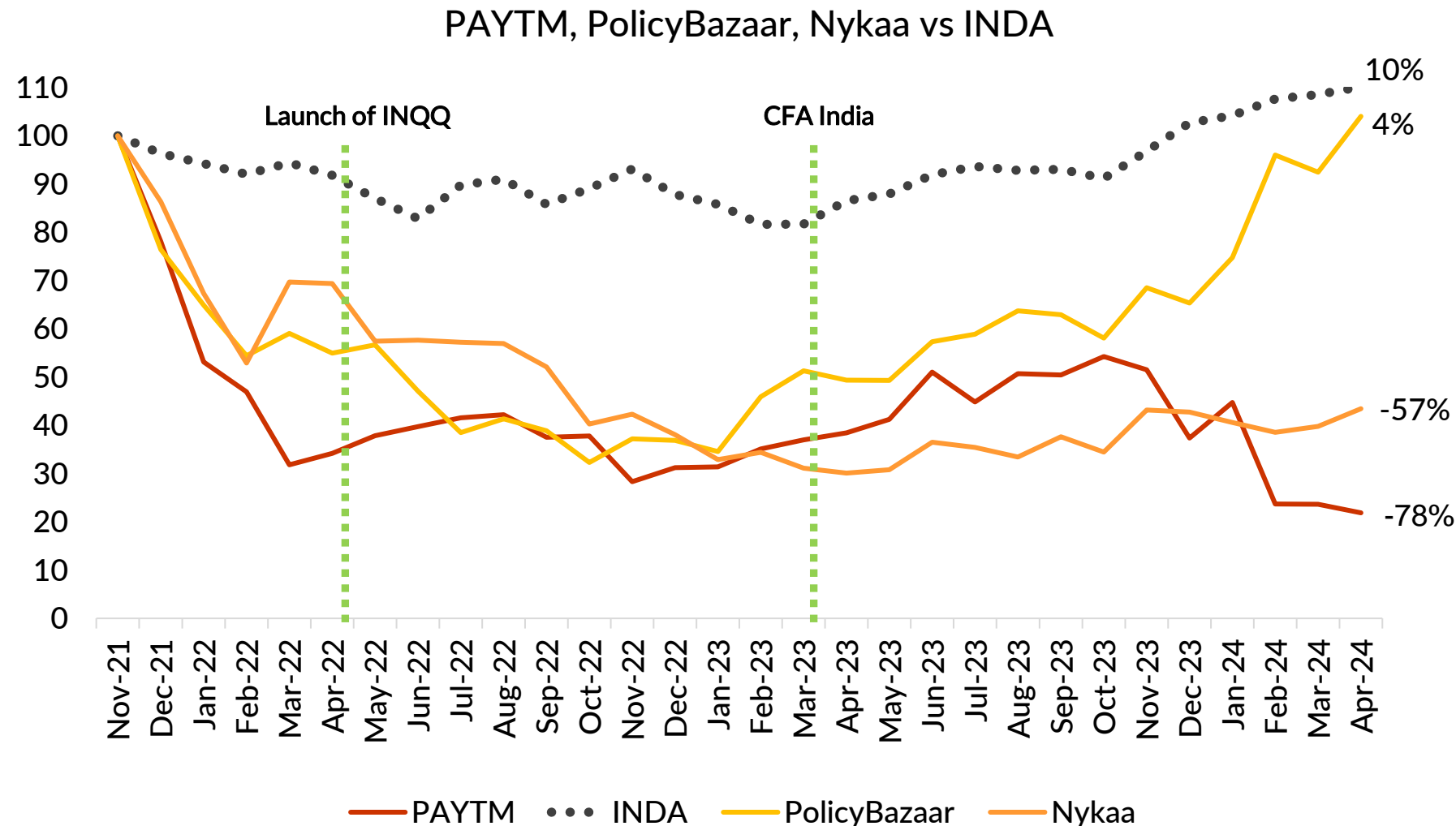
(PAYTM.NS) PAYTM : “PAYPAL OF INDIA”





