

Finding value in an expensive market



ASX Investor Day
May 2025

Disclaimer

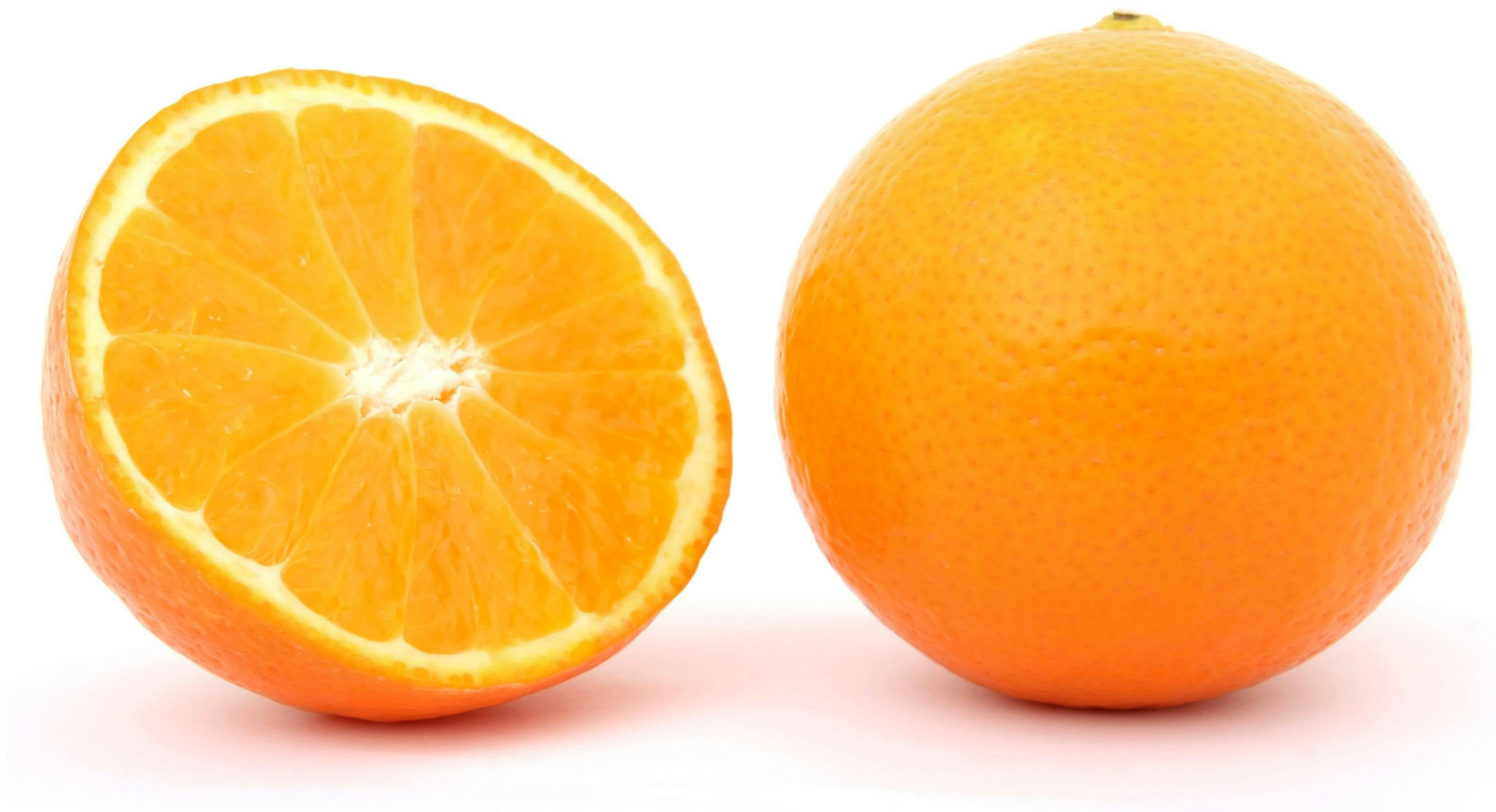
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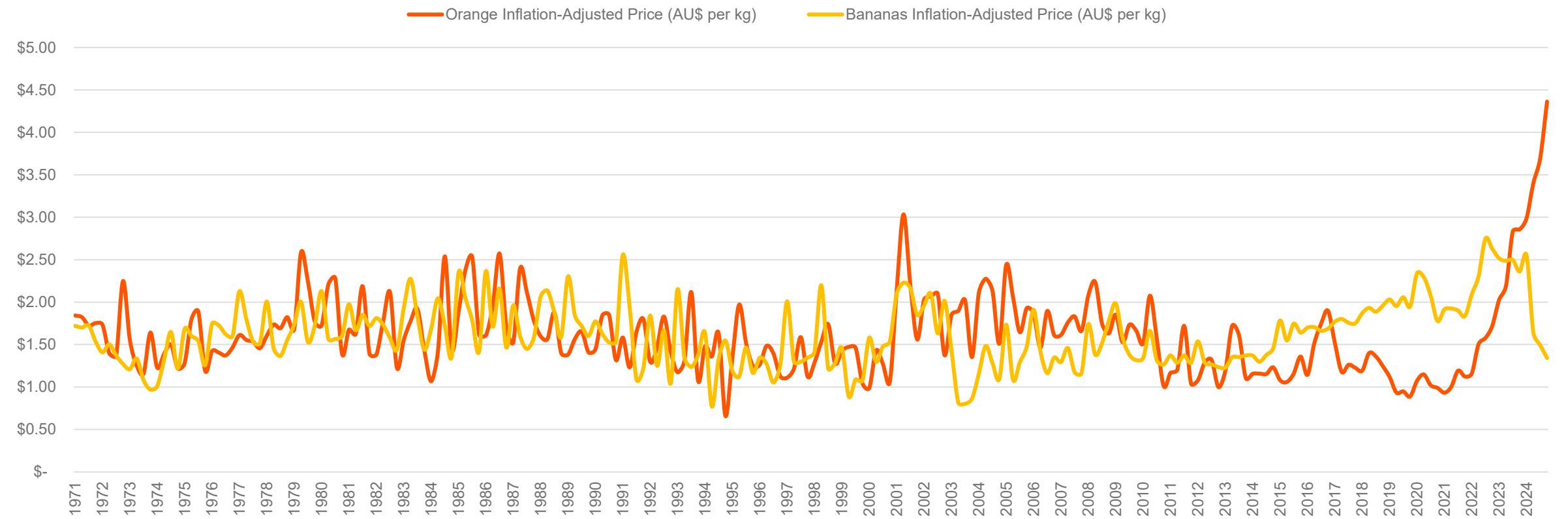
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Source: Pexels

A Juicy Price Tag

Orange prices have risen 53% over the past year. Does it still have the same quality and nutrition to justify the price?



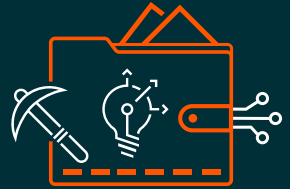
Source: World Bank Group, Bloomberg as of 31 December 2024.

Who Are We?



Beyond Ordinary Solutions

For more than a decade, our mission has been empowering investors with unexplored and intelligent solutions.



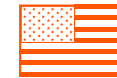
Founded in the US in 2008, Global X ETFs are now listed throughout Europe, Asia, Canada, Latin America, and Australia.



~US\$99bn

in AUM across more than 400 ETF Strategies¹

Primary Listings by Office



United States

93 ETF Listings



Europe

39 ETF Listings



Australia

45 ETF Listings



Latin America

31 ETF Listings
In Brazil & Colombia



Japan

49 ETF Listings



Hong Kong

36 ETF Listings



Canada

125 ETF Listings

¹ As of April 2025. ² As of April 2025.

THEMATIC GROWTH				COMMODITIES				INCOME				CORE	
DISRUPTIVE TECHNOLOGY		MULTI-THEME		MINERS		PHYSICAL		FIXED INCOME		COVERED CALL		GARP	S&P World ex Australia GARP ETF
ACDC	Battery Tech & Lithium ETF	DRGN	China Tech ETF	ATOM	Uranium ETF	ETPMAG	Physical Silver	BANK	Australian Bank Credit ETF	AYLD	S&P/ASX 200 Covered Call Complex ETF	U100	US 100 ETF
BUGG	Cybersecurity ETF	FANG	FANG+ ETF	GMTL	Green Metal Miners ETF	ETPMPD	Physical Palladium	USHY	USD High Yield Bond ETF (Currency Hedged)	QYLD	Nasdaq 100 Covered Call Complex ETF	RSSL	Russell 2000 ETF
DTEC	Defence Tech ETF	FHNG	FANG+ (Currency Hedged) ETF	WIRE	Copper Miners ETF	ETPMPM	Physical Precious Metals Basket	USIG	USD Corporate Bond ETF (Currency Hedged)	UYLD	S&P 500 Covered Call Complex ETF	OZXX	Australia ex Financials & Resources ETF
FTEC	Fintech & Blockchain ETF	PEOPLE & DEMOGRAPHICS		SYNTHETIC		ETPMPT	Physical Platinum	USTB	US Treasury Bond ETF (Currency Hedged)	DIVIDEND			
GXAI	Artificial Intelligence ETF	CURE	S&P Biotech ETF	BCOM	Bloomberg Commodity Complex ETF	GHLD	Gold Bullion (Currency Hedged) ETF			ZYAU	S&P/ASX 200 High Dividend ETF		
		PHYSICAL ENVIRONMENT & INFRASTRUCTURE				GOLD	Physical Gold			ZYUS	S&P 500 High Yield Low Volatility ETF		
		AINF	Artificial Intelligence Infrastructure ETF			GXLD	Gold Bullion ETF						
		HGEN	Hydrogen ETF										
SEMI	Semiconductor ETF	PAVE	US Infrastructure Development ETF										
TECH	Morningstar Global Technology ETF												
INTERNATIONAL ACCESS		DIGITAL ASSETS		LEVERAGED & INVERSE									
REGIONAL		EBTC	21Shares Bitcoin ETF	LNAS	Ultra Long Nasdaq 100 Complex ETF								
ESTX	EURO STOXX 50® ETF	EETH	21Shares Ethereum ETF	SNAS	Ultra Short Nasdaq 100 Complex ETF								
SINGLE COUNTRY													
NDIA	India Nifty 50 ETF												

