

**GLOBAL X**

by Mirae Asset



# Premium Yield ETFs Monthly Report

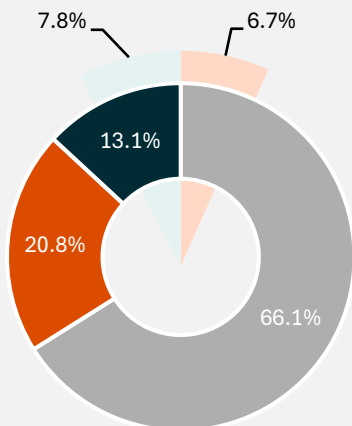
MAY 31, 2026

# Premium Yield Treasuries



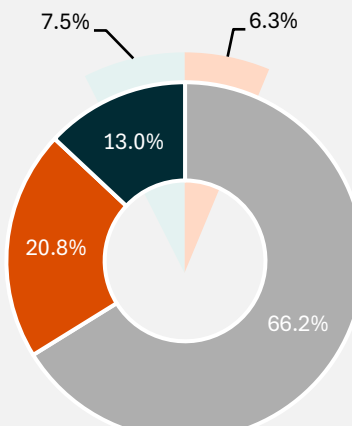
Short

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



SPAY/SPAY.U <sup>1</sup>	
Distribution Yield	6.14%
Duration	2.42
YTM	3.41%
Option Yield	3.76%
Call Yield	2.13%
Put Yield	1.63%

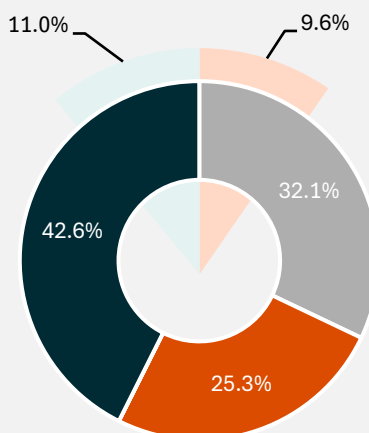
Global X Short-Term Government Bond Premium Yield ETF



PAYS	
Distribution Yield	5.15%
Duration	2.51
YTM	2.19%
Option Yield	3.85%
Call Yield	2.15%
Put Yield	1.70%

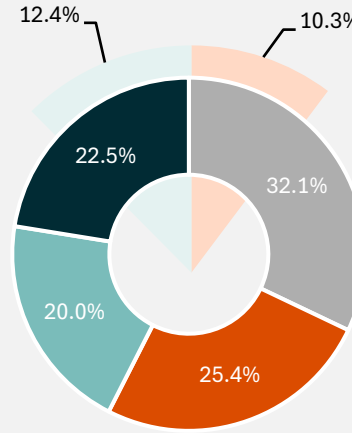
Mid

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



MPAY/MPAY.U <sup>1</sup>	
Distribution Yield	8.27%
Duration	7.06
YTM	3.81%
Option Yield	6.01%
Call Yield	3.40%
Put Yield	2.61%

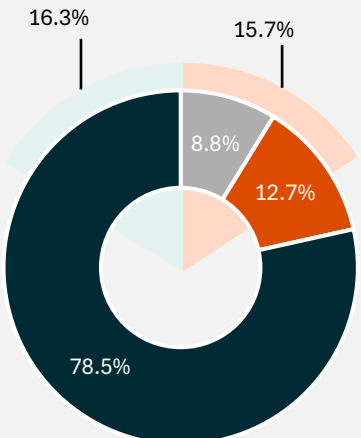
Global X Mid-Term Government Bond Premium Yield ETF



PAYM	
Distribution Yield	6.91%
Duration	7.32
YTM	2.61%
Option Yield	6.01%
Call Yield	3.38%
Put Yield	2.63%

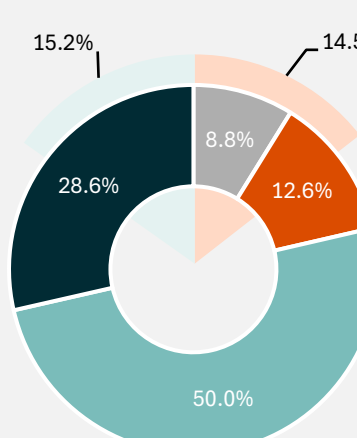
Long

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



LPAY/LPAY.U <sup>1</sup>	
Distribution Yield	10.25%
Duration	12.42
YTM	4.34%
Option Yield	8.95%
Call Yield	5.01%
Put Yield	3.94%

Global X Long-Term Government Bond Premium Yield ETF



PAYL	
Distribution Yield	8.53%
Duration	12.66
YTM	2.69%
Option Yield	9.36%
Call Yield	5.07%
Put Yield	4.29%

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+
<b>FED (Monetary Policy)</b>	↔	↔	↔	↔

In the face of the Middle East crisis, the Federal Reserve (FED) will likely remain cautious as the situation unfolds. Soaring energy prices could contribute to persistent inflationary pressures, but the FED also considers potential demand destruction for an extended conflict, which may also weigh on economic growth. Currently, the fixed income derivatives markets are pricing in the possibility of one additional rate hike by December 2026 supported by improving labour conditions.

