



The Global X SuperIncome Preferred ETF (SPFF) is designed to track 50 of the highest yielding preferred securities from the U.S. and Canada.

#### KEY FEATURES



#### Higher Yield

Preferred stocks have historically offered investors a higher yield than corporate bonds of similar credit quality. The 10 year average yield for preferred securities was 5.5%, higher than 4.3% for investment grade corporate bonds and 2.1% for S&P 500. (Bloomberg, September 2016)



#### Preferential Tax Treatment

Preferred securities may also provide an income advantage. Income from preferred stocks may be treated as qualified dividends (QDI), rather than as regular interest income. (Cohen & Steers, 2015)



#### Diversification

The correlation of preferreds stood at 0.43 with respect to high-yield bonds and 0.39 with Common Stocks, 0.17 with 10-Year Treasuries, and 0.04 with corporate bonds (over the last 10 years ending September 2016). With low correlations to other asset classes, preferred securities can potentially help diversify investors' portfolios. (Bloomberg, September 2016)

In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time. Diversification does not ensure a profit or guarantee against a loss.



## THE CASE

For investors seeking higher dividend yields, preferred shares are an asset class worth considering due to their unique combination of bond and equity characteristics.

### Comparison Between Preferred Shares, Common Stock and Bonds

	Preferred Shares	Common Stock	Bonds
<b>Primarily Traded</b>	On an Exchange	On an Exchange	Over the Counter
<b>Place in Capital Structure</b>	Lower than bonds, higher than equity	Lowest	Highest
<b>Credit Rating</b>	Available	N/A	Available

For investors seeking higher dividend yields, preferred shares are an asset class worth considering due to their unique combination of bond and equity characteristics:

- Preferred shares generally pay stable dividends with more frequent distributions than common shares.
- Preferred shares have the potential to appreciate in value, offering additional growth potential for investors.

In addition, preferred shareholders have priority over common shareholders with regard to claims on company earnings and assets — this may provide downside protection if a company is forced to liquidate its assets (assuming all creditors have been paid). By also screening for the highest yielding preferred securities and paying monthly dividends, SPFF allows investors to diversify their income streams and potentially increase the yield of their overall portfolio.

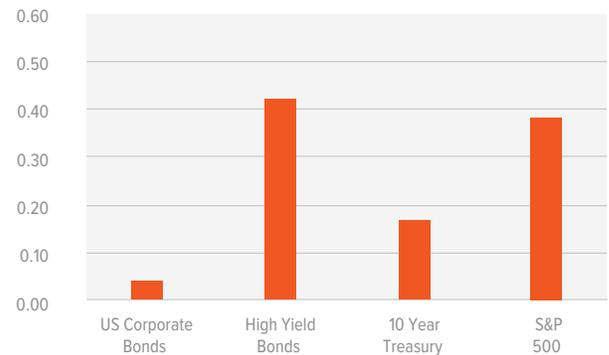
### Dividend Yield Comparison As of 9/30/2016.

Source: Bloomberg, September 2016



### 10 Year Correlation<sup>1</sup> of Preferreds with Asset Classes

Source: Bloomberg, September 2016



In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time.

<sup>1</sup> Correlation is a measure that shows how two securities move in relation to each other. A correlation of 1 implies that the securities will exhibit the same price movements. A correlation of 0 means the securities demonstrate completely unrelated price movements. Asset class representation is as follows: Preferred Securities: BofA Merrill Lynch Fixed Rate Preferred Securities Index; Corporate Bonds: BofA Merrill Lynch US Corporate Index and High Yield Bonds: BofA Merrill Lynch US High Yield Index.



Avg Annualized% As of (9/30/16)	Fund NAV	Closing Price	S&P Enhanced Yield North American Preferred Stock Index
1 Year	6.98%	6.97%	7.46%
3 Years	4.12%	3.97%	4.89%
5 Years	–	–	–
Since Inception	4.43%	4.85%	5.13%

Cumulative return is the aggregate amount that an investment has gained or lost over time. Annualized Return is the average return gained or lost by an investment each year over a given time period.

*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. The fund's Annual Fund Operating Expense is 0.58%.*

The S&P Enhanced Yield North American Preferred Stock Index is designed to measure 50 of the highest yielding preferred securities traded in the U.S. and Canada.

**BofA Merrill Lynch Fixed Rate Preferred Securities Index** tracks the performance of fixed-rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market.  
**BofA Merrill Lynch US Corporate Index** tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market.  
**BofA Merrill Lynch US High Yield Index** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.  
**S&P 500 Index** tracks the performance of 500 leading U.S. stocks and is widely considered representative of the U.S. equity market

Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index.

Investing involves risk, including the possible loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Preferred stock is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock. High yielding stocks are often speculative, high risk investments. These companies can be paying out more than they can support and may reduce their dividends or stop paying dividends at any time, which could have a material adverse effect on the stock price of these companies and the Fund's performance.

Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Global X NAVs are calculated using prices as of 4:00 PM Eastern Time. The closing price is the Mid-Point between the Bid and Ask price as of the close of exchange.

The information presented here is for informational purposes only. It was prepared on information and sources that we believe to be reliable, but we make no representations or guarantees as to the accuracy or the completeness of the information contained herein.

Indexes are unmanaged and it's impossible to invest directly in an index. Investments in preferred securities involve risk and potential loss of investment as well as issuer risk and call risk. Investments in corporate bonds involve risk and potential loss of principal. An investment in the Global X SuperIncome Preferred ETF and other securities mentioned herein offer similar risks as preferred securities, corporate bonds, and equity securities. Investment objectives, costs, expenses and sales charges, liquidity and tax features vary among all securities discussed in this material. Investments in equity securities involve risk and potential loss of investment, including market risk.

**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](http://www.globalxfunds.com). Read the prospectus carefully before investing.**

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