

2837

Global X Japan Mid & Small Cap Leaders ETF

ETF Category: Core

As of 10/31/2023

Index Provider: FactSet



FUND OBJECTIVE

The Global X Japan Mid & Small Cap Leaders ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the FactSet Japan Mid & Small Cap Leaders 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



Mid & Small Cap Leaders



ESG Investing



ETF Efficiency

FactSet Japan Mid & Small Cap Leaders Index

SELECTION POOL

- Eligible companies must have:
 - Their primary listing in Japan
 - Minimum Market capitalization of between \$300 Million and \$10 Billion USD, between \$300 Million and \$12 Billion USD for existing constituents
 - Minimum of 3-month Average daily trading value of \$2 Million, \$1.6 Million for existing constituents

SECURITY SELECTION

- For the securities in the selection pool, select top 5 ranked securities based on their global market share and select the top 3 ranked securities based on their domestic market share at RBICS Level 5
- Calculate the ROE (Return on Equity), Debt-to-Equity, and Earnings Variability factors for securities that remain in above step, convert each factor into Z-Score. Average the Z-Scores for the 3 factors to arrive at a Composite Z-Score* (hereafter as "Quality Score") for each security
- Rank securities by their Quality Score in descending order and select the top 50 securities. Existing constituents ranked in the top 60 may remain in the index; new index constituents ranked in the top 50 are added to the index in ascending order until the number of index constituents reaches 50

WEIGHTING AT SELECTION

- Assign FactSet TruValue Lab's ESG Insight score for each constituent
- For securities with ESG insight score ranked in 1st and 5th quintile, multiply its Free float adjusted market capitalization by a factor of 1.2 or 0.8 respectively and keep Free float adjusted market capitalization of securities in the 2nd to 4th quintiles
- Index constituents are weighted by ESG-modified Free float market capitalization
- Weight of single constituent is capped at 5%

REBALANCES/REVIEWS

- The index follows an annual reconstitution and rebalance schedule on the 4th Friday in July

For more information on the Index, please visit FactSet'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), 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 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.

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

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