Agenda

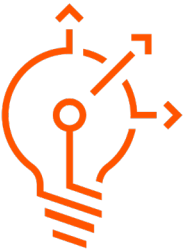
1 Why Markets Look “Expensive” Today



2 The Risks of Overpaying for Growth



3 Smart Ideas for a Pricey World



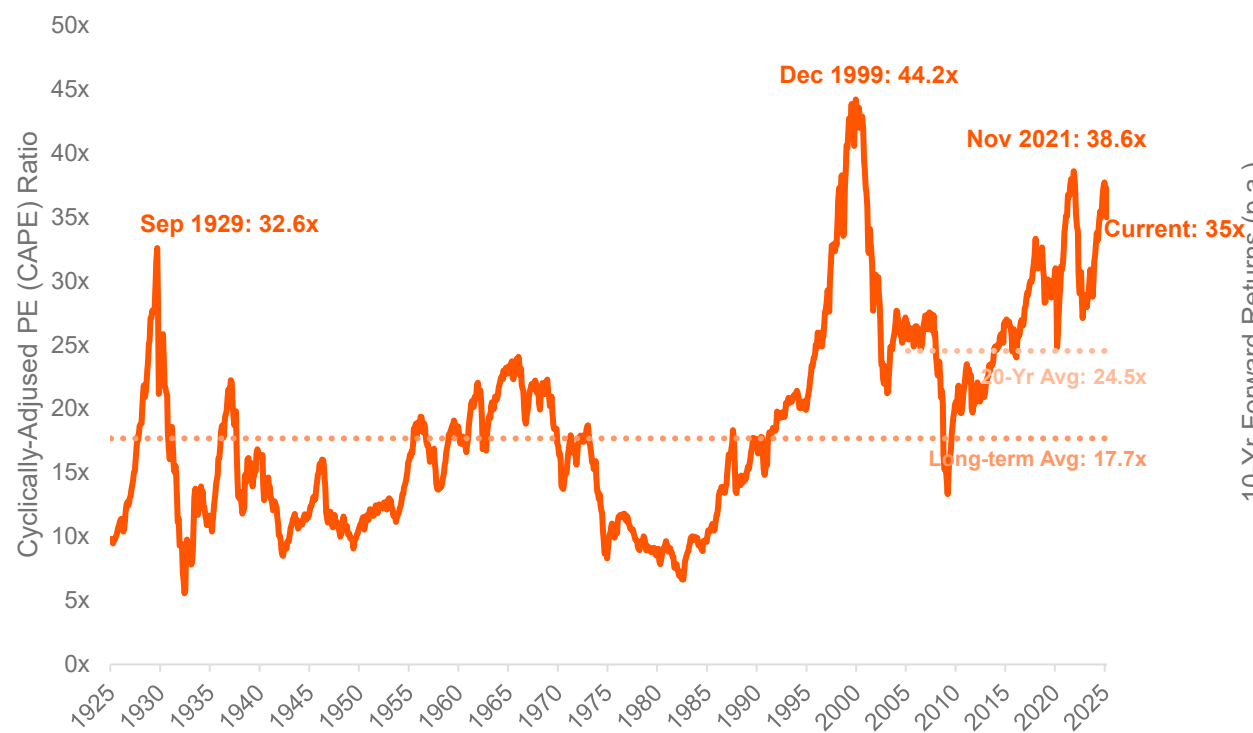


Why Markets Look “Expensive” Today

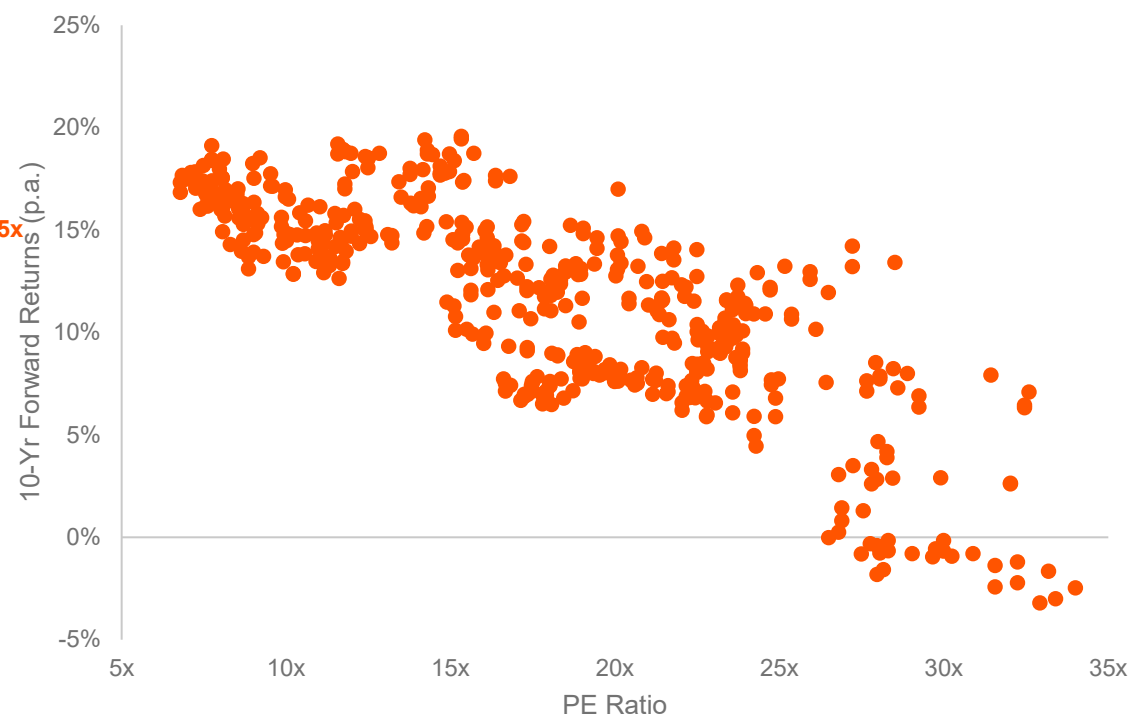
Valuations Are Stretching

With valuations nearing levels seen during the Great Depression and the Dot-Com Bubble, investors might need to reconsider if they're willing to pay for growth at any price.

S&P 500 Historical Market Valuation



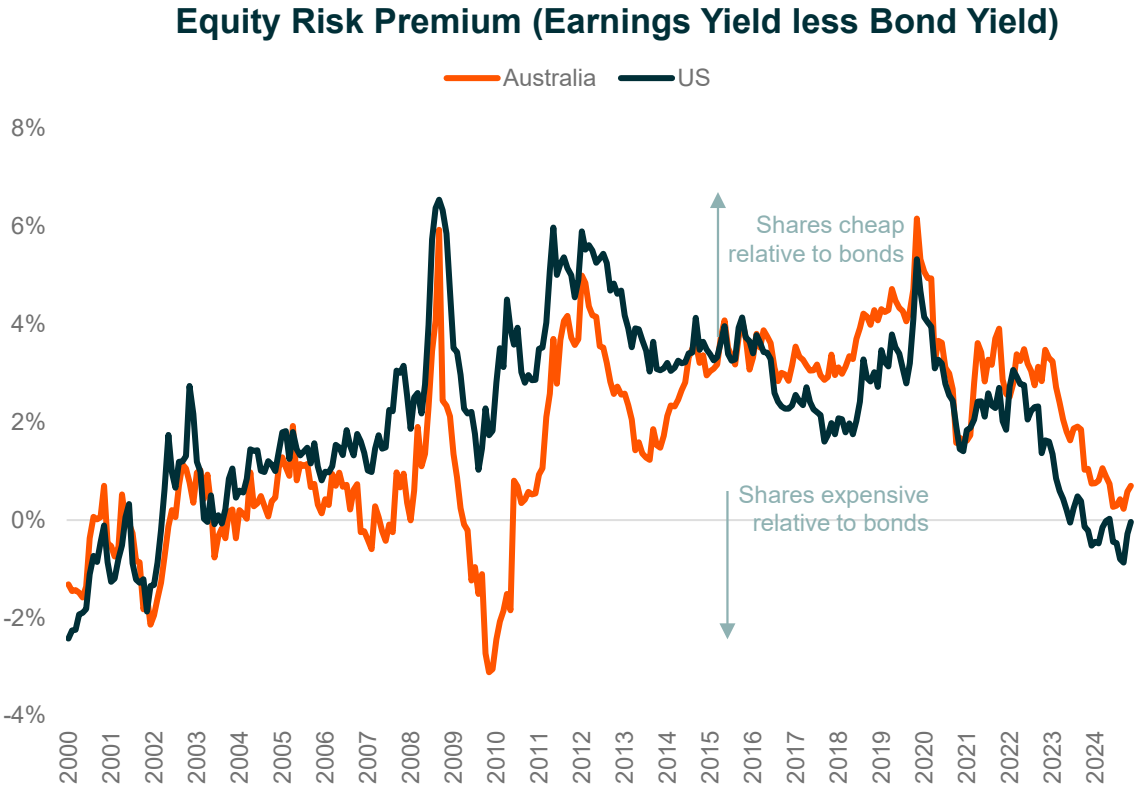
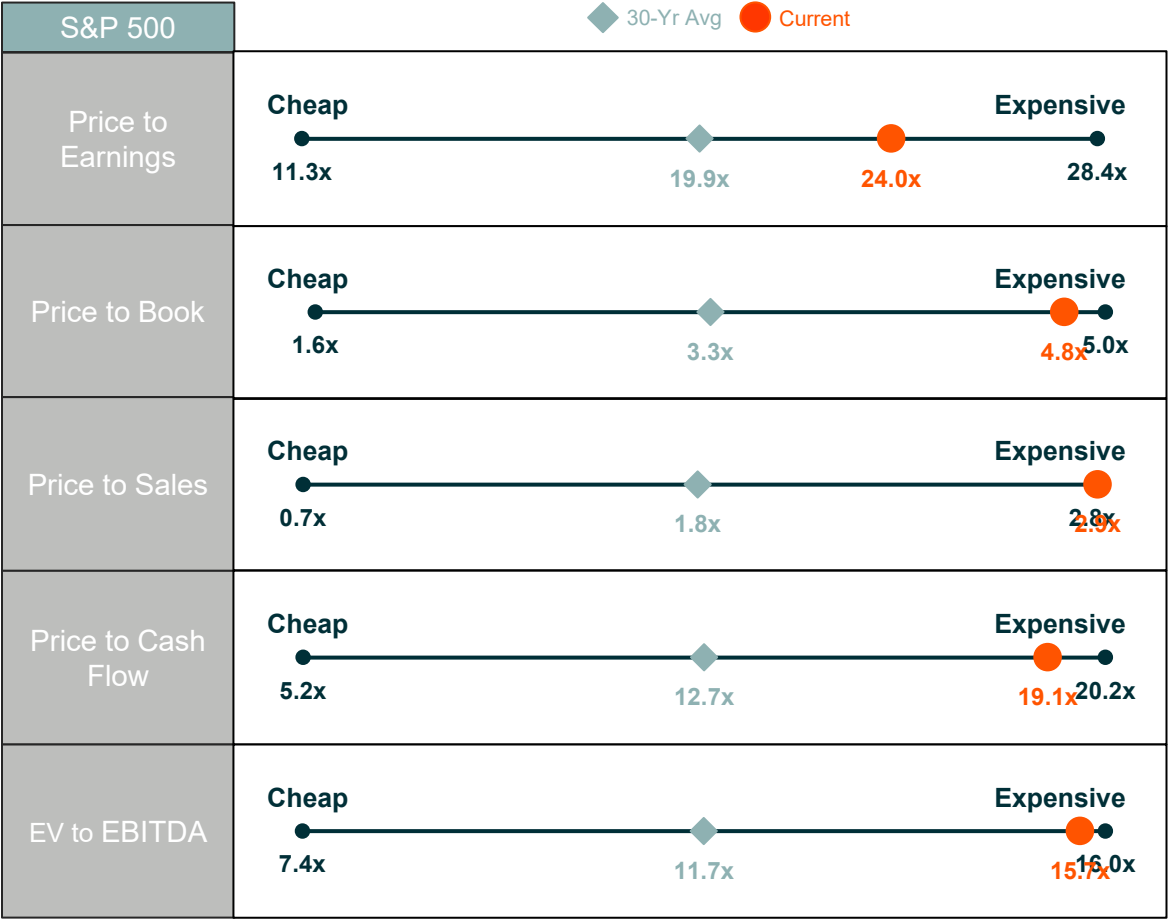
S&P 500 PE Ratio and Subsequent 10-Year Returns



