

Why India? And Why NDIA?



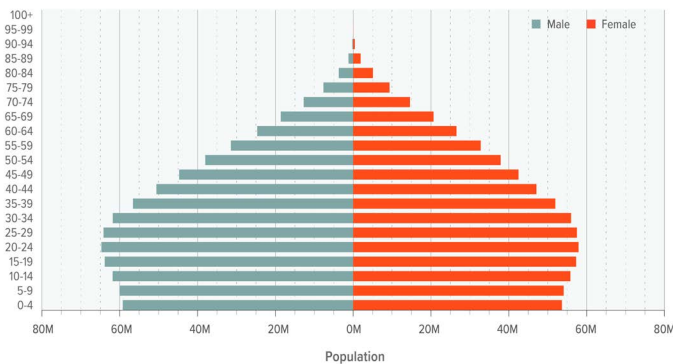
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Why India?

- **Multiple Potential Growth Catalysts:** We see a strong secular growth story based on attractive demographics, a market friendly and democratically elected government, supply chain diversification out of China, a fast-growing middle class, and more.
- **Attractive Historical Risk Adjusted Returns:** While past performance is not a guarantee of future results, over the past three years (through February 29, 2024), India's benchmark equity index, the Nifty 50, has a ratio of annualized returns over its volatility of 0.75, which compares to the Nasdaq 100 with a ratio of 0.45 and the S&P 500 at 0.51.¹ The data show that, historically, the Indian market has offered robust returns with reduced volatility.
- **Expected Demographic Dividend:** India recently surpassed China as the most populous nation in the world.² The country now has the world's largest general and youth populations, with 65% of people below 35 years old.³ Importantly, this young population is more educated than previous generations, with the youth literacy rate at roughly 90%.⁴ Furthermore, India was expected to have the most university graduates in the world in 2023, as well as the third largest group of scientists and technicians in the world.⁵ India is young, educated, and starting to deliver across services, manufacturing, and consumption.
- **Key Structural Reforms:** India's government continues to focus on efficient structural reforms. Recent improvements include: the United Payments Interface (UPI), the national digital payment system that has facilitated digital transactions; Aadhaar, which has allowed for unique customer identification; and the Goods and Services Tax (GST), which has simplified cross-state shipping – allowing e-commerce competition to flourish. In addition, India's recently reduced corporate tax rates, production linked incentive programs, and the Make in India Program all continue to improve the ease of doing business in India.

INDIA ESTIMATED POPULATION PYRAMID (2024)

Source: Global X ETFs with information derived from: U.S. Census Bureau. Data accessed on March 4, 2024.

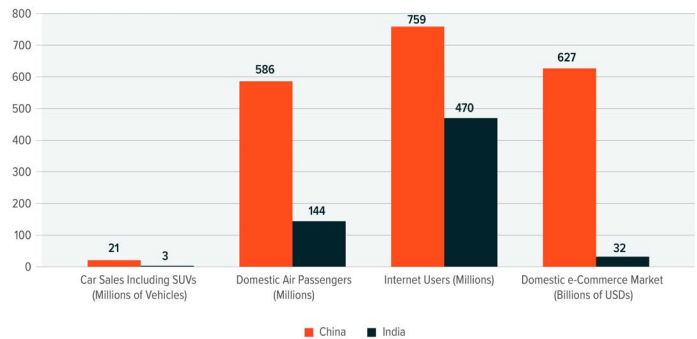


Why NDIA?

- **Leadership:** The Global X India Active ETF (NDIA) was the first active India ETF listed in the United States.
- **A Client Friendly Structure:** Offering bottom-up active management with a competitive fee, along with the liquidity and transparency of the ETF structure.
- **Expertise:** Managed with the support of a 14 person on-the-ground analyst team in Mumbai. Global X's affiliate, Mirae Asset, is the largest international asset manager in India.⁶
- **Concentration:** Leveraging our expertise to focus on what we deem as the best opportunities in India, while avoiding those we deem risky. "Diversification may preserve wealth, but concentration builds wealth."
– Warren Buffett
- **Investment Philosophy:** We look for companies that are likely to benefit from both bottom-up and structural tailwinds, with moats helping them stand-out from competition, management teams aligned with minority shareholders, and clear near- and long-term catalysts, exhibiting growth at a reasonable price characteristics. At the end of the day, we search for companies that we believe can consistently earn and compound returns above their costs of capital.
- **Investment Process:** A strict investment process based on a quantitative screen, sector specialists' stock analysis, and risk-adjusted portfolio construction.

