



Global X Gold Yield ETF (HGY)

Market Overview

Spot gold returned -1.96% for the second quarter. For the year to date, gold is still up 12.79%, trading at US\$2,326 per ounce at the end of the first half of 2024. Bullion rose on the back of elevated geopolitical risks in both the Middle East and Eastern Europe. U.S. 10-year Treasury yields finished the quarter near 4.4% after reaching a peak of 4.7% near the end of April. With the pending U.S. presidential election, the market has currently priced in multiple Federal Reserve rate cuts for 2024.

As with gold, commodities in general have experienced a volatile quarter, with the Bloomberg Commodity Index up 2.38%. Mixed monetary policy signals from global central banks have been curbed by hotter-than-expected inflation data so far in 2024. These broader market sentiments have made gold an attractive investment to hedge against upcoming uncertainties.

Quarter in Review

During the second quarter of 2024, the fund held SPDR Gold MiniShares Trust (GLDM).

The portfolio benefited from broad market volatility as markets navigated the various risks that impacted equities during the second quarter of 2024. This benefited the fund as higher volatility allows the fund to generate higher premiums on the options it sells, thereby increasing the distributions that the fund can pay to investors. Generally, the covered call overlay is expected to outperform when the market is flat or moving downwards and underperforms during sharp upward movements.

Outlook and Positioning

For the remaining year, the covered call strategy is favourably positioned to potentially provide value from a yield, hedging and upside capture perspective in the current environment. Each month, call options are dynamically written on GLD. In the second quarter of the year, the fund wrote slightly out-of-the-money (OTM) options on the SPDR Gold Shares ETF, which yielded an average annual rate of 4.8%. The premiums generated from the option writing strategy have remained steady for the last 12 months and may remain at similar levels for the rest of the year.

Commissions, management fees and expenses all may be associated with an investment in the Horizons Gold Yield ETF ("HGY" or the "ETF") managed Global X Investments Canada Inc. The ETF is not guaranteed, its value changes frequently and past performance may not be repeated. The prospectus contains important detailed information about the ETF. **Please read the relevant prospectus before investing.**

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