

Global X FTSE China Policy Bank Bond ETF

3041 HKD



IMPORTANT INFORMATION

Investors should not base investment decisions on this material alone. Please refer to the Prospectus for details including the 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:

- The investment objective of Global X FTSE China Policy Bank Bond ETF (the "Fund") is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE Chinese Policy Bank Bond Index. - The Fund is exposed to concentration risk by tracking a specific regions or countries. - The base currency of the Fund is RMB but the Units are traded in HKD. RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk. - Investing in the PRC inter-bank bond market via the Foreign Access Regime and/or the Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to fixed income securities. The relevant rules and regulations of the Foreign Access Regime and the Bond Connect are subject to change which may have potential retrospective effect. If a counterparty defaults in delivering securities, the trade may be cancelled which may adversely affect the value of the Fund. - The Fund invests in the emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. - The trading price of the Fund's unit on the SEHK is driven by secondary market trading factors, which may lead to a substantial premium or discount to the Fund's net asset value. - The Manager may at its discretion pay dividends out of the capital of the Fund. Distributions paid out of capital, represent a return of an investor's original investment or its gains and may potentially reduce the Fund's Net Asset Value per Share as well as the capital available for future investment. - The Fund may suffer from a losses or delays when recovering the securities lent out. This may potentially affect its ability to meet payment and redemption obligations. Collateral shortfalls due to inaccurate pricing or change of value of securities lent, may cause significant losses to the Fund.

FUND DETAILS¹



Stock Code	3041 (HKD)
ISIN	HK0000866993 (HKD)
Listing Date	19 Oct 2022
Ongoing Charges Over a Year ²	0.30%
Distribution Frequency ³	Semi-annually at the Manager's discretion (March and September)
Index	FTSE Chinese Policy Bank Bond Index
Board Lot Size	50 Units
Base Currency	RMB
Trading Currency	HKD counter: HKD
Exchange	HKEX

Dividend is not guaranteed, distributions may be made out of capital or income at the Manager's discretion. Positive distribution does not imply positive return. Please refer to the IMPORTANT INFORMATION section above and the Fund's prospectus for further details.

INVESTMENT POINTS

- The Global X FTSE China Policy Bank Bond ETF tracks the FTSE Chinese Policy Bank Bond Index, which has a market value of 18 trillion CNY and an index credit rating of A+*. (FTSE, Sep 2022)
- China policy bank bonds are relatively defensive compared to global government bonds, global investment grade credit, and global aggregate credit with 5-year annualized volatility as low as 1.7% (Bloomberg, Sep 2022)
- By investing in a diversified basket of RMB-denominated China policy bank bonds, helps investors diversify their portfolios and generate relatively stable income (Dividend is not guaranteed, distributions may be made out of capital or income at the Manager's discretion)

PERFORMANCE¹

Cumulative Return	3 Mths	6 Mths	YTD	Since Listing
FUND	1.14%	0.43%	0.43%	10.80%
INDEX	1.26%	0.60%	0.60%	11.91%

Calendar Year Return	2024	2023	2022	2021	2020
FUND	6.44%	3.94%	-	-	-
INDEX	6.95%	4.29%	-	-	-

TOP ISSUER (%)

China Development Bank	48.23
Agricultural Development Bank of China	28.28
Export-Import Bank of China	17.12

ETF CHARACTERISTICS

Weight average maturity	5.22
Weight average yield to maturity	1.65
Effective Duration	4.76

