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## Related ETFs

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[GXTG – Global X Thematic Growth ETF](#)

## GLOBAL X ETFs RESEARCH

# The Global X Thematic Growth ETF (GXTG): A Multi-Theme Solution

## Access Multiple Disruptive Trends, In One ETF

Disruption is everywhere. Innovative technologies are upending existing business models and bringing new capabilities to the global economy. Shifts in demographics and consumer preferences are impacting which products and services people buy. And a growing need for modernized infrastructure and to conserve and protect natural resources is altering how we interact with the physical environment.

Over the last 10 years Global X has identified several of these powerful themes and developed targeted ETFs to provide investors with efficient access to the companies that are well-positioned to benefit from these disruptions. With the latest launches of the [Global X Emerging Markets Internet & E-commerce ETF](#) and [Global X CleanTech ETF](#), we offer more than 20 ETFs that target high conviction, investable, long-term themes.

Investor interest in thematic investing has increased as well, with assets in US-listed thematic ETFs increasing to \$104.1B in Q4 2020, up 274% from \$27.8 billion at the end of Q4 2019.<sup>1</sup> Yet as disruption finds its way into more corners of the economy and investors increasingly look to gain exposure to an expanding roster of themes, we recognized the need to create an all-in-one thematic solution.

The [Global X Thematic Growth ETF](#) is designed to allocate across our thematic growth suite of ETFs, helping investors efficiently navigate which themes offer the most attractive growth opportunities and how to weight and diversify across those themes in a portfolio. GXTG is intended to serve as multi-theme solution that investors can add as a long-term position in a growth-oriented portfolio. Alternatively, investors can use GXTG as a core thematic position in conjunction with using individual thematic ETFs to tilt or complement the fund's exposures.

## How GXTG Works?

Tracking the Solactive Thematic Growth Index, GXTG seeks to invest in seven thematic ETFs that exhibit the highest growth characteristics within the [sectors they are disrupting](#).

- **Starting Universe:** GXTG's universe of possible investments comprises of Global X ETFs that provide exposure to structurally disruptive macro-trends, which typically eschew traditional sector and geographic classifications, and may stem from advancements in disruptive technology, changing consumer habits and demographics, or changing needs for infrastructure or finite resources.
- **Sector Classification:** For the purposes of selection and weighting, each potential thematic ETF is assigned a sector based on which aspects of the economy it is primarily disrupting. For example, FinTech is assigned to Financials, while Lithium & Battery Tech is assigned to Energy & Transportation.



## STARTING UNIVERSE AND ETF SECTORS

Name	Ticker	Sector
Global X Social Media ETF	SOCL	Communication Services
Global X Video Games & Esports ETF	HERO	Communication Services
Global X Cannabis ETF	POTX	Consumer Discretionary
Global X E-Commerce ETF	EBIZ	Consumer Discretionary
Global X Education ETF	EDUT	Consumer Discretionary
Global X Health & Wellness Thematic ETF	BFIT	Consumer Discretionary
Global X Millennials Thematic ETF	MILN	Consumer Discretionary
Global X Autonomous & Electric Vehicles ETF	DRIV	Energy & Transportation
Global X Lithium & Battery Tech ETF	LIT	Energy & Transportation
Global X FinTech ETF	FINX	Financials
Global X Longevity Thematic ETF	LNGR	Health Care
Global X Genomics & Biotechnology ETF	GNOM	Health Care
Global X Telemedicine & Digital Health ETF	EDOC	Health Care
Global X Robotics & Artificial Intelligence ETF	BOTZ	Industrials
Global X U.S. Infrastructure Development ETF	PAVE	Industrials
Global X Artificial Intelligence & Technology ETF	AIQ	Information Technology
Global X Cloud Computing ETF	CLOU	Information Technology
Global X Cybersecurity ETF	BUG	Information Technology
Global X Internet of Things ETF	SNSR	Information Technology

- **Selection:** For each ETF in the starting universe, the index provider, Solactive AG, calculates an aggregate sales growth number based on the weighted average revenue growth of all the companies held by the ETF. The ETF with the highest sales growth within its sector assignment is selected for inclusion.
- **Weighting:** Each ETF included in the index receives a starting weight of 7.5%. ETFs that have a sales growth number in the top half of the ETFs included in the index receive an additional weight of 7.5%. The ETF with the highest sales growth receives an additional weight of 7.5%. The weight of any single ETF is capped at 25% and the remaining weights are distributed evenly among the remaining ETFs included in the index.
- **Rebalance/Reconstitution:** The selection stage (reconstitution) is conducted each August, while the weighting phase (rebalancing) occurs each February and August.

