

2849

Global X Morningstar Japan High Dividend ESG ETF

ETF Category: Income

As of 3/22/2022

Index Provider: Morningstar



KEY FEATURES



High Income Potential



ESG Investing



Quarterly Distributions

FUND OBJECTIVE

The Global X Morningstar Japan High Dividend ESG ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Morningstar® Japan Sustainability Dividend Yield Focus IndexSM.

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.*

Morningstar® Japan Sustainability Dividend Yield Focus IndexSM

SELECTION POOL

- Eligible companies must :
 - be the constituents of the Morningstar Japan Index
 - have current ESG Risk Rating and controversy score of 4 or lower
 - not have more than 50% tobacco products involvement by revenue and any involvement in production of controversial weapons
 - have paid a dividend in the last 12 months as qualified income
 - have minimum three-month ADTV(Average Daily Trading Volume) of at least \$1 million
 - have a moat rating assigned by Morningstar Equity Research team of narrow or wide and also should have a Morningstar Distance to Default score in the top 50% within Morningstar Japan cohorts for new addition and Morningstar Distance to Default score in the top 60% for existing constituents
 - Companies without a moat rating must have a Morningstar Distance to Default score in the top 30% within Morningstar Japan cohorts for a new addition and Morningstar Distance Default score in the top 36% for existing constituents

SECURITY SELECTION

- Morningstar calculates the score necessary to achieve a Morningstar Five Globe Sustainability Rating for the Morningstar category where a fund tracking the index would fall
- Remove bottom 25% of securities with worst ESG Risk Rating scores and check whether the portfolio meets the score for Morningstar Five Globe Sustainability Rating
- Remove additional 5% of securities with worst ESG Risk Rating scores either till the portfolio meets the score or till bottom 50% of securities are removed
- Rank remaining securities by trailing 12-months dividend yield in descending order
- Current constituents are retained in the index if they are ranked within the top 33. Additional securities are added until the count reaches 25

WEIGHTING AT SELECTION

- Constituents are weighted by trailing 12-months dividend -dollar-weighted
- Weight of single constituent is capped at 10%
- Sector weights are capped at a minimum of 40% or 5 times the weight of the sector in the parent index

REBALANCES/REVIEWS

- Semi-Annual rebalance occurs in June and December on the Monday following the 3rd Friday
- The index also undergo quarterly reviews in March and September on the Monday following the 3rd Friday in order to apply controversy screen and delete existing constituents failing this screen

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



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

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.

About the copyright of the index

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