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Global X MSCI Governance-Quality Japan ETF

FUND OBJECTIVE

The Global X MSCI Governance-Quality Japan ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Japan Governance-Quality 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:

Core

As of 3/29/2021

Index Provider: MSCI

KEY FEATURES



Governance-Quality



Depth and Breadth



Diversified Portfolio

MSCI Japan Governance-Quality Index

SELECTION POOL

- Selection universe includes all the existing constituent of an underlying MSCI Japan index(Parent Index)

SCORING

- Quality Score
 - Quality score for each security is calculated by combining Z-Scores of Return on Equity, Debt to Equity, and Earnings Variability
- Governance Score
 - Governance score for each security is calculated by combining following 11 governance measures
 - Qualified auditor opinion, Audit committee independence, Board attendance failure, Comp committee independence, Gender diversity, Independent board majority, Independent chair, Annual director elections, Cross shareholding, One share one vote, Poison pill
- Composite Quality Score
 - Composite Quality Score = Quality Score * Governance Score

SECURITY SELECTION

- Select top 125 securities with the highest composite quality score among the constituents of the parent index

WEIGHTING AT SELECTION

- All the securities eligible for inclusion in the index are weighted by the product of their market capitalization weight in the parent index and the composite quality score
- Weight of individual constituent is capped at 5%

REBALANCES/REVIEWS

- The index follows a semi-annual rebalance schedule. Adjustments are made on the last business day of May and November

For more information on the Index, please visit MSCI'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 it publication and Global X does not guarantee that it is current at any point thereafter.

GLOBAL X

Global X Japan Co. Ltd. Registration No. : Director of Kanto Local Finance Bureau (Financial Instruments Firms) No.3174 Member of Japan Investment Advisers Association Member of The Investment Trusts Association, Japan



Investment Risks

The Fund will invest in financial instruments whose prices fluctuate and as a result the NAV per unit of the Fund will also fluctuate. Therefore the invested amount will not be guaranteed and a loss of principal may be caused. All the gains and losses accrued to the trust assets will be attributable to the investors. Investment trusts are not deposits.

Major factors to cause fluctuation of NAV per unit:

Price Volatility risks / Credit risks (Stock Price Volatility, REIT Price Volatility), Other risks

The performance of the NAV may not completely match that of the index. The factors to cause fluctuation of NAV per unit are not limited to those mentioned above. Please read "Investment Risks" in the fund's Prospectus describing in detail.

Fee Structure

<Fees directly charged to customers>

Subscription commission: Determined by the Distributor. (Subscription Commission is a consideration for explanation of products, provision of product information and investment information, and execution of application at the time of the subscription of the Fund)

Redemption Fee: Nil

Exchange commission: Determined by the Distributor.

(Exchange Commission is a consideration for administrative procedures for exchange of units of the Fund.)

<Fees indirectly charged during holding period>

Management Fee (Trust Fee):

Trust fee is calculated daily as sum of 1 and 2 as shown below during the holding period.

1. The amount obtained by multiplying the total net assets of the trust assets by the ratio up to 0.3025% per annum (0.275 before tax).
2. The amount obtained by multiplying lending charges due to lending of stocks and REITs held in the trust assets by up to 55% (50% before tax).

Other Expenses and Brokerage Commissions

Fund Listing Expenses and Annual Fees for Use of Trademarks of the Index with tax levied on them can be borne by the unitholders, and can be paid from the trust assets.

Commissions associated with securities transactions (including brokerage commissions on trade of securities, fees for future transactions and option transactions) and auditing fees shall be charged to the trust assets.

※As expenses for brokerage commissions on trade of securities, etc. shall vary depending on circumstances, specific rate of fees or the maximum amounts thereof cannot be disclosed in advance.

※As REITs are traded on market prices, their expenses can not be displayed.

※Please see further details described under "Expenses and Taxes of the Fund" in the Prospectus.

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