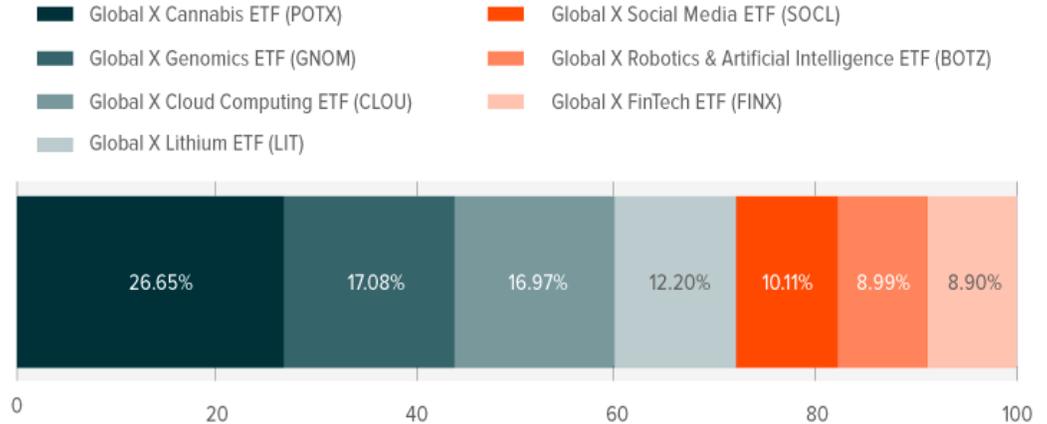
The index methodology is heavily based on Global X's [research and investment approach to thematic investing](#). One such consideration is optimizing around potential growth. By selecting themes based on their sales growth and overweighting those with the highest growth rates, the methodology seeks to gain exposure to the themes that seem to be [experiencing rapid adoption](#), as their products and services are rapidly taking hold in the marketplace. Another consideration is diversification. By grouping themes by the



sectors they are disrupting, and selecting one from each group, the methodology aims to achieve balance across the major forces that are driving disruption forward.

### SOLACTIVE THEMATIC GROWTH INDEX COMPONENTS

Source: Holdings are subject to change. Current and future holdings are subject to risk. As of January 31<sup>st</sup>, 2021.



### Conclusion

As technological advancements, demographic changes, and environmental factors drive disruption forward, investors are increasingly looking to position their portfolios in an attempt to capture these trends. By combining multiple themes into one ETF, tilting exposure to higher growth segments, and diversifying across the sectors impacted by such disruptions, GXTG seeks to provide investors with an efficient all-in-one thematic solution.

Footnotes:

1. Global X Research, "Thematic ETF Report: Q4, 2020," Jan 7, 2021.
2. Any future ETFs from Global X Funds that provide exposure to structurally disruptive macros-trends and which have underlying investments that stand to benefit from the materialization of those trends will be added to the starting universe and assigned to an ETF sector.

SEI Investments Distribution Co. (1 Freedom Valley Drive, Oaks, PA, 19456) is the distributor for the Global X Funds.

Investing involves risk, including the possible loss of principal. The investable universe of companies in which GXTG may invest may be limited. The investable universe of companies in which GXTG may invest may be limited. Emerging economic themed companies typically face intense competition and potentially rapid product obsolescence. Thematic companies may have limited product lines, markets, financial resources or personnel. They typically engage in significant amounts of spending on research and development, capital expenditures and mergers and acquisitions, and here is no guarantee that the products or services produced will be successful. Investment in the Fund is subject to the risks of the underlying ETFs. GXTG 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.



***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 may be obtained by calling 1.888.493.8631, or by visiting [globalxetfs.com](http://globalxetfs.com). Please read the prospectus carefully before investing.***

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