

Income Potential While You Wait: Your 'Fixed Income' Fix for a Noisy Market

April 2026

TSTX

Global X 1-3 Year
U.S. Treasury Bond Index ETF

A short duration US Treasury ETF seeks to provide income, stability, lower rate risk when the policy path is still unclear.

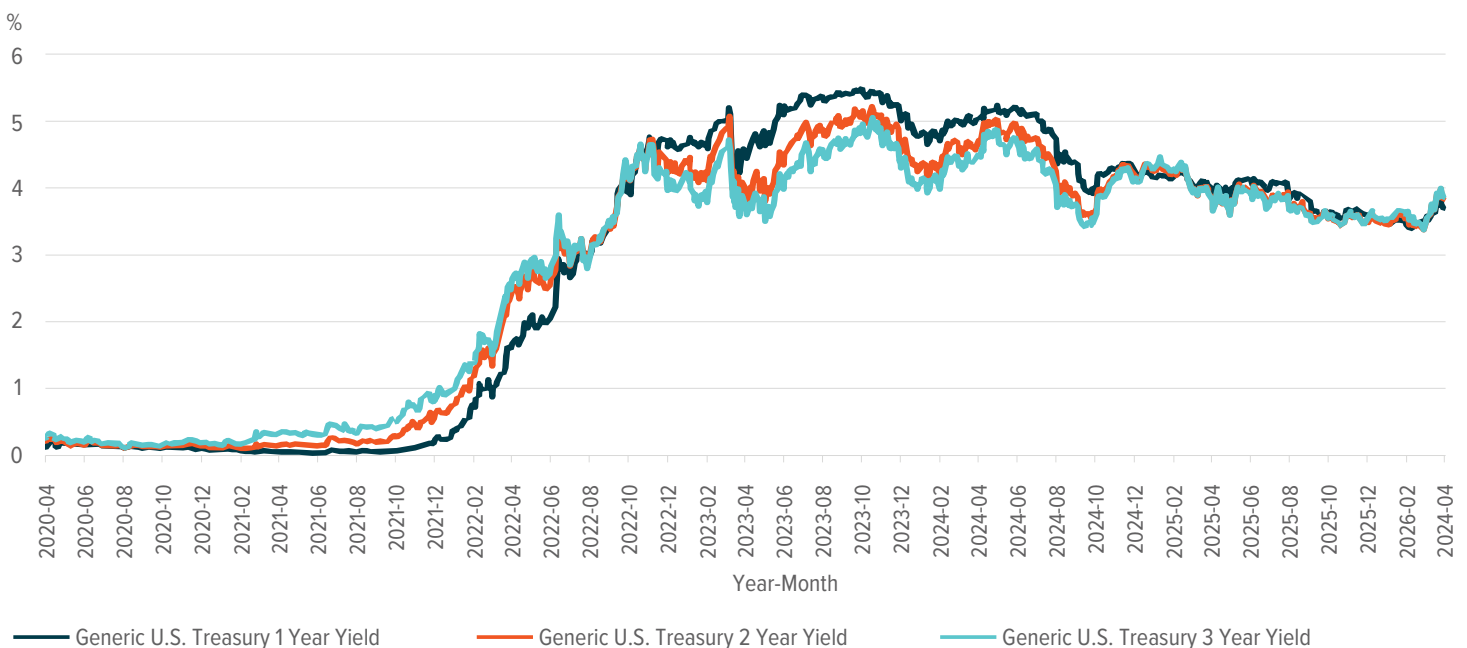
Lower Duration: A Defensive Anchor in Uncertain Markets **TSTX**

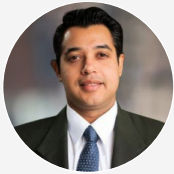
The short end of the US yield curve is back in the spotlight since markets have been re-pricing **higher rates** at the front end as **inflation concerns** and geopolitical events in the Middle East have pushed out the timing of Fed cuts. The 2-year Treasury Yield posted its biggest monthly increase since October 2024 as the heightened tensions ignited stagflation fears and investors reassessed the Fed policy path forward.

TSTX aligns with this rates environment as it holds US Treasuries with 1 to 3 years to maturity, providing **sovereign-backed liquidity** and **higher credit quality**, with lower interest-rate sensitivity vs. longer-dated bonds (however, they may still remain subject to some interest rate and market risks). This approach may allow investors to remain allocated to fixed income while earning regular distributions and managing duration risks (depending on their investment objectives, time horizon and risk tolerance) as we await the Fed's next move.

SHORT END TREASURY YIELDS HAVE CLIMBED MATERIALLY HIGHER VS ULTRA LOW LEVELS OF RECENT YEARS MARKET YIELDS (%) ON U.S. TREASURY SECURITIES AT CONSTANT MATURITY - ATTRACTIVE INCOME OVER SHORTER DURATION

Source: : Bloomberg, April 2, 2026.





