



Authored by:

Yili Wu  
Sustainable Investment  
Strategist

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[ONOF – Global X Adaptive U.S. Risk Management ETF](#)

## GLOBAL X ETFs RESEARCH

# Global X Adaptive U.S. Risk Management ETF (ONOF) Monthly Report

We are pleased to present the [February 2023 monthly report](#) for the Global X Adaptive U.S Risk Management ETF (ONOF). ONOF seeks to provide a risk management solution by employing four technical indicators to dictate whether the Fund is participating in the U.S. equity markets or in a defensive stance in short term treasuries by tracking the Adaptive Wealth Strategies U.S. Risk Management Index (the “Index”). The two short-term indicators are Moving Average Convergence Divergence (MACD) and Volatility. The two longer-term indicators are the 200-day Moving Average and Drawdown.

### Longer Term Indicators

The 200-day moving average is designed to detect longer-term trends in the market and used in an effort to provide stability, as this trend doesn’t change significantly from day to day. It is calculated by adding up the closing prices for each of the last 200 days and then divided by 200.

Drawdown has its roots in the behavioral side of investing. We measure the absolute drawdown from the prior high point in the market as an indicator. This indicator potentially indicates the market is headed toward a longer-term trend downward.

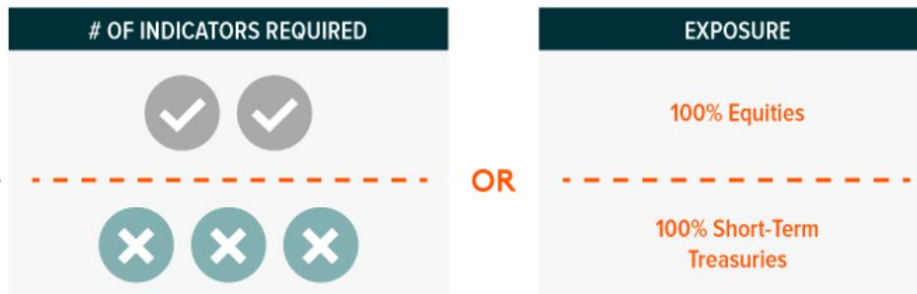
### Shorter Term Indicators

MACD is designed to capture short-turning points in the market both up and down. The MACD can be one of the first technical indicators to signal a risk-off environment. MACD is a momentum indicator, reflecting the spread between the 12-day exponential moving average (EMA) and the 26-day EMA. A positive spread between the two EMAs indicates upward momentum, while a negative spread indicates downward momentum.

Volatility is also short-term in nature and can signal heightened uncertainty in the markets which tends to favor a risk off approach. Volatility is measured by the CBOE® Volatility Index.

The Index requires at least two of the four indicators to have Entry signals in order to enter the “market” and be invested in equities. The Index requires at least three of the four indicators to have Exit signals to exit the market and be 100% exposed to short-term treasuries.





## February 2023 Recap

For the month of February, ONOF remained in a “Risk-On” position for the entire month invested in U.S equities. ONOF has been invested in U.S equities since January 12<sup>th</sup>, 2023. From February 1, 2023 to February 16, 2023, three indicators had Entry signals: 200-Day Moving Average, MACD, and Volatility. On February 17, 2023, MACD switched from an Entry Signal to an Exit signal. Since only two indicators are required to have Entry signals to remain invested in equities, the portfolio position in equities remained unchanged for the entire month.

In the 3-month period ending on February 28, 2023, ONOF returned -2.63% compared to the S&P 500 Index’s return of -2.28% over the same period. ONOF’s 1-year return ending on February 28, 2023 was 5.89%, compared to the S&P 500 Index’s return of -7.69% over the same period.

***The performance data quoted represents past performance based on NAV returns. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Standard performance and performance current to the most recent month-end is available by clicking [here](#). Total Expense Ratio: 0.39%***

## Glossary

**Adaptive Wealth Strategies U.S. Risk Management Index:** The Index employs four technical indicators and rotates between a cap-weighted basket of the largest 500 U.S listed companies for the equity exposure or short-term treasuries.

**CBOE Volatility Index (VIX):** a popular measure of stock market’s expectation of volatility based on S&P 500 options

**S&P 500 Index:** The index includes 500 leading U.S. companies and captures approximately 80% coverage of available market capitalization.

Investing involves risk, including the possible loss of principal. There is no guarantee that the Fund will achieve a high degree of correlation to the Underlying Index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the Fund’s ability to adjust its exposure to the required levels in order to track the Underlying Index.

The Fund is based on the “modern portfolio theory” approach to asset allocation, which is a framework for determining the allocation of a portfolio with the goal of achieving an intended investment outcome based on a given level of risk. This framework relies heavily on the anticipated volatilities, investment returns and correlations of particular asset classes or securities. There is no guarantee that the



Underlying Index will outperform any alternative strategy that might be employed in respect of the component assets or that past volatilities and correlations of particular asset classes or securities will be indicative of future results. ONOF 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. The market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share, and do not represent the returns you would receive if you traded shares at other times. NAVs are calculated using prices as of 4:00 PM Eastern Time. Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index.

***Carefully consider the Fund's investment objectives, risks, and charges and expenses before investing. This and other information can be found in the Fund's summary or full prospectuses, which is available at [globalxetfs.com](http://globalxetfs.com). Please read the prospectus carefully before investing.***

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