

Covered Call Monthly Report

**Global X HSCEI Components
Covered Call Active ETF
(3416 HK)**

**Global X HSI Components
Covered Call Active ETF
(3419 HK)**





Monthly Report

Global X HK Covered Call ETFs

Investors should not base investment decisions on this material alone. Please refer to the Prospectus for details including product features and the risk factors. Investment involves risks. Past performance is not indicative of future performance. There is no guarantee of the repayment of the principal. Investors should note:

- Global X HSI Components Covered Call Active ETF/Global X HSCEI Components Covered Call Active ETF (the “Funds”) aims to generate income by primarily investing in constituent equity securities in the Hang Seng Index/Hang Seng China Enterprises Index (the “Reference Index”) and selling (i.e. “writing”) call options on the Reference Indexes respectively to receive payments of money from the purchaser of call options (i.e. “premium”).
 - The objective of adopting a covered call strategy is to generate income and reduce potential loss against the downward market. Each time the Fund writes a Reference Index Call Option, the Fund receives a premium. If the value of the securities relating to the Reference Index held by the Fund declines, the premium that the Fund received for writing the Reference Index Call Option may reduce such loss to some extent. However, the downside of adopting a covered call strategy is that the Fund’s opportunity to profit from an increase in the level of the Reference Index is limited to the strike price of the Reference Index Call Options written, plus the premium received.
 - The Fund is an ETF which adopts a covered call strategy by (i) investing in constituent equity securities in the Reference Index and the Reference Index ETF and long positions of Reference Index Futures, and (ii) writing call options on the Reference Index. The Fund is one of the first covered call ETFs in Hong Kong. Such novelty makes the Fund riskier than traditional ETFs investing in equity securities.
 - The Fund employs an actively managed investment strategy. In addition to seeking to obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing directly in constituent equity securities of the Reference Index and Reference Index ETF and long positions of Reference Index Futures, the Fund also writes call options on the Reference Index. The Fund may fail to meet its objective as a result of the implementation of investment process which may cause the Fund to underperform as compared to direct investments in the constituent equity securities of the Reference Index.
 - The market value of a Reference Index Call Option may be affected by an array of factors including but not limited to supply and demand, interest rates, the current market price of the Reference Index in relation to the strike price of the Reference Index Call Options, the actual or perceived volatility of the Reference Index and the time remaining until the expiration date. The Fund’s ability to utilise Reference Index Call Options successfully will depend on the ability of the Manager to correctly predict future price fluctuations, which cannot be assured and are subject to market behaviour or unexpected events.
 - If a Reference Index Call Option expires and if there is a decline in the market value of the Reference Index during the option period, the premiums received by the Fund from writing the Reference Index Call Options may not be sufficient to offset the loss realised.
 - The Fund may write Reference Index Call Options over an exchange or in the OTC market. The Reference Index Call Options in the OTC markets may not be as liquid as exchange-listed options. There may be a limited number of counterparties which are willing to enter into Reference Index Call Options as purchasers or the Fund may find the terms of such counterparties to be less favorable than the terms available for listed options. Moreover, the SEHK may suspend the trading of options in volatile markets. If trading is suspended, the Fund may not be able to write Reference Index Call Options at times that may be desirable or advantageous to do so.