CFA Society Bombay Presentation and Dinner March 14, 2023

INDIA INTERNET BUBBLE BURST IN 2021



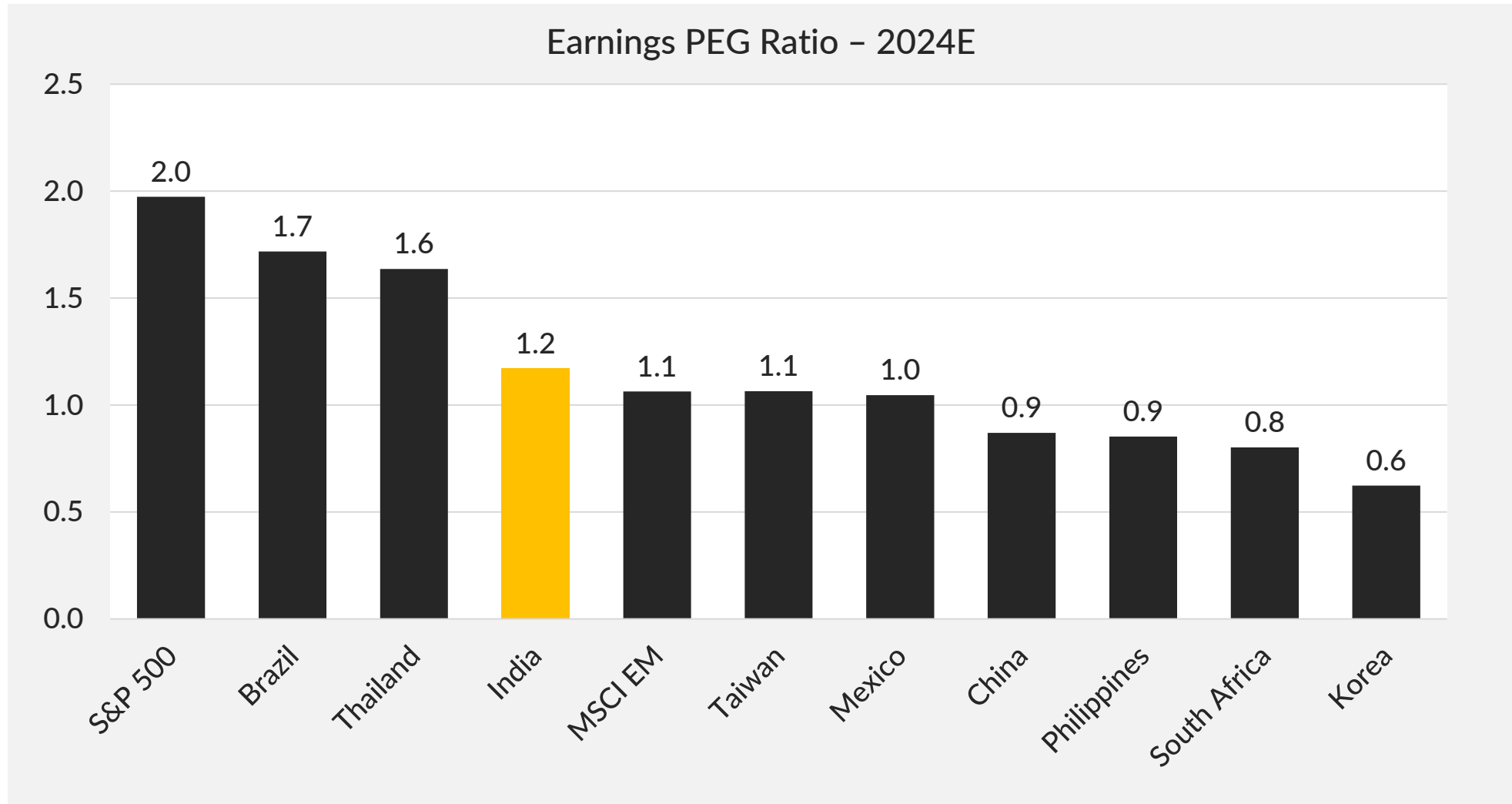
INDIA INTERNET COMPANIES ARE PROFITABLE

NAME	TICKER	SECTOR	WEIGHT	OP MARGIN	NET MARGIN
RELIANCE INDUSTRIES LTD	RELIANCE IS	E-COMMERCE	8.3%	12.2%	7.9%
BAJAJ FINANCE LTD	BAF IS	FINTECH	7.4%	63.0%	39.7%
JIO FINANCIAL SERVICES LTD	JIOFIN IS	FINTECH	6.8%	86.6%	75.1%
ZOMATO LTD	ZOMATO IS	FOOD DELIVERY	6.7%	-4.4%	1.8%
INFO EDGE INDIA LTD	INFOE IS	CLASSIFIEDS	6.3%	36.6%	25.7%
FRESHWORKS INC-CL A	FRSH UW	SOFTWARE	5.7%	6.8%	12.0%
INDIAN ENERGY EXCHANGE LTD	IEX IS	FINTECH	4.9%	82.4%	75.8%
ANGEL ONE LTD	ANGELONE IS	FINTECH	4.9%	41.9%	30.5%
MAKEMYTRIP LTD	MMYT UW	TRAVEL TECH	4.6%	11.1%	11.1%
JUBILANT FOODWORKS LTD	JUBI IS	FOOD DELIVERY	4.2%	12.3%	6.8%
FSN E-COMMERCE VENTURES LTD	NYKAA IS	E-COMMERCE	4.1%	86.6%	75.1%
PB FINTECH LTD	POLICYBZ IS	FINTECH	4.0%	-8.2%	0.6%
ONE 97 COMMUNICATIONS LTD	PAYTM IS	FINTECH	3.5%	-11.7%	-7.1%
INDIAMART INTERMESH LTD	INMART IS	E-COMMERCE	3.5%	26.5%	27.3%
TANLA PLATFORMS LTD	TANLA IS	ADTECH	3.4%	17.7%	14.5%
AFFLE INDIA LTD	AFFLE IS	ADTECH	3.0%	17.8%	16.1%
ICICI SECURITIES LTD	ISEC IS	FINTECH	2.7%	53.3%	32.5%
INTELLECT DESIGN ARENA LTD	INDA IS	FINTECH	2.7%	16.9%	13.5%
HAPPIEST MINDS TECHNOLOGIES	HAPPSTMN IS	SOFTWARE	2.4%	14.6%	15.5%
TRUECALLER AB-B	TRUEB SS	SOFTWARE	2.2%	37.8%	32.0%
CE INFO SYSTEMS LTD	MAPMYIND IS	SOFTWARE	2.1%	41.4%	35.1%
ROUTE MOBILE LTD	ROUTE IS	ADTECH	2.0%	10.7%	8.8%
TEAMLEASE SERVICES LTD	TEAM IS	CLASSIFIEDS	1.7%	0.9%	1.3%
NAZARA TECHNOLOGIES LTD	NAZARA IS	GAMING	1.6%	6.7%	5.4%
EASY TRIP PLANNERS LTD	EASEMYTR IS	TRAVEL TECH	1.1%	36.8%	22.6%
AVERAGE				27.9%	23.2%

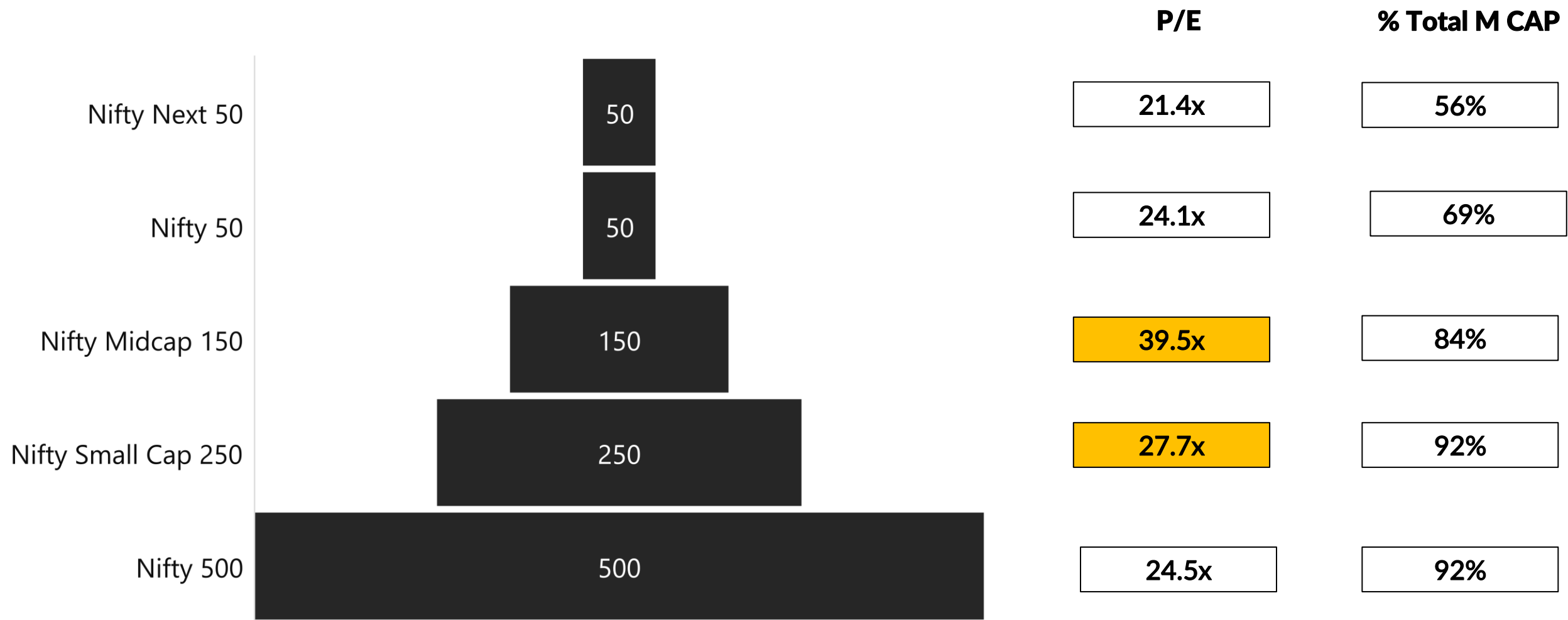
INDIA DOES HAVE RELATIVELY HIGH P/Es...



