



GLOBAL X INSIGHTS

Global X Investment Grade Corporate Bond ETF (GXIG) 1Q26 Commentary

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Topic: Core

In the first quarter of 2026, despite a challenging environment marked by rising U.S. Treasury yields and widening credit spreads, the Global X Investment Grade Corporate Bond ETF (GXIG) outperformed the benchmark Bloomberg U.S. Corporate Index based on both NAV and market price, largely through favorable security selection.

GXIG PERFORMANCE THROUGH MARCH 31, 2026 (%)

	Q1	1Y*	3Y*	5Y*	Since Inception
Net Asset Value (NAV)	-0.41%	-	-	-	4.50%
Market Price	-0.37%	-	-	-	4.62%
Bloomberg US Corporate Index	-0.54%	4.78%	4.70%	-0.06%	4.54%

Source: Global X ETFs.
*Annualized.

The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted. For performance data current to the most recent month- or quarter-end, please [click here](#). Total expense ratio: 0.15%. Inception date: 6/16/25.

Market Review

The Bloomberg U.S. Corporate Index recorded a return of -0.54% in the first quarter. An unfavorable environment due to reduced expectations for Federal Reserve (Fed) rate cuts, higher Japanese government bond yields, and the war with Iran negatively impacted performance.

At the beginning of the first quarter, expectations for Fed rate cuts remained elevated. However, as further deterioration in the labor market proved limited and inflation concerns increased, expectations for additional rate cuts declined significantly following the January Federal Open Market Committee meeting. In addition, the sharp rise in Japanese government bond yields exerted upward pressure on U.S. Treasury yields. While Treasury yields declined in February due to a correction in risk asset prices, they rose sharply again in March as oil prices surged following the outbreak of war between the U.S. and Iran.

Over the same period, U.S. Investment Grade (IG) credit spreads widened by 11 basis points (bps), with most of the widening occurring during February and March.¹ In February, credit spreads widened as hyperscalers such as Google and Amazon once again announced significant increases in capital spending, reigniting concerns over bond supply, along with rising concerns about credit deterioration in private credit. In March, credit spreads widened further due to the war between the U.S. and Iran.

Fund Performance and Attribution



During the period, the fund outperformed its benchmark by 11 basis points (bps) (based on NAV), with a 6bps underperformance from yield curve positioning offset by outperformance of 4bps from sector allocation and 13bps from security selection.

In a rising Treasury yield environment during the first quarter, the fund's duration overweight detracted 6bps from performance through yield curve positioning. However, in a widening credit spread environment, holding some U.S. Treasuries contributed 4bps of outperformance from a sector allocation perspective, while holdings in technology sector bonds added 13bps through security selection.

Specifically, technology companies such as Micron Technology and Google were key contributors to outperformance in security selection. On the other hand, issuers such as AT&T, General Motors, and Arthur J. Gallagher & Co. detracted from performance due to weak earnings, merger and acquisition announcements, and concerns about disruption from AI models.

During the first quarter, the fund reduced exposure to certain financial sector issuers in an attempt to avoid private credit-related risks. It also trimmed exposure to technology companies facing risks from heavy issuance or potential disruption from AI.

GXIG TOP 10 HOLDINGS AS OF MARCH 31, 2026 EXCLUDING CASH (% OF NAV)

MORGAN STANLEY (6.407%)	3.14%	REGAL REXNORD CORPORATION (6.05%)	1.83%
GOLDMAN SACHS GROUP, INC. (2.65%)	2.52%	BRISTOL-MYERS SQUIBB COMPANY (4.125%)	1.81%
UNITED STATES TREASURY NOTES (3.875%)	1.95%	GILEAD SCIENCES INC. (5.1%)	1.80%
WELLS FARGO & CO. (2.879%)	1.92%	AMPHENOL CORPORATION (2.2%)	1.80%
FLOWERVE CORPORATION (3.5%)	1.83%	MICRON TECHNOLOGY INC. (5.3%)	1.70%

Source: Global X ETFs.

Holdings are subject to change.