 - The use of futures contracts involves risks that are potentially greater than the risks of investing directly in securities and other more traditional assets. The risks include but not limited to market risk, volatility risk, leverage risk and negative roll yields and “contango” risk.
 - Investing in Reference Index Futures and writing Reference Index Call Options generally involve the posting of margin. Additional funds may need to be posted as margin to meet margin calls based upon daily marking to market of the Reference Index Futures and the Reference Index Call Options. Increases in the amount of margin or similar payments may result in the need for the Fund to liquidate its investments at unfavourable prices in order to meet margin calls. If the Fund is unable to meet its investment objective as a result of margin requirements imposed by the HKFE, the Fund may experience significant losses.
 - Reference Index Futures and Reference Index Call Options are registered, cleared and guaranteed by the HKFE Clearing Corporation. In the event of the bankruptcy of the clearing house, the Fund could be exposed to a risk of loss with respect to its assets that are posted as margin.
 - To the extent that the constituent securities of the Hang Seng Index are concentrated in Hong Kong listed securities of a particular sector or market, the investments of the Fund may be similarly concentrated. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse conditions in such particular market/sector.
 - Global X HSCEI Components Covered Call Active ETF is subject to concentration risk as a result of tracking the performance of a single geographical region or country (Mainland China). Global X HSCEI Components Covered Call Active ETF may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations resulting from adverse conditions in Mainland China. In addition, to the extent that the constituent securities of Hang Seng China Enterprises Index are concentrated in Hong Kong listed Mainland securities of a particular sector or market, the investments of Global X HSCEI Components Covered Call Active ETF may be similarly concentrated. For Global X HSI Components Covered Call Active ETF, to the extent that the constituent securities of Hang Seng Index are concentrated in Hong Kong listed securities of a particular sector or market, the investments of Global X HSI Components Covered Call Active ETF may be similarly concentrated. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse conditions in such particular market/sector.
 - The borrower may fail to return the securities in a timely manner or at all. The Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Fund’s ability in meeting delivery or payment obligations from redemption requests. As part of the securities lending transactions, there is a risk of shortfall of collateral value due to inaccurate pricing of the securities lent or change of value of securities lent. This may cause significant losses to the Fund.
 - The base currency of the Fund is HKD but the class currencies of the Shares are in HKD, RMB and USD. The Net Asset Value of the Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
 - Payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Share of the Fund and will reduce the capital available for future investment.
- The trading price of the Fund unit (the “Unit”) on the SEHK is driven by market factors such as demand and supply of the Unit. Therefore, the Units may trade at a substantial premium or discount to the Fund’s net asset value.

