

### FUND OBJECTIVE

The Global X Variable Rate Preferred ETF (PFFV) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the ICE U.S. Variable Rate Preferred Securities 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.

ETF Category:  
Income - Preferreds

As of 4/01/24

Index Provider: ICE

### KEY FEATURES



High Income  
Potential



Low Expense Ratio



Lower Duration  
Nature

## ICE U.S. VARIABLE RATE PREFERRED SECURITIES INDEX

### SELECTION

- The index is designed to track the performance of floating rate and fixed-to-floating rate exchange-listed U.S. dollar denominated preferred and convertible preferred securities publicly issued in the U.S. domestic market
- Preferred stock and notes issued in \$25, \$50, or \$100 par/liquidation preference increments must have a minimum amount outstanding of \$100 million
  - \$1000 par and \$1000 par preferred DRD-eligible (Dividends Received Deduction) securities must have an amount outstanding of at least \$250 million
  - Qualifying securities must have at least one year remaining to maturity and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings)
- Convertible preferred stock must have at least \$50 million face amount outstanding and at least one year remaining to maturity
- All qualifying securities must be listed on the NYSE or NASDAQ and have a traded market value of at least \$6 million in each of the previous three calendar months in order to qualify for inclusion.

### WEIGHTING SCHEME

- Index constituents are market capitalization-weighted provided the total allocation to an individual issuer does not exceed 10%.
  - Any excess weight is redistributed on a pro rata basis to all other issuers.
- The index is segmented into two components: those issuers with at least a 5% weight (Large Cap); and those issuers with less than a 5% weight (Small Cap).
  - A 4.5% weight cap is applied to each issuer in the Small Cap segment, with any excess weight redistributed to the remainder of the Small Cap issuers.
  - A 40% cap is applied to the Large Cap segment, with weights reduced on a pro rata basis, provided that no issuer is reduced below 5%, and the excess redistributed to all issuers in the Small Cap segment with weights below 4.5%.

### REBALANCES/REVIEWS

- The index follows a quarterly reconstitution and rebalance schedule. Adjustments are made on the last business day in March, June, September, and December, based on information available up to and including the third business day before the last business day of the month
- Accrued interest is calculated assuming next-day settlement. Cash flows from payments that are received during the month are retained in the index until the end of the month
- Coupon cash is removed monthly on the last calendar day, as are securities that are
  - redeemed or legally defaulted,
  - fall under the minimum amount outstanding, or
  - fall under the minimum term to maturity/conversion



*For more information on the Index, please visit ICE's website.*

\*For the complete and current index methodology please refer to the index provider's website. This summary document is accurate as of the time of its publication and Global X does not guarantee that it is current at any point thereafter.

The selection of the index constituents and their weighting is made by the index provider at its sole discretion.

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

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.

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.

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