

# 2627

## Global X E-Commerce Japan ETF

### FUND OBJECTIVE

The Global X E-Commerce Japan ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Indxx Japan E-Commerce Index.

For informational purposes only. This document should be used to highlight some of the criteria to be used by index provider when publishing index constituents and is not comprehensive.\*

ETF Category:

Thematic Growth

As of 1/25/2021

Index Provider: Indxx

KEY FEATURES



High Growth Potential



Unconstrained Approach



ETF Efficiency

### Indxx Japan E-Commerce Index

#### SELECTION POOL

- Eligible companies must have:
  - Their primary listing in Japan
  - Minimum Total market capitalization of JPY 50 Billion, JPY 40 Billion for existing constituents
  - Minimum 6-month Average Daily turnover of JPY 300 Million, JPY 210 Million for existing constituents
  - Traded for at least 90% of the total trading days for the last 6 months
  - Minimum Free float rate of 10%
  - Trading price less than \$10,000

#### SECURITY SELECTION

- The index is designed to track the performance of companies that have exposure to E-Commerce industry which is comprised of the following sub-themes:
  - E-Commerce
  - Digital Payment
  - Online Subscription
  - Online Marketplace
  - Logistics REITs
- Companies are classified into one of the following types based on revenue:
  - Pure Play: Companies cumulatively derive revenue greater than or equal to 50% above sub-themes
  - Quasi Play: Companies with diversified revenue streams that cumulatively generate between 20% and 50% of their revenue from the above sub-themes
  - All Pure Play securities will be included in the final index
  - If Pure Play securities are less than 20, then the top Quasi Play securities ranked by proportion of revenue will be added until the count reaches 20
  - A maximum of 10 Logistics REITs in the order of proportion of revenue attributable to Logistics segment will be included subject to being in Pure Play only

#### WEIGHTING AT SELECTION

- Index components are weighted according to Free float market capitalization
- Weight of individual constituent is capped at 8%
- Aggregated weight of Quasi Play constituents is capped at 10%
- Aggregated weight of Logistics REITs constituents is capped at 10%

#### REBALANCES/REVIEWS

- The index follows an annual reconstitution and semi-annual rebalance schedule. New portfolio becomes effective on the last business day of April and rebalancing occurs on the last business day of April and October

GLOBAL X

Global X Japan Co. Ltd. Registration No. : Director of Kanto Local Finance Bureau (Financial Instruments Firms) No.3174 Member of Japan Investment Advisers Association Member of The Investment Trusts Association, Japan



**For more information on the Index, please visit Indxx's website.**

\*For the complete and current index methodology please refer to the index provider's website. This summary document is accurate as of the time of its publication and Global X does not guarantee that it is current at any point thereafter.

#### Investment Risks

The Fund will invest in financial instruments whose prices fluctuate and as a result the NAV per unit of the Fund will also fluctuate. Therefore the invested amount will not be guaranteed and a loss of principal may be caused. All the gains and losses accrued to the trust assets will be attributable to the investors. Investment trusts are not deposits.

Major factors to cause fluctuation of NAV per unit:

Price Volatility risks / Credit risks (Stock Price Volatility, REIT Price Volatility), Other risks

The performance of the NAV may not completely match that of the index. The factors to cause fluctuation of NAV per unit are not limited to those mentioned above. Please read "Investment Risks" in the fund's Prospectus describing in detail.

#### Fee Structure

<Fees directly charged to customers>

Subscription commission: Determined by the Distributor. (Subscription Commission is a consideration for explanation of products, provision of product information and investment information, and execution of application at the time of the subscription of the Fund)

Redemption Fee: Nil

Exchange commission: Determined by the Distributor.

(Exchange Commission is a consideration for administrative procedures for exchange of units of the Fund.)

<Fees indirectly charged during holding period>

Management Fee (Trust Fee):

Trust fee is calculated daily as sum of 1 and 2 as shown below during the holding period.

1. The amount obtained by multiplying the total net assets of the trust assets by the ratio up to 0.649% per annum (0.59% before tax).
2. The amount obtained by multiplying lending charges due to lending of stocks and REITs held in the trust assets by up to 55% (50% before tax).

Other Expenses and Brokerage Commissions

Fund Listing Expenses and Annual Fees for Use of Trademarks of the Index with tax levied on them can be borne by the unitholders, and can be paid from the trust assets.

Commissions associated with securities transactions (including brokerage commissions on trade of securities, fees for future transactions and option transactions) and auditing fees shall be charged to the trust assets.

※As expenses for brokerage commissions on trade of securities, etc. shall vary depending on circumstances, specific rate of fees or the maximum amounts thereof cannot be disclosed in advance.

※As REITs are traded on market prices, their expenses can not be displayed.

※Please see further details described under "Expenses and Taxes of the Fund" in the Prospectus.

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