DRGN

Global X China Tech ETF

Own China's Tech Dragons

Thematic Growth – Multi-Theme

FUND DETAILS

ASX Code	DRGN
Bloomberg Code	DRGN AU Equity
IRESS Code	DRGN.AXW
Benchmark	Global X China Tech 20 Index
Mgt. Fee (% p.a.)*	0.45%
Rebalance Frequency	Quarterly
Distribution Frequency	Annually
W-8 BEN Form Required	No

KEY FEATURES

Built to Scale, Poised to Accelerate
China's technology sector is grounded in decades of industrial growth, infrastructure investment, and digital capability building. This foundation is now enabling an innovation ecosystem across manufacturing, platforms, automation and AI.

From Infrastructure to Intelligence
Robotics, IoT, semiconductors and AI ecosystem are now driving real world deployment across supply chains and smart systems, supported by national policy and industrial competitiveness.

A Broader Lens on Innovation
Exposure to both A shares and H shares provides access to a wide spectrum of growth opportunities, from domestic automation to global technology platforms, supported by long term policy and commercial rollout.

INTRODUCING DRGN

The Global X China Tech ETF (DRGN) offers access to the 20 leading technology companies across China's A and H share markets. With a rules-based selection process across 11 core sectors including semiconductors, robotics, software, and internet platforms, DRGN captures China's strategic push into self-sufficient innovation.

This fund includes exposure to sectors aligned with China's innovation roadmap and focuses on firms with strong revenue, profit, and cash flow metrics ensuring investors gain access to high-quality growth names driving China's tech evolution.

DID YOU KNOW?

China's digital economy is projected to exceed 55% of GDP by 2030, transforming productivity across every layer of industry and becoming a structural growth driver, not just a tech segment[1].

Inference costs for large AI models in China are more than 90% lower than in the US, creating a commercial advantage that accelerates enterprise adoption and monetisation at scale[2].

Policy support for semiconductors, robotics, and AI is now directly tied to deployment, productivity, and GDP contribution, with commercialisation targets replacing vague R&D goals[3].

China accounted for over 60 percent of global EV sales in 2024 and holds around 30 percent of the global industrial robotics market, underscoring its expanding global footprint in innovation-heavy sectors[4].

HOW TO USE DRGN IN A PORTFOLIO

A strategic allocation for investors seeking exposure to China's domestic innovation push, as the country shifts from platform dominance to advanced manufacturing, robotics, and AI commercialisation.

A complementary position alongside global tech or EM strategies that may underrepresent A-share or industrial tech exposure, helping broaden the scope beyond familiar mega-caps.

A differentiated entry point into China's structural tech transformation, targeting sectors aligned with government priorities and supported by rising capital expenditure in digital infrastructure, automation, and smart industry

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HOW DRGN WORKS

Tracks the Global X China Tech 20 Index, which selects 20 leading A-share and H-share companies from China's three major exchanges including Hong Kong, Shanghai, and Shenzhen across 11 technology-related sectors.

The index applies a rules-based filter combining market capitalisation, trading liquidity, 1-year sales growth, 1-year earnings per share growth, and free cash flow yield. This helps ensure the portfolio captures scalable, cash-generating innovators with real momentum.

The final portfolio consists of 10 A-shares and 10 H-shares, market-cap weighted with an 8% stock cap to balance exposure across names. This structure reflects the diversity of China's tech landscape while managing concentration risk.

CONSIDERATIONS FOR INVESTING IN DRGN

Geopolitical and Regulatory Sensitivity: Chinese technology companies remain subject to both global trade tensions and domestic policy changes, which can introduce periods of volatility and impact market sentiment.

Sector and Style Exposure: The fund is focused on China's innovation economy, with exposure to sectors like industrial technology, automation, semiconductors, and software. This positioning means it may potentially behave differently from key China benchmarks during certain market cycles.

Index Design: The strategy uses fundamental and momentum filters to avoid persistently unprofitable or speculative companies. However, innovation timing can vary, and the theme may require patience as policy tailwinds and commercial adoption evolve.

For more information on Global X China Tech ETF (ASX Code: DRGN), please speak to Global X ETFs.

Client Services

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[1] China Daily, 30 March 2025, Digital economy to take 55% share of GDP by 2025

[2] Forbes, 13 March 2025, Big AI Inference Has Become A Big Deal And A Bigger Business

[3] Yichai Global, 4 March 2025, Beijing Sets Up USD13.7 Billion

[4] Visual Capitalist, Statzon, International Federation of Robotics

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