Outlook

Despite a ceasefire, the outcome in the war between the U.S. and Iran remains uncertain. If a peace agreement is concluded and transit through the Strait of Hormuz resumes, we would expect to see lower oil prices, a weaker U.S. dollar, declining Treasury yields, and stronger performance in risk assets.

However, U.S. IG credit spreads are already tight by historical standards, and concerns over large-scale bond issuance by hyperscalers have intensified. As a result, we expect further spread tightening to be limited. In particular, certain issuers in the technology and communications sectors may be significantly affected by bond issuance, warranting caution.

Issues related to private credit are expected to persist, so we plan to continue avoiding companies with high exposure to private credit. Meanwhile, we feel the recent spread widening in some software companies appears to have been excessive and may present short-term trading opportunities.

The fund plans to maintain an overweight duration position in anticipation of declining Treasury yields and tightening credit spreads, while keeping a higher allocation to high-beta securities that tend to benefit in a spread-tightening environment. However, the fund will selectively avoid issuers where credit spreads are expected to widen due to bond issuance or idiosyncratic risks. The fund's investment strategy and models will be monitored in an effort to flexibly adapt to changes in macroeconomic conditions and market dynamics, and positioning can be adjusted quickly if needed.

Related ETFs

[GXIG – Global X Investment Grade Corporate Bond 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.

Footnotes

1. Bloomberg LP. ICE BofA US Corporate Index option-adjusted spread data as of March 31, 2026.

Glossary



Beta: Beta measures the volatility of a fund's price relative to the volatility in the market index and can also be identified as the percentage change in the price of the fund given a 1% change in the market index. A beta below one suggests that the fund was less volatile than the market index.

Duration: Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Duration is expressed in years.

Bloomberg U.S. Corporate Index: The index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and Non-U.S. industrial, utility, and financial issuers. The index includes only securities with a minimum par amount outstanding of \$300 million and at least one year remaining to final maturity, thereby excluding less liquid securities from the index.

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any stock in particular.

Investing involves risk, including possible loss of principal. Fixed income securities are subject to loss of principal during periods of rising interest rates. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund is actively managed, which could increase its transaction costs (thereby lowering its performance) and could increase the amount of taxes you owe by generating short-term gains, which may be taxed at a higher rate. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. The fund is non-diversified.

The Fund uses a quantitative model and deep neural network (the "DNN" and, together with the quantitative model, the "Models") to implement its investment strategy. The Models have been developed by Wealthspot LLC. The Models may not perform as intended. The information and data used in the Models may be supplied by third parties and therefore may be difficult to verify; inaccurate or incomplete data may limit the effectiveness of the Models. In addition, some of the data the Models use includes historical data, which may not accurately assess future market movements. The Models will analyze securities or securities markets based on certain assumptions concerning the interplay of market factors and may not adequately take into account certain factors and, to the extent the assumptions or the portfolio managers' judgment are incorrect, the Fund may have a lower return than if the Fund were managed using another model or investment strategy. The markets or prices of individual securities may be affected by factors not foreseen in developing the Models. As market dynamics change over time, a Model that was previously successful may become outdated. The Fund is subject to the risk that the DNN was not able to learn from the data as predicted which could result in lower returns than if the Fund were managed using another model or investment strategy. Errors in input data, assumptions, and/or the design of the Models may occur from time to time and may not be identified and/or corrected by the Fund's Sub-Adviser for a significant period of time or at all. Successful operation of the Models is reliant on the information technology infrastructure maintained by the Fund's Sub-Adviser; deficiencies in such systems could compromise the operation of the Models and could result in losses to the Fund.

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. The market price returns are based on the official closing price of an ETF share or, if the official closing price isn't available, the midpoint between the national best bid and national best offer ("NBBO") as of the time the ETF calculates current NAV per share, and do not represent the returns you would receive if you traded shares at other times. NAVs are calculated using prices as of 4:00 PM Eastern Time.

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 summary or full prospectuses, which may be obtained at globalxetfs.com. Please read the prospectus carefully before investing.

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