Artificial Intelligence & Technology ETF

FUND OBJECTIVE

The Global X Artificial Intelligence & Technology ETF (AIQ) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Indxx Artificial Intelligence & Big Data 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.

INDXX ARTIFICIAL INTELLIGENCE & BIG DATA INDEX

SELECTION

- The Indxx Artificial Intelligence and Big Data Index is designed to track the performance of exchange-listed companies listed or incorporated in developed markets that are positioned to benefit from the further development and utilization of artificial intelligence technology in their products and services, as well as to companies that provide hardware which facilitates the use of artificial intelligence for the analysis of big data.
- Index has identified the following two categories as providing exposure to the underlying theme:
  - **Artificial Intelligence Developers**
    - **Artificial Intelligence Developers** – Companies that have developed internal artificial intelligence capabilities (organically or through acquisition) and are applying artificial intelligence technology directly in their products and services. Artificial intelligence applications include but are not limited to language/image processing and recognition, automated communications, threat detection, recommendation generation, and other predictive analytics.
  - **Artificial Intelligence-as-a-Service (“AIaaS”) for Big Data Applications**
    - Companies that provide artificial intelligence capabilities to their customers as a service. Companies in this segment typically offer cloud-based platforms that allow their customers to apply artificial intelligence techniques to big data without the need for a direct investment in their own artificial intelligence-related infrastructure or capabilities.

- **Artificial Intelligence and Big Data Analytics Hardware**
  - **Artificial Intelligence Hardware** - Companies that produce semiconductors, memory storage and other hardware that is utilized for artificial intelligence applications. This currently includes, but is not limited to, companies that produce graphics processing units (GPUs), application-specific integrated circuit (“ASIC”) chips, field-programmable gate array (“FPGA”) chips, and all-flash array storage.
  - **Quantum Computing** - Companies that are developing quantum computing technology. While currently in the process of being commercialized, quantum computing is expected to have significant potential for artificial intelligence and big data applications.

- Utilizes an extensive research process and a scoring framework to identify and score companies with exposure to the two categories described above.
- The index selects the top 60 companies in the Artificial Intelligence Developers category, and the top 25 companies from the Artificial Intelligence and Big Data Analytics Hardware category.

SELECTION POOL

- Primary listing or incorporation in: United States, Canada, Taiwan, South Korea, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Australia, Hong Kong, Japan, New Zealand, or Singapore. In addition, American depositary receipts and global depositary receipt of companies incorporated or with primary listing in China are eligible for inclusion.
- Minimum market cap of $2 billion for companies in Category 1 and $500 million for companies in Category 2
- Average daily turnover greater than or equal to $2 million over the last 6 months (or since the IPO launch date, in the case of significant IPOs) for both categories
- In case a security does not have a trading history of 6 months, to be considered for inclusion, significant IPOs must have been listed at least 10 calendar days prior to the “Selection Date”, and 3 months for other IPOs
- An IPO is considered to be a “Significant IPO” if its company level total market capitalization is greater than the company level total market capitalization of at least 50% of the on-going index constituents as of previous ‘Reconstitution Selection Day’
WEIGHTING SCHEME

- The index is modified market cap weighted.
  - A single security limit of 3% and weight floor of 0.3% are applied.
  - Securities that score below a minimum exposure threshold according to the scoring framework are capped at a 1% weight.

REBALANCES/REVIEWS

The index reconstitution process described above is conducted annually with the newly reconstituted portfolio becoming effective on the last trading day of January, with a semi-annual rebalance portfolio taking effect on the last trading day of July.