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Why Brazil? And Why BRAZ?

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Why Brazil?

— **Value:** Despite mid-high teen ROEs (return on equity) and solid growth prospects, the MSCI Brazil Index (Net) only trades at a high single digit price-to-earnings ratio (P/E) and even offered a dividend yield of ~6.9% .[1]

— **Advanced Monetary Policy:** With positive real rates near 10%, Brazil's Central Bank made the first of what we believe will be various interest rate cuts in March of 2026. In the past seven completed rate cutting cycles, we've seen the MSCI Brazil Index (Net) (USD based) rally in four of them and move down in three.[2] Importantly, those rallies have averaged roughly 96% upside (cumulative), where the declines averaged only roughly 14.5%(cumulative).[3]

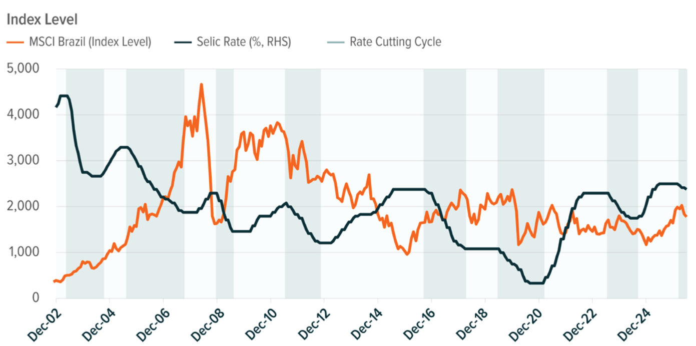
— **Potential U.S. Dollar Hedge:** Over the past 26 years, the U.S. dollar has historically carried a strong inverse relationship with Brazilian equities, with the MSCI Brazil Index (Net) climbing roughly 3.2% for every 1% decline in the U.S. Dollar Index (DXY).[4]

— **Elections:** Latin America's political pendulum continues to swing, and Brazil faces a potentially market moving election in October. Recent polls have shown momentum for the opposition.[5]

— **Commodity Exposure:** Brazil's economy boasts exposure to energy, materials, and agriculture.

— **Low Geopolitical Risk:** Brazil has been relatively isolated from headwinds in Russia, Ukraine, Israel, Palestine, Iran, and the South China Sea.

MSCI BRAZIL PERFORMANCE DURING PREVIOUS CUTTING CYCLES



Source: Bloomberg Data as of 06/30/2026.
Past performance is not a guarantee of future results.
Indexes are unmanaged, do not incur management fees, costs or expenses and cannot be invested in directly.

Why BRAZ?

— **Leadership:** The Global X Brazil Active ETF (BRAZ) is the only active fund registered in the U.S. (ETF or Mutual Fund) dedicated to Brazilian equities.[6]

— **A Client Friendly Structure:** Offering bottom-up active management, along with the intraday liquidity, transparency, and tax efficiency of the ETF structure.

— **Expertise:** Managed with the support of a three-person team with deep personal, academic, and professional experience managing Brazil portfolios.

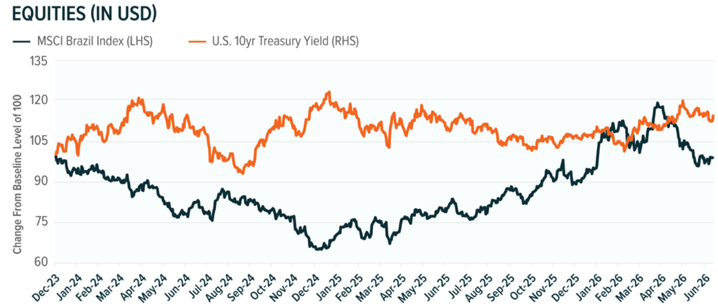
— **Concentration:** Leveraging our expertise to focus on what we deem as the best opportunities in Brazil, while avoiding those we deem risky. "Diversification may preserve wealth, but concentration builds wealth." – Warren Buffett

— **Looking Beyond the Benchmark:** We note that the broad MSCI Brazil Index benchmark has over 25% exposure to Petrobras and Vale combined and over 17% exposure to state-owned enterprisess[7]. BRAZ allows investors the chance to diminish these exposures and gain access to off-benchmark names.

— **Investment Philosophy:** We look for companies that benefit from both bottom-up and structural tailwinds, with moats helping them standout from competition, management teams aligned with minority shareholders, and clear near- and long-term catalysts, exhibiting growth at a reasonable price characteristics. At the end of the day, we search for companies that we believe can consistently earn and compound returns above their costs of capital.