Source: Shiller Data, Bloomberg as of 31 March 2025. PE Ratio and Subsequent 10-Year Return are based on data since 1975. Past performance is not a reliable indicator of future performance.

Across the Board, Markets Look Expensive By Most Measures

Most metrics suggest equities are trading at elevated levels relative to history and bonds.



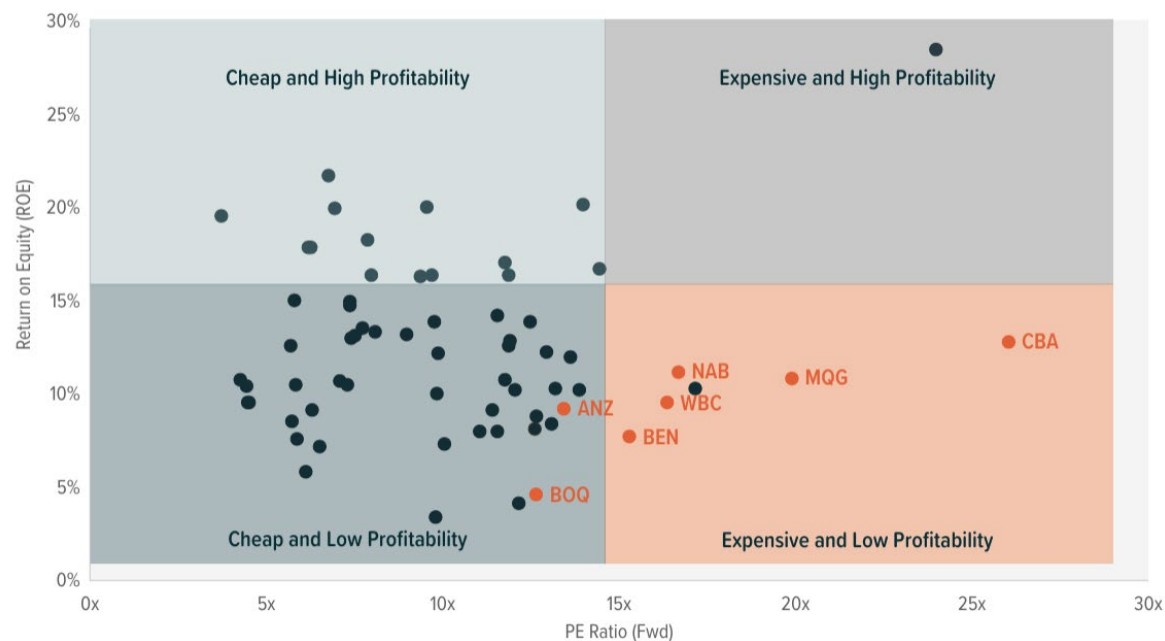
Source: Bloomberg. (n.d.) Accessed 01/05/2025 based on S&P 500 Index and S&P/ASX 200 Index. "Cheap" and "Expensive" spreads denoted by two standard deviations above/below the average value over 30-year period.

Australian Banks: Premium Valuations, Below-Average Yields

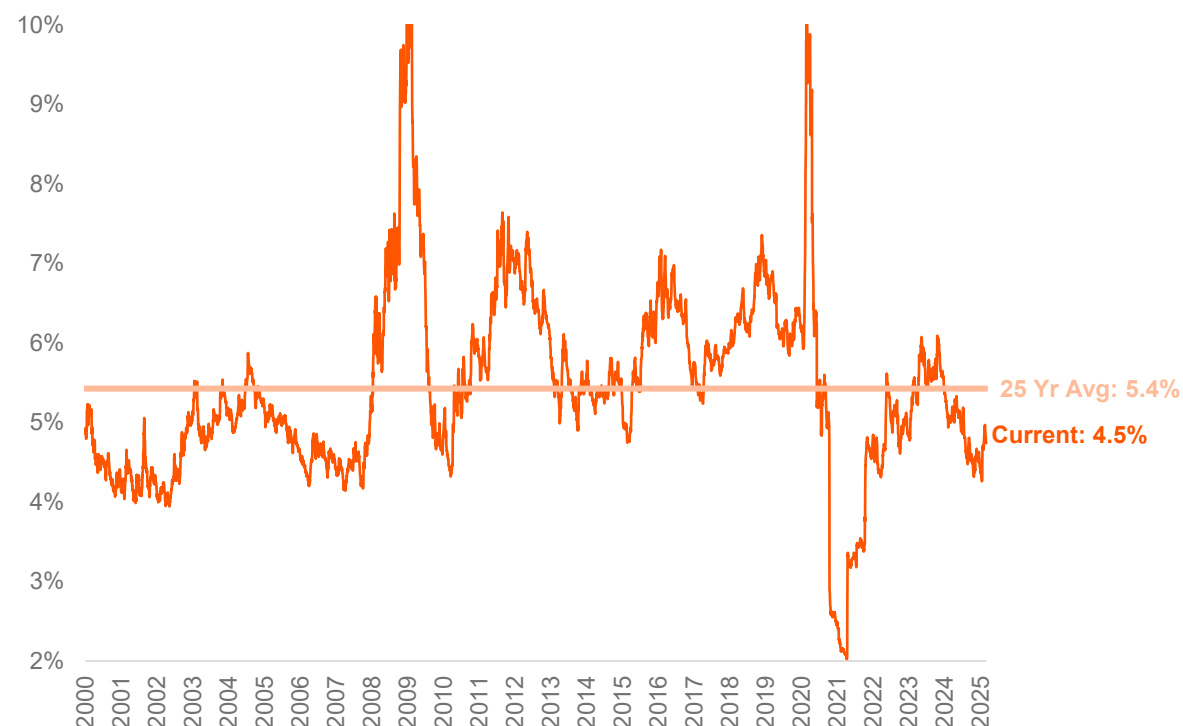
Australia's big banks are globally expensive, with dividend yields now below long-term averages.

AUSTRALIAN BANKS ARE THE MOST EXPENSIVE IN THE WORLD

Source: Bloomberg as of 31 December 2024 comparing global banks.



Big 4 Banks Average Dividend Yield

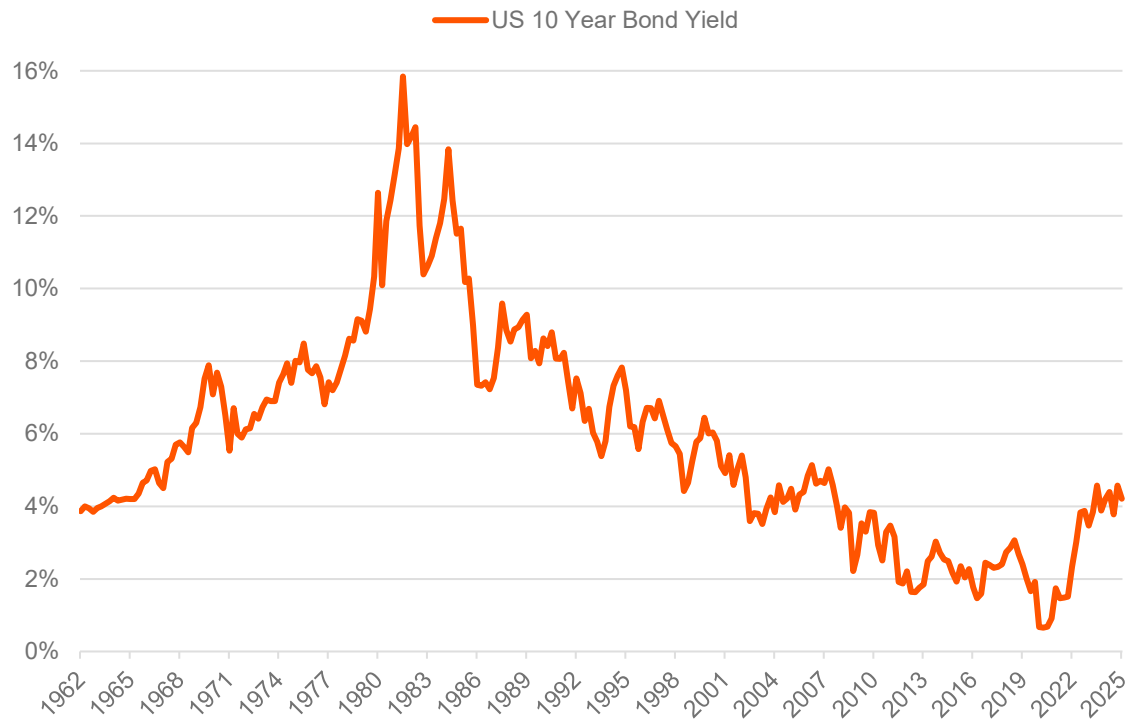


Source: Bloomberg as of 30 April 2025. 'Big 4 Banks' are CBA, Westpac, NAB and ANZ. Past performance is not a reliable indicator of future performance.

