

GLOBAL X

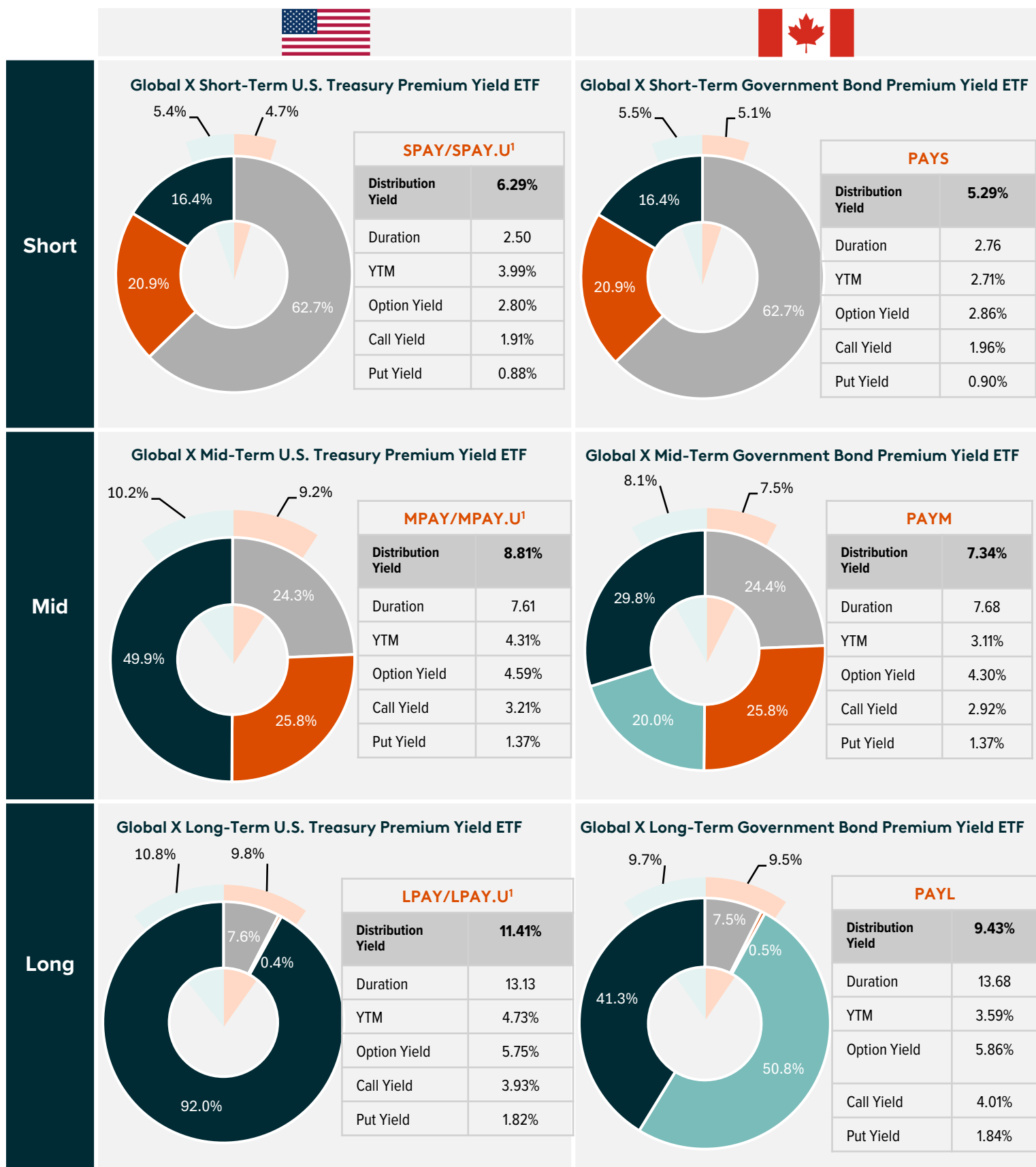
by Mirae Asset



Premium Yield ETFs Monthly Report

SEPTEMBER 30, 2026

Premium Yield Treasuries



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+
-----------------------------	------------------	------------------	-----------------	--------------

Federal Reserve (Fed) (Monetary Policy)*



The Fed delivered a 25bp rate hike based on a unanimous committee vote on September 16, 2026, taking the policy rate to 3.75% - 4.00%, citing elevated inflation driven by higher energy prices and persistent supply disruptions. The updated dot plot signaled at least one additional 25bp hike by year-end 2026 and as of month-end, the fixed income derivatives market is pricing in that hike for the December meeting. Fed Chair Warsh attributed the rise in long-term yields to three factors: a strengthening economy supporting higher real yields, increased capital demand from technology and AI firms, and heightened geopolitical risks in energy markets and global trade.

