

Investment Case: EGShares Beyond BRICs ETF (Ticker: BBRC)

# Allocating Beyond the BRICs

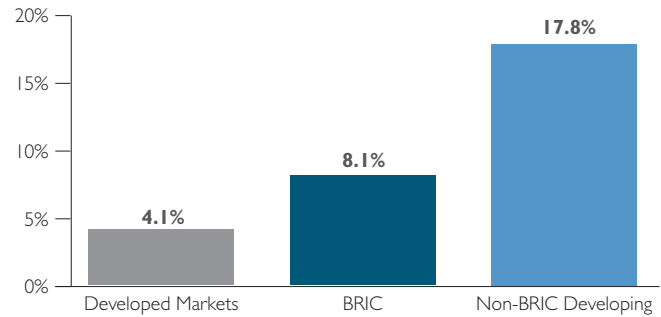
## The Next Wave of Emerging Market Investing

### Favorable demographics have smaller and less mature emerging and frontier economies well-positioned for possible future growth

The labor force in those economies that operate “Beyond the BRICs” is projected to grow by over 17% over the next ten years - more than double the BRICs and four times greater than developed markets.

- Ten non-BRIC developing economies are projected to experience labor force growth of at least 15% from now until 2020
- Smaller and less mature emerging markets are under-represented in conventional benchmarks, comprising only 32% and 36% of the MSCI EM Index and FTSE Emerging Index (Source: MSCI, Bloomberg as of December 31, 2014)

Labor Force Growth (2010 - 2020)



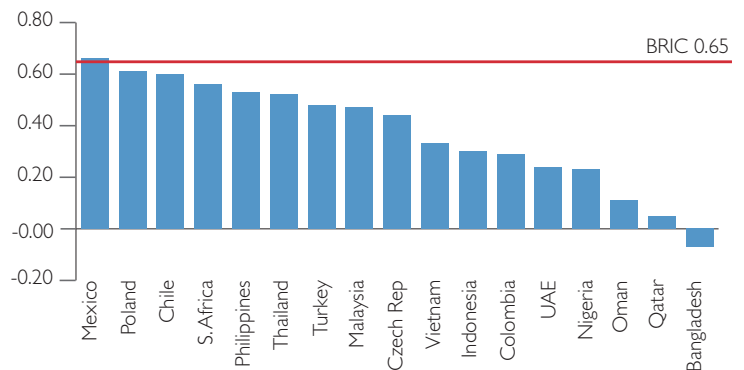
Source: UNCTAD, 2014. Past performance does not guarantee future results.

### Smaller, less mature emerging and frontier markets generally have had a low correlation to the S&P 500

While correlations to the S&P 500 Index for the BRICs have increased, those countries that operate “Beyond the BRICs” have exhibited lower correlations.

- The correlation of the BRICs to the S&P 500 is 0.65 for the trailing three years\*
- Average cross-country correlations for the trailing three years is 0.29 between non-BRIC developing markets, compared to 0.61 between Developed Markets and 0.63 between the BRICs\*

Correlations to the S&P 500 Index (Trailing 3-Year)\*



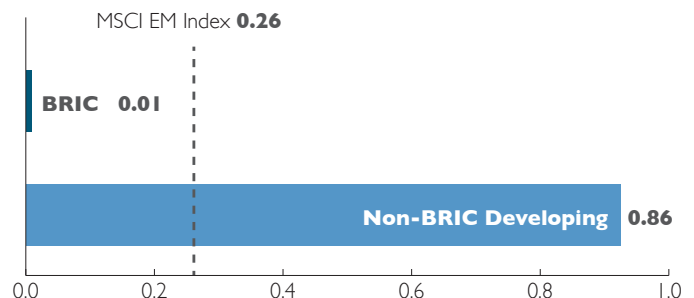
Source: MSCI, Bloomberg data as of December 31, 2014. Past performance does not guarantee future results.

### These markets have delivered better risk-adjusted returns and less volatility

The risk-reward tradeoff in non-BRIC developing markets has been relatively attractive.

