

### FUND OBJECTIVE

The Global X Cannabis ETF (POTX) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Cannabis 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:  
Growth - People & Demographics

As of 4/1/20

Index Provider: SOLACTIVE



### KEY FEATURES



High Growth Potential



Unconstrained Approach



ETF Efficiency

### CANNABIS INDEX

#### SELECTION

- A company must either derive at least 50% of its revenue from the cannabis industry ("Pure-Play Companies") or, if it does not, it must be expected to derive at least 50% of its revenue from the cannabis industry in the future ("Pre-Revenue Companies").
- The cannabis industry includes:
  - The legal production, growth and distribution of marijuana, as well as extracts, derivative products or synthetic versions thereof.
  - The legal production, growth and distribution of hemp, as well as extracts, derivative products or synthetic versions thereof.
  - Financial services (including insurance offerings, property leasing, financing, capital markets activity and investments) related to companies involved in the production, growth and distribution of cannabis.
  - Pharmaceutical applications of cannabis.
  - Cannabidiol (better known as CBD) and cannabis oil products, edibles, topicals, drinks and other products.
  - Products that may be used to consume cannabis.
- The 40 largest Pure-Play Companies are included in the index (if there are fewer than 40 Pure-Play Companies, all are included). The 10 largest Pre-Revenue Companies are included in the index (if there are fewer than 10 Pre-Revenue Companies, all are included).

#### SELECTION POOL

- Listed on a regulated stock exchange which requires companies to maintain compliance with all laws, rules and regulations applicable to their business, including U.S. federal laws; the list of eligible exchanges currently includes the TSX, TSX Venture, ASX, NYSE, and/or NASDAQ
- Market capitalization of at least USD 100 million for new index constituents (existing constituents will remain in the index unless market capitalization falls below USD 80 million)
- Free float percentage of total shares outstanding of at least 10% or a minimum free float market capitalization of USD 1 billion
- Average daily trading volume in the last three months of at least USD 2,000,000 for new index constituents (existing constituents will remain in the index unless average daily trading volume falls below USD 1,400,000). If this would result in fewer than 25 companies being eligible for inclusion in the index, then this criteria is relaxed to an average daily trading volume of at least USD 1,000,000. Companies that are not Index Components and that have completed an initial public offering ("IPO") within the last three months must have average daily trading volume in the last one month of at least USD 5 million.

#### WEIGHTING SCHEME

- Index components are weighted according to Free Float Market Capitalization with the following constraints applied at each quarterly rebalance:
  - Each component is subject to maximum weight of 8% and minimum weight of 0.3%.
  - The aggregate weight of companies with weight above 4.5% cannot exceed 48% of the index weight.
  - The aggregate weight of Pre-Revenue Companies cannot exceed 10% of the index weight, and the maximum weight of a Pre-Revenue Company is 4.5%.

#### REBALANCES/REVIEWS

- The index follows a quarterly reconstitution schedule. Adjustments are made on the second Friday in February, May, August and November.



*For more information on the Index, please visit Solactive'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. 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. The investable universe of companies in which POTX may invest may be limited. The Fund invests in securities of companies engaged in Healthcare and Pharmaceutical sectors. These sectors can be affected by government regulations, expiring patents, rapid product obsolescence, and intense industry competition. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. POTX is non-diversified.

POTX's investments are concentrated in the cannabis industry, and the Fund may be susceptible to loss due to adverse occurrences affecting this industry. The cannabis industry is a very young, fast evolving industry with increased exposure to the risks associated with changes in applicable laws (including increased regulation, other rule changes, and related federal and state enforcement activities), as well as market developments, which may cause businesses to contract or close suddenly and negatively impact the value of securities held by the Fund. Cannabis Companies are subject to various laws and regulations that may differ at the state/local, federal and international level. These laws and regulations may significantly affect a Cannabis Company's ability to secure financing and traditional banking services, impact the market for cannabis business sales and services, and set limitations on cannabis use, production, transportation, export and storage. The possession, use and importation of marijuana remains illegal under U.S. federal law. Federal law criminalizing the use of marijuana remains enforceable notwithstanding state laws that legalize its use for medicinal and recreational purposes. This conflict creates volatility and risk for all Cannabis Companies, and any stepped-up enforcement of marijuana laws by the federal government could adversely affect the value of the Fund's investments. Given the uncertain nature of the regulation of the cannabis industry in the United States, the Fund's investment in certain entities could, under unique circumstances, raise issues under one or more of those laws, and any investigation or prosecution related to those investments could result in expense and losses to the Fund.

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.

Global X Management Company LLC serves as an advisor to Global X Funds. The Funds are distributed by SEI Investments Distribution Co. (SIDCO) 1 Freedom Valley Drive, Oaks, PA, 19456, which is not affiliated with Global X Management Company LLC or Mirae Asset Global Investments. Global X Funds are not sponsored, endorsed, issued, sold or promoted by Solactive, nor does Solactive make any representations regarding the advisability of investing in the Global X Funds. Neither SIDCO, Global X nor Mirae Asset Global Investments are affiliated with Solactive.