US Administration (non-Fed)



Effective September 9, the US Treasury doubled the maximum size of long-end liquidity-support buybacks from \$2bn to at least \$4bn per operation to manage longer-end yields as part of their greater debt management approach. Despite this intervention, investors remained anchored in their long-end positioning as a hedge against Iran-driven inflation, Treasury supply, fiscal risk, and term premium. In addition, the proposal by President Trump to send \$5,000 to every adult US citizen as part of a broader pre-midterm push would add to the debt burden and has drawn scrutiny.

Economic Data**



August nonfarm payrolls saw ~162k jobs added, topping all estimates and surveys, and well above the prior month's revised decline of ~23k. The unemployment rate held steady at 4.1%, and the labor force participation rate rose to 61.6%, all supportive of a Fed hike. All inflation gauges (Consumer Price Index, Producer Price Index, Personal Consumption Expenditure) remained elevated and above the Fed's 2% target. S&P Global PMI reports were released Sep. 23 and came in strong, re-pricing growth expectations higher.

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 defense budgets.

Safe Haven / Risk-Off



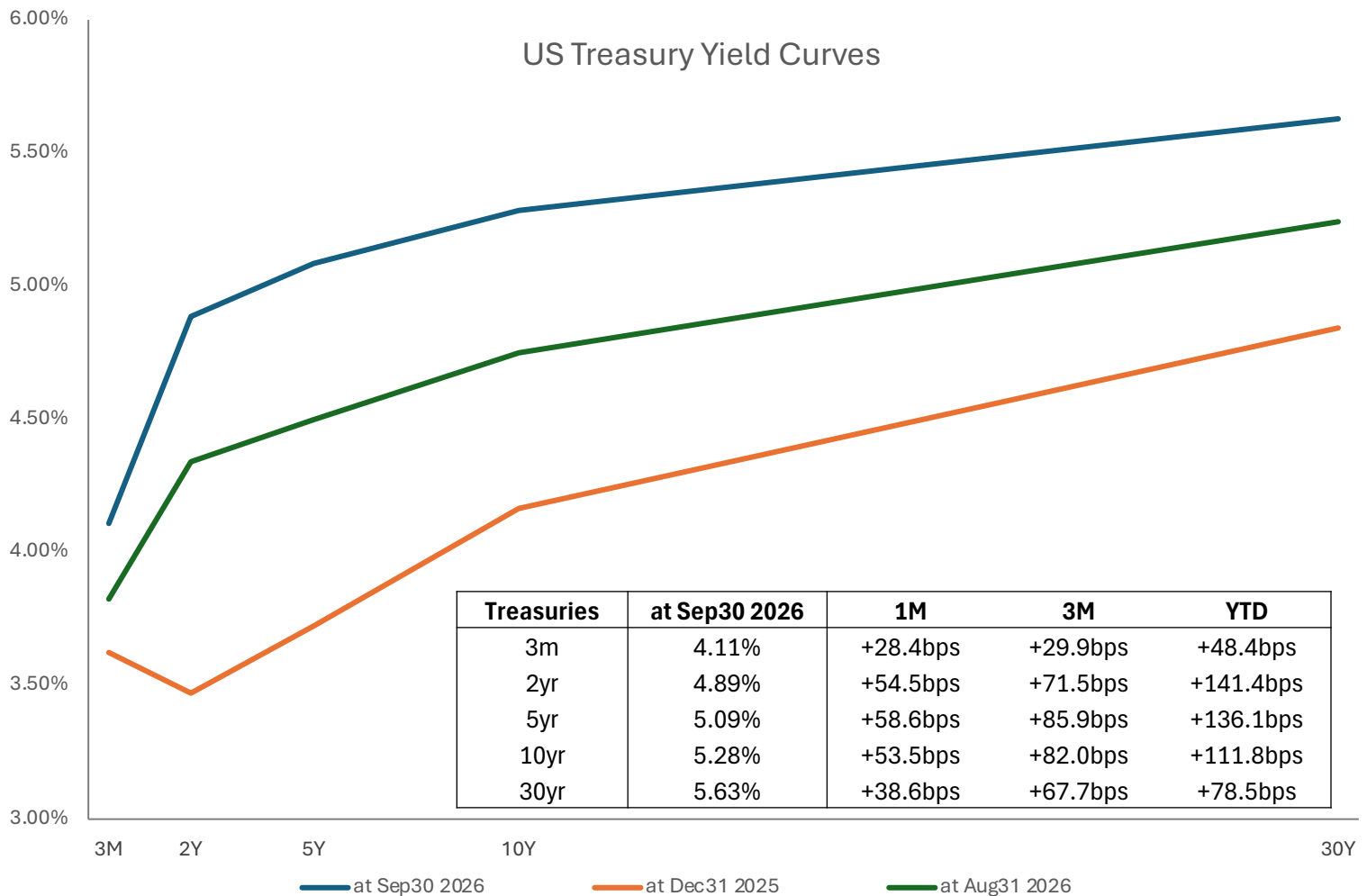
In a traditional risk-off environment, demand for U.S. Treasuries can increase as it is viewed as a safe-haven asset. Although the Bond-Equity correlation has not been realized in recent cycles relative to historical averages, we continue to monitor it as a driver of 10-year yields. Having said that, September economic data reinforces a risk-on environment in financial markets.