<b>Non-FED Regulatory Changes</b>	↓	↓	↓	↓
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As part of the broader deregulation push by the U.S. administration, the reduction in the Supplemental Leverage Ratio (SLR) could imply a cheaper cost for banks to hold U.S. Treasuries on their balance sheets, which may support demand for Treasuries. The introduction of the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins Act) sets forth a potential path towards a regulatory framework for stablecoins, including uses and governance. In an environment where stablecoins are required to hold reserves in traditional financial assets, U.S. Treasuries could play a role to bridge that gap. Such a framework could provide support for Treasuries across the yield curve.

<b>Economic Data</b>	↔	↔	↔	↑
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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 could 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.

<b>Global Macro / Bonds Sovereign / Govt Credit</b>			↑	↑
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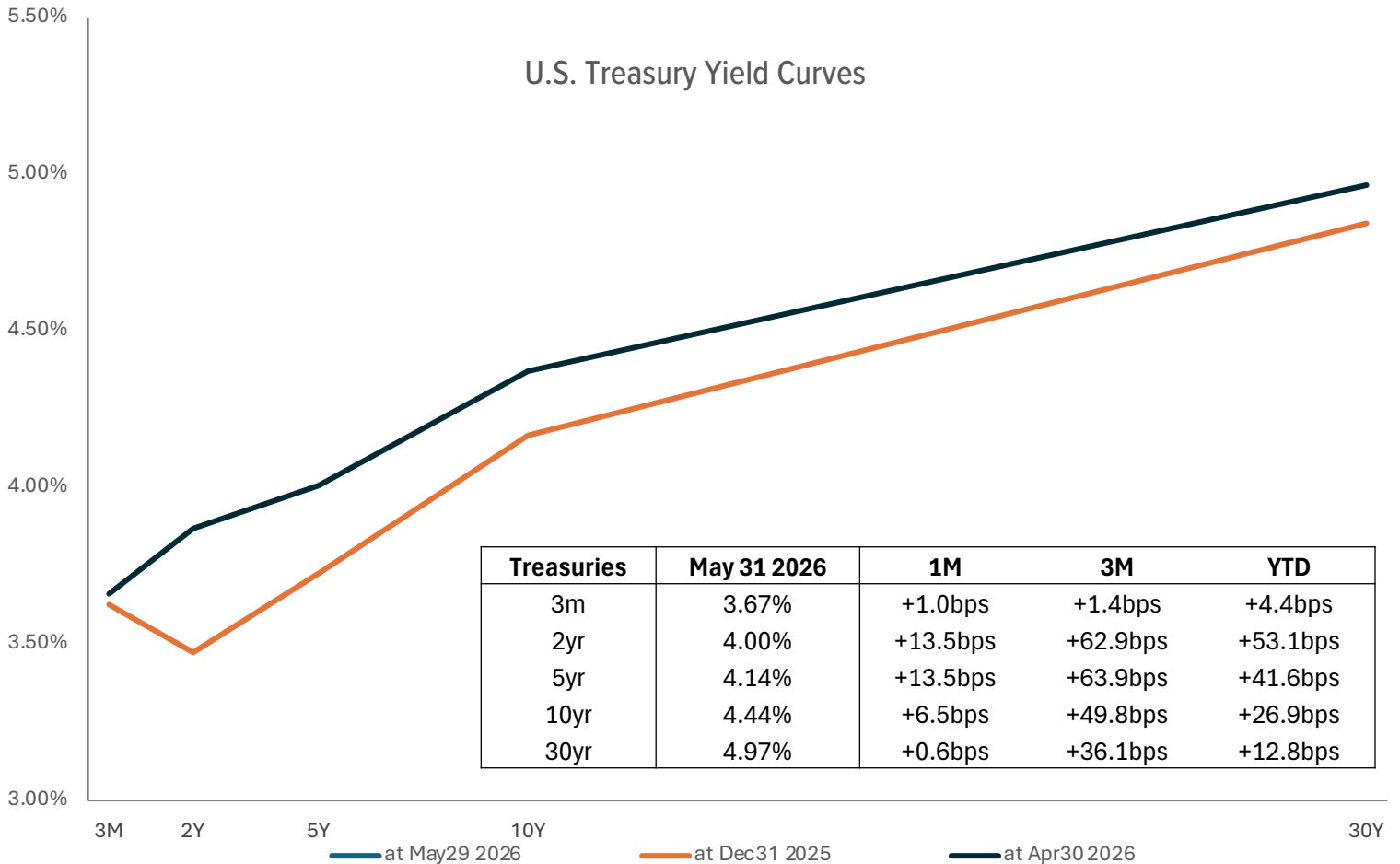
We continue to see global bond investors pricing in riskier outlooks as governments push for increased budgetary spending and fiscal stimulus measures, in part coming from the U.S. administration's stance on foreign policy. The ongoing conflict in Iran will impact global economies, which could vary from direct economic slowdowns for economies reliant on oil imports, to increased defense budgets.