...BUT PEG RATIOS SEEM REASONABLE



INDIA EQUITY UNIVERSE



SPECULATION IN THE OPTIONS MARKET

THE WALL STREET JOURNAL

Eighty Percent of the World's Stock Options Aren't Traded Where You Think

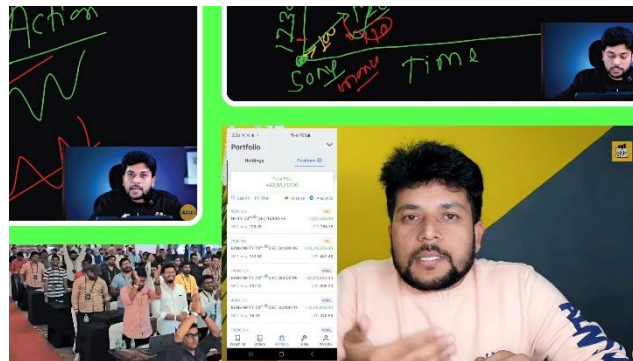
Bitcoin and GameStop made headlines. But an even wilder speculative mania has emerged in India.

The Economist

Finance and economics | Get rich quick

Hedge funds make billions as India's options market goes ballistic

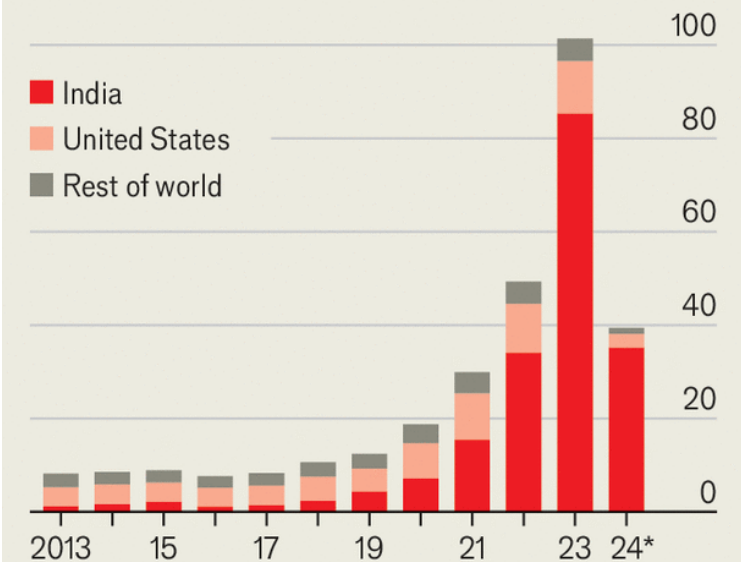
The country's retail investors are doing less well



"If you don't make money in three months, I will give you 2 million rupees [\$24,000],"