- Non-BRIC developing markets have had a three-year standard deviation of 11.83% compared to 20.31% for the BRICs and 15.21% for the MSCI EM Index as of December 31, 2014

Sharpe Ratio (Trailing 3-Year)\*



Source: MSCI, Bloomberg data as of December 31, 2014. Past performance does not guarantee future results. Sharpe ratio and standard deviation are calculated using monthly index total return of equal-weighted baskets of MSCI country indices.

\* Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses, which could reduce returns. Indexes are unmanaged and one cannot invest directly in an index. Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance data may be higher or lower than actual data quoted. For the most current index performance data please call +1 888 800 4347.

To better align a portfolio with this emerging markets theme, consider the following EGShares ETF.



**BBRC**

EGShares Beyond BRICs ETF

Exposure	Underlying Index	Inception	Expense Ratio	Ticker
Broad exposure to 17 emerging and frontier markets, excluding the BRICs, South Korea and Taiwan.	FTSE Beyond BRICs Index	8/15/2012	Gross: 0.85% Net: 0.58%*	BBRC

\*EGA has entered into a written fee waiver agreement to waive its advisory fee to 0.58% net from 0.85% gross of the Fund's average daily net assets. The Fee Waiver Agreement will remain in effect and will be contractually binding for two years from October 1, 2013.

For additional information, contact EGShares at +1 888 800 4347 or visit [egshares.com](http://egshares.com)

**Definitions**

**BRIC** is an acronym used to represent the nations of Brazil, Russia, India and China. With respect to performance data presented, it is an equally-weighted index blend comprised of the MSCI country indices for these countries.

**Correlation** indicates the strength and direction of a linear relationship between two random variables. The value will range between -1 and 1. A value of 1 indicates a perfect positive dependency, while -1 indicates a perfect negative dependency between the 2 investments.

**Developed Markets (DM)** include the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom, & United States.

**FTSE Beyond BRICs Index** is designed to represent the performance of a diversified basket of 90 liquid companies in emerging and frontier markets ex Brazil, Russia, India, China (BRIC), Taiwan and Argentina as defined by FTSE's Country Classification System.

**FTSE Emerging Index** is a market capitalization-weighted index representing performance of over 790 large- and mid-cap companies in 22 emerging markets. FTSE makes no express or

implied warranties or representations and shall have no liability whatsoever with respect to any claims contained herein.

**MSCI Emerging Markets (EM) Index** is an index that is designed to measure the equity market performance in global emerging markets.

**Non-BRIC Developing** is an equal-weighted index blend comprised of the MSCI country indices for those countries that operate "Beyond the BRICs", including the nations of Bangladesh, Chile, Colombia, Czech Republic, Indonesia, Malaysia, Mexico, Nigeria, Oman, Philippines, Poland, Qatar, South Africa, Thailand, Turkey, UAE, Vietnam and excludes the BRIC nations (Brazil, Russia, India and China), South Korea and Taiwan.

**Sharpe Ratio** is the average return in excess of the risk-free rate divided by the standard deviation of return; a measure of the average excess return earned per unit of standard deviation of return.

**Standard Deviation** is the square root of the variance; a measure of dispersion in the same units as the original data.

One cannot invest directly in an index.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. To obtain a prospectus containing this and other important information, please call +1 888 800 4347 or visit [egshares.com](http://egshares.com) to view or download a prospectus. Read the prospectus carefully before investing.

Emerging market investments involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, from economic or political instability in other nations or increased volatility, and lower trading volume. The value of an investment denominated in a foreign currency could change significantly as foreign currencies strengthen or weaken relative to the U.S. dollar.

This Fund is non-diversified and, as a result, may have greater volatility than diversified funds. This Fund will concentrate its investment in issuers of one or more particular industries to the same extent that the underlying index. Concentration risk results from maintaining exposure to issuers conducting business in a specific industry. In certain circumstances, the Fund might not be able to dispose of certain holdings quickly or at prices that represent true market value preventing them from tracking the underlying index. There is no assurance that an active trading market for fund shares will develop or be maintained.

Small-cap and mid-cap companies generally will have greater volatility in price than the stocks of large companies due to limited product lines or resources, or a dependency upon a particular market niche.

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ETF shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund.

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