— **Investment Process:** A strict investment process based on a quantitative screen, sector specialists' stock analysis, and risk-adjusted portfolio construction.

INVERSE RELATIONSHIP BETWEEN 10-YEAR U.S. TREASURY YIELD AND BRAZILIAN EQUITIES (IN USD)



Source: Bloomberg Data as of 06/30/2026.
Past performance is not a guarantee of future results. Indexed at 100 as of 12/31/2023. An index value of 100 indicates that a result exactly matches the baseline average from 12/31/2023. Indexes are unmanaged, do not incur management fees, costs or expenses and cannot be invested in directly.

The Team Behind BRAZ

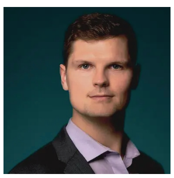
Over 35 years combined industry experience across the three named professionals

Malcolm Dorson — Senior Portfolio Manager

Brazilian and US citizen, raised in São Paulo, Brazil — deep personal, academic, and professional experience in Brazil. Wharton MBA, Lauder Institute MA in International Studies with a Latin America concentration, University of Pennsylvania BA. Career built in Latin America-focused seats throughout career.

Paul Dmitriev — Co-Portfolio Manager Global X Brazil

Began his career at HSBC as a research analyst, where his equity and credit coverage was concentrated within Latin America. Continued Latin America-focused coverage coverage at Mirae Asset Global Investments (2017-2023). NYU Stern BS in economics, finance, and political science. 12 years industry experience.



Trevor Yates — Investment Analyst

In addition to his role as a generalist emerging markets analyst, Trevor brings commodities specialization to the team — a relevant complement given Brazil's market weighting toward commodity-linked sectors including energy, materials, and agriculture. Cornell BS in Applied Economics and Management. 4 years industry experience.

Related ETF

BRAZ – Global X Brazil Active ETF

Click the fund name above to view current performance and holdings. Holdings are subject to change. Current and future holdings are subject to risk. As of July 31, 2026, Petrobras and Vale accounted for 15.18% and 6.77%, respectively, of BRAZ.

FOOTNOTES

1. Bloomberg LP. Data as of July 31, 2026.
2. Global X ETFs with information derived from Bloomberg as of 6/30/2026 covering data from 8/2/2023-6/30/2026.
3. Ibid.
4. Global X Analysis of 26 years of MSCI Brazil Data from Bloomberg as of 06/30/2026.
5. U.S. News & World Report, "Lula, Flavio Bolsonaro Tied in Potential Election Runoff, Poll Shows." April 15, 2026.
6. Bloomberg LP. Data as of June 9, 2026
7. Ibid.

GLOSSARY

U.S. Dollar Index (DXY): The U.S. Dollar Index measures the strength of the U.S. dollar against a basket of foreign currencies.

MSCI Brazil Index: The MSCI Brazil Index is design to measure the performance of large- and mid-cap Brazilian equities. As of May 29, 2026, the index had 46 constituents.

Dividend Yield: An index's dividend yield is calculated by dividing one year of dividend payments of the constituents by the index's price.

Credit Rating: Credit ratings are an assessment of a corporation's or country's ability to repay its debt obligations. Investment grade scores range from AAA (highest) to BBB, and speculative grades range from BB to D (lowest).

Real Rate: A real rate (or real interest rate) is an interest rate that has been adjusted for inflation.

Selic Rate: The Selic rate is the average interest rate on overnight operations collateralized by federal government securities

Return on Equity (ROE): A measure of a company's profitability relative to its shareholders' equity.

Price-to-Earnings Ratio (P/E): A valuation measure that compares a company's share price with its earnings per share.

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Investing involves risk, including the possible loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic, or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Securities focusing on a single country may be subject to higher volatility.

BRAZ is non-diversified. BRAZ is actively managed, which could increase its transaction costs (thereby lowering the fund's performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate. As actively managed funds, BRAZ does not seek to replicate a specific index. There can be no guarantee that active management strategies and processes will be successful.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.
Index returns are for illustrative purposes only and do not represent actual Fund performance. Indices are unmanaged and do not include the effect of fees, expenses or sales charges. One cannot invest directly in an index. Past performance does not guarantee future results.

Carefully consider the fund's investment objectives, risks, and charges and expenses before investing. This and other information can be found in the fund's full or summary prospectuses, which may be obtained at globalxetfs.com. Please read the prospectus carefully before investing.

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