XRMI

S&P 500 Risk Managed Income ETF

ETF Category:
Income - Risked Managed Income

As of 8/26/21

Index Provider: Cboe

FUND OBJECTIVE

The Global X S&P 500 Risk Managed Income ETF (XRMI) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Cboe S&P 500 Risk Managed Income 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.*

KEY FEATURES

Potential Income Source

Risk-Minded Approach

Monthly Distributions

Cboe S&P 500 RISK MANAGED INCOME INDEX (TICKER: CLL1M)

The Index measures the total rate of return of a hypothetical net-credit collar strategy[1] applied to the S&P 500 Index. The Index consists of a long "S&P 500 Index Component" and an "Options Collar Component".

REBALANCES/REVIEWS

S&P 500 Index Component

- Comprised of the constituents of the S&P 500 Index, which measures the total return of 500 leading companies listed in the US.
- Follows the weighting scheme that governs the S&P 500 Index.
- Reconstituted annually in the third Friday of September, as per the S&P 500 Index schedule.
- Reviewed for qualified new issue of common equities quarterly on the third Friday of March, June, September, and December as per the S&P 500 Index schedule.

Options Collar Component

- Comprised of a long position in monthly 5% out-of-the-money put options[2] and a short position in monthly at-the-money call options[3] referencing the S&P 500 Index.
- The put options deemed purchased on the third Friday of a month are usually held to the open of the third Friday in the next month when options referencing the S&P 500 Index expire. Subsequent to the settlement of the expiring put options, new out-of-the-money put options expiring in the next month are purchased corresponding to the value of the S&P 500 Index Component. The strike price of the new put options, which is the price the put options can be exercised at expiration, is the closest listed strike price greater than or equal to 95% of the last value of the S&P 500 Index reported before 11:00am ET.
- The call options deemed sold on the third Friday of a month are usually held to the open of the third Friday in the next month when options referencing the S&P 500 Index expire. Subsequent to the settlement of the expiring call options, new at-the-money call options expiring in the next quarter are sold corresponding to the value of the S&P 500 Index Component. The strike price of the new call options is the closest listed strike price greater than or equal to 100% of the last value of the S&P 500 Index reported before 11:00am ET.
- Dividends paid on the component stocks underlying the S&P 500 Index and the dollar value of the option premium deemed received from the sold call options are functionally reinvested in the S&P 500 index portfolio.

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

[1]A 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

[2]An out-of-the-money 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

[3]An at-the-money call option conveys the right, but not the obligation, to buy an underlying asset at a strike price equal to that underlying asset's market price

*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. Please read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. Concentration in a particular industry or sector will subject XRMI to loss due to adverse occurrences that may affect that industry or sector. Investors in XRMI should be willing to accept a high degree of volatility in the price of the fund's shares and the possibility of significant losses.

XRMI engages 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 collar strategy involves holding shares of the underlying stock while simultaneously buying put options and selling call options against that holding. XRMI writes covered call index options on the and purchases put options on S&P 500 Index. By selling covered call options, the fund limits its opportunity to profit from an increase in the price of the underlying index above the exercise price. By purchasing put options, in return for the payment of premiums, the Fund may be protected from a significant decline in the price of the S&P 500 Index if the put options become in the money (S&P 500 closes below the strike price as of the expiration date); but during periods where the S&P 500 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. While the fund receives premiums for writing the call options, the price it realizes from the exercise of an option could be substantially below the indices current market price.

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.

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