Source: MAGIHK, 30 Jan 2025. ¹Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is based on the calendar year end, Net Asset Value to Net Asset Value. These figures show by how much the Fund increased or decreased in value during the calendar year shown. Performance data has been calculated in RMB including ongoing charges and excluding trading costs on SEHK you might have to pay. Where no past performance is shown, there was insufficient data available in that year to provide performance. The Index of the Fund is FTSE Chinese Policy Bank Bond Index. Fund inception date: 18 October 2022. ²The Fund adopts a single management fee structure, whereby a single flat fee will be paid out of the assets of the Fund to cover all of the costs, fees and expenses of the Fund. The ongoing charges figure is an annualised figure based on the ongoing expenses of the Fund, expressed as a percentage of the Fund's average Net Asset Value of the Listed Class of Units of the Fund over the same period. It may be different upon actual operation of the Fund and may vary from year to year. As the Fund adopts a single management fee structure, the estimated ongoing charges of the Fund will be equal to the amount of the single management fee, which is capped at 0.30% of the average Net Asset Value of the Fund. Any ongoing expenses exceeding 0.30% of the average Net Asset Value of the Fund will be borne by the Manager and will not be charged to the Fund. Please refer to the Product Key Facts and the Prospectus for further details. ³The Manager may at its absolute discretion declare distributions semi-annually to unitholders in each financial year and details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website <https://www.globalxetfs.com.hk/>. Distributions may be made out of capital or income at the Manager's discretion. There can be no assurance that a distribution will be paid and dividend rate is not guaranteed. Please refer to the prospectus of the Fund to understand the distribution policy and other details. Please note that a positive distribution does not imply a positive return on the total investment. Investors should not base investment decisions on the above information alone. Please refer to the Prospectus(including Product Key Facts Statement) for details including the product features and the risk factors. Investment involves risks. Past performance is not indicative of future performance.

GLOBAL X FTSE CHINA POLICY BANK BOND ETF

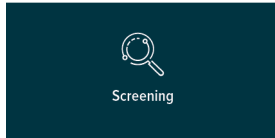


INDEX METHODOLOGY



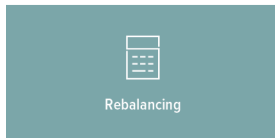
Initial Index Universe

Initial Index Universe: Bonds issued by the China Development Bank, the Agricultural Development Bank of China, and the Export-Import Bank of China



Screening

Maturity : At least one year
Issue Size : 15 billion CNY
Weighting: Market Capitalization



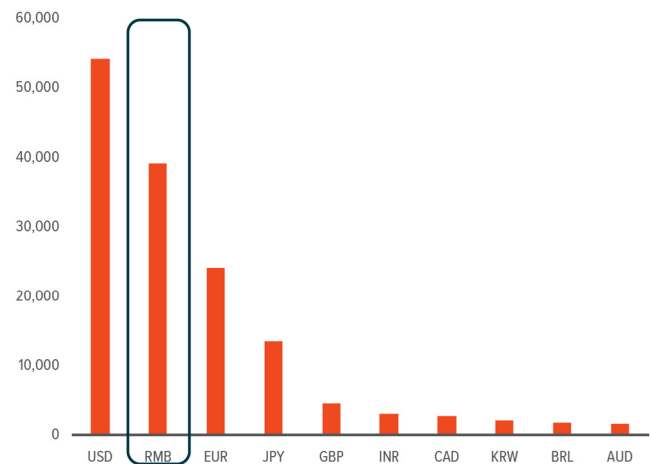
Rebalancing

Rebalancing: Once a month at the end of the month

Source: FTSE, as of Dec 2024

RMB BONDS RANK 2ND BY OUTSTANDING MARKET VALUE

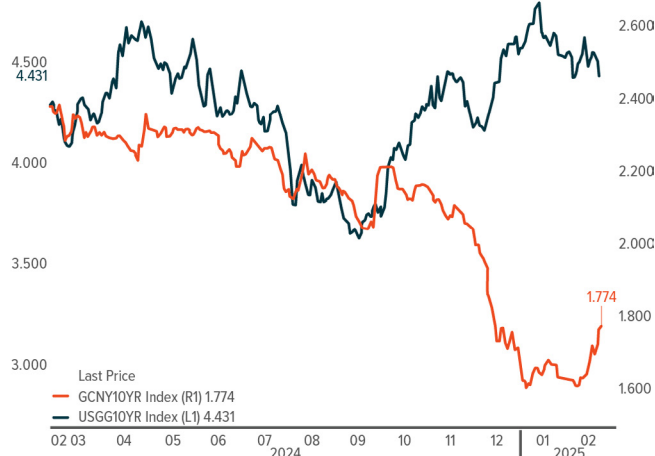
Market Value of Outstanding Debt by Currency (USD Trillions)