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Past performance information presented is not indicative of future performance. Before making any investment decision, investors should read the fund’s offering document for further details including the risk factors. Investors should ensure they fully understand the risks associated with the applicable investment and should also consider their own investment objective and risk tolerance level. Investors are advised to seek independent professional advice if in doubt.

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Monthly Report

Global X HK Covered Call ETFs

For Hong Kong Investors Only

HSCEI Components Covered Call Active ETF (3416 HK)

- Monthly Distribution in July:** The ETF sold index call options on June 28, earning a premium of 1.54% of NAV, and paid a dividend on July 5, worth approximately 1.52% of NAV.
- Index Call Option Premium in July:** Premium earned by selling index call options for the HSI were 2.41% at the end of July.
- Total Dividend Return:** The total dividend return at the end of July (assuming you bought this ETF on its launch date of 29 February 2024) would be 7.6%, as of 31 July.¹
- Market Volatility:** The Hang Seng China Enterprises Index (HSCEI) fell 3.6% in July. The VHSCEI, a volatility index that measures the expected volatility for the HSCEI, increased to 22.9 to end the month.

Monthly Option Premium and Distribution History¹

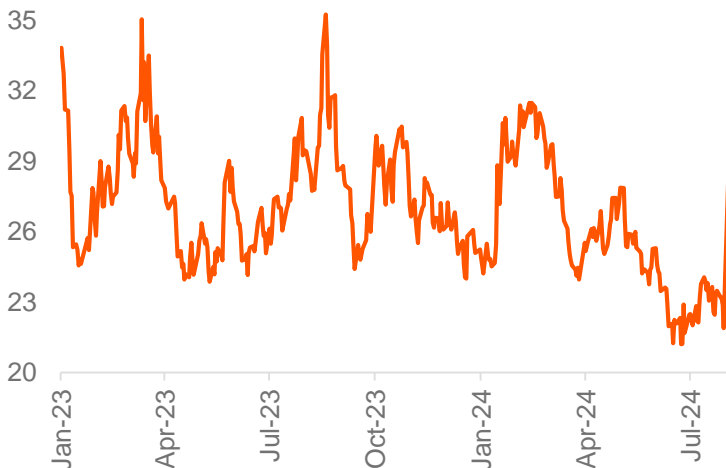
Global X HSCEI Components Covered Call Active ETF (3416 HK)					
	Monthly Dividend Distribution (HK\$)	NAV Per Share (HK\$) at Ex-Div Date	Monthly Distributed Dividend Yield	Monthly Option Premium Yield ²	
Feb-24	NA	NA	NA	3.04%	
Mar-24	0.15	10.10	1.49%	3.01%	
Apr-24	0.15	10.17	1.48%	3.00%	
May-24	0.15	10.22	1.47%	1.89%	
Jun-24	0.15	10.20	1.47%	1.54%	
Jul-24	0.15	9.87	1.52%	2.41%	

Source: Bloomberg, Mirae Asset, August 2024. 1. Dividend is not guaranteed. Distribution may be made out of capital. Positive yield does not mean positive return. Payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Share of the Fund and will reduce the capital available for future investment.

2. Monthly Distributed Dividend Yield is calculated by Monthly Dividend Distribution/NAV Per Share at ex-Dividend Date. Monthly Option Premium Yield is calculated by Monthly Option Premium Income/NAV Per Share at the end of the month.

Hong Kong Market Volatility Spiked Up in July 24

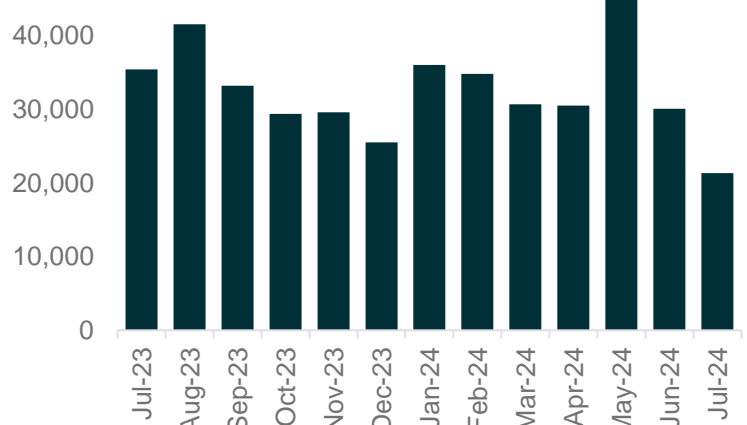
Volatility Index



Source: Bloomberg, Mirae Asset, August 2024

Hong Kong Index Option Market Has Sufficient Liquidity

HSCEI Option Average Daily Trading Volume



Source: Bloomberg, Mirae Asset, August 2024. Note: In July, the ETF traded 376 Index call option contracts, while the overall market traded 236,000 contracts at the same period.



Monthly Report

Global X HK Covered Call ETFs

For Hong Kong Investors Only

HSI Components Covered Call Active ETF (3419 HK)

- Monthly Distribution in July:** The ETF sold index call options on June 28, earning a premium of 1.72% of NAV, and paid a dividend on July 5, worth approximately 1.21% of NAV.
- Index Call Option Premium in July:** The premium earned by selling index call options for the HSI were 1.94% at the end of July.
- Total Dividend Return:** The total dividend return at the end of July (assuming you bought this ETF on its launch date of 29 February 2024) would be 6.1%, as of 31 July. ¹
- Market Volatility:** The Hang Seng Index (HSI) fell by 2.1% in July. The VHSI, a volatility Index that measures the expected volatility for the HSI, increased to 20.6 to end the month

