

EMFM

Global X MSCI Next Emerging & Frontier ETF

Fund Description

EMFM tracks an index of emerging and frontier markets, excluding BRIC, Taiwan and South Korea.

FactSet Analyst Report

EMFM is one of the few ETFs targeting both smaller emerging economies and frontier markets. The fund is not only inclusive of frontier markets like Kuwait, Qatar, and Vietnam, but it also excludes major emerging economies: BRIC (Brazil, Russia, India, China), Taiwan, and South Korea. Consequently, the fund has boosted exposure to smaller emerging markets like Indonesia, South Africa, Thailand, Malaysia and Mexico. While EMFM selects its constituents by market-cap, it applies stringent liquidity criteria that can exclude many frontier-market firms. The portfolio gives a fixed 75% weight to emerging market firms and the rest to frontier markets. Holdings are market-cap-weighted within those two buckets. The index is reviewed semi-annually. Prior to January 26, 2019, the fund tracked a similar index that weighted holdings by liquidity.