Mumbai's mania

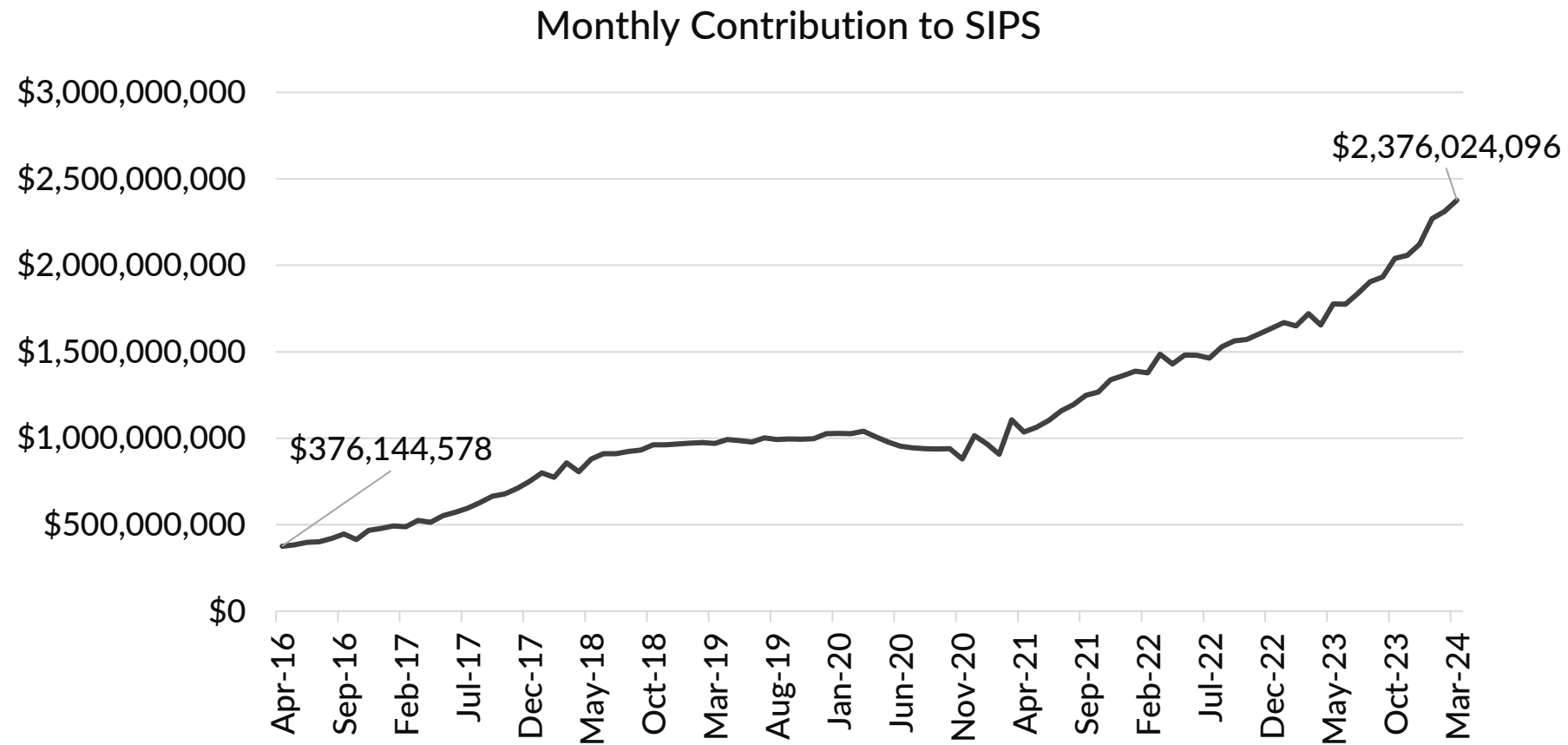
Equity options, volume traded, bn



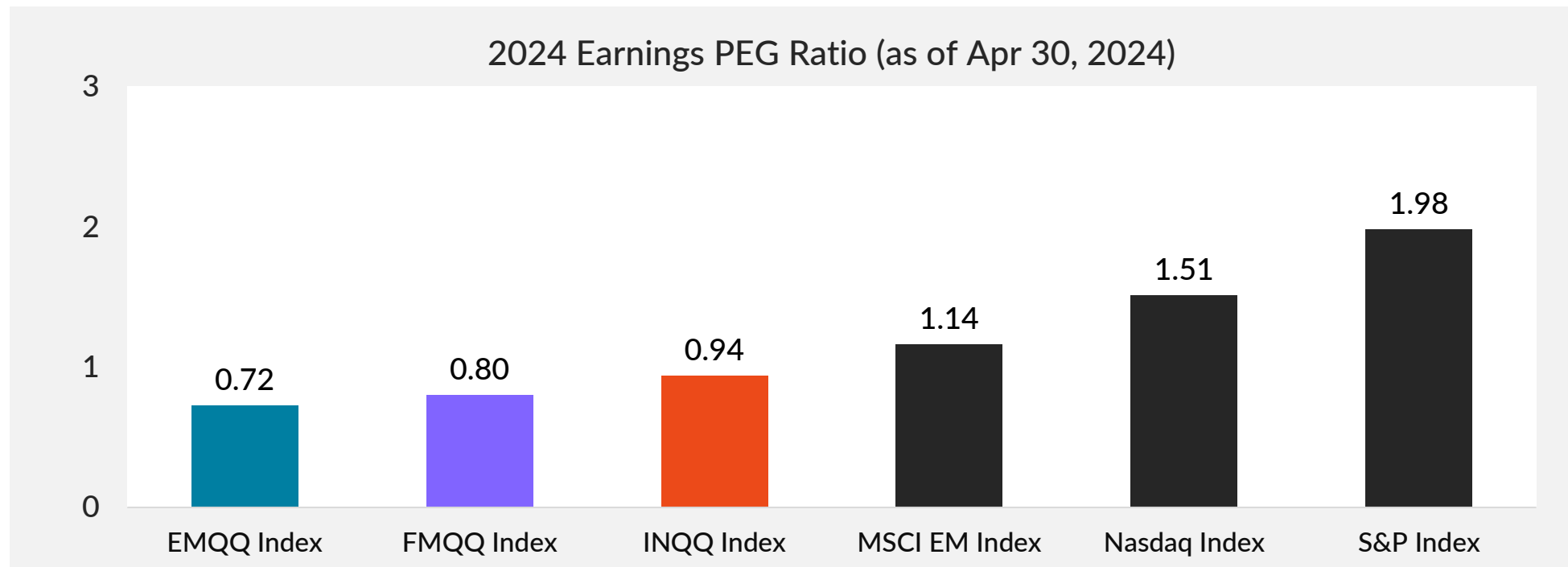
Source: FIA

*To March 31st

INDIANS ARE “RUPEE COST AVERAGING”



PEG RATIOS (EARNINGS)



	2020		2021		2022		2023		2024 Est		
Index	FWD PE	YoY Earnings Growth	FWD PE	YoY Earnings Growth	Forward PE	YoY Earnings Growth	Forward PE	YoY Earnings Growth	Forward PE	Est YoY Earnings Growth	PEG
EMQQ INDEX	32.7	41.6%	29.9	16.1%	20.7	25.7%	21.8	32.0%	21.0	29.1%	0.72
FMQQ INDEX	19.9	-1.1%	26.1	8.0%	23.2	20.3%	27.0	25.4%	27.5	34.4%	0.80
INQQ INDEX	29.1	68.0%	43.9	42.6%	29.1	19.8%	30.4	27.8%	28.8	30.7%	0.94
MSCI EM Index	15.9	-20.6%	12.4	54.5%	11.8	-13.1%	13.4	-9.0%	12.8	11.2%	1.14
NASDAQ Index	30.6	5.6%	29.7	40.8%	21.1	4.6%	28.4	9.7%	26.4	17.5%	1.51
S&P Index	23.7	-12.6%	22.1	39.0%	17.2	12.3%	19.0	-0.4%	21.1	10.7%	1.98

RISKS TO INDIA

1. Key Man Risk/Modi Risk
2. Religious and Sectarian Tensions
3. Youth Unemployment
4. Wealth Disparity
5. Climate and Environmental Risks
6. Corporate Governance

THE CASE FOR INDIA

1. “Perfect” Emerging Market on Paper
2. Unmatched Human Capital
3. The India Stack - #cheatcode
4. Strong Geopolitical Position
5. Valuations Seem Reasonable

LIVES ARE CHANGING: “A MAGIC DEVICE”



**“Every month
7 million Indians
get their first
smartphone.”**

INQQ INVESTMENT METHODOLOGY

RULES-BASED STRATEGY

- All companies with >50% of revenue from internet and/or ecommerce in India
- Minimum \$300mm 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 inclusion & inclusions)
- Market Cap weighted with 8% max weight per security at rebalance

More information at: **www.EMQQglobal.com**

INQQ OWNERS MANUAL

INQQ WAS MADE FOR LONG TERM INVESTORS.

- INQQ seeks to provide long term returns that exceed those of the MSCI India Index.

INQQ CAN BE VOLATILE.

- INQQ has already had a decline > 50%.

WE DO NOT MAKE SHORT TERM STOCK MARKET PREDICTIONS.

- While we are very bullish on the long-term growth of the INQQ sector, we have no opinion as to whether their stocks will go up this week, this month, this year or next year.

WE BELIEVE LONG TERM GROWTH OF EARNINGS DRIVES RETURNS.

- The growth of earnings equals the growth of value.
- INQQ should continue to enjoy some of the fastest revenue growth rates.