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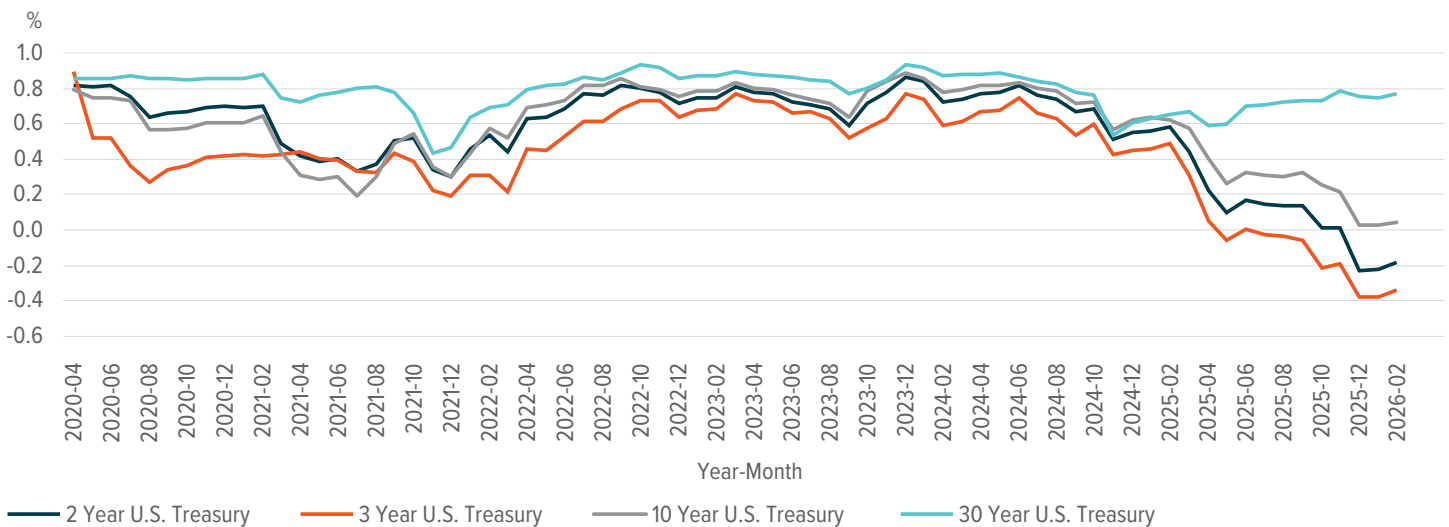
In a shifting interest rate environment with inflation risks. TSTX offers exposure to short-term U.S. Treasuries, historically less sensitive to rate changes than longer-duration bonds.

Paid To Wait

Short-term treasury yields remain elevated which can provide income opportunities while maintaining relatively low duration exposure. This part of the yield curve can offer a compelling trade-off, allowing investors to collect meaningful yield while maintaining low duration and reducing volatility if rates move higher. TSTX focuses on shorter-dated U.S. Treasuries, which have historically exhibited lower sensitivity to interest rate changes than longer-duration bonds. It offers purposeful income without taking on significant risk, since shorter-dated bonds tend to experience smaller price swings if yields move up further. While this may help lower price volatility in certain scenarios, the fund remains subject to some interest rate and market risks. This approach may be suitable for investors seeking income while managing duration, depending on their investment objectives and risk appetite.

LOW STOCK BOND CORRELATION OVER THE YEARS HEDGING EFFICACY OF BONDS HAS BECOME THE STRONGEST NEAR THE SHORT END

Source: : Bloomberg, April 2, 2026.



'Hedging Efficacy' Matters

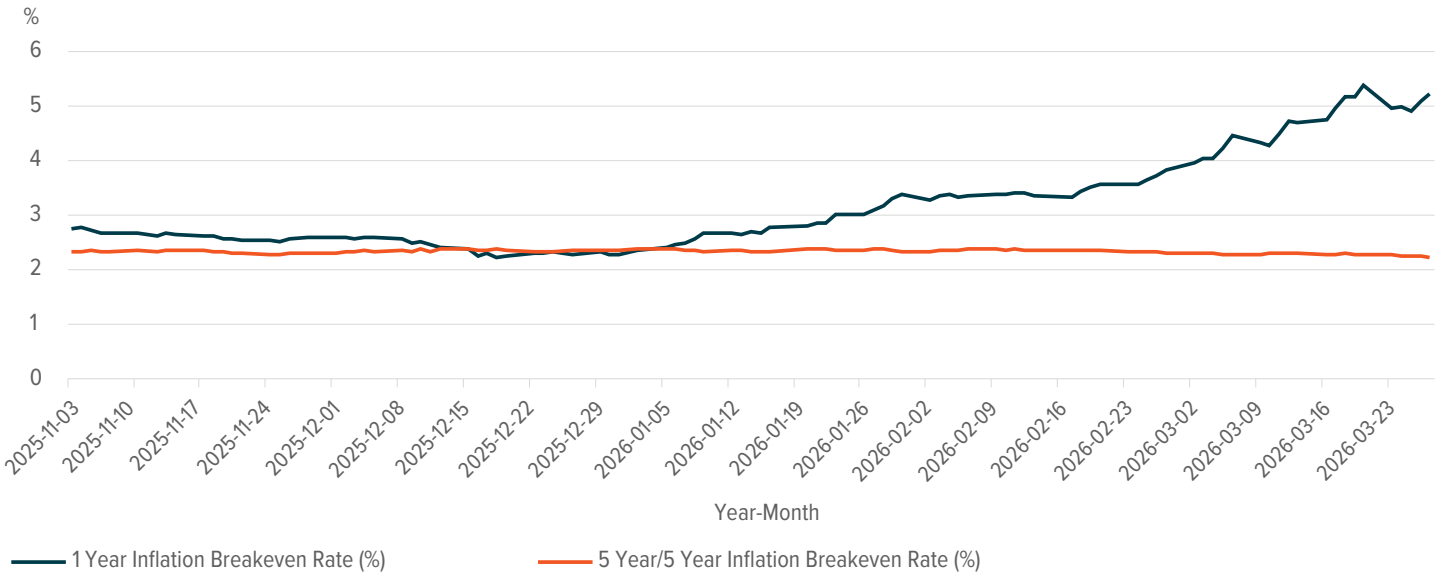
It simply means how well bonds can cushion equity market stress when risk assets get hit due to **geopolitical disruptions** and energy supply shocks. Bond **'stability'** works best near the front end of the curve. Short duration treasuries have historically provided more stable performance during periods of volatility and geopolitical uncertainty. That **defensive** profile is especially relevant in the current environment, where investors are prioritizing **ballast** alongside yield, offering a more protective income allocation with **limited rate sensitivity**.

