GLOBAL X
by Mirae Asset

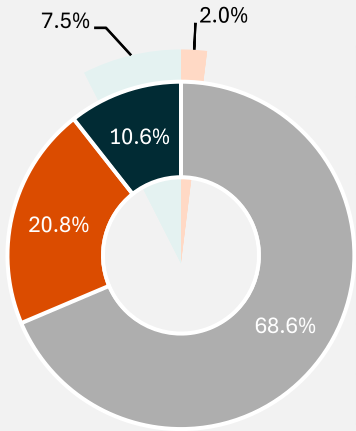
# Premium Yield ETFs Monthly Report

AUGUST 31, 2026

# Premium Yield Treasuries

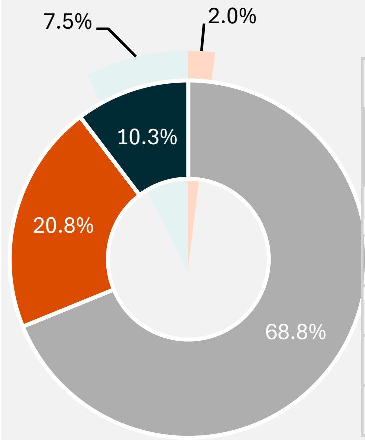
## Short

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




| SPAY/SPAY.U[1] | |
|---|---|
| **Distribution Yield** | **6.20%** |
| Duration | 1.99 |
| YTM | 3.70% |
| Option Yield | 2.23% |
| Call Yield | 1.82% |
| Put Yield | 0.41% |

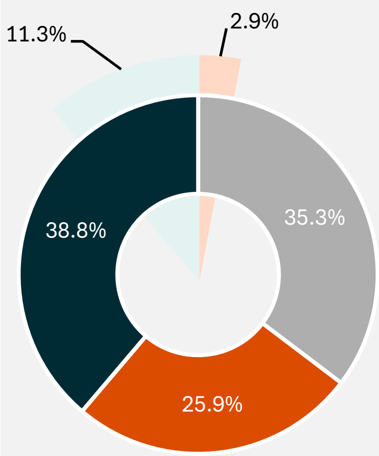
### Global X Short-Term Government Bond Premium Yield ETF




| PAYS | |
|---|---|
| **Distribution Yield** | **5.21%** |
| Duration | 2.09 |
| YTM | 2.54% |
| Option Yield | 2.27% |
| Call Yield | 1.85% |
| Put Yield | 0.41% |

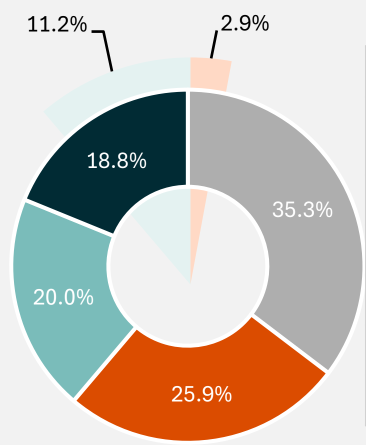
## Mid

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




| MPAY/MPAY.U[1] | |
|---|---|
| **Distribution Yield** | **8.49%** |
| Duration | 6.38 |
| YTM | 4.17% |
| Option Yield | 3.31% |
| Call Yield | 2.69% |
| Put Yield | 0.62% |

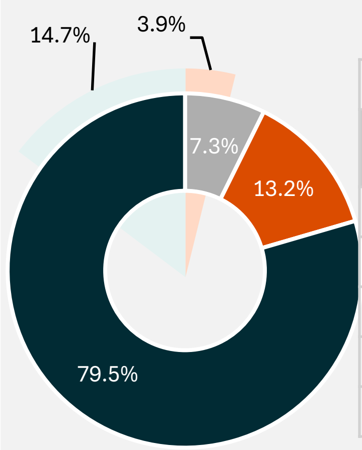
### Global X Mid-Term Government Bond Premium Yield ETF




| PAYM | |
|---|---|
| **Distribution Yield** | **7.12%** |
| Duration | 6.69 |
| YTM | 3.00% |
| Option Yield | 3.38% |
| Call Yield | 2.76% |
| Put Yield | 0.63% |

