



# Global X Enhanced All-Equity Asset Allocation Covered Call ETF (EQCL)

## Market Overview

During the second quarter, global equities as measured by the Bloomberg World Large & Mid Cap Price Return Index were up 2.93%. While monetary policy adjustments and geopolitical tensions remain the focus for developed markets, the emerging market still sees economic recoveries as a detrimental factor for future growth.

Developed markets had a relatively flat second quarter of the year. As inflationary pressure began to ease, the European Central Bank made its first cut in this cycle, with more cuts expected along the way. Japan failed to maintain its strong momentum from the beginning of the year with the Nikkei 225 Index slightly down 1.36% in the period. The Japanese Yen sank to a new 38-year low despite the Bank of Japan's intervention to support its currency.

Emerging market equities have generated positive returns in the period. The two biggest emerging market economies – China and India – both showed healthy progress. General sentiment stays cautiously optimistic on emerging markets as developed market growth has slowed down. However, the upcoming U.S. presidential election is poised to create more uncertainties on foreign policies and trade relations.

## Quarter in Review

During the second quarter of 2024, the fund held the Global X Canadian Large Cap Equity Covered Call ETF (CNCC), the Global X US Large Cap Equity Covered Call ETF (USCC), the Global X NASDAQ-100 Covered Call ETF (QQCC), the Global X International Developed Markets Equity Index ETF (HXDM), and the Global X Emerging Markets Equity Index ETF (HXEM).

## Outlook and Positioning

For the remaining year, the covered call strategy is favourably positioned to potentially provide value from a yield, hedging and upside capture perspective in the current environment. The fund has an option overlay strategy from holding CNCC, QQCC and USCC as well as writing options on EFA and EEM. The premiums generated from the option writing strategy have declined over the last 12 months and may remain at similar levels for the rest of the year.



Commissions, management fees and expenses all may be associated with an investment in the Global X Enhanced All-Equity Asset Allocation Covered Call ETF ("EQCL" or the "ETF") (formerly Horizons Enhanced All-Equity Asset Allocation Covered Call ETF) managed by Global X Investments Canada Inc. The ETF is not guaranteed, its value changes 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 prospectus contains important detailed information about the Global X Funds. **Please read the relevant prospectus before investing.**

EQCL (or the "Enhanced ETF") is an alternative mutual fund within the meaning of NI 81-102, and is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of the Enhanced ETF's net asset value in securities of a single issuer, the ability to borrow cash and to employ leverage. While these strategies will only be used in accordance with the applicable investment objectives and strategies of the Enhanced ETFs, during certain market conditions they may accelerate the risk that an investment in Units of such Enhanced ETF decreases in value.

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