

GLDX

GOLD EXPLORERS ETF

The Venture Capital of Gold™

Overview

As the world slowly depletes its major existing gold mines, discovery of new mines becomes increasingly important to meet global demand of this precious, “safe haven” metal. Gold exploration companies are those that have been searching for gold but may not yet produce ore or generate profits.

This stage is a critical and potentially lucrative component of the life cycle of mining. While many gold explorers may not yield significant, economically-viable deposits, those that do will undergo dramatic valuation increases.

WHY GLOBAL X GOLD EXPLORERS ETF?

Pure Gold Exploration Play
Diversification across a Basket of Stocks
Potential upside with mergers & acquisitions
Avoid Storage and Delivery Costs
Potential for Tax Efficiency

Ordinarily, extensive trade knowledge may be required to evaluate and select companies in the gold exploration space, as each gold mining company has its own set of unique circumstances and varying cost structures. For the investor seeking such high-risk, potential high-reward, early stage investment profiles, gold explorers provide an opportunity similar to that of venture capital investing.

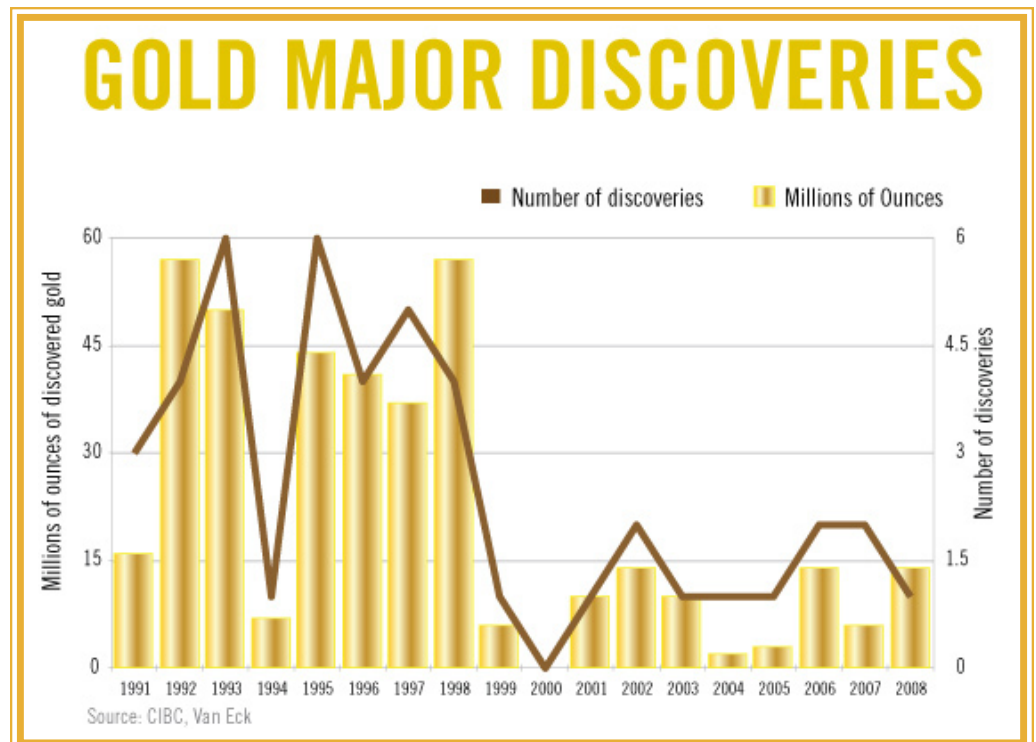
An ETF vehicle here can potentially reduce the high risk while providing the wide survey of opportunities that may work in the investor's favor. If the ETF were to capture high returns from one company, it may smooth over the losses generated by failed projects.

An investment allocation to a diversified basket of gold explorers can complement a holding in gold bullion or gold miners, adding growth potential to the overall portfolio via exploratory success or sustainable mine development. For the investor who could not easily access such highly leveraged play on gold before, the exposure is now possible and easy via an allocation to the Global X Gold Explorers ETF (GLDX).

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The Importance of Gold Exploration

Most gold miners begin their life cycle as gold explorers. Unfortunately all the risk associated with mining often cause dismissal of the critical role that explorers play in the gold mining cycle.