ADD TO YOUR WATCHLIST



EMQQ

**The Emerging Markets
Internet Index**

www.EMQQetf.com



FMQQ

**The Next Frontier
Internet Index**

www.FMQQetf.com



INQQ

**The India
Internet Index**

www.INQQetf.com

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www.EMQQglobal.com

Q + A



Kevin T. Carter

Founder + Chief Investment Officer

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+1 415.533.2249



PROBLEMS WITH TRADITIONAL EMERGING MARKETS INDEXES + ETFs



PROBLEM: STATE-OWNED ENTERPRISES (SOEs)

SOEs

Companies owned and controlled by the government in order to partake in commercial activities on the government's behalf



CONFLICTS OF INTERESTS
INEFFICIENT
POOR CORPORATE GOVERNANCE
WIDESPREAD CORRUPTION

Largest Emerging Market ETFs have ~30% in SOEs

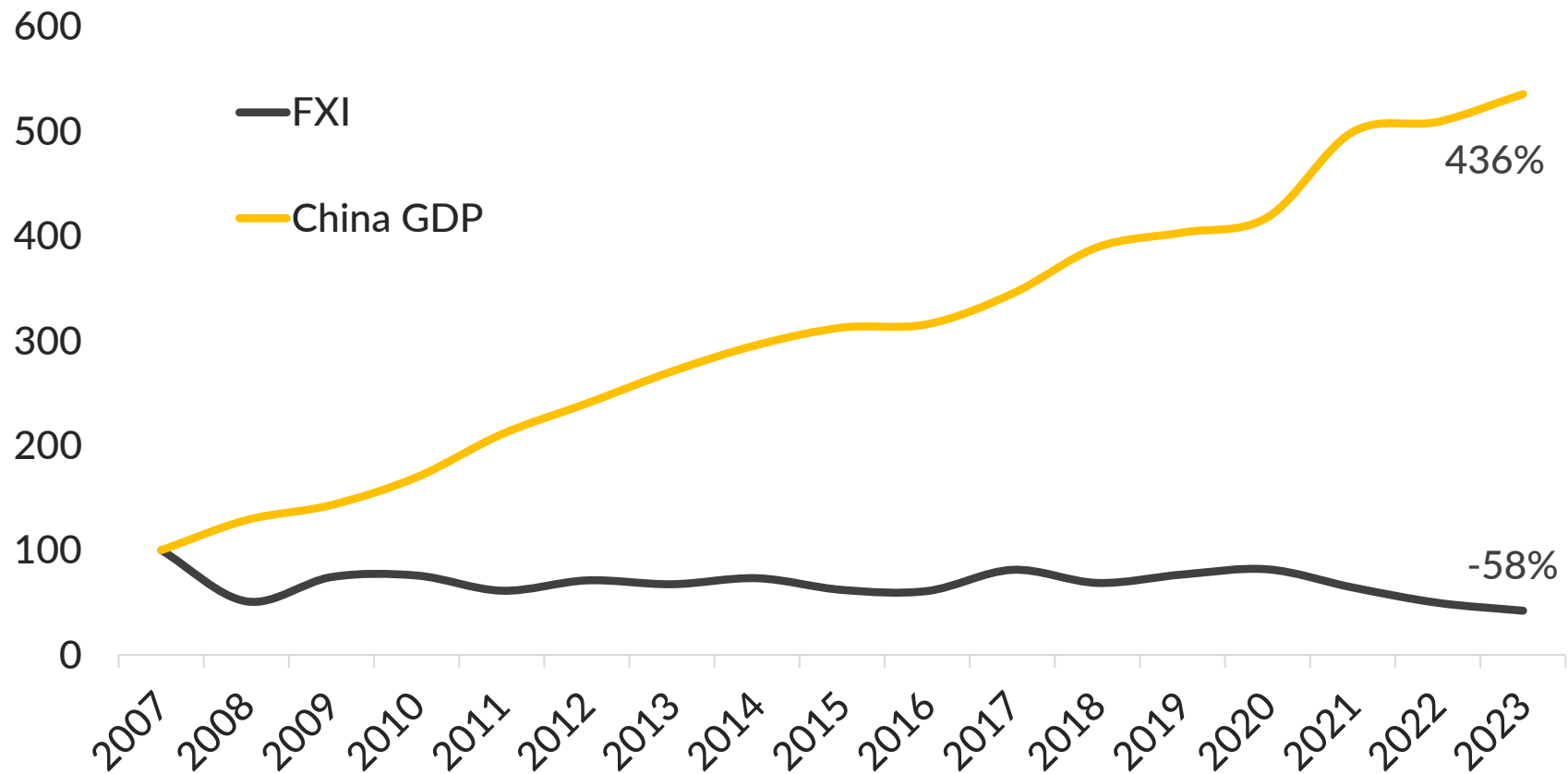
PROBLEM: STATE-OWNED ENTERPRISES (SOEs)



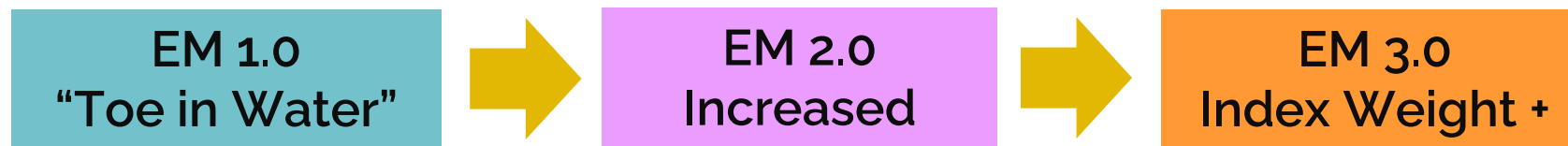
~30%
EEM and VWO
are SOEs!

