

# Covered Call Monthly Distributions

MAY 31, 2024

The distributions for the covered call suite of ETFs are now more heavily weighted on long-term volatility averages. This approach will consider, but is not limited to, the following factors;

- The long-term volatility and implied volatility averages of the ETF's underlying holdings
- The current level of premium being earned from the ETF's options writing
- The current dividends received from the ETF's holdings

If there are significant changes to market conditions that impact the volatility or dividends of the ETF's underlying holdings the distributions for the ETFs may change.

**For the period ending May 31, 2024, the distributions for the covered call suite are indicated in the table below:**

ETF Name	Ticker Symbol	Current Month Distribution Rate	Annualized Distribution Yield <sup>1</sup>
Global X Equal Weight Canadian Bank Covered Call ETF	<b>BKCC</b>	\$0.15000	13.20%
Global X Canadian Oil and Gas Equity Covered Call ETF	<b>ENCC</b>	\$0.13000	13.92%
Global X S&P 500 Index Covered Call ETF	<b>USCC.U</b>	\$0.12000	10.71%
	<b>USCC</b>	\$0.12000	10.61%
Global X Nasdaq-100 Covered Call ETF	<b>QQCC</b>	\$0.13000	10.72%
Global X S&P/TSX 60 Index Covered Call ETF	<b>CNCC</b>	\$0.13000	10.11%
Global X Gold Producer Equity Covered Call ETF	<b>GLCC</b>	\$0.22000	10.62%
Global X Enhanced Equal Weight Canadian Banks Covered Call ETF	<b>BKCL</b>	\$0.24500	10.00%
Global X Enhanced S&P/TSX 60 Index Covered Call ETF	<b>CNCL</b>	\$0.20000	–
Global X Enhanced S&P 500 Index Covered Call ETF	<b>USCL</b>	\$0.23000	–
Global X Enhanced Nasdaq-100 Covered Call ETF	<b>QQCL</b>	\$0.25000	–
Global X Enhanced Canadian Oil and Gas Equity Covered Call ETF	<b>ENCL</b>	\$0.29000	–
Global X Enhanced All-Equity Asset Allocation Covered Call ETF	<b>EQCL</b>	\$0.21000	–
Global X Growth Asset Allocation Covered Call ETF	<b>GRCC</b>	\$0.15000	–

<sup>1</sup>The most recent regular distribution (excluding additional year end distributions) annualized for frequency, divided by current net asset value (NAV) per security as at May 31, 2024.

<sup>2</sup>Distributions for the Global X US Large Cap Equity Covered Call ETF are declared and paid in U.S. dollars, including those listed under the Canadian dollar-traded ticker USCC. The approximate Canadian dollar equivalent distribution rate for USCC is \$0.16003 per security. For security holders who hold the Canadian dollar-traded USCC, distribution payments will typically be converted to Canadian dollars by the securityholder's account holder.