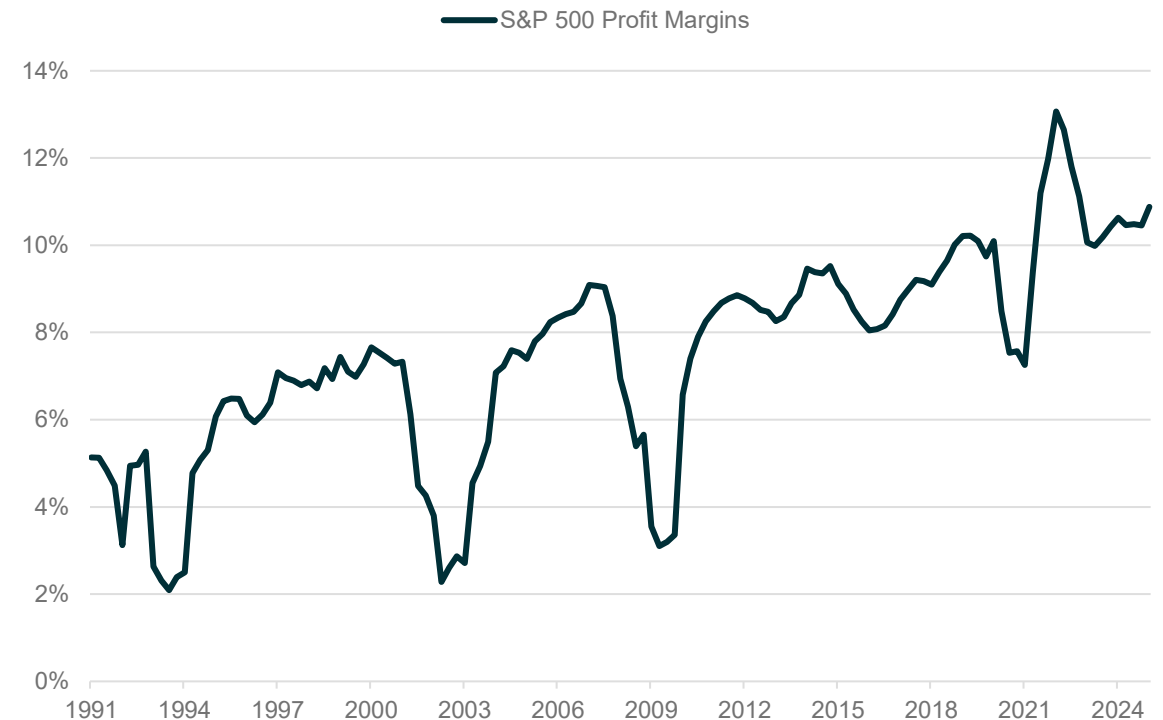
What is Driving the Price Tags?

Valuations may be reflecting a world of cheaper money and more profitable companies.

Interest Rate Structural Decline



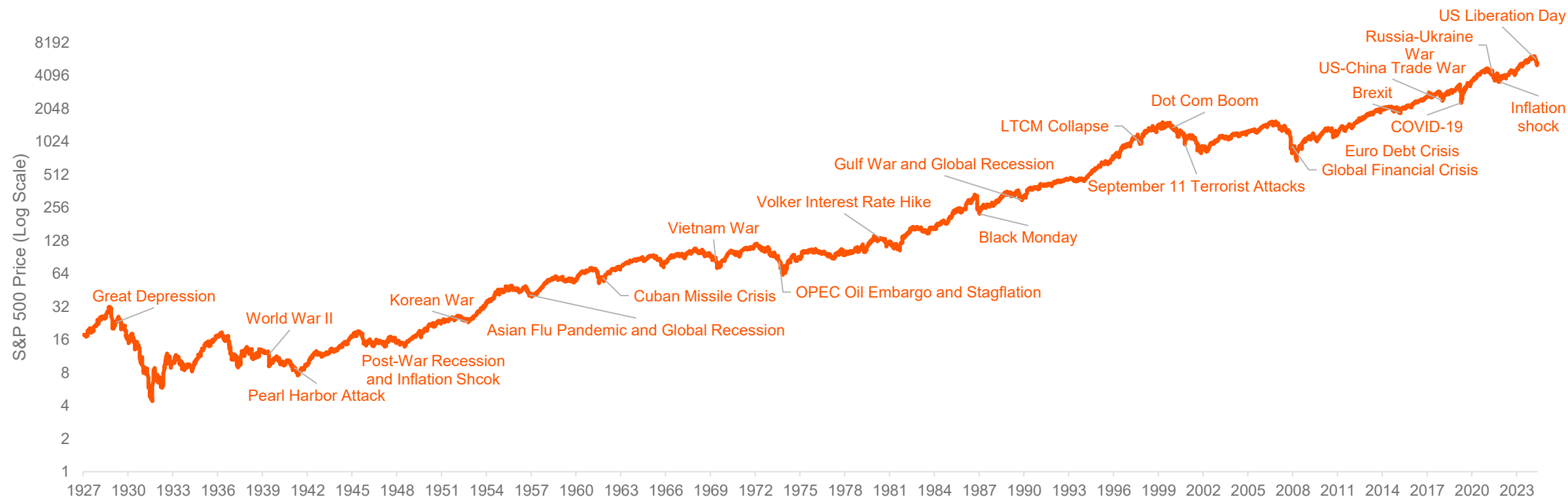
Companies are Becoming More Profitable



Source: Bloomberg as of 31 March 2025. Past performance is not a reliable indicator of future performance.

There is Always a Reason To Sell

Expensive markets can prompt sell questions, but long-term returns tell a different story - the share market has always climbed the “wall of worry”



Source: Global X, Bloomberg as of 30 April 2025. Past performance is not a reliable indicator of future performance.



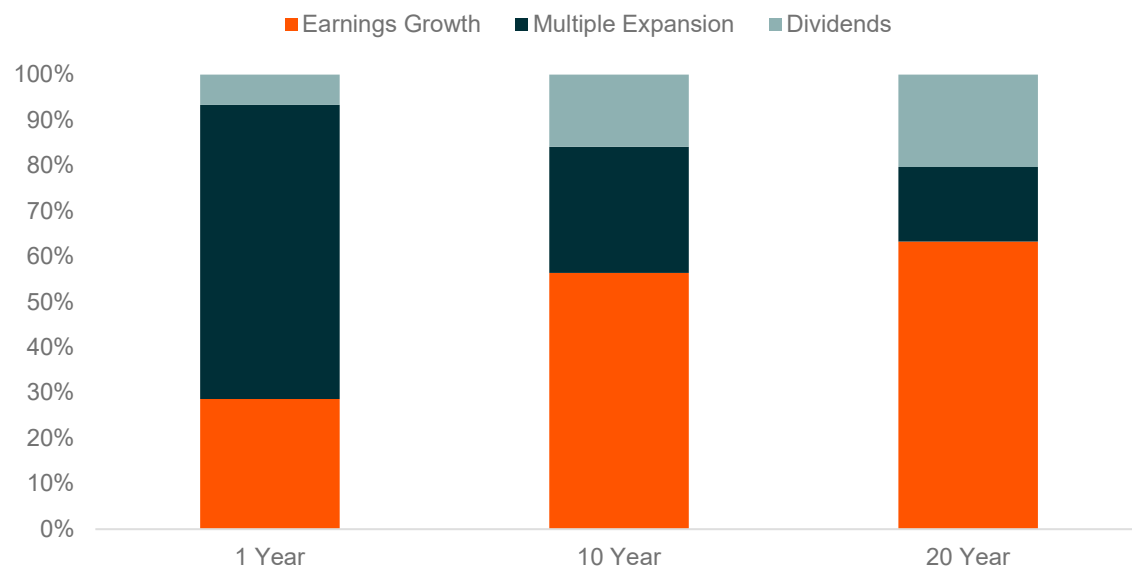
The Risks of Overpaying for Growth

Earnings Growth Has Been the Main Driver of Long-Term Returns

While short-term market returns may be influenced by psychology and expectations, long-term share prices typically align with the enduring strength of earnings growth.

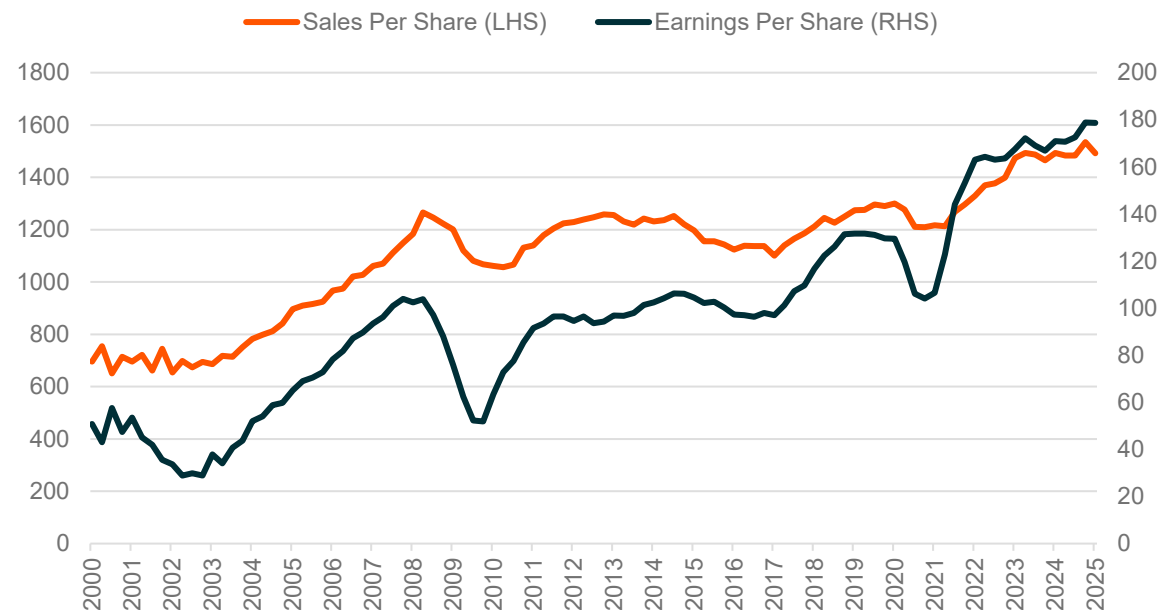
While valuations may impact short-term returns, earnings growth contributes the most to long-term returns