THE CHINA ETF HAS FAILED INVESTORS

15 Year Chart of
China GDP vs FXI (iShares China)
(2007 - 2023)

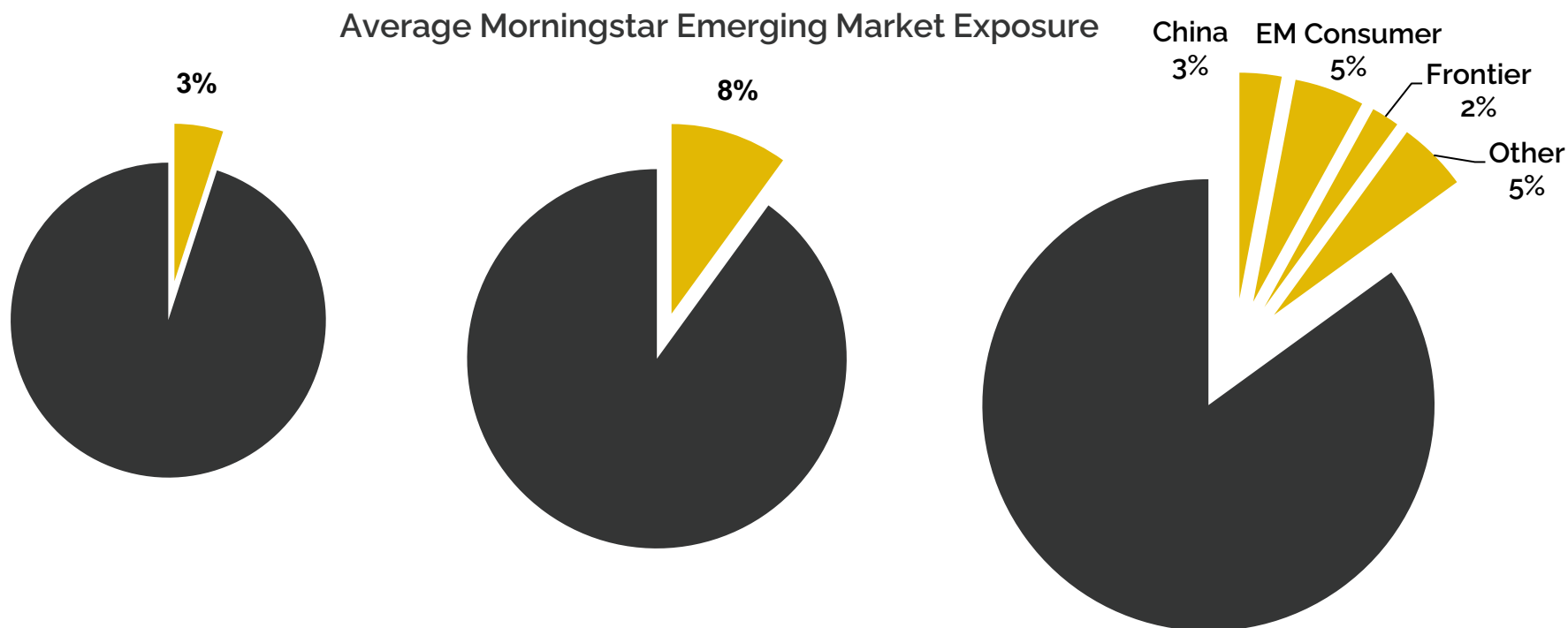


EM 3.0: THE EVOLUTION OF EM INVESTING



Endowment and Foundation Emerging Market exposure has evolved over the years.

As familiarity and allocation grows, so does the variegated approach



INDIA INDEX + ETFs REVIEW



U.S. LISTED INDIAN ETFS – 90% AUM IN TOP 3

Ticker	Name	Assets	Inception	Fee
INDA	iShares MSCI India Index	\$9,855,444,000	2/3/2012	0.65
EPI	WisdomTree India Earnings Index	\$3,062,034,000	2/22/2008	0.85
FLIN	Franklin FTSE India Index	\$1,032,528,000	2/6/2018	0.19
INDY	iShares India 50 Index	\$871,389,900	11/20/2009	0.89
SMIN	iShares MSCI India Small-Cap Index	\$902,082,800	2/9/2012	0.79
INCO	Columbia India Consumer Index	\$281,011,000	8/10/2011	0.75
PIN	Invesco India Index	\$233,273,400	3/5/2008	0.78
NFTY	First Trust India Nifty 50 Equ Index	\$211,009,300	2/28/2012	0.80
GLIN	VanEck India Growth Leaders Index	\$139,317,800	8/25/2010	0.77
INDL	Direxion Daily MSCI India Bull 2X Index	\$89,679,670	3/11/2010	1.29
INQQ	INQQ The India Internet & Ecommerce Index	\$37,821,320	4/6/2022	0.86
DGIN	VanEck Digital India Index	\$23,567,300	2/17/2022	0.71
INDF	Nifty India Financials Index	\$8,220,227	10/21/2020	0.75
SUM		\$16,747,378,717		

INDA PROBLEM – SOEs (STATE OWNED ENTERPRISES)

Name	Ticker	Weight	Sector
NTPC LTD	NTPC IN	1.2%	Utilities
STATE BANK OF INDIA	SBIN IN	1.2%	Financials
POWER GRID CORP	PWGR IN	1.1%	Utilities
SBI LIFE INSURANCE CO	SBILIFE IN	0.7%	Financials
OIL & NATURAL GAS CORP	ONGC IN	0.7%	Energy
GRASIM INDUSTRIES	GRASIM IN	0.6%	Materials
BHARAT ELECTRONICS	BHE IN	0.6%	Industrials
COAL INDIA	COAL IN	0.6%	Energy
REC LTD	RECL IN	0.4%	Financials
POWER FINANCE CORP	POWF IN	0.4%	Financials
HINDUSTAN AERONAUTICS	HNAL IN	0.4%	Industrials
GAIL INDIA LTD	GAIL IN	0.3%	Utilities
UPL LTD	UPLL IN	0.3%	Materials
BHARAT PETROLEUM CORP	BPCL IN	0.3%	Energy
INDIAN OIL CORP LTD	IOCL IN	0.3%	Energy
YES BANK LTD	YES IN	0.3%	Financials
BANK OF BARODA	BOB IN	0.2%	Financials
CONTAINER CORP OF INDIA	CCRI IN	0.2%	Industrials
HINDUSTAN PETROLEUM	HPCL IN	0.2%	Energy
INDRAPRASTHA GAS LTD	IGL IN	0.1%	Utilities
SUM		10.1%	

India's Coalgate Scandal Estimated at \$130 Billion

CBI files Coalgate FIRs on city's Navabharat, 4 firms

U. SUDHAKAR REDDY | DC
with bureau inputs
HYDERABAD, SEPT. 4

The CBI on Tuesday registered multiple FIRs against five companies for alleged criminal conspiracy to get coal blocks and initiated nationwide searches on their offices. The agency named 20 directors of the companies, including Congress MP Vijay Darda, and unknown government officials in five FIRs filed in the Coalgate scam.



Y. Harish Chandra Prasad

According to sources, the companies booked by the CBI include JLD Yavatmal Energy Ltd, Nagpur (in which Mr Darda was a

director), JAS Infrastructure Capital Pvt. Ltd (Kolkata), AMR Iron and Steel Ltd (Nagpur), Navabharat Power Pvt. Ltd (Hyderabad) and Vini Iron and Steel Udyog Ltd (Kolkata).

In Hyderabad, the CBI searched the Navabharat Power in Malaxmi House, and the residences of industrialist Y. Harish Chandra Prasad and company director P. Trivikrama Prasad.

