



Premium Yield ETFs Monthly Report

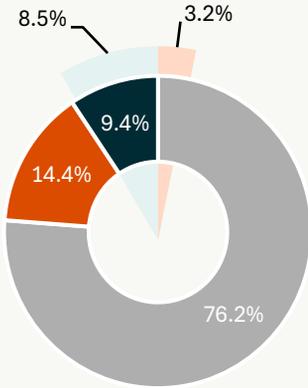
FEBRUARY 28, 2026

Premium Yield Treasuries



Short

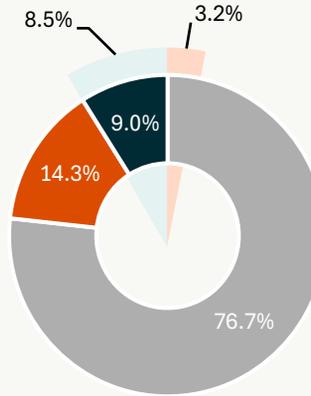
Global X Short-Term U.S. Treasury Premium Yield ETF



SPAY/SPAY.U¹

Distribution Yield	6.08%
Duration	1.75
YTM	4.11%
Option Yield	3.38%
Call Yield	2.28%
Put Yield	1.10%

Global X Short-Term Government Bond Premium Yield ETF

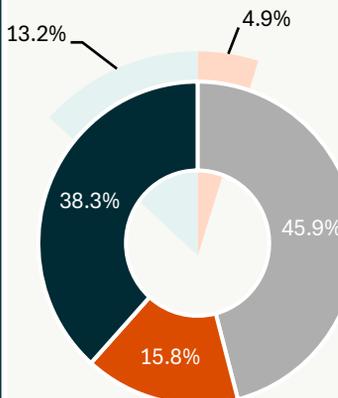


PAYS

Distribution Yield	5.09%
Duration	1.83
YTM	2.61%
Option Yield	3.38%
Call Yield	2.27%
Put Yield	1.11%

Mid

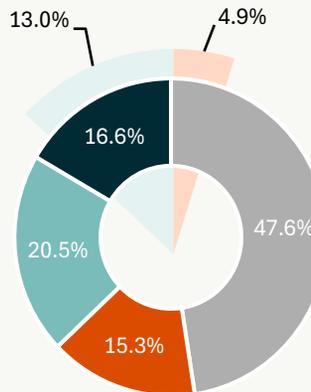
Global X Mid-Term U.S. Treasury Premium Yield ETF



MPAY/MPAY.U¹

Distribution Yield	8.04%
Duration	6.28
YTM	4.16%
Option Yield	5.17%
Call Yield	3.40%
Put Yield	1.77%

Global X Mid-Term Government Bond Premium Yield ETF

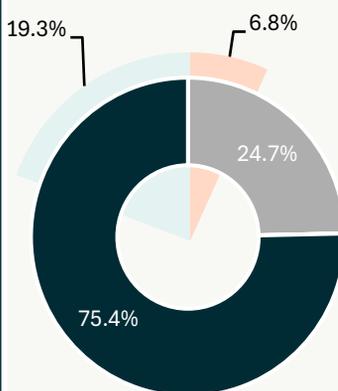


PAYM

Distribution Yield	6.75%
Duration	6.47
YTM	2.85%
Option Yield	5.09%
Call Yield	3.38%
Put Yield	1.71%

Long

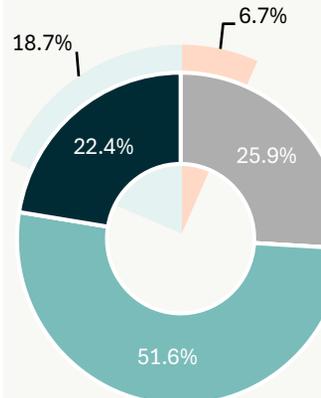
Global X Long-Term U.S. Treasury Premium Yield ETF



LPAY/LPAY.U¹

Distribution Yield	9.81%
Duration	11.78
YTM	4.23%
Option Yield	6.97%
Call Yield	4.68%
Put Yield	2.29%

Global X Long-Term Government Bond Premium Yield ETF



PAYL

Distribution Yield	8.24%
Duration	12.13
YTM	3.28%
Option Yield	6.90%
Call Yield	4.63%
Put Yield	2.27%

