DRGN

Global X China Tech ETF



INDEX OVERVIEW

The Global X China Tech 20 Index tracks leading tech companies in China and Hong Kong driving innovation in industries like electric vehicles, AI, electronics, semiconductors, software, Computer Peripherals and Communications, data processing services, digital platforms, robotics, industrial automation, and global e-commerce.

Significant Administration Events For The Global X China Tech 20 Index

Date	Significant Events
12-Mar-2025	Mirae Asset Global Index begins administration for the Index
02-Sep-2015	Index Base Date
12-Mar-2025	Index Commencement Date

INDEX CALCULATION

The Index will be calculated by the Index Administrator on every Index Business Day starting with the Index Commencement Date and will be published onto the vendor platforms and to the clients simultaneously. On any day when the underlying prices are not available from the sources, the last available closing price and 4 p.m. WM FX rate fixings will be used for Index Valuation for that Index Business Day. Subject to provisions set out under Market Disruption Events or Force Majeure Events, Index Levels may not be calculated on an Index Business Day and such a day will be termed as a Disrupted Day. The initial Index Level along with the other Index details are as below:

Table 1

Index	Index Currency	Index Base Date	Index Base Level
Global X China Tech 20 Index PR	HKD	02-Sep-2015	1000
Global X China Tech 20 Index NTR	HKD	02-Sep-2015	1000
Global X China Tech 20 Index GTR	HKD	02-Sep-2015	1000

INDEX SELECTION RULES

INITIAL UNIVERSE

The initial selection universe is established by identifying FactSet industry and business segments that are most closely aligned with the technology theme. The industry and business segments identified as relevant to the theme are reviewed annually as part of the March Rebalance.

ELIGIBILITY FILTER

The following factors are considered for security when reviewing for inclusion in the selection universe as of Selection Day:

- Country of listing should be China, Hong Kong.
- Country of domicile should be China or Hong Kong. However, in case of Country of Domicile is not China or Hong Kong, Country of Incorporation should be special interest countries (see Appendix A) and the company derives majority of its revenue from China or Hong Kong.
- Shanghai Stock Exchange and Shenzhen Stock Exchange listed securities must be eligible for Northbound Trading under the Shanghai and Shenzhen Stock Connect programs, as specified by Hong Kong Exchanges and Clearing Limited
- Must be traded on 90% of the eligible Scheduled Trading Days for the 6 calendar months preceding the Selection Day. For Initial Public Offerings ("IPOs"), the following relaxed criteria apply:
    1. To be considered for inclusion, IPOs with less than 6 months of trading history must have been listed for at least 10 Scheduled Trading Days prior to the Selection Day.
- Average Daily Traded Value ("ADTV") over a period of 6 months must be at least HKD 10 million.
- Company Level Market Capitalization must be at least HKD 7.5 billion.
- The security types considered for inclusion are:
    1. Class A, Class H, and Common stocks.
- The most liquid share class/listing of the security is considered for inclusion in the Index where:
    1. Liquidity of share class/listing is based on 6-month ADTV.

FINAL SELECTION

From the Selection Universe

- Securities are grouped as Hong Kong listing group and Connect Listed Group (Northbound).
- Within each group, securities are selected based on consolidated rank of five factors i.e. 1 Year Sales Growth, 1 Yr EPS Growth, Company Level Market Capitalization, 6M ADTV, and Free Cash Flow Yield.

  To calculate the consolidated weighted rank for each security:

  1. Rank each factor separately.
  2. Calculate the weighted rank for each factor by multiplying its rank by the corresponding weight:
     - Company Market Capitalization – 30%
     - 6-Month Average Daily Trading Volume (ADTV) – 30%
     - 1-Year Sales Growth – 15%
     - 1-Year EPS Growth – 15%
     - Free Cash Flow Yield – 10%
  3. Add up the weighted ranks for all factors to calculate consolidated weighted rank of each security.
- Within each group, select the top 2 securities from each FactSet industry based on consolidated weighted rank.
- After the above step, within each group, pick top 10 securities based on consolidated rank to select final total of 20 securities.

WEIGHTING

The index constituents are weighed according to a modified market capitalization methodology in determining final weights.

- The weight of a selected Index Constituent will be determined based on the Security Level Free Float Market Capitalization.
- Security Capping at 8%, the additional weight will be distributed proportionately among uncapped constituents subject to minimum weight of 1%.

INDEX CALCULATION

INDEX CALCULATION METHODOLOGY

The Global X China Tech 20 Index will be calculated as per the standard Equity Calculation Methodology of the Index Administrator which can be referenced in the Index Documents section of the Index Administrator's webpage. All Dividend Forecasts and Corporate Actions are subject to modification. For more information about Corporate Actions, kindly follow the Corporate Action Treatment Methodology available on the Index Administrator's website.

INDEX RECONSTITUTION

RECONSTITUTION

The index follows a Quarterly Reconstitution as of the close of the first Friday of March, June, September, and December each year which is referred to as 'Reconstitution Day.' The index will become effective from the open of the next Index Business Day which is called 'Effective Day'. If the first Friday of March, June, September, and December is not a Business Day then the Reconstitution Day is preponed to immediate prior Business Day.