■ More reports on
page 5 and 6

On Coal Issue
We demand:
PM resignation

on Coalgate
PM show

INDA PROBLEM – 20% OF INDEX HAS NO INDIA REVENUE

Name	Ticker	Weight	Sub-Sector	Export as % Sales
INFOSYS LTD	INFO IN	5.6%	IT Services	97%
TATA CONSULTANCY	TCS IN	4.1%	IT Services	96%
HCL TECHNOLOGIES	HCLT IN	1.4%	IT Services	95%
WIPRO LTD	WPRO IN	0.7%	IT Services	95%
TECH MAHINDRA	TECHM IN	0.8%	IT Services	94%
DIVI'S LABORATORIES	DIVI IN	0.5%	Pharma	90%
DR. REDDY'S LABS	DRRD IN	0.8%	Pharma	80%
SUN PHARMA	SUNP IN	1.3%	Pharma	65%
TATA STEEL LTD	TATA IN	1.1%	Steel	52%
LARSEN & TOUBRO	LT IN	3.6%	Infrastructure	47%
CIPLA LTD	CIPLA IN	0.6%	Pharma	42%
SUM		20.5%		16.5%

PROBLEM – NO INDIA REVENUE = LOW GROWTH

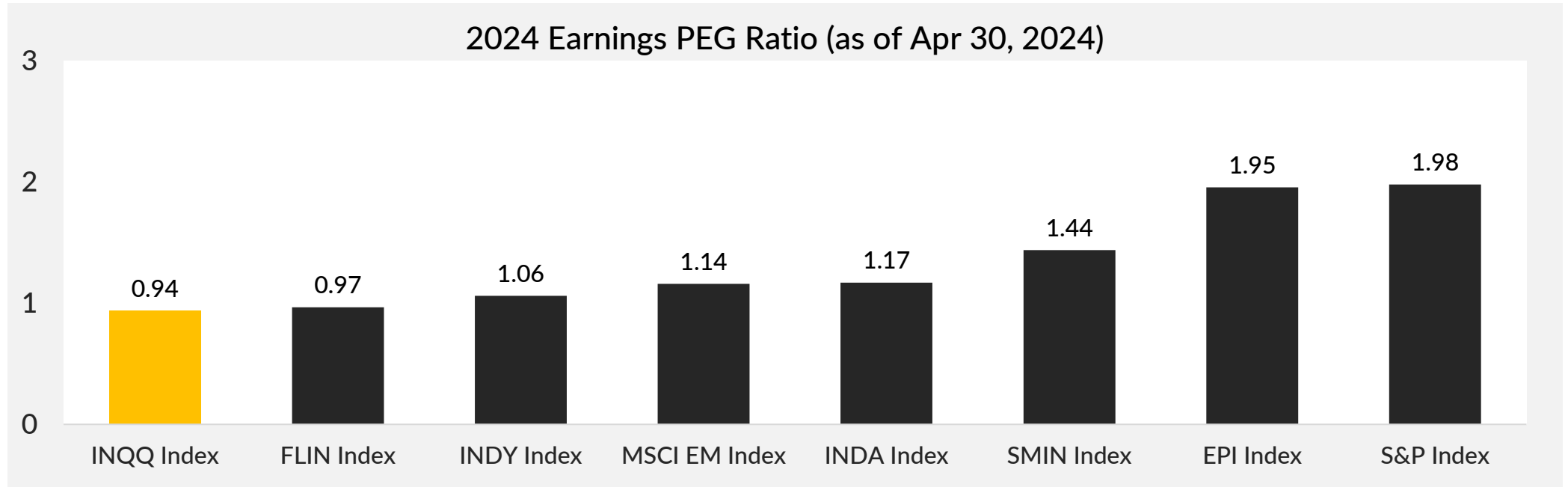
TICKER	NAME	INDA WEIGHT	SECTOR	REV GROWTH 23E
INFO IN Equity	INFOSYS LTD	5.1%	IT SERVICES	1.9%
TCS IN Equity	TATA CONSULTANCY	3.4%	IT SERVICES	3.6%
HCLT IN Equity	HCL TECH LTD	1.4%	IT SERVICES	4.3%
TECHM IN Equity	TECH MAHINDRA LT	0.7%	IT SERVICES	-5.6%
WPRO IN Equity	WIPRO LTD	0.6%	IT SERVICES	-4.0%
AVERAGE				0.04%

INDIA INDEX COMPARISON

Ticker	Name	SOE Exposure	Holdings with > 50% Non-India Revenue	Revenue Growth	Largest Sector Exposure
INDA	iShares MSCI India Index	10%	26%	8%	Financials
EPI	WisdomTree India Earnings Index	21%	20%	6%	Financials
INDY	iShares India 50 Index	8%	21%	8%	Financials
FLIN	Franklin FTSE India Index	10%	21%	8%	Financials
SMIN	iShares MSCI India Small Cap Index	5%	14%	20%	Financials
PIN	Invesco India Index	10%	23%	7%	Financials
NFTY	First Trust India Nifty 50 Index	14%	26%	6%	Financials
GLIN	VanEck India Growth Index	20%	37%	9%	IT Services
DGIN	Vaneck Digital India Index	0%	56%	12%	IT Services
INQQ	India Internet Index	0%	0%	21%	Internet

Most competitor Indian Indices have low overlap with INQQ, have relatively higher SOE exposure and a large percent of their portfolios are comprised of companies that generate more than 50% of their sales outside of India.

INDIA INDEX PEG RATIOS (EARNINGS)



	2020		2021		2022		2023		2024 Est		
Index	FWD PE	YoY Earnings Growth	FWD PE	YoY Earnings Growth	Forward PE	YoY Earnings Growth	Forward PE	YoY Earnings Growth	Forward PE	Est YoY Earnings Growth	PEG
INQQ INDEX	29.1	68.0%	43.9	42.6%	29.1	19.8%	30.4	27.8%	28.8	30.7%	0.94
INDA INDEX	19.9	-1.1%	26.1	8.0%	23.2	20.3%	25.1	12.9%	23.8	20.3%	1.17
INDY INDEX	10.8	-8.9%	12.4	17.0%	11.8	23.0%	22.7	9.9%	20.7	19.5%	1.06
EPI Index	19.3	-1.9%	14.9	10.0%	11.7	74.4%	17.2	-24.1%	18.0	9.2%	1.95
FLIN Index	30.1	-15.0%	26.5	21.7%	23.2	24.8%	25.4	-0.7%	24.2	25.0%	0.97
SMIN Index	37.0	-15.1%	36.1	15.8%	27.8	27.9%	27.2	14.4%	26.7	18.6%	1.44
MSCI EM Index	15.9	-20.6%	12.4	54.5%	11.8	-13.1%	13.4	-9.0%	12.8	11.2%	1.14
S&P Index	23.7	-12.6%	22.1	39.0%	17.2	12.3%	19.0	-0.4%	21.1	10.7%	1.98

ABOUT US

EMQQ Global is a San Francisco based investment management and research firm focused on the Emerging and Frontier Markets Technology Sector. Our Indexes include publicly traded internet and ecommerce companies operating in 50+ countries including India, China, Brazil, Indonesia, Nigeria, Egypt, Mexico, Vietnam and Turkey. Our Indexes help investors identify the opportunities driven by the digital consumer revolution in the markets with ETFs listed on stock exchanges in the U.S., Europe and Asia. U.S. investors can gain exposure to our indexes via the tracking strategies of 3 ETFs listed on the NYSE: EMQQ, FMQQ, INQQ. (1)



¹ EMQQ Global is the index provider for these ETFs. EMQQ Global LLC is not an ETF sponsor.