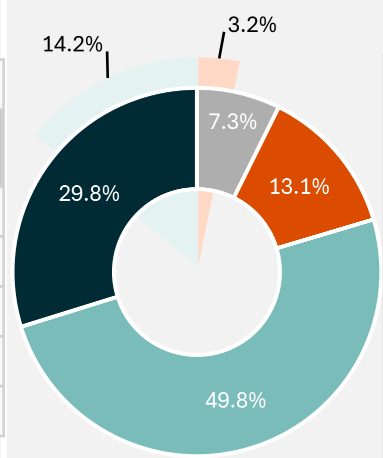
## Long

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




| LPAY/LPAY.U[1] | |
|---|---|
| **Distribution Yield** | **10.74%** |
| Duration | 12.29 |
| YTM | 4.70% |
| Option Yield | 4.40% |
| Call Yield | 3.59% |
| Put Yield | 0.82% |

### Global X Long-Term Government Bond Premium Yield ETF




| PAYL | |
|---|---|
| **Distribution Yield** | **9.00%** |
| Duration | 12.68 |
| YTM | 3.52% |
| Option Yield | 4.39% |
| Call Yield | 3.61% |
| Put Yield | 0.78% |

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

GLOBAL X by Mirae Asset

Source: Global X Canada and Bloomberg. As at August 31, 2026.
[1] Trades in U.S. dollars

# Balance of Risk

| Current Market Expectations | Funding 0-3 M | Front 3M – 2Y | Mid 2Y – 10Y | Long 10Y+ |
|---|---|---|---|---|
| **Federal Reserve (Fed) (Monetary Policy)** | ↑ | ↑ | ↔ | ↔ |

The inflation and labour data released during August prompted a visible split among Fed officials. Several policymakers (including Kansas City Fed President Jeffrey Schmid and Cleveland Fed President Beth Hammack) argued that current policy may not sufficiently restrictive and have been in favour of raising rates, citing inflation still well above the 2% target. On the other hand, Chicago Fed President Austan Goolsbee took a more measured tone, noting that recent inflation readings have been a little bit better, but that inflation remains too high.

| | | | | |
|---|---|---|---|---|
| **Non-Fed Regulatory Changes** | ↓ | ↓ | ↓ | ↓ |

Treasury Secretary Scott Bessent has been using an expanded debt buyback program to attempt to cap the rise in long-end Treasury yields. On Aug 19, the Treasury surprised markets by announcing it would at least double the size of its longer-dated buyback operations, framing the move as an effort to push the bond market back toward equilibrium. The initial reaction saw long bonds rallied on the extra demand but reversed into month-end as markets felt the buyback commitments were too small compared to the total size of outstanding long-dated Treasuries.

| | | | | |
|---|---|---|---|---|
| **Economic Data*** | ↑ | ↑ | ↔ | ↔ |

The U.S. lost around 23,000 jobs in July, a significant miss from the 80,000 expected gains economists predicted, and both May and June job numbers were revised down. Unemployment ticked down to 4.1% from June, as more people leave the labor force, not necessarily because hiring is booming. At the same time, inflation is still running hot at 3.5% annually (well above the Fed's 2% target), but trending back lower following the March-May inflation spike brought on by the conflict in the Middle East.

| | | | | |
|---|---|---|---|---|
| **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. The ongoing conflict in Iran will impact global economies, with potential varying effects ranging from direct economic slowdowns for economies reliant on oil imports to increased defence budgets.

