



July 29, 2022

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Global X Japan listed 1 ETF on the TSE.

Global X Japan Co. Ltd. (President: Kang Sungho) announced that the following ETFs was listed on the Tokyo Stock Exchange on July 29.

Global X Nikkei 225 Covered Call ETF (option premium reinvestment type) (2858)

The "Global X Nikkei 225 Covered Call ETF (option premium reinvestment type)" is an ETF that utilizes a covered call strategy that holds constituents of the Nikkei 225 and sells one-month at-the-money call options on the same index simultaneously. Selling call options generates a premium based on the volatility of the underlying index, and the strategy is expected to earn this premium by selling one month call options each month. By listing an ETF on the TSE that employs covered call strategy on the Nikkei 225, we aim to provide a new investment vehicle for investors not only in Japan but around the world.

Kang Sungho, President of Global X Japan Co. Ltd. said, " Compared to the large shift from mutual funds to ETFs in the U.S., we believe that ETFs are not yet well recognized among investors and market participants in Japan. In addition to thematic ETFs, Global X Japan aims to provide innovative ETFs with more added value based on new indices incorporating ESG factors, which have been attracting attention recently. We will continue to pursue ways in which our ETFs can make a significant contribution to our clients' fund management."

# GLOBAL X

## Notes

Stock name	Global X Nikkei 225 Covered Call ETF (option premium reinvestment type)
Stock code	2858
Target index	Nikkei 225 Covered Call ATM Index
Distribution frequency	Semi-annually
Fund Overview	The ETF aims to track the Nikkei 225 Covered Call ATM Index. The index reflects the performance of covered call strategy on the Nikkei 225
Operational management expenses (Trust fees) <sup>1</sup>	0.3025% per annum (0.275% excluding tax) or less of total net assets Breakdown: 0.275% for settlor company (0.25% excluding tax), and 0.0275% for trustee company (0.025% excluding tax) Within 55.0% (50.0% excluding tax) of premium of securities lending transactions

- Warning before handling this material

This material was prepared by Global X Japan Co. Ltd. to provide information about its funds' performance and other operation-related facts. Potential investors should refer to and read the prospectus of such fund product for more detailed information prior to their investment decision. Since investment trusts will invest in stocks whose prices fluctuate, the NAV of this fund could possibly decline and cause a loss in investment. The investors' principals thus are not guaranteed and the fund contains risk that the NAV may fall below its par value. All the gains and losses accrued to the trust assets will be attributable to the investors. Investment trusts are different from deposits and insurance policies. Investment trusts are not protected by the Deposit Insurance Corporation of Japan and insurance policyholders protection corporations. Investment trusts which are not purchased from securities companies are not protected by the Japan Investor Protection Fund. The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable, but their accuracy, correctness or completeness are not guaranteed. The performance of investments, if referred to herein, is based on past data and is neither necessarily an indication nor a guarantee of future performance of investments. The performance data in this material does not consider any tax or fees if there were any, and will not provide a final return for potential investors. Global X Japan Co. Ltd. made all reasonable efforts to ensure that the information contained herein is current, but it is subject to change without notice. The dividend amount is to be determined, based on the dividend distribution policy of such fund product, by the investment manager, who will not promise or guarantee any fixed amount of dividend before investment. In some cases, the investment manager might decide to skip a dividend payment for the correspondent period due to performance reason. The companies introduced in this material are for reference purposes only and are not intended as recommendations for individual companies. It is not intended to suggest or guarantee inclusion in ETFs.

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<sup>1</sup> In addition to trust fees, there are trading commissions determined by securities companies, etc., as well as various expenses incurred indirectly during the holding period of ETFs.

# GLOBAL X

● Fund's expense

Costs directly borne by investors		
	Rates, etc.	Details of expenses
Acquisition fee	By dealers Shall be determined.	Consideration for the provision of product explanations or product information at the time of acquisition, the provision of investment information, and the execution of transactions.
Reserves for trust assets	None.	—
Commission at the time of exchange	By dealers Shall be determined.	Consideration for administrative work related to the exchange of beneficial interests.
Expenses borne indirectly by investors in trust assets		
	Rates, etc.	Details of expenses
Operational management expenses (Trust fees)	< Global X Nikkei 225 Covered Call ETF (option premium reinvestment type) > 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 Commissions	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. Fund Listing Expenses and Annual Fees for Use of Trademarks of the Index with tax levied on them can be borne by the unit holders and can be paid from the trust assets.	

● Investment Risk

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), risks associated with covered call strategy, 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.

● Copyright of Index (Nikkei 225 Covered Call )

The Nikkei 225 Covered Call ATM Index is a copyrighted material calculated in a methodology independently developed and created by Nikkei Inc. and Nikkei Inc. is the sole exclusive owner of the copyright and other intellectual property rights in the Nikkei 225 Covered Call ATM Index itself and the methodology to calculate the Nikkei 225 Covered Call ATM Index;

The trademark rights and any other intellectual property and any other rights in the marks to indicate Nikkei and the Nikkei 225 Covered Call ATM Index shall be vested in Nikkei Inc.;

The ETF is managed exclusively at the risk of the Licensee and Nikkei Inc. shall assume no obligation or responsibility for its management and transactions of the ETF.

Nikkei Inc. shall not have the obligation to continuously announce the Nikkei 225 Covered Call ATM Index and shall not be liable for any error, delay, interruption, suspension or cessation of announcement thereof; and

Nikkei Inc. shall have the right to change the composition of the stocks included in the Nikkei 225 Covered Call ATM Index, the calculation methodology of the Nikkei 225 Covered Call ATM Index or any other details of the Nikkei 225 Covered Call ATM Index and shall have the right to discontinue the publication of the Nikkei 225 Covered Call ATM Index.

# 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