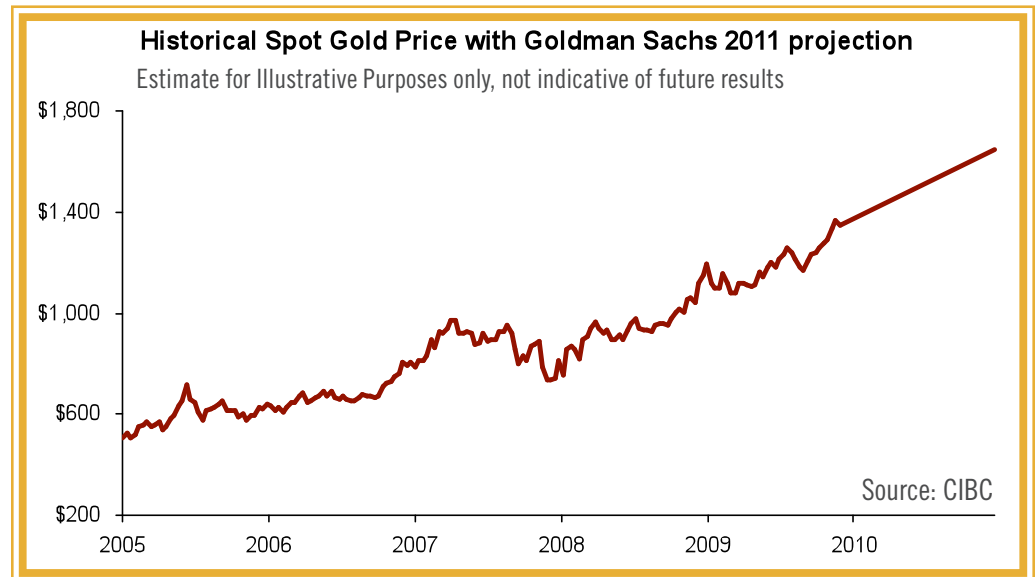


Global mined gold production continues to fall as miners are finding it increasingly difficult to extract the precious metal from the earth. Since the industry's supply peak in the late 1998, gold production has been on a downward trend.

This is in large part due to the lack of exploration in recent years. The price of gold was so low in the 1990s that there was very little capital available to fund gold exploration. The discoveries of large, multi-million ounce deposits are also decreasing, and gold miners must look to regions that tend to be geographically challenging and geopolitically hostile.

However, economically feasible gold mineralization needs to continually be discovered and developed to replace aging and depleting mines. In order for the gold industry to survive, and grow, the next-generation gold producers and primary exploration companies play a vital role in supplementing the existing producers' shortcomings.

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Global Demand and Gold Prices

With concern rising over the probable escalation of quantitative easing and potential currency wars, a significant source of new demand for hard assets is expected. Gold benefits during periods of hard asset demand not just because it is a commodity, but also due to its long history as a universal currency that is neither created nor controlled by any government.

All of today's other currencies, from Dollars to Euros to the Yen, are 'fiat' currencies, which yield value only due to legal tender laws. Governments may create excess fiat currency under loose monetary policies, and investors see gold as a natural hedge against such currency movements.



Total gold demand in Q2 2010 rose by nearly 36%, largely reflecting strong gold investment demand compared to the second quarter of 2009. With recent all-time highs in the gold spot markets, Goldman Sachs recently raised its 12-month price target to \$1,650, attributing the return of quantitative easing to continued strong catalyst for gold.

Due to the fixed costs in the mining industry, when gold price rise, profits of the mining company could be expected to rise, and as a result induce share price to rise several-fold. This creates a leveraged exposure to commodity prices whereby miners can enjoy a rapid improvement in profitability under a

rising price environment. The downside is that the reverse is true under a falling price environment. For gold exploration companies, this intrinsic leverage on gold prices could be higher than that for established gold mining companies.

About the Global X Funds Global Commodities Fund Suite

This new fund is a continuation of Global X Funds' global commodities fund suite. The first fund in the suite, Silver Miners ETF (SIL), was ranked as the seventh largest ETF launch of this year in the WSJ. Global X Funds has also launched a Copper Miners ETF (COPX) which was the second highest-returning plain vanilla* ETF of Q3 2010. The newest fund, the Lithium ETF (LIT), was picked by TheStreet.com as the 'Best ETF of Summer 2010'.

*Plain vanilla is defined as non-leveraged and non-inverse.

Disclosure

Investing involves risk, including the possible loss of principal. International investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Narrowly focused investments may be subject to higher volatility. There are additional risks involved with investing in base and precious metals as well as their respective mining industries.

The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. In addition, gold exploration companies may be significantly affected by competitive pressures in the gold exploration industry, the price of gold bullion, import and export controls, liability for environmental damage and mandated expenditures for safety and pollution control devices.

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Carefully consider the Funds' investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Funds' prospectus, which may be obtained by calling 1-888-GX-FUND-1 (1.888.493.8631), or by visiting www.globalxfunds.com. Read the prospectus carefully before investing.

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