



SPQH LN
IE000EPX8KB7

Global X S&P 500 Quarterly Tail Hedge UCITS ETF

RISK
MANAGEMENT



A fund that, on a calendar quarterly basis, aims to protect against 9% of losses (between -3% and -12%) whilst simultaneously offering some participation in the potential price appreciation of the S&P 500, up to a cap. This exposure is achieved through buying and selling options on the S&P 500.

For Professional Investors only.

FUND DETAILS

Inception Date	21 February 2023
Total Expense Ratio	0.50%
Ongoing Charges	0.50%
Swap Fee	-0.07%
Primary ISIN	IE000EPX8KB7
Primary Ticker	SPQH LN
SFDR Classification	Article 6
Underlying Index	S&P 500 15% WHT Index

While markets tend to rise over the long term, there are opportunities for investors to possibly endure a less volatile experience. Using a defined-outcome strategy within a portfolio could provide a way to mitigate potential downside risks while also participating in rising markets, up to a cap. With an explicit level of downside protection over the life of the options overlay, defined-outcome strategies have historically been utilized by investors to minimize equity volatility while avoiding the duration risks of fixed income securities to stay invested in equities for longer.

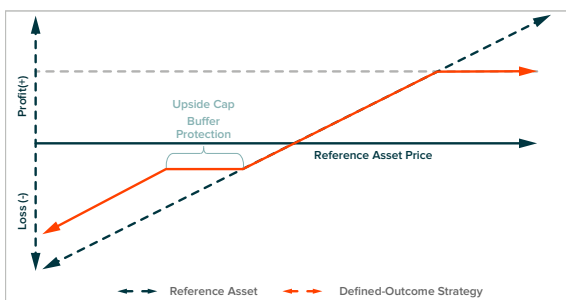
HOW THE STRATEGY WORKS

- The fund offers a calendar quarterly defined-outcome exposure on the S&P 500, which starts by obtaining 1:1 exposure on the underlying index.
- The fund's equity protection is achieved by buying a -3% out-of-the-money put option and selling a -12% out-of-the-money put option. This is known as a put spread.
- To offset/pay for the protection (-3% to -12%), an out-of-the-money call option is also sold at the highest level possible. In doing so, the upside potential for the quarter is capped. It is important to note that the level of the cap will vary each quarter due to the pricing and cost of the S&P 500 options.

HOW A DEFINED-OUTCOME STRATEGY WORKS

Source: Global X ETFs

A defined-outcome strategy is used to provide a defined level of downside protection on a reference asset, up to a cap, over a pre-determined timeframe.



Defined-Outcome Strategy Key Features

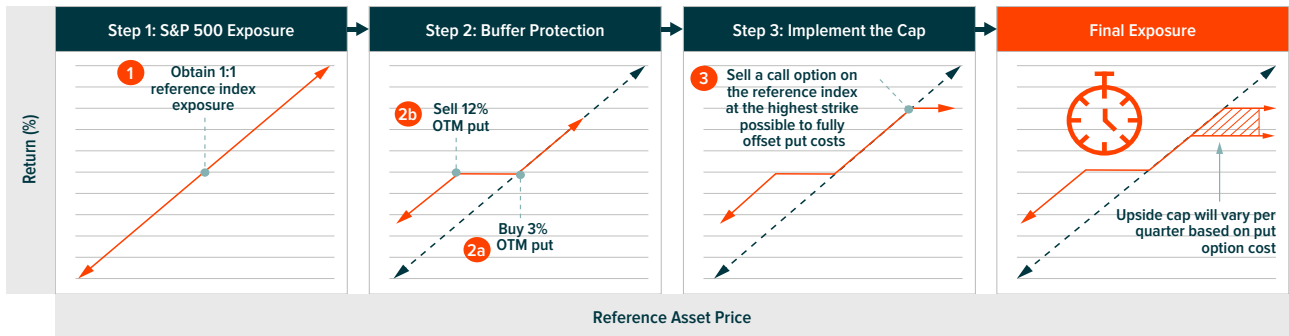
	Level of downside protection on reference asset downside movements, specified by a put option overlay.
	As a zero-cost premium strategy, this lowers options transactions costs for investors.
	The outcome period of returns specified lasts over the life of the strategy's options contracts. The options overlay is reset at expiration.
	Upside potential is capped as the reference asset appreciates beyond the strike price of a written call option.

Capital at Risk. All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed.



HOW A DEFINED-OUTCOME STRATEGY IS CONSTRUCTED

Source: Global X ETFs



SPQH LN: -3% TO -12% (9%) QUARTERLY TAIL HEDGE ETF HYPOTHETICAL PERFORMANCE SCENARIOS

GLOBAL X S&P 500 QUARTERLY BUFFER UCITS ETF (SPQH LN)

Source: Global X ETFs



Upside potential will vary every quarter upon the initiation of new options contracts. Hypothetical scenarios are based on the S&P 500 Price Return Index and doesn't take into account dividends, transaction costs, or the fees of the fund.

- Positive Scenario (Capped):** At the end of the quarter, the return of the S&P 500 exceeds the level of the call option that was sold. This means that SPQH LN will participate in the appreciation of the S&P 500 up to the specified cap but not beyond. In the example, the S&P 500 returned 9% over the quarter whilst SPQH LN participated up to the cap of 4%, resulting in a relative underperformance of 5%.
- Positive Scenario:** At the end of the quarter, the return of the S&P 500 is below the level of the call option that was sold. This means that the S&P 500 return is realised, resulting in a similar performance between the S&P 500 and SPQH LN. In the example, both the S&P 500 and SPQH LN returned 3%.
- Slightly Negative Scenario:** At the end of the quarter, the return of the S&P 500 is negative but less than the starting level of protection (-3%). This means that the S&P 500 return is realised, resulting in a similar performance between the S&P 500 and SPQH LN. In the example, both the S&P 500 and SPQH LN returned -2%.
- Negative Scenario:** At the end of the quarter, the return of the S&P 500 has fallen more than -3% but less than -12%. This means that SPQH LN realises the first -3% of losses, but protects against losses up to -12%, resulting in outperformance against the S&P 500. In the example, the S&P 500 returned -8% whilst SPQH LN returned -3%.
- Very Negative Scenario:** At the end of the quarter, the returns of the S&P 500 are below -12%. This means that for SPQH LN, the first -3% of losses are realised, along with any further losses after -12%. SPQH LN protects against any losses from -3% to -12% (9% protection). In the example, the S&P 500 returned -15% and SPQH LN returned -6%. This is due to the embedded 9% downside protection between losses of -3% and -12%.

Prospectuses and Key Investor Information Documents (KIID) for this ETF are available in English at <https://globalxetfs.eu/funds/SPQH/>.



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