Monthly Option Premium and Distribution History¹

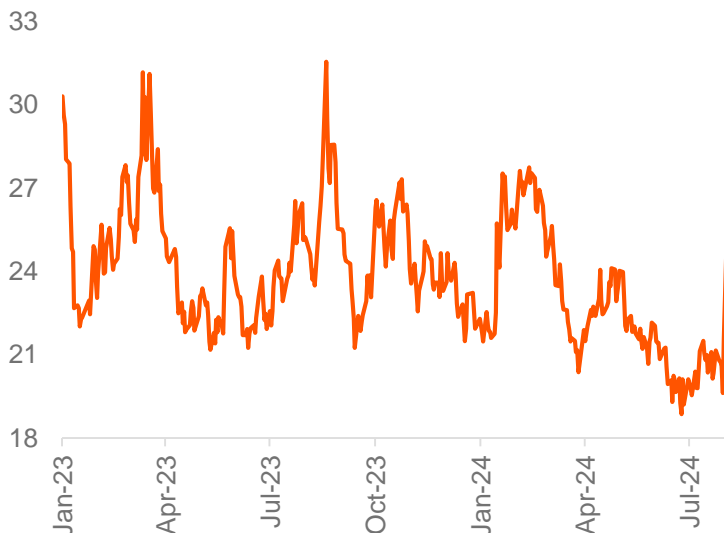
Global X HSI Components Covered Call Active ETF (3419 HK)				
	Monthly Dividend Distribution (HK\$)	NAV Per Share (HK\$) at Ex-Div Date	Monthly Distributed Dividend Yield ²	Monthly Option Premium Yield
Feb-24	NA	NA	NA	2.46%
Mar-24	0.12	9.98	1.20%	2.49%
Apr-24	0.12	10.06	1.19%	2.29%
May-24	0.12	10.18	1.18%	2.03%
Jun-24	0.12	10.11	1.19%	1.72%
Jul-24	0.12	9.92	1.21%	1.94%

Source: Bloomberg, Mirae Asset, August 2024. 1. Dividend is not guaranteed. Distribution may be made out of capital. Positive yield does not mean positive return. Payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Share of the Fund and will reduce the capital available for future investment.

2. Monthly Distributed Dividend Yield is calculated by Monthly Dividend Distribution/NAV Per Share at ex-Dividend Date. Monthly Option Premium Yield is calculated by Monthly Option Premium Income/NAV Per Share at the end of the month.

Hong Kong Market Volatility Spiked Up in July 24

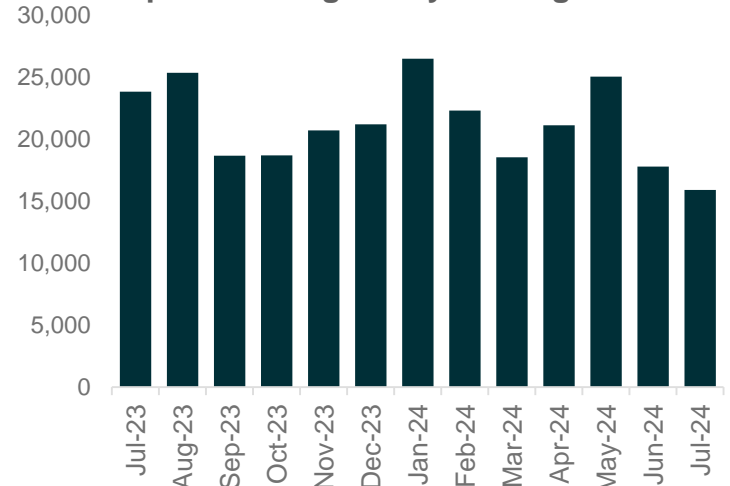
Volatility Index



Source: Bloomberg, Mirae Asset, August 2024

Hong Kong Index Option Market Has Sufficient Liquidity

HSI Option Average Daily Trading Volume



Source: Bloomberg, Mirae Asset, August 2024. Note: In July, 3419 HK ETF traded HSI index call option contracts of 41 vs. entire market traded the index call option contract of 192k