S&P 500 Index Total Shareholder Return Component Breakdown



Despite facing economic headwinds, global companies have continued to deliver increasing levels of sales and earnings

Global Share Market Sales and Earnings

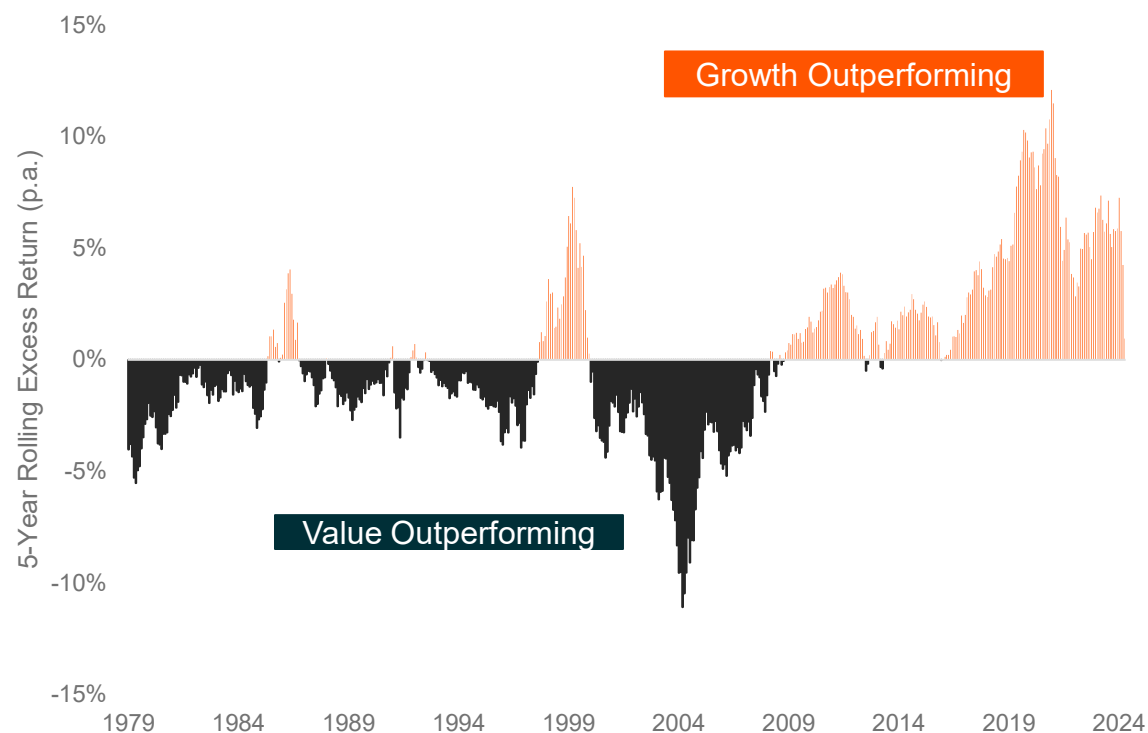


Sources: (LHS) Shiller Data as of 31 December 2024. (RHS) Bloomberg as of 31 March 2025 using MSCI World Index. Past performance is not a reliable indicator of future performance.

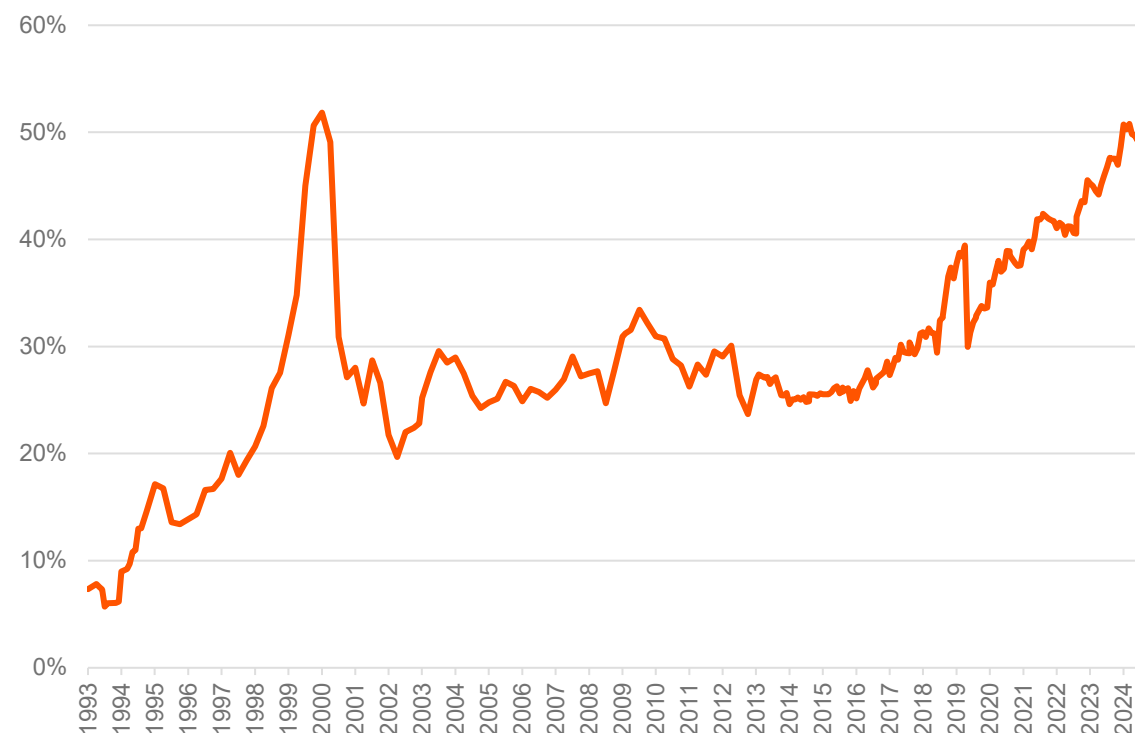
When the Style Cycle Turns

Growth and value take turns in the spotlight, but timing the pendulum swing is tough, and single-factor bets often lead to unintended concentration risk.

Growth vs Value



Technology Weighting in Growth Index



Sources: (LHS) Bloomberg as of 31 March 2025 using MSCI World ex Australia Growth Index and MSCI World ex Australia Value Index. (RHS) Morningstar as of 31 March 2025 using Index Fund tracking CRSP US Large Cap Growth Index. Past performance is not a reliable indicator of future performance. You cannot invest directly in an index.

The Price of Paying Too Much for Growth Potential

History shows that growth stocks are vulnerable when the narrative shifts, from the Dotcom bust to the inflation shock of 2022.

Dot Com Boom (1999-2002)	
Top Holdings	Max Peak to Trough Drawdown
Walmart	-37%
Microsoft	-64%
Intel	-82%
Coca-Cola	-35%
Providian Financial Corp	-97%
Pfizer	-46%
Cisco Systems	-89%
Nokia of America	-99%
Johnson & Johnson	-36%
Procter & Gamble	-54%

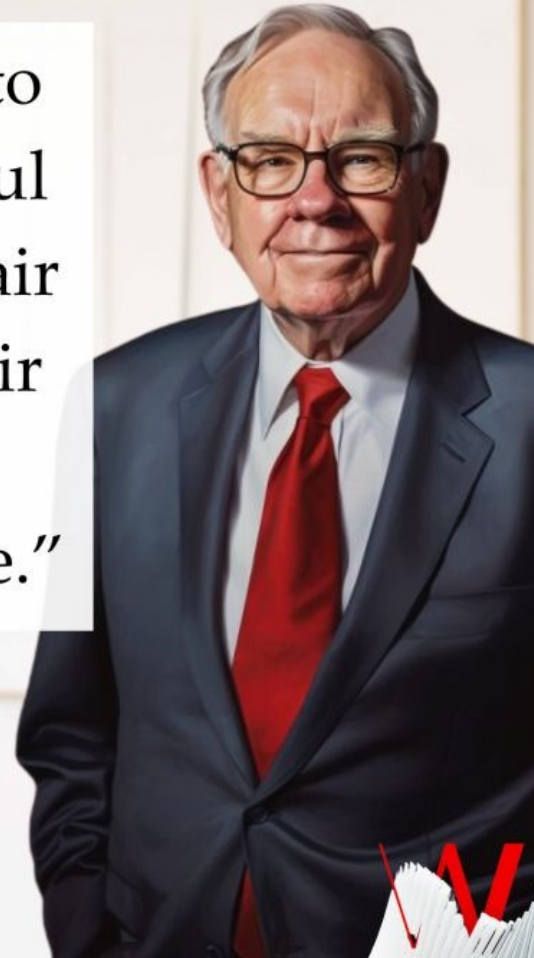
Inflation Shock and Rising Interest Rates (2022)	
Top Holdings	Max Peak to Trough Drawdown
Apple	-31%
Microsoft	-36%
Amazon	-52%
Alphabet	-44%
Tesla	-73%
Meta Platforms	-74%
Alphabet	-44%
NVIDIA	-63%
Home Depot	-35%
Visa	-24%



Source: Bloomberg using historical holdings from Index Fund tracking the CRSP US Large Cap Growth Index.

“It's far better to buy a wonderful company at a fair price, than a fair company at a wonderful price.”

