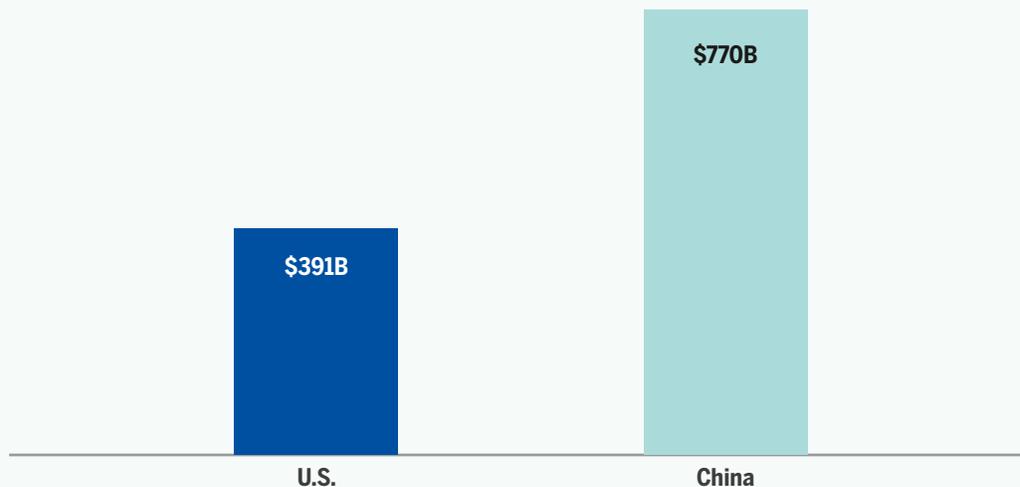


The Top E-Commerce Market May Surprise You

China may once have lagged the rest of the world in assuming its slice of the digital economy but it has more than made up for lost time. Its future as a formidable leader of the global internet space has many investors surprised and excited.

China Has Overtaken the U.S. in Total E-Commerce Spend



Source: Ecommerce Foundation and Digital Commerce 360, 2016.

- In 2016 China's e-commerce market totaled roughly \$770B, nearly double the size of the U.S.'s e-commerce market of \$391B. During this same year, the Chinese market continued to grow faster than the U.S. market, increasing by 19% while the U.S. market grew by 16%.
- China is now the world's single largest e-commerce market and makes up more than 40% of the value of global e-commerce transactions; in 2005 China was only 0.4% of the global market.¹
- Future growth in China's e-commerce market will come from China's massive internet user base, which topped 730 million people in 2016, and from its relatively quick adoption of mobile internet. Currently 20% of Chinese internet users depend on mobile exclusively, compared to 5% in the U.S.²
- As China extends its leadership in the global e-commerce and mobile internet markets, investors should consider growth exposure within emerging markets as critical to achieving long-term capital appreciation.

^{1,2}McKinsey & Company (2017) "China's Digital Economy: A Leading Global Force." McKinsey Global Institute Report.

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