



The Global X Gold Explorers ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Solactive Global Gold Explorers & Developers Transition Total Return Index.

THE VENTURE CAPITAL OF GOLD™

As the world depletes its major existing gold mines, the continual discovery of new mines is essential in order to meet the global demand for gold. Gold explorers are companies focused on searching for new gold deposits, but may not yet produce ore or generate profits. While many gold explorers may fail to find significant deposits, those that do are critical and potentially lucrative components of the mining lifecycle. This makes investing in gold exploration typically a high risk/high reward proposition, similar to that of early stage venture capital investments.

The Global X Gold Explorers ETF provides an alternative method of gaining exposure to gold exploration by investing in a basket of companies within the industry. While investing in a single gold explorer can be extremely risky, investing in a basket of companies can help diversify that risk. For example, if the ETF were to capture high returns from one company, it may smooth over the losses generated by failed projects of others.



THE CASE

The Global X Gold Explorers ETF provides investors access to a broad range of companies involved in the exploration of gold deposits.

SUPPLY GAP & INVESTMENT POTENTIAL

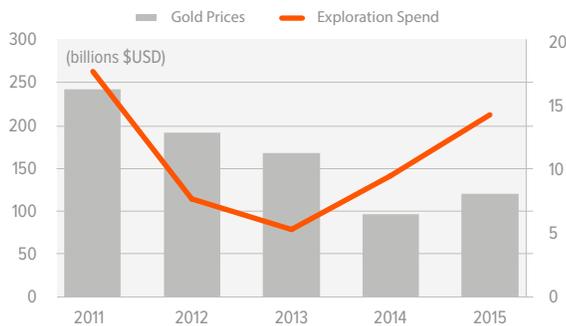
Global Gold Demand & Mine Supply Source: World Gold Council, 2015



Supply & Demand Gap

74% of the world's gold supply is obtained through mining. The gap between the global demand for gold and its supply from mines, however, has increased from 663 tonnes in 2005 to 1047 tonnes in 2015. To narrow this supply gap, analysts expect a significant increase in investments towards the exploration of new mines. (Source: World Gold Council)

Gold Mining M&A Completed Deal and Value Source: Bloomberg, 2015



Growth potential of mining Industry

Gold is becoming one of the more compelling commodities to invest in after experiencing declines for the past three years. Lower gold prices and cost pressure had restricted the ability of gold producers to invest in new projects, signaling that gold prices may have reached peak levels. Gold production is projected to decline in 2016, the first year-on-year drop in the last eight years, which could push prices higher. The likelihood of earnings growth in 2016 is an attractive proposition for gold miners.

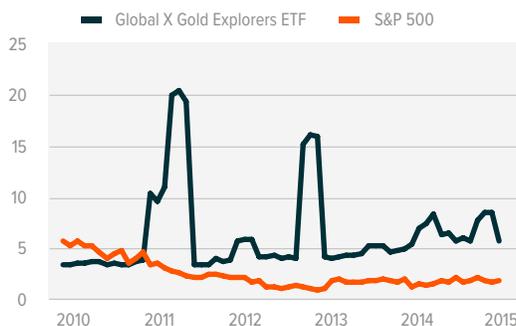
(Source: ZACKS)

M&A to boost up the cash reserve

2015 was an active year for M&A in the gold space. There were six significant deals that occurred, which is higher than both 2013 and 2014. Miners have been considering M&A to replace reserves and sell of non-core assets to reduce the debt to fund future exploration projects and growth, as gold discoveries become more selective.

(Source: Market Realist)

Price To Book Ratio Source: Factset, 2015



Low Price to Book Ratio

The average price to book ratio (P/B) for components of the Global X Gold Explorer ETF is currently 2.02x (as of December 2015). This is lower than the 5-year average of 2.66x. In addition, the P/B ratio is lower than the P/B for S&P 500 (5.9x). (Source: Factset)



Price to Book compares a stock's price to its book value of equity per share.

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 associated with investing in Gold and the Gold exploration industry. Negative changes in commodity markets could have a great impact on the fund, exploration and development of mineral deposits are highly speculative and exploration companies may be significantly affected by competitive pressures, the price of mineral deposits, and regulatory and political events, all of which may (cause losses or) increase volatility.

Index returns are for illustrative purposes only and do not reflect actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's 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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The Fund's name, investment objective and investment strategies changed effective December 1, 2016.