| | | | | |
|---|---|---|---|---|
| **Safe Haven / Risk-Off** | | | ↓ | |

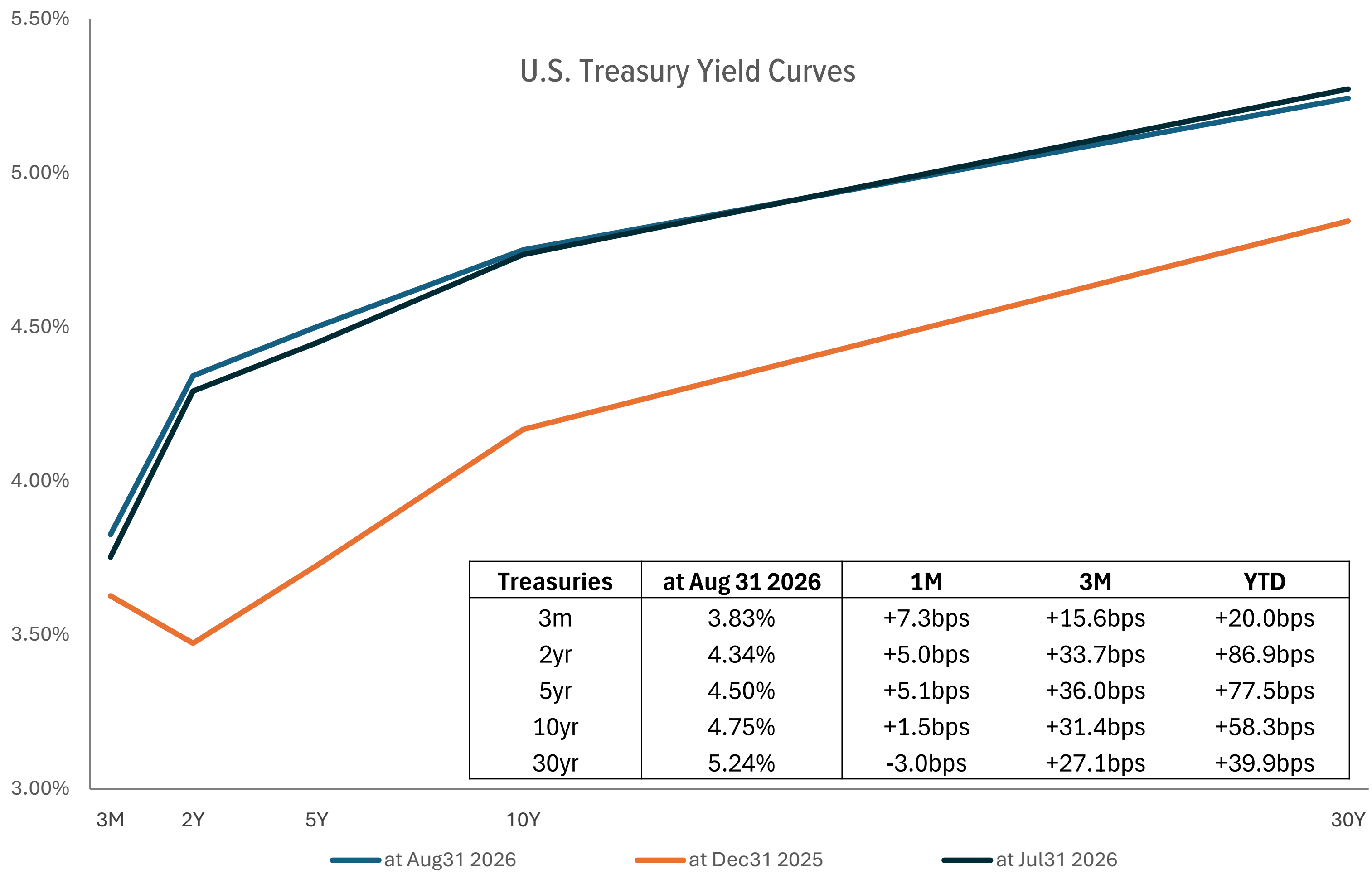
In a traditional risk-off environment, demand for U.S. Treasuries can increase as it is viewed as a safe-haven asset. Although the Bond-Equity correlation has not been realized in recent cycles relative to historical averages, we continue to monitor it as a driver of 10-year yields. Since Chair Warsh's hawkish comments in the July FOMC meeting, bond-equity correlation has normalized slightly, but noting that geopolitical risk in the Middle East will continue to weigh heavily on the long-end bonds.

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



*U.S. Bureau of Labor Statistics. As at August 7, 2026.
Source: Global X Canada and Bloomberg. As at August 31, 2026.

# Yield Curve




| Treasuries | at Aug 31 2026 | 1M | 3M | YTD |
|---|---|---|---|---|
| 3m | 3.83% | +7.3bps | +15.6bps | +20.0bps |
| 2yr | 4.34% | +5.0bps | +33.7bps | +86.9bps |
| 5yr | 4.50% | +5.1bps | +36.0bps | +77.5bps |
| 10yr | 4.75% | +1.5bps | +31.4bps | +58.3bps |
| 30yr | 5.24% | -3.0bps | +27.1bps | +39.9bps |

## Market Overview

The US Yield curve flatten over the month of August, with the front-end moving higher by roughly +5 bps on the back of greater rate hike expectations while the US30s moved lower by roughly 3 bps. The fixed income derivatives market is currently pricing in half a hike (approximately 12.5 bps of additional tightening) for the September meeting and a full 25bps hike for the October meeting.

