

Monthly EMQQ Market Report

November 2021

HANetf & EMQQ

Emerging Markets and Ecommerce UCITS ETF

EMQQ.L

86bps

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Product Inception Date: 02/18/2018

For Professional Clients Only. Capital at risk.

All data as of 31.10.21

This report was written by, and is the opinion of, the EMQQ index providers Big Tree Capital LLC.

Key Takeaways

- Signs continue to emerge that the worst may be over for Chinese equities. A series of global brokerages have published constructive pieces on the space in recent weeks. Goldman Sachs turned more bullish on Chinese stocks as a softer approach by Beijing is expected to ease pressure on the economy and improve valuations. Goldman joins both UBS Group and Blackrock in their upgraded view of the Chinese equity markets, according to a piece by Bloomberg.¹
- Didi Global, China's Uber equivalent, is preparing to relaunch its apps in the coming weeks as its regulatory probe nears an end. While the company is expected to pay a fine for violations around data security, the end of the probe would help remove another key overhang in the space.²
- Alibaba and JD.com, China's two largest e-commerce platforms, recorded a staggering \$139 billion in sales during their annual "Singles Day" shopping event, pointing to continued strength in digitization in one of the world's largest consumer economies. Both companies also used this event as an opportunity to tout their work in sustainability, which includes a heightened focus on reducing carbon emissions.³
- Three more Indian tech companies completed their IPOs this month including Nykaa, Policybazaar and PayTM. Nykaa is the largest online beauty and wellness e-tailer in India. Policybazaar is India's largest online insurance and credit comparison site. Berkshire-backed Paytm is a fintech giant in payments, shopping, travel, gaming, etc. All three are expected to join the ranks of the EMQQ Index in due course as the opportunity set in India expands. We are anticipating another 10-15 new India names to be added to the Index in the coming 12 months.⁴
- A new report by Google on the internet economy in Southeast Asia helps exemplify the core themes that drive the EMQQ story. According to the report, the 2020's will usher in a new "Digital Decade" as the region's internet economy approaches USD 1 trillion in GMV by 2030.⁵ Such strong tailwinds help drive the growth of the EMQQ companies in the region and beyond.

Please note that all performance figures are showing net data.

Macro Outlook

While stocks continue to ebb and flow around regulatory headlines in China, valuations remain at attractive levels for long-term orientated investors. Based on our estimates, EMQQ continues to trade at a PEG ratio well below 1, supported by a

¹ <https://www.bloomberg.com/news/articles/2021-11-12/after-500-billion-rout-optimism-grows-for-china-tech-watch>

² <https://www.reuters.com/technology/exclusive-didi-prepares-relaunch-apps-china-anticipates-probe-will-end-soon-2021-11-11/>

³ <https://www.cnbc.com/2021/11/12/china-singles-day-2021-alibaba-jd-hit-record-139-billion-of-sales.html>

⁴ <https://inc42.com/>

⁵ https://services.google.com/fh/files/misc/e_economy_sea_2021_report.pdf

growth rate north of 30%. While predicting where the main price catalysts will come from may be difficult, the valuations remain quite conducive to a rebound.

EMQQ Performance Table

As of 31.10.2021

	1M	3M	6M	YTD	12M	2Y	3Y	SI
EMQQ Emerging Markets Internet & Ecommerce UCITS ETF	2.15%	-4.34%	-20.62%	-20.58%	-7.64%	57.16%	82.84%	62.89%
<i>EMQQ Emerging Markets Internet & Ecommerce Index™</i>	2.25%	-3.98%	-20.17%	-19.93%	-6.72%	60.39%	88.71%	68.92%

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/10/2021

Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product.

Product Details

EMQQ Emerging Markets and Ecommerce UCITS ETF, is a UCITS compliant Exchange Traded Fund domiciled in Ireland.

The Fund tracks an index of leading Internet and Ecommerce companies serving Emerging Markets. It seeks to offer investors exposure to the growth of online consumption in the developing world. EMQQ holdings operate in diverse markets such as India, China, Brazil, Turkey, Nigeria and Indonesia, to name a few. To be included, the companies must derive their profits from Internet or Ecommerce activities; constituents are broad and diverse including search engines, online retail, social networking, online video, e-payments, cloud computing, online gaming, travel and numerous others.

Visit the [EMQQ Fund Page](#) for more information.

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	EMQQ LN	EMQQ.L	IE00BFYN8Y92	-	BYVJ906	USD	0.86%
London Stock Exchange	EMQP LN	EMQP.L	IE00BFYN8Y92	-	BYVJ9P1	GBP	0.86%
Borsa Italiana	EMQQ IM	EMQQ.MI	IE00BFYN8Y92	-	BFX1CD1	EUR	0.86%
Deutsche Boerse Xetra	EMQQ GY	EMQQ.DE	IE00BFYN8Y92	-	BFX38K6	EUR	0.86%
SIX Swiss Exchange	EMQQ SW	EMQQ.S	IE00BFYN8Y92	43753877	BMYC3Q2	CHF	0.86%



Kevin T. Carter
EMQQ Founder and CIO

Mr. Carter is the Founder of the Emerging Markets Internet & Ecommerce ETF (NYSE: EMQQ) and Chairman of the EMQQ Index Committee. Prior to EMQQ, Mr. Carter was the Founder & CEO of AlphaShares, an investment firm offering five Emerging Markets ETFs in partnership with Guggenheim Investments. Previously Mr. Carter was the Founder & CEO of Active Index Advisors acquired by Natixis in 2005 and the Founder & CEO of eInvesting acquired by ETRADE in 2000. Mr. Carter received a degree in Economics from the University of Arizona and began his career in 1992 with Robertson Stephens & Company.

Important Information

Please note that all performance figures are showing net data.

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