Warren Buffett



Source: Wealthen



Smart Ideas for a Pricey World

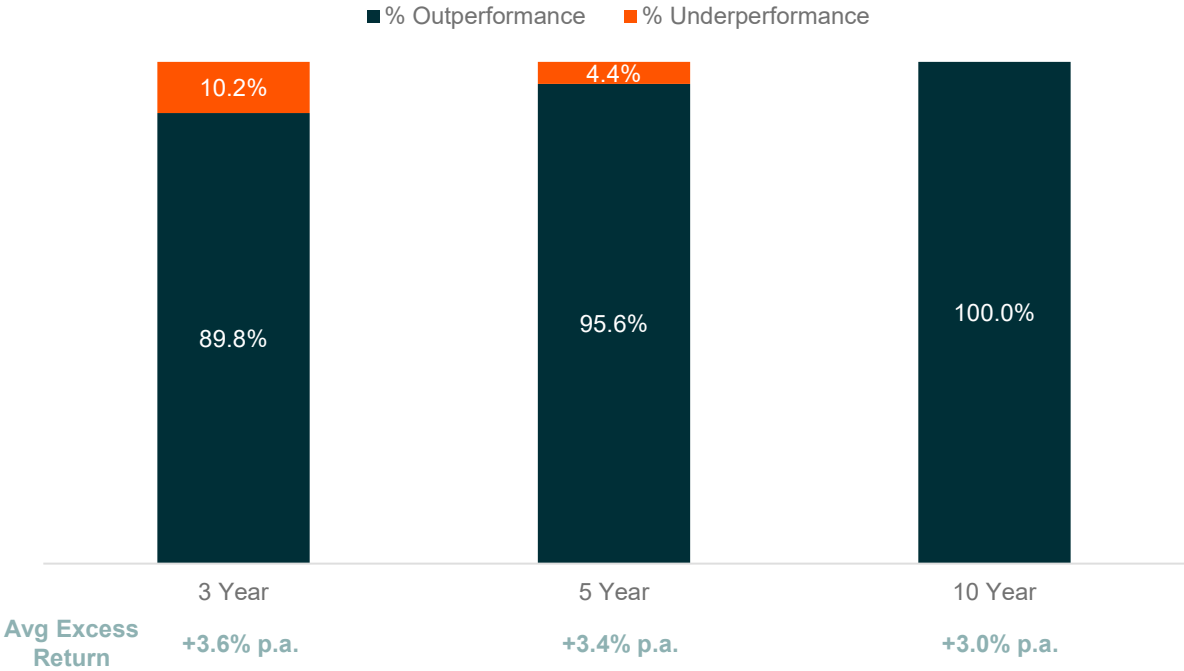
Gaining Access to Strong High-Performing Businesses But Being Conscious of Valuation

Growth at a Reasonable Price (GARP) provides investors with a strategy that has historically outperformed the broader share market by focusing on businesses with robust fundamentals.

GARP investing gives exposure to quality businesses with strong growth and profitability that aren't too expensive		
	GARP Index	World Index
3 Yr EPS Growth	21.1%	15.8%
3 Yr Sales Growth	14.4%	12.1%
P/E Ratio	15.8x	21.9x
Return on Equity (ROE)	27.5%	21.7%
Debt to Equity	28.1%	36.4%
Operating Margin	26.7%	24.3%
Net Margin	22.9%	18.2%

Historical GARP outperformance over multi-year periods

% of Winning Rolling Periods

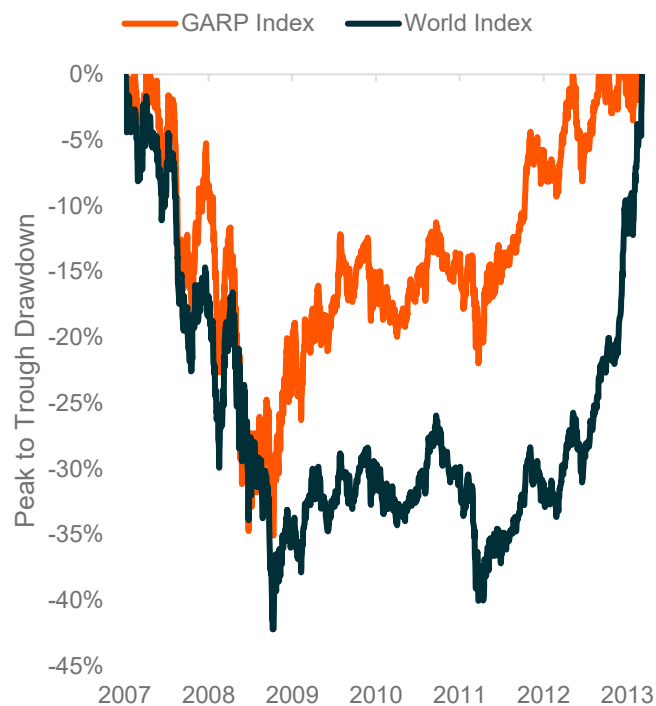


Source: S&P Dow Jones Indices, FactSet as of 31 March 2025. Outperformance is based on excess return of S&P World Ex-Australia GARP vs S&P World Ex-Australia Index as of June 2024. Past performance is not a reliable indicator of future performance.

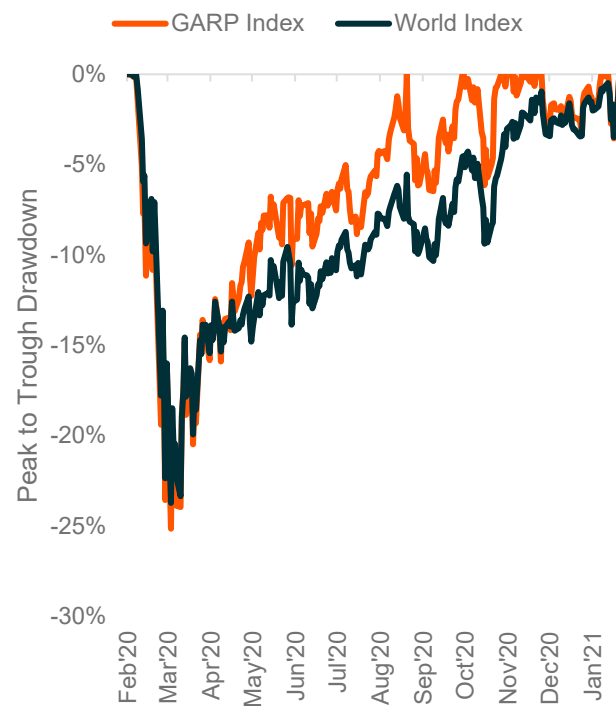
Why GARP Stands Out - Defensive in Downturns, Strong in Recoveries

By balancing growth potential with a valuation discipline, GARP offers defensive resilience during market downturns while maintaining strong recovery potential when conditions stabilise.

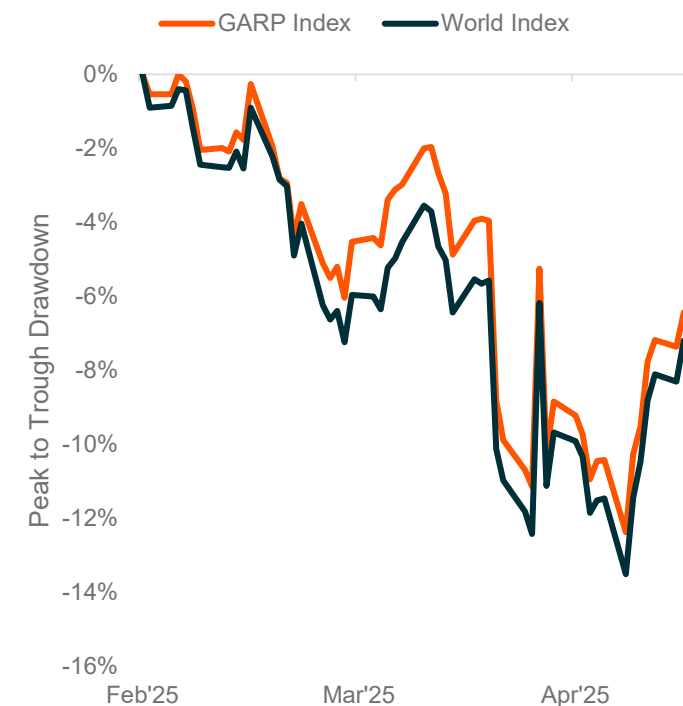
Global Financial Crisis (GFC)



COVID-19 Pandemic



Trump 2.0 Trade War



Source: Bloomberg data using S&P World Ex-Australia GARP Index and MSCI World ex Australia Index. 'Trump 2.0 Trade War' data as of 30 April 2025. Past performance is not a reliable indicator of future performance. You cannot invest directly in an index.

GARP | Fund Information

Global X S&P World ex Australia GARP ETF	
ASX Code	GARP
MER	0.30%
# of Holdings	250
Distribution Freq.	Semi-Annually
Rebalance Freq.	Semi-Annually
Benchmark Index	S&P World ex Australia GARP Index



GARP

Global X S&P World ex Australia GARP ETF

Key Features



High Growth at Fair Value
Exposure to companies with robust earnings growth and solid financial strength trading at reasonable valuations.



Broad Global Diversification
Gain diversified exposure to 250 companies spread across multiple countries and sectors.



Disciplined, Low-Cost Approach
Access a strategy balancing both growth and value investing, with potential outperformance over a broad global share market at a competitive management fee.

GARP | Key Holdings

GARP aims to hold the leading 250 global companies that demonstrate strong revenue and earnings growth, solid financial strength and trading at reasonable valuations.



