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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): November Report

We are excited to present our first **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 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.

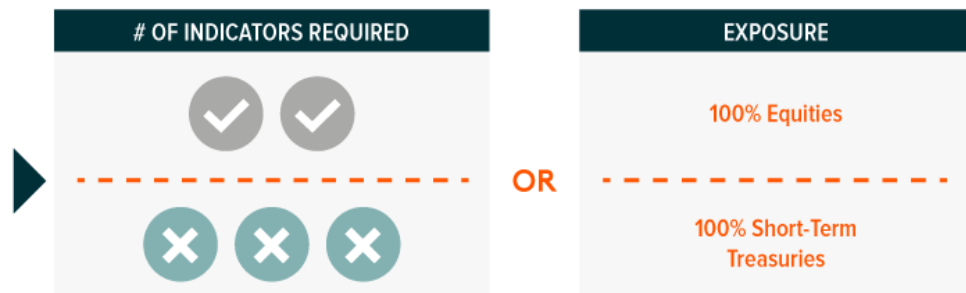
Drawdown has its roots in the behavioral side of investing. We measure the absolute drawdown from the prior high point in the market as an indicator. This indicator potentially indicates the market is headed toward a longer-term trend downward.

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.



November 2022 Recap

For the month of November, the Index's signals directed to market entry consistently, with Volatility and MACD having Entry signals for the entire month. That being said, the Index remained in an Exit position for the first four days of November as the result of the "10-day rule" related to Signal changes from the prior month. The "10-day rule" is that once the Index decides to enter or exit its position in the equities market, the Index must stay in that position for at least 10 days as an effort to reduce turnover. The Index started the month in a "Risk-Off" position invested in short-term treasuries as the result of an Exit Signal triggered in October that became effective on October 24, 2022. An Entry signal for the Index occurred on October 20, 2022, which lasted until November 30, 2022. Once the 10-day rule was finished on November 4, 2022, the Index ONOF tracks "entered" the equities market, tracking the Solactive GBS United States 500 Index, and stayed in this position for the rest of the month. ONOF makes the same changes to its positioning on the same day as the Index. In the 3-months ending November 30, 2022, ONOF has delivered a 12.19% return compared to the S&P 500 Index's return of -0.33% 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](#).

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

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. Please read the prospectus carefully before investing.

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