

Options Strategy Overview

The pace of stock market gains since the onset of the COVID-19 pandemic, against the backdrop of still historically low interest rates, leave many investors looking for alternatives to traditional equity and bond exposures. We believe that options strategies represent a compelling opportunity for investors seeking to target different portfolio outcomes, whether in pursuit of higher yields, downside protection, or range-bound returns. ETFs can be an efficient way to pursue these objectives, saving investors the time and potential expense of writing options individually.



Strategies	Covered Call ETFs	Covered Call & Growth ETFs	Risk Managed Income ETFs	Tail Risk ETFs	Collar 95-110 ETFs
Strategy Overview	Buy reference index components, write monthly ATM ¹ index calls on 100% of the fund's portfolio in an effort to maximize income.	Buy reference index components, write monthly ATM index calls on 50% of the fund's portfolio for income with some upside potential.	Buy reference index components, write monthly call options for income & purchase monthly protective puts for a degree of downside protection on the same index. (Net credit collar ²)	Buy reference index components, purchase three month protective puts to provide a degree of protection against extreme selloffs on the same index.	Buy reference index components, write three month call options for income & purchase 3 month protective puts to provide a degree of downside protection on the same index. (Net debit collar ³)
Associated Tickers	QYLD, XYLD, RYLD	QYLG, XYLG	QRMI, XRMI	QTR, XTR	QCLR, XCLR
Call Positions	Sells ATM Covered Calls (on 100% of assets) 100% of the upside is forfeited	Sells ATM Covered Calls (on 50% of assets) 50% of the upside is forfeited	Sells ATM Calls (on 100% of assets) 100% of the upside is forfeited	None. The fund has unlimited upside potential*	Sells 10% OTM ⁴ Calls (on 100% of assets) Upside is limited to 10% (excluding costs) over three months from selling call contract
Put Positions	None. Fund has all the downside risk of the index	None. Fund has all the downside risk of the index	Buys 5% OTM Puts. Fund should not be down more than 5% (exclusive of fees) over over one month from entering the put contract	Buys 10% OTM Puts. Fund should not be down more than 10% (exclusive of fees) over over three months from entering the put contract	Buys 5% OTM Puts. Fund should not be down more than 5% (exclusive of fees) over over three months from entering the put contract
Options Contract Length	Monthly	Monthly	Monthly	Three Months	Three Months
Distribution Frequency	Monthly	Monthly	Monthly	Semi-Annually	Semi-Annually
Potential Portfolio Usage	Can be a replacement/complement to equity & fixed income exposures for investors who are seeking strictly high income with reduced equity volatility.	Can be an equity sleeve replacement or complement for bullish investors who are seeking high income as well as upside potential.	Can be a complement to fixed income exposures as well as a replacement/complement for existing QYLD/XYLD holders who are willing to sacrifice some yield for a degree of downside protection.	Can replace or complement existing S&P 500 or Nasdaq 100 exposures for a degree of protection against tail risk events.	Can be a complement or replacement to existing S&P 500 or Nasdaq 100 exposures for investors who are expecting the market to move slightly upwards or sideways.

*Growth potential will decrease by the cost of the premiums paid.



¹An at-the-money (ATM) call or put options occurs when the strike price of the option is identical to the value of the underlying asset.

²A protective net-credit collar strategy is a mix of short (sold) call options and long (purchased) put options where the premiums received from the sale of the call options will be greater than the premium paid when buying the put options

³A net debit credit collar strategy is a mix of short (sold) call options and long (purchased) put options where the premiums received from the sale of the call options will be less than the premiums paid when buying the put options

⁴An out-of-the-money (OTM) put option conveys the right, but not the obligation, to sell an underlying asset at a strike price below that underlying asset's market price; an out-of-the-money call option conveys the right, but not the obligation, to buy an underlying asset at a strike price above that underlying asset's market price

Investing involves risk, including the possible loss of principal. Diversification does not ensure a profit or guarantee against a loss. Concentration in a particular industry or sector will subject the funds to loss due to adverse occurrences that may affect that industry or sector. Investors in the funds should be willing to accept a high degree of volatility in the price of the fund's shares and the possibility of significant losses.

The funds engage in options trading. An option is a contract sold by one party to another that gives the buyer the right, but not the obligation, to buy (call) or sell (put) a stock at an agreed upon price within a certain period or on a specific date. A covered call option involves holding a long position in a particular asset, and writing a call option on that same asset with the goal of realizing additional income from the option premium. By selling covered call options, QYLD, XYLD, RYLD, QYLG, XYLG, QRMI, XRMI, QCLR and XCLR limit their opportunity to profit from an increase in the price of the underlying index above the exercise price, but continues to bear the risk of a decline in the index. While these funds receive premiums for writing the call options, the price it realizes from the exercise of an option could be substantially below the index's current market price.

By purchasing put options, in return for the payment of premiums, QRMI, XRMI, QTR, XTR, QCLR and XCLR may be protected from a significant decline in the price of the index if the put options become in the money (index closes below the strike price as of the expiration date); but during periods where the index appreciates, the Fund will underperform due to the cost of the premiums paid. A liquid market may not exist for options held by the Fund. QYLD, QYLG, QTR, QCLR, QRMI, and RYLD 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. 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 at globalxetfs.com. Please read the prospectus carefully before investing.

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