Top 10 Holdings

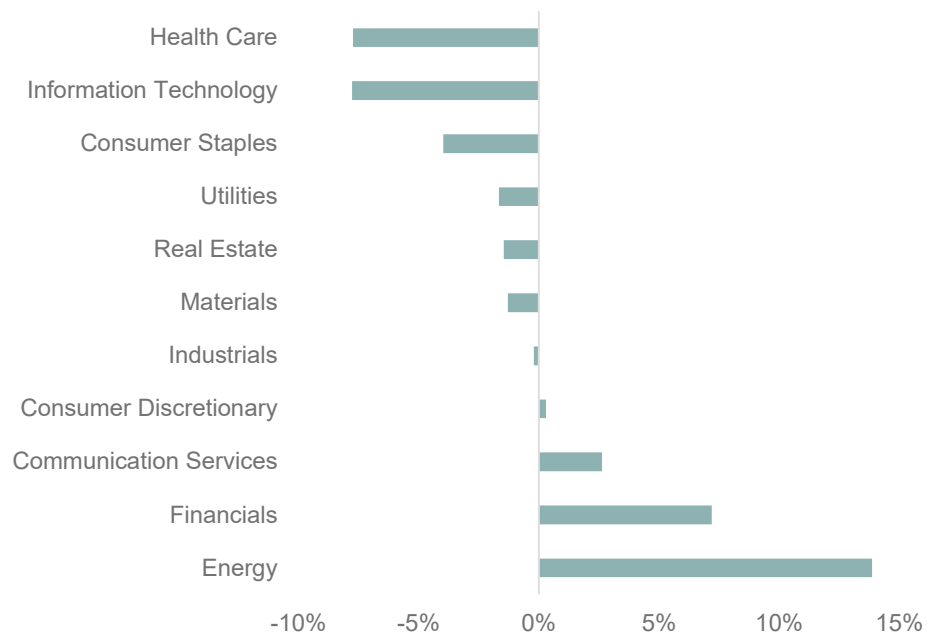
Name	Weight	3 Year Sales Growth	3 Year EPS Growth	ROE	Leverage	PE (Fwd 1 Yr)
Berkshire Hathaway Inc	6.0%	16.7%	21.6%	14.7%	20.1%	24.9x
Meta Platforms Inc	4.7%	12.2%	33.2%	28.9%	27.3%	17.6x
Microsoft Corp	4.4%	13.5%	13.9%	31.4%	36.4%	25.0x
Exxon Mobil Corp	4.3%	9.8%	33.7%	12.1%	15.4%	13.2x
Alphabet Inc	4.1%	10.8%	15.7%	26.6%	7.9%	15.2x
NVIDIA Corp	4.1%	80.1%	225.4%	79.8%	12.9%	18.2x
Visa Inc	3.3%	14.3%	25.0%	53.0%	55.4%	26.3x
Mastercard Inc	2.7%	14.3%	16.5%	207.0%	291.4%	28.4x
Chevron Corp	2.6%	11.1%	24.3%	10.2%	19.3%	12.5x
Shell PLC	1.8%	6.2%	20.3%	13.0%	42.8%	8.5x
Weighting in Top 10	37.9%					

Source: Bloomberg data as of 31 March 2025.

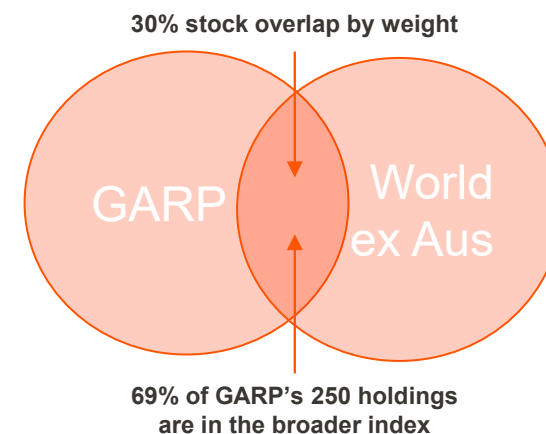
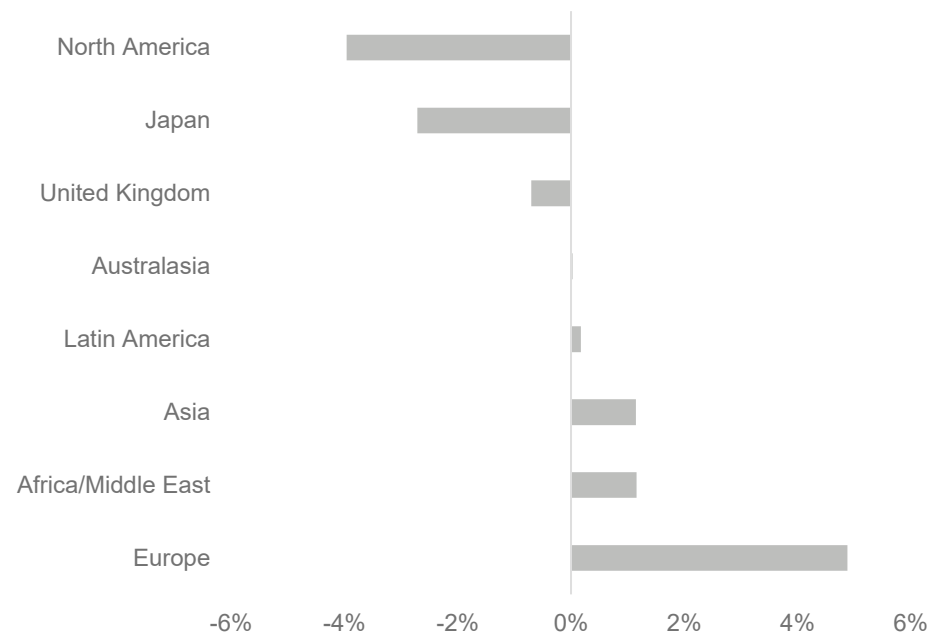
GARP | Sector and Country Exposure

GARP is currently tilted toward Europe and Asia, with less exposure to technology and healthcare compared to the broader global market.

GARP Sector Positioning



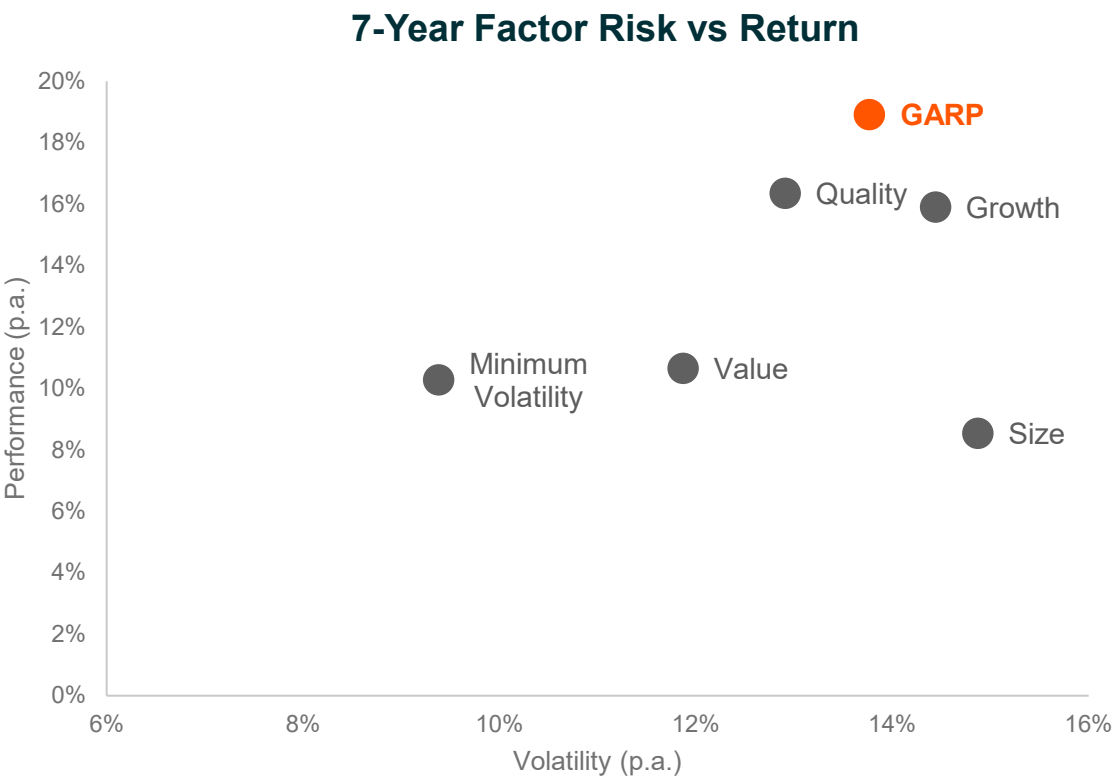
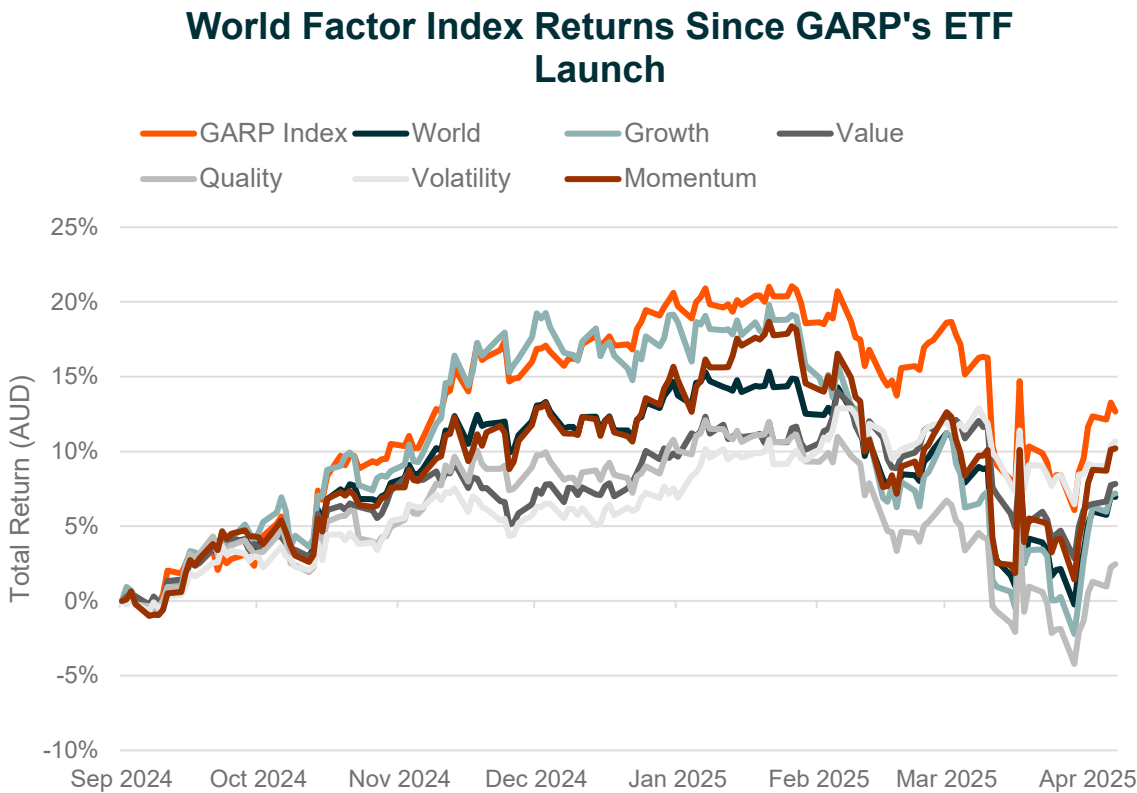
GARP Regional Positioning



Source: Bloomberg, Morningstar data as of 31 March 2025 compared to MSCI World ex Australia Index.

