

# The Global X Preferred Report

The preferred portion of the Global X income family includes our U.S. Preferred ETF (PFFD) and our SuperIncome™ Preferred ETF (SPFF). Both funds target preferred securities, which have historically offered high yields compared to more traditional fixed income instruments. In addition, the yield from preferred stocks may be treated as qualified dividend income (QDI) rather than as ordinary income, resulting in favorable taxation.



High Income Potential



Monthly Distributions

As of 9/30/18

EXPOSURE<sup>1</sup>

30-DAY SEC YIELD<sup>2</sup>

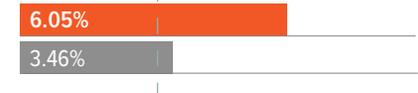
12-MONTH DIVIDEND YIELD COMPARISON

**PFFD**  
U.S. Preferred ETF

Invests in a broad basket of preferred stocks, providing benchmark like exposure to the asset class.

5.73%

U.S. Preferred ETF  
Bloomberg Barclays  
Aqq Yield To Worst

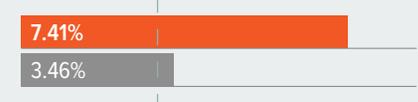


**SPFF**  
SuperIncome™  
Preferred ETF

50 of the highest yielding preferred stocks in North America

6.29%

SuperIncome  
Preferred ETF  
Bloomberg Barclays  
Aqq Yield To Worst



S&P U.S. High Yield  
Corporate Bond Index  
10-Year Treasury Yield



<sup>1</sup> Funds seek investment results that correspond generally to the price and yield performance of their underlying indexes. Index components are determined by the Funds' index providers.

<sup>2</sup> 30-Day SEC Yield as of September 30, 2018. To read the Prospectus for more information, please visit [globalxfunds.com/PFFD](http://globalxfunds.com/PFFD), [globalxfunds.com/SPFF](http://globalxfunds.com/SPFF).

\* Holdings subject to change. Current and future holdings subject to risk.

U.S. Treasury securities, if held to maturity, guarantee a return of principal. Investments in any other securities included in this report carry no such guarantee.



STANDARD PERFORMANCE

As of 9/30/18	Fund Information			Yields			Performance				
	Ticker	AUM	Expense Ratio	Distribution Yield <sup>1</sup>	12-Month Dividend Yield <sup>2</sup>	30-Day SEC Yield <sup>3</sup>		Since Fund Inception	1-Year	5-Year	Annualized Since Fund Inception
<b>Global X U.S. Preferred ETF</b> Inception Date 09/11/2017	PFFD	\$144 m	0.23%	5.84%	6.05%	5.73%	NAV	1.95%	1.63%	–	1.85%
							Market Price	2.47%	2.10%	–	2.34%
							PLCR Index	2.16%	1.86%	–	2.05%
<b>Global X SuperIncome™ Preferred ETF</b> Inception Date 07/16/2012	SPFF	\$199 m	0.58%	6.69%	7.41%	6.29%	NAV	22.05%	0.56%	2.80%	3.26%
							Market Price	24.17%	0.75%	2.72%	3.55%
							SPPEYN Index	27.28%	1.28%	3.53%	3.96%

The performance data quoted represents past performance. 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. For performance data current to the most recent month end, please call 1-888-GX-FUND-1 (1.888.493.8631), or visit globalxfunds.com.

As of 9/30/18	Coupon Breakdown			PAR Amount				Next Call Date (Years)							Duration		Convexity		Cumulative Preferreds %	
	Fixed	Floating	Variable	\$25	\$50	\$100	\$1000	< 1	1-2	2-3	3-5	5-7	7-10	> 10	Not Callable	Option Adjusted	Non-Option Adjusted	Option Adjusted		Non-Option Adjusted
<b>PFFD</b>	75%	4%	21%	84%	6%	3%	7%	38%	6%	14%	16%	6%	3%	0%	17%	4.08	6.86	-1.20	1.90	33%
<b>SPFF</b>	62%	–	38%	84%	7%	3%	6%	53%	0%	0%	15%	15%	2%	0%	16%	1.93	2.83	-0.27	0.45	52%

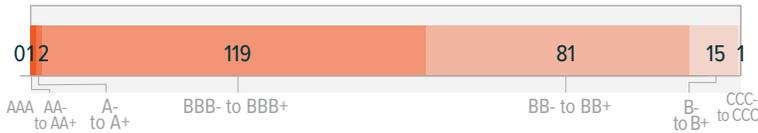
<sup>1</sup> Distribution Yield: The annual yield an investor would receive if the most recent fund distribution remained the same going forward. The yield represents a single distribution from the fund and does not represent total return of the fund. The distribution yield is calculated by annualizing the most recent distribution and dividing by the NAV.

<sup>2</sup> 12-Month Dividend Yield: The yield an investor would have received if they had held the fund over the last twelve months assuming the most recent NAV. The 12-Month yield is calculated by summing any income distributions over the past twelve months and dividing by the NAV.