 Supportive for Higher Yields

 Pressure for Lower Yields

 Mixed / Offsetting Forces

Yield Curve



Market Overview

The U.S. Treasury Yield curve experience extreme volatility over the month, with the 2s30s curve flattening a little more than 30bps in the September before fully reversing following the strong S&P Global PMI reports which pointed to stronger economic growth than expected.* This growth served as a catalyst to push the US 10y above the 5% level, previously seen as a supporting level for bonds.

Although economic theory suggests to not hike rates in a supply shock (which reflects the current situation in the energy markets due to the conflict in the Middle East), the need to hike was present before the conflict started. The market also interpreted the decision as a “credibility hike” on the part of the Fed, due to the previous concerns of Fed Chair Warsh and his ties to the U.S. Administration. The hawkish narrative remained present during the abbreviated press conference and was consistent with the Jackson Hole conference in late August.

Taken together, September's data flow told a consistent story: a labor market with more resilience than feared, inflation that remained structurally above target driven by energy and tariffs, and growth running well above consensus. A combination that validated the Fed's hike and kept the entire yield curve under upward pressure throughout the month. The long end bore the additional burden of term premium expansion, fiscal concerns, and weakening foreign demand, driving the 30Y to its highest level since 2002 by month-end.

Annualized Performance

As at September 30, 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	2.35	4.72	3.94	-	-	4.95	2023-10-04	6.29
Global X Short-Term U.S. Treasury Premium Yield ETF	SPAY.U²	0.04	0.99	1.65	-	-	3.73	2023-10-04	6.29
Global X Mid-Term U.S. Treasury Premium Yield ETF	MPAY	-1.06	1.30	-0.01	-	-	3.84	2023-10-04	8.81
Global X Mid-Term U.S. Treasury Premium Yield ETF	MPAY.U²	-3.29	-2.31	-2.22	-	-	2.64	2023-10-04	8.81
Global X Long-Term U.S. Treasury Premium Yield ETF	LPAY	-4.89	-2.18	-4.18	-	-	2.50	2023-10-04	11.41
Global X Long-Term U.S. Treasury Premium Yield ETF	LPAY.U²	-7.03	-5.66	-6.29	-	-	1.31	2023-10-04	11.41
Global X Short-Term Government Bond Premium Yield ETF	PAYS	-0.72	-0.12	-0.02	-	-	1.68	2024-05-21	5.29
Global X Mid-Term Government Bond Premium Yield ETF	PAYM	-3.10	-2.36	-3.22	-	-	-0.76	2024-11-06	7.34
Global X Long-Term Government Bond Premium Yield ETF	PAYL	-5.85	-4.82	-6.83	-	-	-3.24	2024-11-06	9.43

Source: Global X Investments Canada Inc. as at September 30, 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.

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.

© 2026 Global X Investments Canada Inc. All Rights Reserved.

Published October 14, 2026.