## Global X Covered Call ETFs

Name and Ticker	Investment Objectives
Global X Equal Weight Canadian Bank Covered Call ETF (BKCC)	BKCC seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance of an index of equal-weighted equity securities of diversified Canadian banks (currently, the Solactive Equal Weight Canada Banks Index); and (b) monthly distributions of dividend and call option income. To mitigate downside risk and generate income, BKCC will employ a dynamic covered call option writing program.
Global X Canadian Oil and Gas Equity Covered Call ETF (ENCC)	ENCC seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance of an index of Canadian companies that are involved in the crude oil and natural gas industry (currently, the Solactive Equal Weight Canada Oil & Gas Index); and (b) monthly distributions of dividend and call option income. To mitigate downside risk and generate income, ENCC will employ a dynamic covered call option writing program.
Global X Enhanced Canadian Oil and Gas Equity Covered Call ETF (ENCL)	ENCL seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance of an index of Canadian companies that are involved in the crude oil and natural gas industry (currently, the Solactive Equal Weight Canada Oil & Gas Index); and (b) high monthly distributions of dividend income and call option premiums. To generate premiums, ENCL will be exposed to a dynamic covered call option writing program. ENCL will also employ leverage (not to exceed the limits on use of leverage described under "Investment Strategies") through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.
Global X Gold Producer Equity Covered Call ETF (GLCC)	GLCC seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance of an index of equity securities of diversified North American listed gold producers (currently, the Solactive North American Listed Gold Producers Index) and (b) monthly distributions of dividend and call option income. To mitigate downside risk and generate income, GLCC will employ a dynamic covered call option writing program.
Global X Canadian Large Cap Equity Covered Call ETF (CNCC)	CNCC seeks to provide: (a) exposure to the performance of the large-cap segment of the Canadian equity market; and (b) monthly distributions of dividend and call option income. To mitigate downside risk and generate income, CNCC will employ a dynamic covered call option writing program.
Global X US Large Cap Equity Covered Call ETF (USCC.U)	USCC.U seeks to provide: (a) exposure to the performance of the large-cap market segment of the U.S. equity market and (b) monthly U.S. dollar distributions of dividend and call option income. To mitigate downside risk and generate income, USCC.U will employ a dynamic covered call option writing program. USCC.U will not seek to hedge its exposure to the U.S. dollar back to the Canadian dollar.
Global X NASDAQ-100 Covered Call ETF (QQCC)	QQCC seeks to provide, to the extent possible and net of expenses: (a) exposure to the performance of an index of the largest domestic and international nonfinancial companies listed on the NASDAQ stock market (currently, the NASDAQ-100® Index); and (b) monthly U.S. dollar distributions of dividend and call option income. To mitigate downside risk and generate income, QQCC will employ a dynamic covered call option writing program. QQCC will not seek to hedge its exposure to the U.S. dollar back to the Canadian dollar.
Global X Enhanced Nasdaq-100 Covered Call ETF (QQCL)	QQCL seeks to provide, to the extent reasonably possible and net of expenses: (a) exposure to the performance of an index of the largest domestic and international, non-financial companies listed on the NASDAQ stock market (currently, the NASDAQ-100® Index); and (b) high monthly distributions of dividend income and call option premiums. To generate premiums, QQCL will be exposed to a dynamic covered call option writing program. QQCL will also employ leverage (not to exceed the limits on use of leverage described under "Investment Strategies") through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.
Global X Enhanced All-Equity Asset Allocation Covered Call ETF (EQCL)	EQCL seeks to provide a combination of a high level of income and long-term capital growth, primarily by investing, directly or indirectly, in exchange traded funds that provide exposure to a globally diversified portfolio of equity securities. To generate premiums, EQCL will be exposed to a dynamic covered call option writing program. EQCL will also employ leverage (not to exceed the limits on use of leverage described under "Investment Strategies") through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.
Global X Gold Yield ETF (HGY)	HGY seeks to provide Unitholders with: (i) exposure to the price of gold bullion hedged to the Canadian dollar, less HGY's fees and expenses; (ii) tax-efficient monthly distributions; and (iii) in order to mitigate downside risk and generate income, exposure to a covered call option writing strategy.
Global X Growth Asset Allocation Covered Call ETF (GRCC)	GRCC seeks to provide a combination of a high level of income and moderate long-term capital growth, primarily by investing in exchange traded funds that provide exposure to a globally diversified portfolio of equity and fixed income securities. To mitigate downside risk and generate premiums, GRCC will be exposed to a dynamic option writing program.
Global X Enhanced Equal Weight Canadian Banks Covered Call ETF (BKCL)	BKCL seeks to provide, to the extent reasonably possible and net of expenses: (a) exposure to the performance of an index of equal-weighted equity securities of diversified Canadian banks (currently, the Solactive Equal Weight Canada Banks Index); and (b) high monthly distributions of dividend and call option income. To generate income, BKCL will be exposed to a dynamic covered call option writing program. BKCL will also employ leverage (not to exceed the limits on use of leverage described under "Investment Strategies" in the ETFs prospectus) through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.



Name and Ticker	Investment Objectives
Global X Enhanced Canadian Large Cap Equity Covered Call ETF (CNCL)	CNCL seeks to provide, to the extent reasonably possible and net of expenses: (a) exposure to the performance of the large-cap market segment of the Canadian equity market; and (b) high monthly distributions of dividend and call option income. To generate income, CNCL will be exposed to a dynamic covered call option writing program. CNCL will also employ leverage (not to exceed the limits on use of leverage described under “Investment Strategies” in the ETFs prospectus) through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.
Global X Enhanced US Large Cap Equity Covered Call ETF (USCL)	USCL seeks to provide, to the extent reasonably possible and net of expenses: (a) exposure to the performance of the large-cap market segment of the U.S. equity market; and (b) high monthly distributions of dividend and call option income. To generate income, USCL will be exposed to a dynamic covered call option writing program. USCL will also employ leverage (not to exceed the limits on use of leverage described under “Investment Strategies” in the ETFs prospectus) through cash borrowing and will generally endeavour to maintain a leverage ratio of approximately 125%.