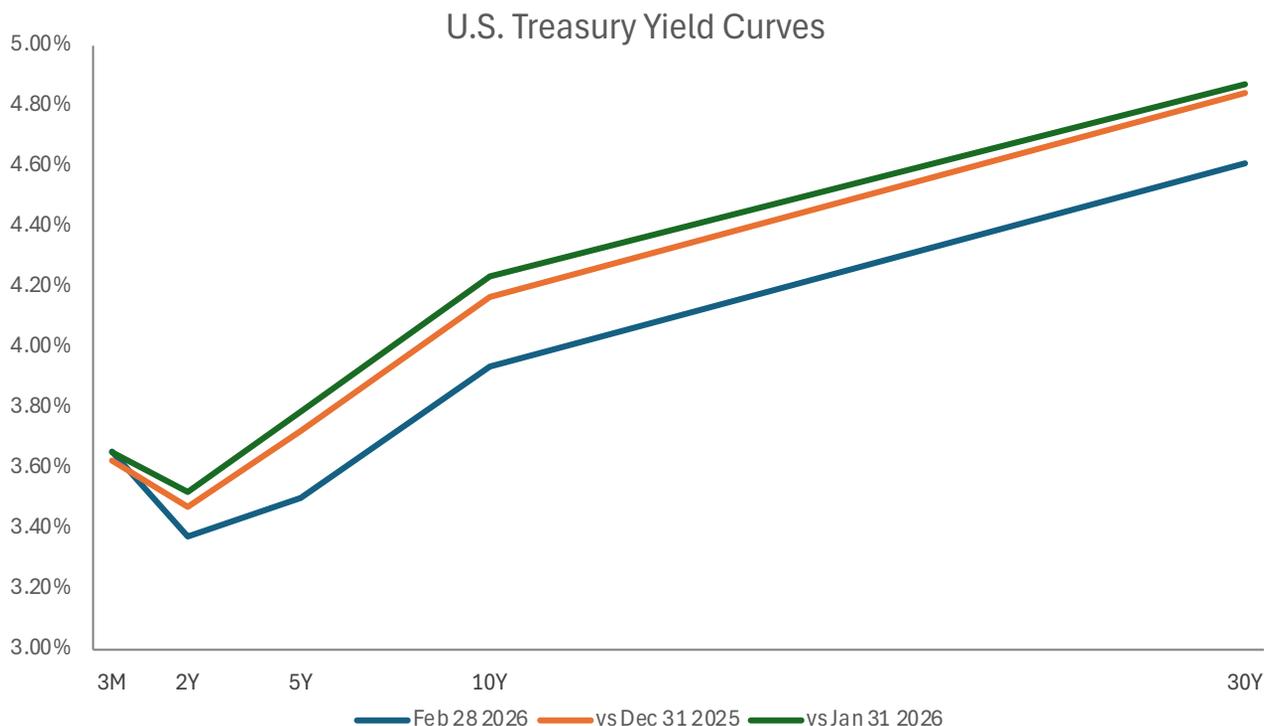
U.S./CA Ultra Short-Term
 U.S./CA Short-Term
 U.S. Long-Term
 CA Long-Term
 Put Options
 Call Options

Balance of Risk

Current Market Expectations	Funding 0-3 M	Front 3M – 2Y	Mid 2Y – 10Y	Long 10Y+
Fed (Monetary Policy)	↓	↓	↓	↔
Facing a challenging environment for their dual mandate, the U.S. Federal Reserve (the Fed) has chosen to prioritize labour weakness, leaving risks to inflation. Even though inflation is generally trending lower and stabilizing, it remains higher than previously expected and above historical averages. The fixed income derivatives market is currently pricing in 1.5 rate cuts in the second half of 2026. We continue to monitor the ongoing situation in Iran, as the conflict has direct implications to inflation, the major reason the market is pricing in less cuts in 2026 than previously.				
Non-Fed Regulatory Changes	↓	↓	↓	↓
As part of the deregulation push by the U.S. administration, the reduction in the Supplemental Leverage Ratio (SLR) would imply a cheaper cost for U.S. Banks to hold Treasuries on their balance sheets, adding to the demand for Treasuries. The introduction of the Genius Act sets forth a potential path towards a regulatory framework for stablecoins, including uses and governance. In an environment where stablecoins will need backing from traditional financial assets, Treasuries are a natural asset class to bridge that gap. Such a framework would be supportive for Treasuries.				
Economic Data	↔	↔	↔	↑
We isolate different drivers of the yield curve, where we observe the challenge faced by the Fed. Labour weakness and potential for slower economic growth will increase the likelihood for the Fed to cut rates, thus putting pressure on the front-end of the yield curve. The ongoing conflict with Iran will have direct and major global economic implications, and ongoing monitoring of the intensity and expected duration will be key to positioning throughout the crisis.				
Global Macro / Bonds Sovereign / Govt Credit			↑	↑
We continue to see global bond investors pricing in riskier outlooks as governments push for increased budgetary spending and fiscal stimulus measures, in part coming from the U.S. administration's stance on foreign policy. More notable impacts are on Germany and France, with Canada being impacted to a lesser degree. The Japanese economic environment is in a much different situation than the rest of the world, as the aggressive uptrend in yields over the last 2 years continues to make headlines.				
Safe Haven / Risk-Off			↓	
In a traditional risk-off environment, demand for U.S. Treasuries increases as it is viewed as a safe-haven asset. Although the Bond-Equity correlation has not been realized in recent cycles relative to historical averages, we continue to monitor it as a driver of 10-year yields.				

