



FUND OBJECTIVE

The Global X U.S. Preferred ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the ICE BofA Diversified Core U.S. Preferred Securities Index.

For informational purposes only. This document should be used to highlight some of the criteria to be used by index provider when publishing index constituents and is not comprehensive.*

KEY FEATURES



High Income Potential



Low Expense Ratio



Monthly Distributions

ICE BofA DIVERSIFIED CORE U.S. PREFERRED SECURITIES INDEX

SELECTION

- The index is designed to track the performance of exchange-listed U.S. dollar denominated preferred stock and convertible preferred stock publicly issued by corporations in the U.S. domestic market
- Preferred stock and notes issued in \$25, \$50, or \$100 par/liquidation preference increments must have a minimum amount outstanding of \$100 million
 - \$1000 par DRD-eligible (Dividends Received Deduction) securities must have an amount outstanding of at least \$250 million
 - Qualifying securities must be exchange listed and rated by Moody's, S&P or Fitch
 - In addition, qualifying securities must have an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings)
- Convertible preferred stock must be exchange listed and have at least \$50 million face amount outstanding and at least one year remaining to maturity
- Qualifying securities must have a traded market value of at least \$6 million on in each of the previous three calendar months in order to qualify for inclusion

WEIGHTING SCHEME

- Index constituents are market capitalization-weighted provided the total allocation to an individual issuer does not exceed 10%
 - The face values of bonds of all other issuers that fall below the 10% cap are increased on a pro-rata basis
- Accrued interest is calculated assuming next-day settlement
- Cash flows from payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing
 - Cash does not earn any reinvestment income while it is held in the index

REBALANCES/REVIEWS

- The index follows a quarterly reconstitution and rebalance schedule. Adjustments are made on the last business day in March, June, September, and December, based on information available up to and including the third business day before the last business day of the month
- Accrued interest is calculated assuming next-day settlement. Cash flows from payments that are received during the month are retained in the index until the end of the month
- Coupon cash is removed monthly on the last calendar day, as are securities that are:
 - redeemed or legally defaulted,
 - fall under the minimum amount outstanding, or
 - fall under the minimum term to maturity/conversion



For more information on the Index, please visit ICE's website.

*For the complete and current index methodology please refer to the index provider's website. This summary document is accurate as of the time of its publication and Global X does not guarantee that it is current at any point thereafter.

The selection of the index constituents and their weighting is made by the index provider at its sole discretion.

Carefully consider the fund's investment objectives, risks, and charges and expenses. This and other information can be found in the fund's full or summary prospectus, which may be obtained by visiting globalxetfs.com. Please read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. Preferred stock is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations, an issuer may call or redeem its preferred stock or convert it to common stock. High yielding stocks are often speculative, high-risk investments. These companies can be paying out more than they can support and may reduce their dividends or stop paying dividends at any time, which could have a material adverse effect on the stock price of these companies and the fund's performance. PFFD is non-diversified.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index.

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