

Press Release

Global X Funds to release E-commerce ETF tracking NLP-based Solactive Index

29 November 2018

New York-based ETF provider Global X releases the new Global X E-commerce ETF (EBIZ), which tracks the Solactive E-commerce Index (SOLEBIZ) that is based on a proprietary algorithm to select its index components.

E-commerce is experiencing a genuine boom. In 2017, 2.73 billion online shoppers accounted for sales of over USD 2.3 tn. While the user base is expected to grow to 3.1 billion people globally in 2021, the E-retail revenues are projected to rise to USD 4.88 tn in 2021.¹ To give investors exposure to this exciting market, Solactive developed its Solactive E-commerce Index consisting of companies that either operate E-commerce platforms that connect buyers and sellers of goods and services via online marketplaces; provide E-commerce software, analytics or services that facilitate the development and enhancement of E-commerce platforms; or primarily sell goods and services online and generate the majority of their overall revenues from online retail.

The Solactive E-commerce Index features a unique index-selection approach, utilizing Solactive's proprietary Natural Language Processing (NLP) engine called ARTIS® (Algorithmic Theme Identification System), to identify thematic exposures in companies using unconventional data sources. For this purpose, ARTIS® analyzes large volumes of company reports, financial news, as well as business descriptions and reveals relationships between keywords that describe a theme and companies that are active in this very field.

The release of the Global X E-commerce ETF marks the second launch of a Global X ETF utilizing Solactive's ARTIS® technology. The first was the Global X Autonomous & Electric Vehicles ETF (DRIV), listed in March 2018.

Timo Pfeiffer, Head of Research at Solactive, commented: *"Undoubtedly, it is safe to say that E-commerce will further define our consumption habits, which are focusing largely on the immediate availability of goods. Additionally, future E-commerce revenue will be driven by more sophisticated personalized online ad-strategies, displaying more relevant products according to our online behavior. As an innovative index provider,*

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it is our pursuit to not only find the obvious but also take on different directions and perspectives on how to identify new sources for valuable index concepts".

The index universe of the Solactive E-commerce Index consists of the 30 to 40 stocks that are active in the E-commerce business. Some current index components are Amazon.com Inc., eBay Inc., Shopify Inc., and Alibaba Group Holding Ltd. The index constituents are weighted according to their free float market capitalization subject to weight caps.

For further information, please visit: www.solactive.com

Note to editors

About Solactive

Solactive AG is an innovative index provider that focuses on the development, calculation and distribution of tailor-made indices across all asset classes. As at January 2018, Solactive AG served approximately 400 clients in Europe, America and Asia, with approximately USD 200 billion invested in products linked to indices calculated by the company globally, primarily via 350 exchange-traded funds from a number of well-known providers. Solactive AG was established in 2007 and is headquartered in Frankfurt.

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