↑ Supportive for higher yields
 ↓ Pressure for lower yields
 ↔ Mixed / Offsetting Forces

Yield Curve



Treasuries	Feb 28, 2026	1M	3M	YTD
3m	3.66%	+0.3bps	-13.9bps	+3.0bps
2yr	3.37%	-14.8bps	-11.4bps	-9.8bps
5yr	3.50%	-28.6bps	-6.7bps	-22.4bps
10yr	3.94%	-29.8bps	-7.6bps	-23.0bps
30yr	4.61%	-26.2bps	-5.2bps	-23.3bps

The key theme for February was the equities vs Treasuries correlation. The markets had perceived bonds almost like a risk asset and positively correlated to equities, with more muted reactions in risk-off events. February saw the return of “normal” correlations, as U.S. Large Cap equities remained largely rangebound while Treasuries outperformed. What drove this shift in multi-asset correlations? Rising geopolitical tensions and the anticipation of conflict.

By mid-February, the U.S. military had built-up a large naval presence in and around the Middle East. At that stage, oil markets had already begun pricing in a premium, though, in hindsight, not fully enough. Meanwhile, the U.S. 10-year Treasury yield had declined by more than 20 basis points, while equities remained relatively stable and the VIX hovered around 18.

The situation changed rapidly following the initial strike on Iran on February 28, 2026. Energy prices sharply surged, pushing inflation expectations higher and triggering a reversal in yields. Looking forward, the market may shift back toward positive bond vs equity correlation, as both asset classes face potential headwinds, bonds from inflationary pressure linked to higher oil prices, and equities from the economic uncertainty associated with geopolitical conflict.

Annualized Performance

as at February 28, 2026

ETF Name	Ticker	6 Month (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	SIR ¹ (%)	Inception Date	Annualized Distribution Yield (%)
Global X Short-Term U.S. Treasury Premium Yield ETF	SPAY	1.52	0.28	-1.68	-	-	4.30	2023-10-05	6.08
Global X Short-Term U.S. Treasury Premium Yield ETF	SPAY.U²	2.21	0.91	4.28	-	-	4.62	2023-10-05	6.08
Global X Mid-Term U.S. Treasury Premium Yield ETF	MPAY	2.94	1.27	-1.77	-	-	4.80	2023-10-05	8.04
Global X Mid-Term U.S. Treasury Premium Yield ETF	MPAY.U²	3.65	1.90	4.18	-	-	5.12	2023-10-05	8.04
Global X Long-Term U.S. Treasury Premium Yield ETF	LPAY	4.67	2.62	-1.98	-	-	5.20	2023-10-05	9.81
Global X Long-Term U.S. Treasury Premium Yield ETF	LPAY.U²	5.38	3.26	3.96	-	-	5.53	2023-10-05	9.81
Global X Short-Term Government Bond Premium Yield ETF	PAYS	1.38	0.73	2.36	-	-	2.73	2024-05-22	5.09
Global X Mid-Term Government Bond Premium Yield ETF	PAYM	2.58	1.94	0.84	-	-	2.21	2024-11-07	6.75
Global X Long-Term Government Bond Premium Yield ETF	PAYL	4.16	3.48	-1.11	-	-	1.63	2024-11-07	8.24

Source: Global X Investments Canada Inc. as at February 28, 2026. ¹ Since Inception Return. | ² Trades in U.S. dollars. The indicated rates of return are the historical annual compounded total returns including changes in per unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. The rates of return shown in the table are not intended to reflect future values of the Global X Funds or returns on investment in the Global X Funds. Only the returns for periods of one year or greater are annualized returns.

Definitions

Annualized Distribution Yield

The most recent regular distribution (excluding additional year end distributions) annualized for frequency, divided by current NAV.

Duration

Is a measure of the Fund's sensitivity to changes in interest rates, calculated as of the last business day of the month according to the portfolio construction methodology.

YTM (Yield-To-Maturity)

The portfolio's weighted average* annualized yield-to-maturity of the underlying assets.

Option Yield

The annualized portfolio's weighted average* call + put option yield, based on trades completed during the month.

Call Yield

The annualized portfolio's weighted average* call option yield, based on trades completed during the month.

Put Yield

The annualized portfolio's weighted average* put option yield, based on trades completed during the month.

Target Allocations

The allocations noted below are for informational purposes only and indicate the strategic targets for each fund. The actual portfolio composition may vary from this target (within a certain range) based on market conditions.

ETF Name	Targets	SPAY	PAYS	MPAY	PAYM	LPAY	PAYL
iShares 20+ Year Treasury Bond ETF	TLT U.S. Coverage	10%	10%	15%	15%	20%	20%
BMO Long Federal Bond Index ETF	ZFL CN Long Term				20%		50%
Global X 20+ Year U.S. Treasury Bond Index ETF	TLTX/F CN Long Term		1%		5%		10%
Global X 20+ Year U.S. Treasury Bond Index ETF	TLTX/U CN Long Term	1%		25%		60%	
BMO Short Federal Bond Index ETF	ZFS CN Short Term		14%		15%		
Global X 1-3 Year U.S. Treasury Bond Index ETF	TSTX/U CN Short Term	14%		15%			
Global X 0-3 Month T-bill ETF	CBIL CN Ultra-Short Term		75%		45%		20%
Global X 0-3 Month U.S. T-bill ETF	UBIL/U CN Ultra-Short Term	75%		45%		20%	

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