By August 19, long bonds rallied on the back of Treasury Secretary Bessent's comments to buyback long bonds as a yield management tool*, which pushed front-end yields higher. This initial move in long-end Treasuries mostly reversed during the Jackson Hole Symposium as Fed Chair Warsh's speech was interpreted as hawkish, leading to additional yield curve flattening. Between the August 19 announcement and month-end, US 5s30s flattened roughly 30 bps, very significant compared to historical average movements.

The conflict in the Middle East intensified into month-end, pushing Brent close to $90/bbl (near $100 at the time of writing). We continue to monitor both, the conflict because of its potential implications on inflation and growth, and Bessent's buyback program as it impacts supply-demand dynamics of Treasuries.



*U.S. Department of the Treasury. As at August 19, 2026.
Source: Global X Canada and Bloomberg. As at August 31, 2026.

# Annalized Performance

## As at August 31, 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 | 2.58 | 2.87 | 4.14 | - | - | 4.45 | 2023-10-04 | 6.20 |
| Global X Short-Term U.S. Treasury Premium Yield ETF | SPAY.U[2] | 0.96 | 1.88 | 3.20 | - | - | 4.15 | 2023-10-04 | 6.20 |
| Global X Mid-Term U.S. Treasury Premium Yield ETF | MPAY | 0.25 | 1.52 | 3.20 | - | - | 4.03 | 2023-10-04 | 8.49 |
| Global X Mid-Term U.S. Treasury Premium Yield ETF | MPAY.U[2] | -1.34 | 0.54 | 2.26 | - | - | 3.73 | 2023-10-04 | 8.49 |
| Global X Long-Term U.S. Treasury Premium Yield ETF | LPAY | -2.32 | 0.23 | 2.23 | - | - | 3.43 | 2023-10-04 | 10.74 |
| Global X Long-Term U.S. Treasury Premium Yield ETF | LPAY.U[2] | -3.87 | -0.74 | 1.31 | - | - | 3.13 | 2023-10-04 | 10.74 |
| Global X Short-Term Government Bond Premium Yield ETF | PAYS | 0.23 | 0.97 | 1.62 | - | - | 2.23 | 2024-05-21 | 5.21 |
| Global X Mid-Term Government Bond Premium Yield ETF | PAYM | -1.92 | 0.00 | 0.62 | - | - | 0.51 | 2024-11-06 | 7.12 |
| Global X Long-Term Government Bond Premium Yield ETF | PAYL | -4.41 | -1.08 | -0.43 | - | - | -1.31 | 2024-11-06 | 9.00 |

Source: Global X Investments Canada Inc. as at August 31, 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.

GLOBAL X
by Mirae Asset

# 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.



*3-month trailing average

# Target Weights

| ETF Name | Targets | | SPAY | PAYS | MPAY | PAYM | LPAY | PAYL |
|---|---|---|---|---|---|---|---|---|
| iShares 20+ Year Treasury Bond ETF | **TLT US** | Long Term* | 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% | |

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

# Disclaimer

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 Global X Money Market Funds are not covered by the Canada Deposit Insurance Corporation, the Federal Deposit Insurance Corporation, or any other government deposit insurer. There can be no assurances that the money market fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the Funds will be returned to you. Past performance may not be repeated. The prospectus contains important detailed information about the Global X Funds. Please read the relevant prospectus before investing.

Certain statements may constitute a forward-looking statement, including those identified by the expression “expect” and similar expressions (including grammatical variations thereof). The forward-looking statements are not historical facts but reflect the author’s current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking statements. These forward-looking statements are made as of the date hereof and the authors do not undertake to update any forward-looking statement that is contained herein, whether as a result of new information, future events or otherwise, unless required by applicable law.

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.

All comments, opinions and views expressed are generally based on information available as of the date of publication and should not be considered as advice to purchase or to sell mentioned securities. Before making any investment decision, please consult your investment advisor or advisors.

Global X Investments Canada Inc. (“Global X”) is a wholly-owned subsidiary of Mirae Asset Global Investments Co., Ltd. (“Mirae Asset”), the Korea-based asset management entity of Mirae Asset Financial Group. Global X is a corporation existing under the laws of Canada and is the manager, investment manager and trustee of the Global X Funds.



Published Sept 11, 2026.