EMXETF

RESEARCH REPORT

DEEPSEEK, KIMI & CHINA'S "AI TIGERS"

How China Stunned the AI World — Twice (so far)

Most investors know ChatGPT, Claude and Gemini. Far fewer realize that some of the most important challengers in artificial intelligence are now coming from China. DeepSeek changed the conversation about AI economics almost overnight, and Kimi has reinforced the idea that China can compete at the frontier of artificial intelligence. We believe this is the beginning of a much bigger story.

These companies are part of a new generation of Chinese AI developers increasingly referred to as "**China's AI Tigers**." Open AI models could fundamentally change how artificial intelligence is deployed around the world. Companies want powerful AI, but they also want control over their data, the ability to customize their models, and lower costs.

We believe China's AI Tigers are increasingly competing on all three. This is the premise behind the **China AI Tigers LLM** (NASDAQ: TGRZ) – to deliver investors with access to the China AI model expansion.

China's AI Tigers

Among the most prominent of China's AI Tigers are DeepSeek, Moonshot AI and Z.ai, which are helping push China to the forefront of global AI model development. Z.ai became publicly traded in January 2026, while DeepSeek and Moonshot are potential future IPO candidates.

deepseek

Z

Moonshot AI

DeepSeek started it all and still leads on price: frontier-grade AI at as little as one-tenth the U.S. cost. DeepSeek was founded and funded by a Chinese hedge fund manager. It recently raised its first venture capital round and is expected to IPO in 2027.

Z.ai became the first publicly traded AI-model company when it went public in January 2026. It's GLM-2 model also credited with stopping Open AI's model that recently hacked the U.S. AI platform Hugging Face when Claude failed to do so.

Moonshot AI just released Kimi K3, the world's most powerful free model, that is nearly as good as the leading models from OpenAI and Anthropic. Moonshot is eyeing an IPO later this year or in 2027.

Minimax is a Shanghai-based multimodal aI leader spanning text, video and audio; powers popular consumer apps Talkie and Hailuo. Investors include Tencent & Alibaba.

Stepfun AI filed for a Hong Kong IPO near $12B valuation; models already run in 40M+ smartphones and Geely vehicles. Investors include Tencent & Alibaba

Baichuan AI founder Wang Xiaochuan was also the founder of the Chinese search engine Sogou (acquired by Tencent). Baichuan is focused on AI for healthcare. care. Investors include Tencent & Alibaba.

01.AI founder Kai-Fu Lee was Google's China CEO. 01.AI is an AI provider for enterprise customers and is seeking to become "China's Palantir" Investors include Tencent & Alibaba.

What Makes China's AI Different

China's AI models are open-weight models, which are different than leading U.S. models, ChatGPT and Claude, which are "closed" models. The models of the China Tigers have very important benefits that are just beginning to be understood by the investing public:

Downloadable

China's open models can be downloaded and run on a company's own computers, so nothing leaves the building.

Customizable

You can't open up ChatGPT or Claude and change how they work. Chinese models can be retrained on a company's own data.