## About Global X Investments Canada Inc.

[Global X Investments Canada Inc.](https://www.GlobalX.ca) (“Global X”) is an innovative financial services company that offers one of the largest suites of exchange-traded funds in Canada. The Global X Fund family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Global X has more than \$30 billion of assets under management and 125 ETFs listed on major Canadian stock exchanges. Global X Investments Canada Inc. is a wholly-owned subsidiary of the Mirae Asset Financial Group, one of the world’s largest investment managers in emerging market equities which manages approximately \$800 billion of assets across 19 countries around the world.

For further information regarding the Distributions, please visit [www.GlobalX.ca](https://www.GlobalX.ca)

Effective June 24, 2022, the investment objectives of the Global X Canadian Large Cap Equity Covered Call ETF (“CNCC”) (formerly Global X Enhanced Income Equity ETF (“HEX”)), Global X Canadian Oil and Gas Equity Covered Call ETF (“ENCC”) (formerly Global X Enhanced Income Energy ETF (“HEE”)), Global X Equal Weight Canadian Bank Covered Call ETF (“BKCC”) (formerly Global X Enhanced Income Financials ETF (“HEF”)), Global X US Large Cap Equity Covered Call ETF (“USCC.U, USCC”) (formerly Global X Enhanced Income US Equity (USD) ETF (“HEA.U, HEA”)), Global X NASDAQ-100 Covered Call ETF (“QQCC”) (formerly Global X Enhanced Income International Equity ETF (“HEJ”)), and the Global X Gold Producer Equity Covered Call ETF (“GLCC”) (formerly Global X Enhanced Income Gold Producers ETF (“HEP”)), were changed following receipt of the required unitholder and regulatory approvals. The new tickers began trading on the TSX on June 27, 2022. For more information, please refer to the disclosure documents of the ETFs on <https://GlobalX.ca/>.

Commissions, management fees, and expenses all may be associated with an investment in products (the “Global X Funds”) managed by Global X Investments Canada Inc. The Global X Funds are not guaranteed, their values change frequently and past performance may not be repeated. Certain Global X Funds may have exposure to leveraged investment techniques that magnify gains and losses which may result in greater volatility in value and could be subject to aggressive investment risk and price volatility risk. Such risks are described in the prospectus. The prospectus contains important detailed information about the Global X Funds. **Please read the relevant prospectus before investing.**

BKCL, CNCL, ENCL, EQCL, QQCL and USCL (or the “Enhanced ETFs”) are alternative mutual funds within the meaning of NI 81-102 and are permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of the Enhanced ETF’s net asset value in securities of a single issuer, the ability to borrow cash and to employ leverage. While these strategies will only be used in accordance with the applicable investment objectives and strategies of the Enhanced ETFs, during certain market conditions they may accelerate the risk that an investment in Units of such Enhanced ETF decreases in value.

The payment of distributions, if any, is not guaranteed and may fluctuate at any time. The payment of distributions should not be confused with an Exchange Traded Fund’s (“ETF”) performance, rate of return, or yield. If distributions paid by the ETF are greater than the performance of the ETF, distributions paid may include a return of capital and an investor’s original investment will decrease. A return of capital is not taxable to the investor, but will generally reduce the adjusted cost base of the securities held for tax purposes. Distributions are paid as a result of capital gains realized by an ETF, and income and dividends earned by an ETF are taxable to the investor in the year they are paid. The investor’s adjusted cost base will be reduced by the amount of any returns of capital. If the investor’s adjusted cost base goes below zero, investors will realize capital gains equal to the amount below zero. Future distribution dates may be amended at any time. To recognize that these distributions have been allocated to investors for tax purposes the amounts of these distributions should be added to the adjusted cost base of the units held. The characterization of distributions, if any, for tax purposes, (such as dividends/other income/capital gains, etc.) will not be known for certain until after the ETF’s tax year-end. Therefore, investors will be informed of the tax characterization after year-end and not with each distribution if any. For tax purposes, these amounts will be reported annually by brokers on official tax statements. Please refer to the applicable ETF distribution policy in the prospectus for more information.

This communication is intended for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase investment products (the “Global X Funds”) managed by Global X Investments Canada Inc. and is not, and should not be construed as, investment, tax, legal or accounting advice, and should not be relied upon in that regard. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies. These investments may not be suitable to the circumstances of an investor.

Published June 19, 2024