

INTERNATIONAL ECOMMERCE INDEX FACT SHEET

as of 12/31/18



A benchmark to track international companies expected to benefit from the increased adoption of Ecommerce around the world.

The Case for International Ecommerce

Online shopping is a global phenomenon, with the fastest growing e-commerce markets residing outside the U.S.

1. **Growing Global Opportunity** - Global ecommerce sales surpassed \$2.3 trillion in 2017, and are expected to grow to \$4.9 trillion by 2021.¹
2. **Expanding Internet and Mobile Penetration** - By the end of 2019, thanks to mobile broadband, global Internet access is expected to grow to 50% and remain on a steady upward trajectory, enabling more ecommerce transactions around the globe.²
3. **Explosion of Cross-Border Ecommerce** - Cross-border ecommerce is booming as geographic boundaries are eliminated and consumers are increasingly purchasing products outside their borders. China alone saw an 80% surge in cross-border transactions in 2017.³

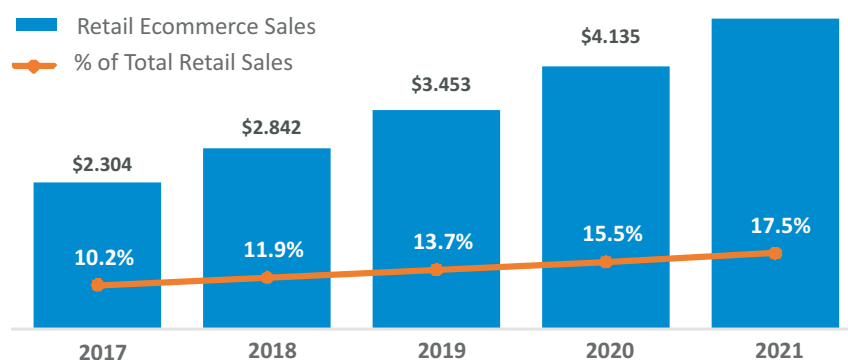
Sources: ¹ eMarketer ² Wired ³ en.people.cn

Estimated Sales generated by Global Ecommerce

The sales generated from global ecommerce are expected to exceed \$4.9 trillion globally by 2021.

Estimated Global Ecommerce Sales

USD Trillions, % of Total Retail Sales



Source: eMarketer, Jan 2018



Overview

The EQM International Ecommerce Index (XBUYXT) seeks to track the combined performance of a basket of non-US stocks that derive significant revenue from one or more international ecommerce segments: retail, travel, and marketplace. The index is equally weighted within one of two liquidity pools based on their respective average daily value traded over the last six months. Index components in the bottom 20% of liquidity will have their respective weightings reduced by 50% with the excess weight distributed equally among the remaining constituents. (See Additional information*)

Ticker	XBUYXT
Inception Date	11/1/18
Index Calculation/Publication	Solactive AG
Total # Holdings	50
# of Countries	14
# of ADRs	14
Rebalance (Apr, Jul, Oct, Jan)	Quarterly
Weighting Scheme	Modified, equal weighting

Licensing Information

EQM Indexes® LLC licenses its indexes to firms involved in the issuance of Exchange Traded Products (ETPs). If you are interested in licensing an index from EQM Indexes LLC or have an idea for a new index product, contact us at info@eqmindexes.com.

Provided by EQM Indexes

Not investment advice or a recommendation to buy or sell securities. Investors may not invest directly in an index.

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Top 10 Constituents

For a complete list of holdings, go to eqmindexes.com.



Source: Bloomberg

	Index Wt %
1 B2W CIA DIGITAL (BTOW 3BZ)	4.69
2 TENCENT HOLDINGS (700 HK)	2.91
3 OISIX.DAICHI INC (3182 JP)	2.90
4 ORIFLAME HOLDING AG (ORI SS)	2.67
5 MAKEMYTRIP LTD (MMYT US)	2.66
6 MONOTARO CO LTD (3064 JP)	2.64
7 VIPSHOP HOLDINGS LTD-ADR (VIPS US)	2.63
8 RAKUTEN INC (4755 JP)	2.63
9 MERCADOLIBRE INC (MELI US)	2.58
10 JUMEI INTERNATIONAL - ADR (JMEI US)	2.58

Inclusion of a security within the Index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. EQM Indexes is not an investment advisor, and makes no representation regarding the advisability of investing in any such security.

Portfolio Weightings

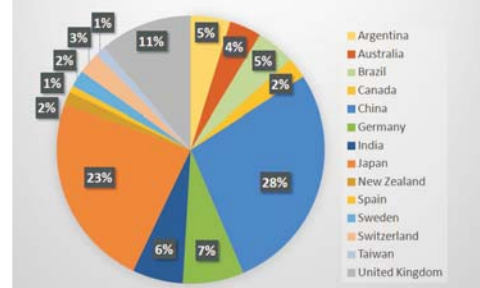
For Illustrative Purposes Only

Market Segments



Source: Bloomberg, EQM Indexes

Country Weightings



Source: Bloomberg

About EQM Indexes

EQM Indexes, LLC ("EQM Indexes") is a woman-owned firm dedicated to creating and supporting indexes that track growth industries and emerging investment themes. Co-founded by Jane Edmondson, a former Institutional Portfolio Manager with more than 25 years of investment industry experience, EQM Indexes' index designs spans a wide range of asset classes and financial instruments. EQM Indexes does not provide investment advice, nor offer the sale of securities, but does partner and receive compensation in connection with licensing its indices to third parties to serve as benchmarks for Exchange Traded Products ("ETPs"). All information provided by EQM Indexes is impersonal and not tailored to the needs of any person, entity or group of persons. It is not possible to invest directly in an index. EQM Indexes makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Inclusion of a security within an index is not a recommendation by EQM Indexes to buy, sell, or hold such security, nor is it considered to be investment advice. While EQM Indexes has obtained information from sources believed to be reliable, EQM Indexes does not perform an audit or undertake any duty of due diligence or independent verification of any information it receives.

Additional Information

* There is a maximum country of domicile weight of 25% per country. To achieve this country weight limitation, each Index Component's country of domicile is identified, and the respective country weights summed. If any country has a combined weight greater than 25%, each Index Component that is domiciled in that country has its weight reduced on a pro rata basis, such that the country's combined weight is reduced to 25%. The excess weight resulting from any country weight reduction is then redistributed equally to all the other companies in the top 80% liquidity pool.



Constituent Requirements

In order to be eligible for inclusion in the index, companies must meet the following conditions:

- Non-US domiciled publicly traded companies that derive significant business exposure from one of three international e-commerce business segments: retail, travel, marketplace.
- At least 90% of revenues should be derived from online business transactions or e-commerce platforms as opposed to brick and mortar and/or in-store transactions.
- Listing on a regulated stock exchange in the form of shares tradable for foreign investors without restrictions.
- Market capitalization of at least 100 million USD.
- Average daily traded value of at least 1,000,000 USD over the last six months.
- ADRs, GDRs, and listed common stocks which are deemed to have adequate constituent liquidity and custodial relationship access for an exchange listed product as determined by the Index Provider.

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