DESPITE SIMILAR POPULATIONS, INDIA LAGS CHINA (2019)

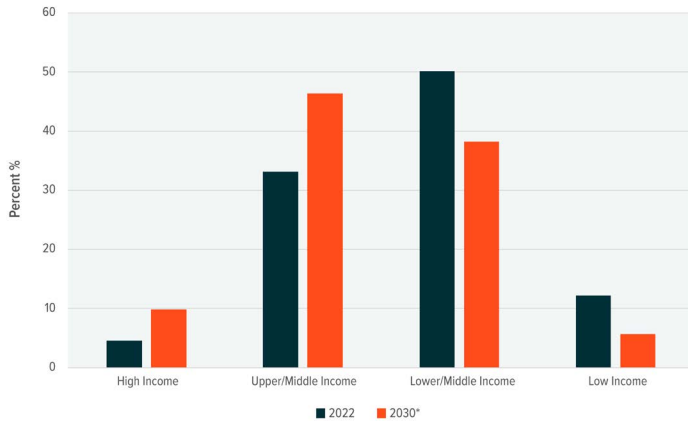
Source: Global X ETFs with information derived from: Euromonitor, International Air Transport Association (IATA), Society of Indian Automobile Manufacturers (SIAM), and CEIC. Data as of July, 2022.





DISTRIBUTION OF HOUSEHOLDS BY INCOME LEVEL

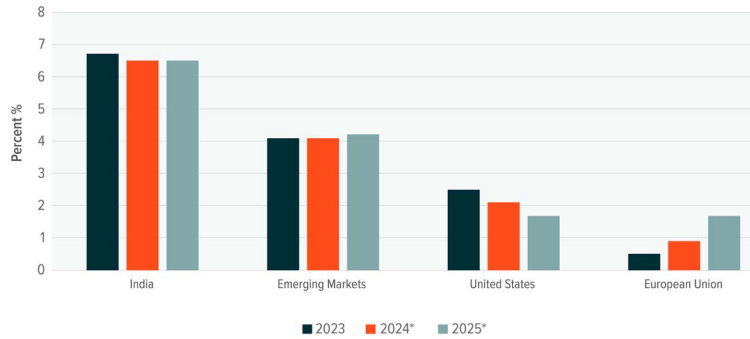
Source: Global X ETFs with Information Derived from: Bain & Company. Data as of January 16, 2024.



*Indicates forecast

PROJECTED GDP GROWTH RATES

Source: Global X ETFs with information derived from: International Monetary Fund. (2024, Jan). World Economic Outlook. *Estimates.



Related ETFs

NDIA – Global X India Active 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 February 29, 2024.
2. The Guardian. (2023, Apr 24). India Overtakes China to Become World's Most Populous Country.
3. The Times of India. (2023, Feb 2). Is India's Rapidly Growing Youth Population a Dividend or Disaster?
4. Statista. (2023, Jul 10). Youth Literacy Rate from 1981 to 2018.
5. World Economic Forum. (2023, Mar 20). Which Countries' Students are Getting Most Involved in STEM?
6. The Korea Economic Daily. (2023, Oct 23). Mirae Asset Promotes Indian Unit Head to Vice Chairman.

GLOSSARY

Nifty 50 The Nifty 50 is an index of 50 of the largest and most liquid stocks traded on the National Stock Exchange of India.

Nasdaq 100 Index The NASDAQ 100 Index includes 100 of the largest non-financial companies listed on the NASDAQ stock market.

S&P 500 Index The S&P 500 index includes 500 of the largest public companies listed on the stock market.

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NDIA is actively managed, which could increase its transaction costs (thereby lowering the fund's performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate. As actively managed funds, NDIA does not seek to replicate a specific index. There can be no guarantee that active management strategies and processes will be successful.

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.

Index returns are for illustrative purposes only and do not represent actual Fund performance. Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index. Past performance does not guarantee future results.

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