The selection list creation and weight calculation are based on the data of the Selection Day which is five Trading Day prior to Reconstitution Day. The shares will be frozen using the above calculated weights as of Selection Day.

INDEX REPLACEMENT

In case of securities getting removed from the index due to acquisition or delisting events, these will be replaced with securities passing all eligibility criteria based on the highest Consolidated Weighted Rank as of the prior month end at the time of announcement of the replacement notification. The replacement notification will be released at least two Scheduled Trading Days (of the replacement security) prior to the replacement implementation date on a best effort basis.

RISK DISCLAIMER

Index Administrator does not provide any investment advice pertaining to the index. The Index Administrator will thereby be exempt from any fiduciary obligation to any person(s) or entity(s) investing into this index by virtue of a product based on this index as an underlying.

MARKET DISRUPTION EVENTS AND FORCE MAJEURE

The index is a rules-based index and does not have scope for any discretionary adjustment to the day-to-day functioning of the index except under extraordinary circumstances where the Index Administrator is unable to calculate the index for a reason external to the Index Methodology, some of which may include:

- Disruption of data provider
- Force Majeure Events, like calamities
- Any significant changes to the market condition forcing the re-evaluation of the Index Rationale
- Any government regulation change
- Discontinuation in data points like FX rates

In such scenarios the Index Administrator reserves the right to invoke a Market Disruption Event. This determination is immediately escalated to the Index Oversight Committee, which will decide the future course of the index. Any decision related to the index will be posted on the Index Administrator's website before action is taken. For an expected Disruption event, the Index Administrator, after consulting with the Index Oversight Committee, will post a consultation to this effect up to 30 days in advance, or a period rationally feasible in light of the timelines of the disruption.

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DEFINITIONS USED

Business Day	is a trading day for all current and future Securities of the Index.
Company Level Market Capitalization	is the market capitalization of a security based on the overall company level. This calculation considers the price and shares of the most liquid security.
Consolidated Weighted Rank	is defined under "Final Selection" section.
Disrupted Day	is a day(s) identified by the Index Administrator for the Index or one of its components having a Market Disruption Event as defined in the section above.
Effective Day	is the day, as defined in the section on Reconstitution, when the latest portfolio goes live.
Exchanges	is the list of Exchanges where the current or future composition of the Index constituents are trading.
Force Majeure Events	is defined in the Section on Market Disruption Event, as an event which is beyond human control and can have an impact on the trading characteristics of one or more Index Constituents or one or more Exchanges on one or more Index Business Days.
Index	when used in conjunction with any other word is the Global X China Tech 20 Index as defined in this Methodology document.
Index Administrator	is Mirae Asset Global Index Private Limited
Index Base Date	is the date which has been set for the initial value of the Index as defined in Table 1 of the Methodology document.
Index Base Level	is the initial level of the Index selected for the **Index Base Date**. This is defined in Table 1 above.
Index Business Day	is any weekday other than Saturday and Sunday.
Index Commencement Date	is the date when the Index goes live. Before this date the Index Levels generated are back tested levels
Index Level	is the levels of the Index calculated basis the Index Calculation defined in the Index Manual above for any Index Business Day
Index Manual or Index Methodology	is referred to as this document.
Index Owner	is Mirae Asset Global Index Private Limited.
Scheduled Trading Day/Days	is a day when the exchange for security is open for trading.
Selection Day	is the day when the Universe is selected for the creation of the latest portfolio. On this date, all selection rules are applied to the universe, and weights are finalized.
Security Level Free Float Market Capitalization	is the free float adjusted market capitalization of security only for the share class of that security in consideration.
Trading Days	is when both Hong Kong; and Shanghai and Shenzhen Stock Connect Exchanges are open for trading.

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APPENDIX A.

Special interest countries are those which are either not having local stock exchange or were companies are incorporated.
Special interest countries are those where companies have a preferential incorporation owing to the tax benefits derived from the withholding tax structure of these countries.

Anguilla	Channel Islands	Liechtenstein
ANTIGUA AND BARBUDA	COOK ISLANDS	MARSHALL ISLANDS
ARUBA	CURACAO	SABA
BAHAMAS	FALKLAND ISLANDS	SINT EUSTATIUS
BARBADOS	GIBRALTAR	SINT MAARTEN
BELIZE	GUERNSEY	TURKS AND CAICOS ISLANDS
BERMUDA	ISLE OF MAN	
BONAIRE	JERSEY	
BRITISH VIRGIN ISLANDS	LIBERIA	
CAYMAN ISLANDS	PANAMA	

APPENDIX B.

List of eligible Factset industries

Factset Industries Description
Industrial Machinery
Electrical Products
Semiconductors
Electronic Components
Telecommunications Equipment
Computer Peripherals
Computer Communications
Electronic Production Equipment
Motor Vehicles
Data Processing Services
Information Technology Services
Packaged Software
Internet Software/Services
Internet Retail
Air Freight/Couriers

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