<b>Safe Haven / Risk-Off</b>			↓	
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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. We do highlight the break in this historical correlation throughout the duration of the Iran conflict, as the energy supply shock poses a serious risk to inflation, thus behaving more like a risk asset.

↑ Supportive for Higher Yields    ↓ Pressure for Lower Yields    ↔ Mixed / Offsetting Forces

# Yield Curve



## Market Overview

May 2026 was marked by a significant Treasury selloffs, driven by the intersection of geopolitical shock, reaccelerating inflation, and a fundamental repricing of the FED's policy expectations. The Iran conflict and the Strait of Hormuz blockade contributed to higher oil prices, with crude moving above \$110/barrel, embedding a persistent energy-driven inflation premium across the curve.

The long end of the Treasury curve bore the brunt of the move: the 30-year yield touched 5.18% on May 19, a level not seen since the eve of the global financial crisis in 2007, while the 10-year briefly crossed 4.65%. Treasury auctions reflected the difficult environment, with the 10-year refunding drawing the weakest bid-to-cover since February and requiring a tail to clear. Fixed Income implied volatility measured by the MOVE Index, surged from 67 to 86, underscoring the degree of uncertainty around the interest rate trajectory.

With April Consumer Price Index (CPI) printing at 3.8% and core Personal Consumption Expenditures (PCE) at 3.3%, the Fed's path to rate cuts effectively closed, and by mid-month markets had begun pricing in the possibility of outright rate hikes. The OIS (Overnight Index Swap) curve shifted to price in the possibility of 25bps FED tightening within the next 9-12 months, and terminal rate expectations have moved to approximately 4.00% from around 3.00% prior to the Middle East conflict. The FED is expected to maintain a hawkish stance and remain on an extended pause through 2026, with potential rate cuts delayed until 2027.

# Annualized Performance

## As at May 31, 2026

ETF Name	Ticker	6 Month (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	SIR <sup>1</sup> (%)	Inception Date	Annualized Distribution Yield (%)
Global X Short-Term U.S. Treasury Premium Yield ETF	<b>SPAY</b>	-0.08	1.87	4.74	-	-	4.50	2023-10-04	6.14
Global X Short-Term U.S. Treasury Premium Yield ETF	<b>SPAY.U<sup>2</sup></b>	1.26	1.42	4.26	-	-	4.38	2023-10-04	6.14
Global X Mid-Term U.S. Treasury Premium Yield ETF	<b>MPAY</b>	-1.10	1.59	5.39	-	-	4.46	2023-10-04	8.27
Global X Mid-Term U.S. Treasury Premium Yield ETF	<b>MPAY.U<sup>2</sup></b>	0.22	1.14	4.91	-	-	4.33	2023-10-04	8.27
Global X Long-Term U.S. Treasury Premium Yield ETF	<b>LPAY</b>	-2.03	1.73	6.40	-	-	4.35	2023-10-04	10.25
Global X Long-Term U.S. Treasury Premium Yield ETF	<b>LPAY.U<sup>2</sup></b>	-0.71	1.28	5.91	-	-	4.23	2023-10-04	10.25
Global X Short-Term Government Bond Premium Yield ETF	<b>PAYS</b>	0.42	0.88	2.55	-	-	2.47	2024-05-21	5.15
Global X Mid-Term Government Bond Premium Yield ETF	<b>PAYM</b>	-0.43	1.30	2.25	-	-	1.44	2024-11-06	6.91
Global X Long-Term Government Bond Premium Yield ETF	<b>PAYL</b>	-1.28	2.06	1.89	-	-	0.47	2024-11-06	8.53

Source: Global X Investments Canada Inc. as at May 31, 2026. <sup>1</sup> Since Inception Return. <sup>2</sup> 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.

# Target Weights

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

\*Reflects target allocation to TLT US and percentage of call coverage and put coverage.

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