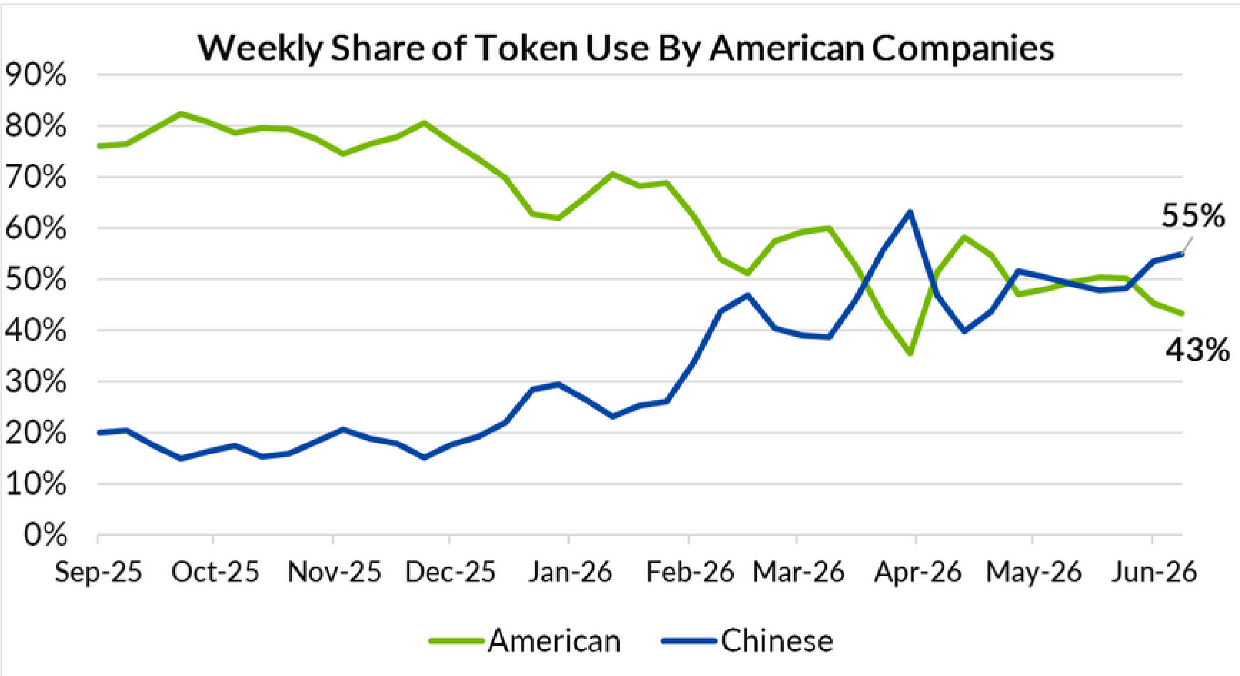
Cheaper

Chinese models routinely do the same work for one-fifth to one-tenth the price.*

Source: https://artificialanalysis.ai/ as of 7/22/2026

Use of Chinese AI Models Has Passed Use of U.S. Models

With their combination of customization and cost-effectiveness, U.S. companies are increasingly using open-source models from China's AI Tigers. In fact, by many measures, U.S. companies now use China's AI models more than they use leading U.S. models from OpenAI and Anthropic.



Source: OpenRouter, as of 7/22/2026

American Companies are Already Building on Chinese AI

In the U.S. companies including Airbnb, Door Dash, Meta and Cursor (acquired by Space X) have all reported using Chinese AI Models. Major U.S. cloud and AI platforms including AWS, Microsoft, Google, Oracle and NVDIA also offer and support Chinese models to customers.

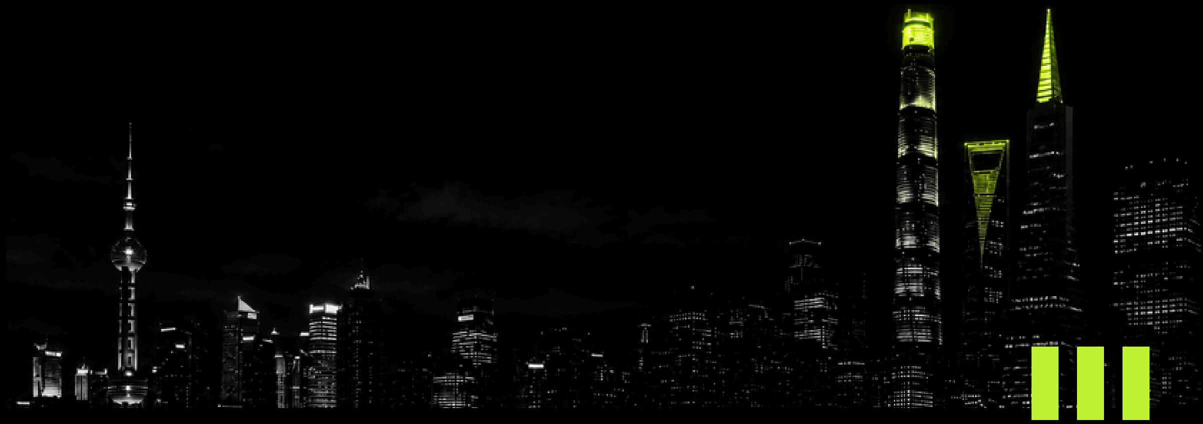
Bottom Line

China's AI Tigers, with their open and customizable models, offer increasingly competitive performance, and lower costs are likely to continue leading in the global expansion of intelligence not just in China, but in the U.S. and rest of the world. The center of gravity in the world's most important technology has quietly shifted east, and the second shock has landed.

For years, investors looking for artificial intelligence exposure have understandably focused on a handful of large U.S. technology companies. But the emergence of DeepSeek, Kimi, Z.ai and the other China AI Tigers shows that the next generation of AI leaders may come from many different parts of the world.

The AI race is global, and investors should be thinking globally too. The **China AI Tigers LLM ETF** (NASDAQ: TGRZ) is one way for investors to gain exposure to China's AI models as they emerge.

About Us



EMXETF

EMXETF was created to develop exchange-traded funds focused on artificial intelligence opportunities in Emerging Markets. EMXETF seeks to provide investors with targeted exposure to companies participating in the next generation of Emerging Markets innovation.

Get in touch:

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Important Information

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call (833) 333-9383 or visit emxetf.com. Read the prospectus or summary prospectus carefully before investing.

Investing involves risk. Loss of principal is possible.

Holdings are subject to change. View a full list of fund holdings at emxetf.com.

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