Lower Credit Risks

Focused on sovereign, **government-backed** exposure helps minimize issuer and credit risks. The reason to avoid unnecessary duration is equally simple, if yields grind higher again, longer bonds typically drop more in price. **TSTX** may be used as part of a broader portfolio for investors seeking to maintain stable, fixed income with lower duration depending on their investment objectives, time horizon, and risk tolerance; as the market waits for greater clarity on geopolitics, energy supply and the next policy turn from the Feds.

NEAR TERM INFLATION EXPECTATIONS RISE WHILE LONG-RUN EXPECTATIONS HAVE MODERATED U.S. INFLATION BREAKEVEN RATES (%) OVER LAST 6 MONTHS

Source: Bloomberg, April 2, 2026.

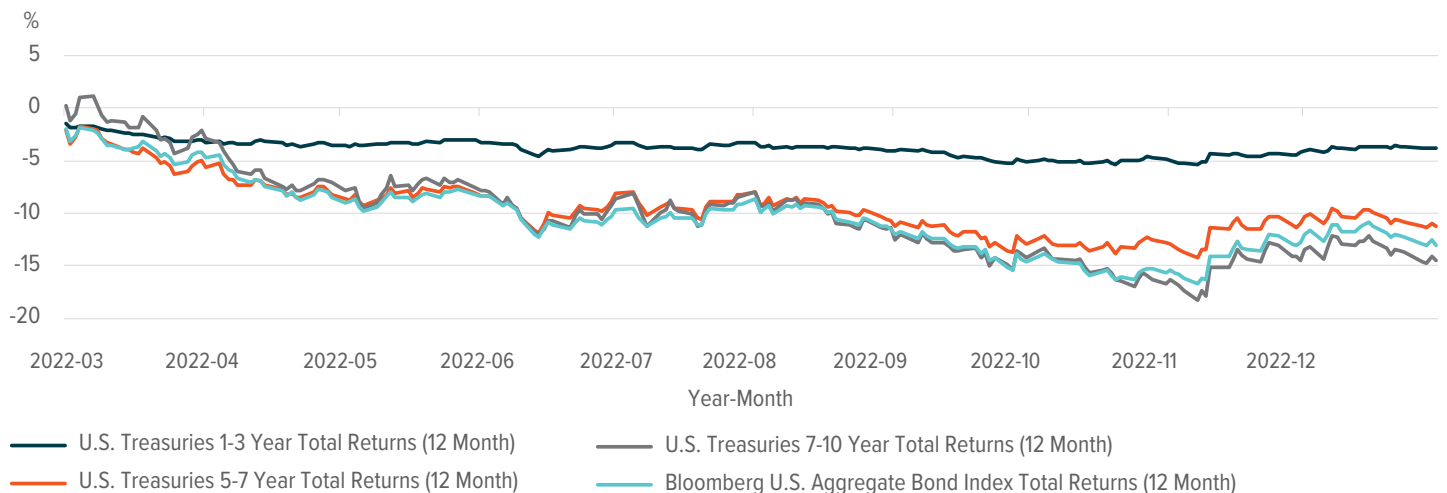


Bottom Line

While TSTX may not be a “reach for return” play. It is certainly a fool-proof “stay liquid, get paid and limit duration risk” trade.

PERFORMANCE DURING 2022 RATE HIKING CYCLE - TOTAL RETURNS (%) 1-3 YEAR TREASURIES CAN OFFER A DEFENSIVE TILT FOR INCOME PORTFOLIOS

Source: : Bloomberg, April 2, 2026.



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