Source: Bloomberg, as of Dec 2024

CHINA GOVERNMENT BONDS YIELD REMAINS UNCORRELATED TO US

Yield of 10-year Government Bonds (%)



Source: Bloomberg, as of March 2025

CHINA GOVERNMENT BONDS EXHIBIT LOW CORRELATION TO OTHER FIXED INCOME ASSET CLASSES

Correlation between China and other major Government Bond Indexes

	US Treasury	Japan Gov	Eurozone Gov	UK Gov
China Gov	0.20	0.22	0.08	0.02

Correlation between China Government Bond and other major Corporate Bond Indexes

	Asia IG	Asia HY	Global IG	Global HY
China Gov	0.10	0.02	0.13	0.00

Source: 1. Bloomberg, as of Dec 2024. 2. China Gov: Bloomberg China Treasury + Policy Bank Total Return Index; US Treasury: Bloomberg US Treasury Total Return Index; Japan Gov: FTSE Japanese Government Bond Index; Eurozone Gov: Bloomberg Euro-Agg Government Total Return Index; UK Gov: FTSE Actuaries UK Conventional Gilts All Stocks Total Return Index; Asia IG: Bloomberg Asia USD Investment Grade Bond Index TR Index; Asia HY: Bloomberg Asia USD High Yield Diversified Credit TR Index; Global IG: Bloomberg Global-Aggregate Total Return Index; Global HY: Bloomberg Global High Yield Total Return Index

CHINA GOV AND POLICY BANK BONDS TRADE WITH TIGHT BID-ASK SPREADS

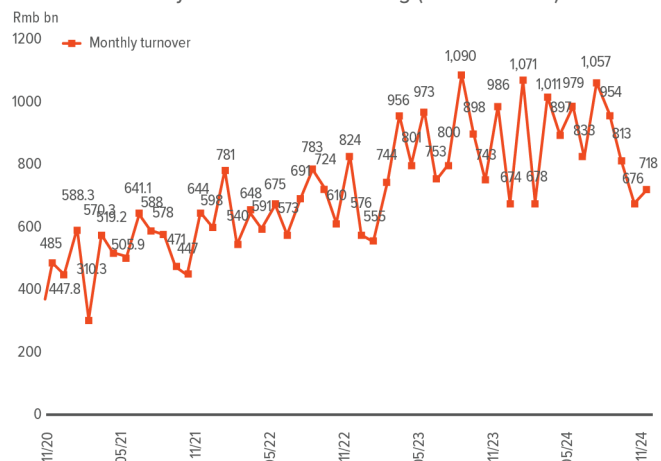
Realtime Quote of China Development Bank Bond on Wind Screen

Time	Maturity	Sec.ID	Name	Bid Amount	Bid	Ask
09:31:04	8.55Y 1	230215.IB	CDB 2.69% B330911	5000	1.8450 ₋₁	1.8300 ₋₁
09:27:18	8.24Y 1	230210.IB	CDB 2.82% B330522	5000	1.8350 ₋₁	1.8300 ₋₀₊₁
09:30:03	7.39Y 1	220215.IB	CB 2.9600% B320718	3000	1.8300 ₋₀	1.8200 ₋₁
09:30:52	8.03Y 1	230205.IB	CD 3.02% B330306	3000	1.8300 ₋₀	1.8250 ₋₁
09:29:47	7.66Y 1	220220.IB	CDB 2.77% B321024	5000	1.8250 ₋₁	1.8200 ₋₁
09:27:02	10.92Y	160205.IB	16GuoKai 05	--	--	1.8175 ₋₁
09:30:05	8.87Y 1	240205.IB	CD 2.63% B340108	1000	1.8175 ₋₁	1.8150 ₋₁
09:30:35	9.19Y 2	240210.IB	CDB 2.35% B340506	10000+1...	1.8050 ₋₁	1.8000 ₋₁
09:25:43	7.16Y	220210.IB	22 countries open 10	1000	1.8200 ₋₁	1.8025 ₋₁

Source: Wind, as of Dec 2024

CHINA GOV AND POLICY BANK BONDS LEAD ONSHORE MARKET TRADING

Monthly Bond Connect Trading (in CNY billion)



Source: Wind, as of Dec 2024

Important Risks and Information

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