HAF: Global X Active Global Fixed Income

	YTD	1 MO	3 MO	6 MO	1 YR	2 YR	3YR	5 YR	Rank 1 YR	Rank 3 YR	Rank 5 YR
HAF ETF	3.01	0.97	0.63	2.89	3.80	4.12	5.66	2.65	80	52	40
Bloomberg Global Agg Hedged CAD	0.08	0.50	-1.30	-0.29	1.98	3.29	3.00	0.00	-	-	–
Peers	YTD	1 MO	3 MO	6 MO	1 YR	2 YR	3YR	5 YR	Rank 1 YR	Rank 3 YR	Rank 5 YR
PIMCO Monthly Income ETF	0.38	0.56	-0.93	0.67	6.85	6.59	6.61	3.23	12	29	28
IA Clarington Loomis Global Bd ETF	-0.05	0.12	-1.45	-0.09	4.61	5.91	5.18	-	63	64	-
Purpose Global Bond ETF	1.32	1.05	0.38	1.44	5.84	7.42	7.38	3.42	30	17	22
Mackenzie Unconstrained Bond ETF	0.40	0.36	-0.93	-0.11	3.94	4.67	4.91	1.84	74	75	56

	Yield	Duration
HAF ETF	6.48%	6.57 years

Fixed Income Market Update: May 2026

Investor sentiment thrived in May, with unrelenting enthusiasm around the artificial intelligence (AI) boom and lingering hopes for a truce between the United States and Iran buttressing risk appetite. Still, the situation remains fragile. With the Strait of Hormuz effectively closed for a third month, stagflationary risks are looming large. Fixed income markets also generated positive results. In the United States, treasury yields pushed broadly higher. A growing chorus of Federal Reserve officials have pivoted towards a more hawkish stance amid mounting inflationary risks. Traders brought rate hike pricing forward in response, with the market consolidating around the view that the next move from the Federal Reserve will be a rate hike. By contrast, Canadian government bond yields edged lower following a softer-than-expected reading on both growth and inflation. That saw traders rein-in their wagers for Bank of Canada rate hikes this year. For the month, the Bloomberg US Aggregate Bond Index rose just 0.3% - while the FTSE Canada Bond Universe advanced 1.4%.

Performance Commentary (gross of fees)

The Strategy returned 1.00% in May, overperforming the benchmark (Bloomberg Global Aggregate – Hedged to CAD) and adding 50 basis points of added value.

Outlook & Investment Strategy

May was another solid month for the Global X Active Global Fixed Income ETF. The portfolio is now up 3.32% year-to-date, outperforming the benchmark by 324 basis points.

Global interest rates continue to seek an equilibrium between two competing forces: rising inflation expectations driven by the conflict in Iran, and the growing risk of a macroeconomic slowdown that this geopolitical friction could precipitate. Our rate positioning successfully navigated this volatility, with our long-duration exposure on the UK Gilts curve contributing positively to our relative outperformance. On the emerging market front, Colombia served as a key performance driver. Colombian credit spreads tightened significantly over the month, and we expect this outperformance to continue as the market digests the continuity following the first round of elections.

Within the investment-grade and high-yield spaces, we maintain our conviction in the aerospace and defense sectors, while continuing to identify compelling relative value in securitized assets.

Looking at the broader macroeconomic environment, we remain comfortable with our defensive, long-duration positioning. We are particularly focused on the USD and GBP curves, alongside the long end of the Japanese yield curve, to balance the shifting inflation and growth risks.

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