<sup>3</sup> 30-Day SEC Yield: A standard yield calculation developed by the Securities and Exchange Commission that allows for fairer comparisons among funds. This figure reflects the interest earned during the period after deducting the fund's expenses for the period.



**PFFD Component Credit Rating<sup>1,2</sup>**



- 219 of PFFD's 226 components received a rating from at least one of the three major credit rating agencies (S&P, Moody's, and Fitch).
- 56% of the components which were rated by at least one ratings agency had an investment grade rating.

**\*Top 10 Securities<sup>1</sup>**

Security	Weight in Fund
Wells Fargo PFD-Cv 7.5	3.1%
Bank Of America 7.25% PFD	2.9%
Becton Dickinson Co PFD	2.4%
GMAC CAP(ALLY) PFD 8.09875%	2.1%
Barclays Bank PFD 8.125%	2.0%
Citigroup Inc 8.70888%	1.8%
CCI 6.875% 08/20 PFD	1.3%
Sempra Energy 6.00%	1.3%
NEE 6.123%	1.2%
Citigroup Inc 6.875%	1.2%

**Rolling 12-Month Distributions\***



**SPFF Component Credit Rating<sup>1,2</sup>**



- 26 of SPFF's 41 components received a rating from at least one of the three major credit rating agencies (S&P, Moody's, and Fitch).
- 23% of the components which were rated by at least one ratings agency had an investment grade rating.

**\*Top 10 Securities<sup>1</sup>**

Security	Weight in Fund
GMAC CAP(ALLY) PFD 8.125%	6.2%
BARCLAYS BANK PFD 8.125%	6.1%
CCI 6.875% 08/20 PFD	6.0%
ING GROEP 1.59375 (PS)	4.0%
VEREIT PFD	4.0%
DB CAP TRUST V PFD 8.05%	3.9%
KINDER MORGAN INC/DELAWA	3.9%
AEGON NV PREFERRED STOCK	3.8%
JP MORGAN 6.7 12/31/19-49	3.5%
HES 8 2/1/19 PFD	3.3%

**Rolling 12-Month Distributions\***



<sup>1</sup> Global X, 9/30/2018

<sup>2</sup> Credit Quality Methodology: All rated securities are rated by S&P, Moody's, and/or Fitch. If a security is rated by more than one of these organizations, the lowest rating assigned is considered for this analysis.

\* Holdings subject to change. Current and future holdings subject to risk. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).



## INDEX DEFINITIONS

PLCR	The ICE BofA Merrill Lynch Diversified Core U.S. Preferred Securities Index tracks preferred securities in the United States. The Underlying Index includes different categories of preferred stock, such as floating, variable and fixed-rate preferreds, cumulative and noncumulative preferreds, and trust preferreds.
SPPEYN	The S&P Enhanced Yield North American Preferred Stock Index tracks the performance of the highest yielding preferred securities in the United States and Canada.

## DEFINITIONS

Coupon Amount	The stated value that an issuer will pay to the holder of preferred stock or a bond on scheduled dates. This value can be expressed as a percentage of the par value or as a nominal value.
Par Amount	The stated face value of stock, preferred stock, or bond. Par amount is used to define the value received by an investor when a bond or preferred stock matures, as well as serving as the reference point for a bond or preferred stock's coupon rate.
Call Date	The date when an issuer can elect to redeem a preferred stock or a bond for a specified value. There can be multiple call dates over the life of a security. These terms and dates are contractually expressed by the issuer.
Duration	The percentage by which a bond's value will fall based on a 1% change in interest rates.
Non-option Adjusted Duration	Duration measure that does not take into effect the potential changes of a bond's cash flows due to underlying options, such as a call option feature held by an issuer.
Option Adjusted Duration	Duration measure that takes into effect the potential changes of a bond's cash flows due to underlying options, such as a call option feature held by an issuer.
Cumulative Preferreds	Holders of cumulative preferred stock are entitled to past dividend payments if they have been missed by the issuer. Holders of these preferred stocks have priority to the dividends over other preferred stock holders and common stock holders.
Convexity	The percentage by which a bond's duration will change based on interest rate increases and decreases. A higher convexity measure can mean a bond has more sensitivity to interest rate decreases than increases.
Non-option Adjusted Convexity	Convexity measure that does not take into effect the potential changes of a bond's cash flows due to underlying options, such as a call feature held by an issuer.
Option Adjusted Convexity	Convexity measure that takes into effect the potential changes of a bond's cash flows due to underlying options, such as a call feature held by an issuer.

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. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. PFFD and SPFF are 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. Global X NAVs are calculated using prices as of 4:00 PM Eastern Time. Market price returns are based upon the midpoint of the bid/ask spread at the close of the exchange and do not represent the returns you would receive if you traded shares at other times. Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index.

***This must be preceded or accompanied by the funds' current prospectus. Please read it carefully before investing.***

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