OUR STORY

Kevin T. Carter is the Founder & Chief Investment Officer of EMQQ Global. While he principally considers himself an active “value” investor, he has collaborated with Princeton economist and indexing legend, Dr. Burton G. Malkiel, for more than 20 years. Their work together began in 1999 when Carter founded eInvesting, a pioneer firm in fractional share brokerage acquired by ETRADE in 2000. In 2002 they co-founded Active Index Advisors, a pioneer in “direct indexing” acquired by Natixis Asset Management in 2005. In 2006, their efforts turned to China and Emerging Markets as they launched several China focused ETFs on the NYSE with Guggenheim Partners. Mr. Carter founded EMQQ Global in 2014 and launched The Emerging Markets Internet & Ecommerce ETF on the NYSE on November 12, 2014.



Kevin T. Carter

Founder + Chief Investment Officer



Dr. Burton G. Malkiel

Advisor

"I have had the sincere pleasure of partnering with Princeton economist and investing legend, Burt Malkiel for over two decades. From the beginning, our shared mission has been "fixing" structural problems in the investment world. We introduced fractional share brokerage in 1999 and direct indexing in 2002. In 2006, it was Burt's interest in China that ended up pulling me deep into exploring investment opportunities in Emerging Markets. EMQQ Global represents the culmination of that work, and our efforts to "fix" the problems with traditional Emerging Markets ETFs."

- Kevin T. Carter



INDEX COMMITTEE ADVISORS



Dr. Burton G. Malkiel
Advisor

Dr. Burton G. Malkiel has served as an advisor to EMQQ Global since inception. Dr. Malkiel is a longtime Professor of Economics at Princeton University and is best known for his seminal book *A Random Walk Down Wall Street*. In 1999 he served as an advisor to eInvesting, a fractional share brokerage acquired by ETRADE in 2000. In 2002 he was a co-Founder and CIO of Active Index Advisors. He is widely considered one of the pioneers of index investing and ETFs. He has served on the Board of Directors of Vanguard, as Dean of the Yale School of Management and as Chairman of the Princeton University Economics Department. Dr. Malkiel holds BA and MBA from Harvard and a PhD from Princeton University.



Linda H. Zhang, PhD
Advisor

Dr. Zhang is an Advisor to the EMQQ Global Index Committee. She is the CEO of New York based Purview Investments, a firm specializing in active ETF managed solutions and ETF innovation. Her career spans from quantitative analysis at Baring Asset Management, multi-asset portfolio management at Blackrock and MFS, to leading the investment team at Windhaven. She is a recipient of Top Women in Asset Management 2015 by Money Management Executive and a co-founder of Women in ETFs. She holds a B.A. from University of Regina, Canada, M.S. and Ph.D. in Finance from University of Massachusetts at Amherst.



Richard Kang
Advisor

Mr. Kang is an Advisor to the EMQQ Global Index Committee. He has the experience of over 25 NYSE listed ETF launches and was previously the Chief Investment Officer of EGShares and Portfolio Manager of the Columbia Emerging Markets Consumer ETF (NYSE: ECON). Over his 20 years of buy-side experience, Richard has had senior roles at a hedge fund, fund-of-hedge fund, investment counseling firm, index provider and ETF issuer/managers. He sits on FTSE's Country Classification Indexing Committee as well as the editorial board of Institutional Investors' The Journal of Index Investing, the only academic journal for the indexing and ETF industry.



Mike Venuto
Advisor

Mr. Venuto is an Advisor to the EMQQ Global Index Committee. He is an ETF industry veteran with two decades of experience in the design and implementation of ETF-based investment strategies. Michael is currently Co-Founder and Chief Investment Officer of Toroso Investments, LLC. Michael is also a Director of Tidal ETF Services, which helps investors launch and grow ETFs. Previously, he was Head of Investments at Global X Funds. Before that, he was Senior Vice President and Portfolio Manager at Horizon Kinetics.

MANAGEMENT TEAM



Kyle Parker
President

Mr. Parker is the President of EMQQ Global. Previously, Mr. Parker worked at Progress Investment Management Co., the San Francisco based firm focused on minority and women-owned emerging managers. He previously worked at AlphaShares, an investment firm founded by Mr. Carter and Dr. Malkiel, offering Emerging Markets and China focused ETFs in partnership with Guggenheim Investments. Mr. Parker holds a B.A. in Economics from the University of California, Santa Barbara.



Akeem Bailey
Director of Research

Mr. Bailey is the Director of Research for EMQQ Global. Previously, Akeem worked at Rondure Global Advisors, where he helped oversee research and due diligence on emerging market equities and at Arisaig Partners, a Singapore-based hedge fund focused exclusively on consumer and internet companies in emerging markets. Akeem began his career living and working in India as a strategy consultant for the Mahindra Group. Akeem holds a B.A. in International Relations from the University of Pennsylvania.



Kira L. Benson
Director of Business Development

Ms. Benson is the Director of Business Development at EMQQ Global. Previously, Kira led business development at MARS SalesFocus Solutions, a provider of distribution intelligence for the asset management industry. Kira spent 7 years in London working in relationship management at both BlueBay Asset Management and BlackRock. Preceding her move to London Kira worked in securities lending at BlackRock's San Francisco office. Kira began her career at Morgan Stanley's Graystone Consulting after graduating from the University of California, Santa Barbara.



Erica Allaby
Chief Marketing Officer

Erica Allaby is the Chief Marketing Officer at EMQQ Global. Over the last decade, Erica has developed the art of investor-centric storytelling with a focus on disruptive technology and the companies on the forefront of digital transformation. Previously, she oversaw the content & product marketing for ROBO Global and its three innovation indices until its successful acquisition by VettaFi in 2023. Erica holds a B.A. in Communications from High Point University in North Carolina.

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