Historical Performance

Since launching, GARP has outperformed traditional single-factor indices and has historically demonstrated strong risk-adjusted returns.

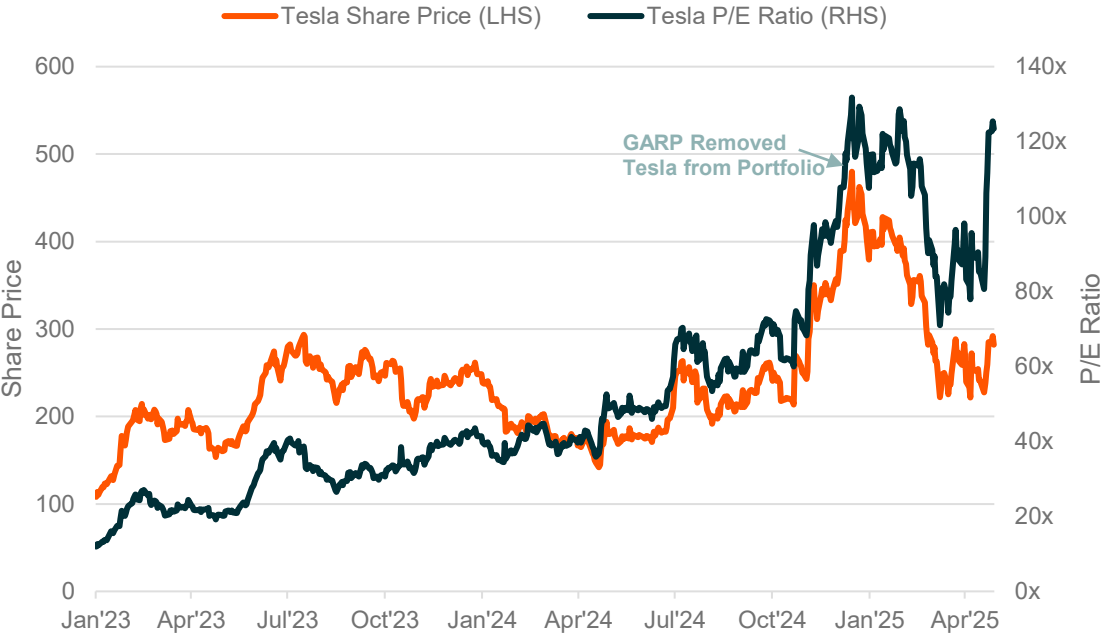


Source: Bloomberg, Morningstar as of 30 April 2025 using MSCI Factor Indices for World ex Australia since GARP's inception (24 September 2024) for LHS and since April 2018 for RHS. Past performance is not a reliable indicator of future performance. You cannot invest directly in an index.

GARP in Action

By targeting companies with strong growth, solid quality metrics, and attractive valuations, GARP may be an appealing opportunity for investors wanting global exposure to growing companies while maintaining a valuation discipline.

Tesla's share price quadrupled in two years, while its valuation increased 10x before a 50%+ correction



Company	Rationale for GARP Addition	Performance Since Dec'24 GARP Rebalance
Uber Technologies	<ul style="list-style-type: none">Achieved first year of profitabilityStrong revenue growth and deploying strongest cost-control measures to preserve margins	+33.4%
Coca-Cola	<ul style="list-style-type: none">Double-digit organic sales growth and strong marginsLeveraging productivity to sustain profitability and low debt	+16.9%
Banco Bilbao Vizcaya Argentaria (BBVA)	<ul style="list-style-type: none">Double-digit revenue and earnings growth while exploring M&A opportunitySolid capital base and PE ratio of 7x	+34.6%

Sources: (LHS) Bloomberg as of 30 April 2025. (RHS) Company Financial Reports, Bloomberg as of 30 April 2025 since GARP's rebalance on 20 December 2024.

BANK | Fund Information

Global X Australian Bank Credit ETF	
ASX Code	BANK
MER	0.25%
# of Holdings	102
Distribution Freq.	Monthly
Rebalance Freq.	Monthly
Benchmark Index	Solactive Australian Bank Credit Index
Yield to Maturity	5.3%
Running Yield	5.9%
Duration (Yrs)	1.0

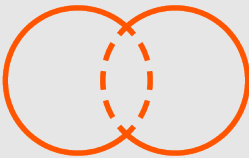
Source: Bloomberg as of 31 March 2025.

Key Features



Attractive Yield

BANK pays monthly income and its index has historically offered higher yields than term deposits, government bonds and corporate bonds.



Convenient and Cost-Effective

A cost-effective package that holds three types of fixed income securities across the banking capital structure (senior bonds, subordinated bonds and hybrid securities) that can be used for income enhancement, capital preservation, and broader diversification. BANK may have some concentration risk as it only holds credit securities issued by Australian banks but is well diversified across the capital structure.

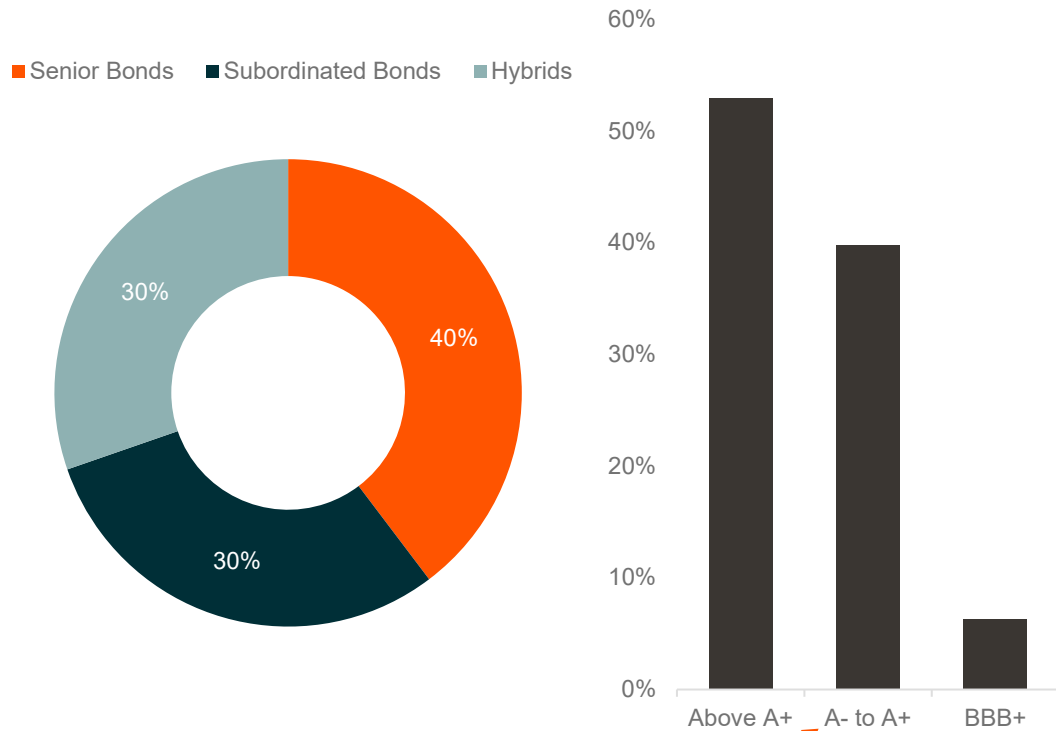


Trusted Source of Income

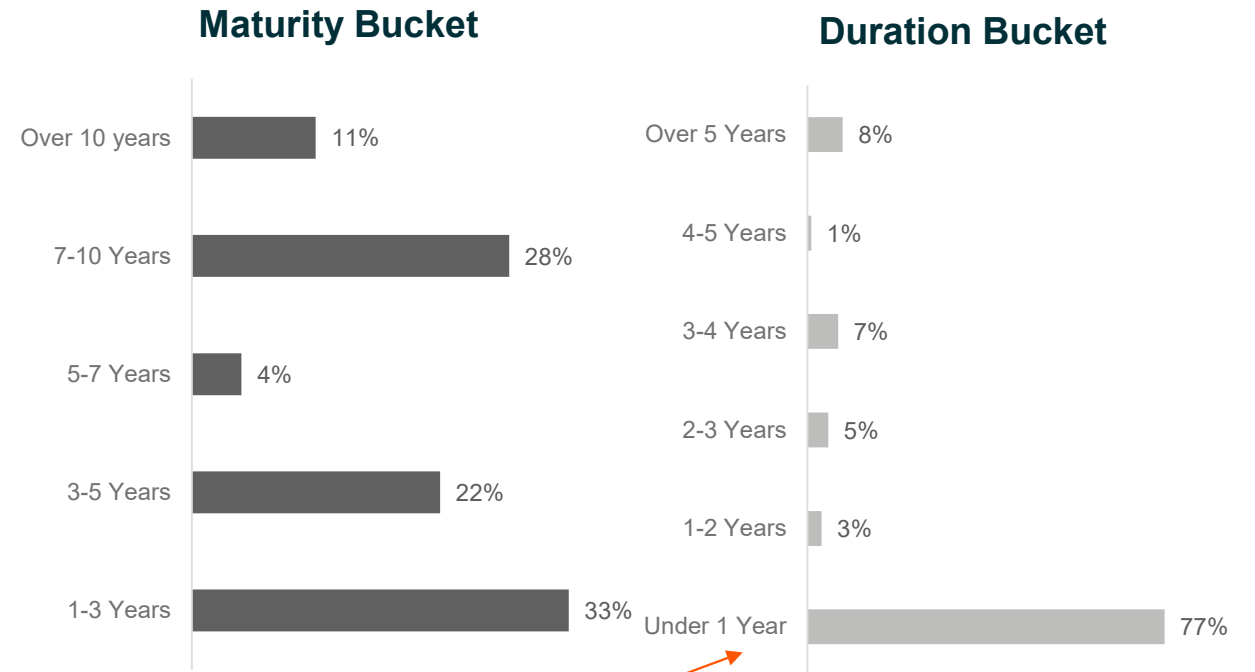
Australian banks are known for being some of the most credible and robust financial institutions in the world. BANK is the only index-based ETF offering exposure to the broader capital stack of Australia's banks in one diversified solution.

BANK | Sector Breakdown

Fixed Income Type and Credit Quality Breakdown



Maturity and Duration Breakdown

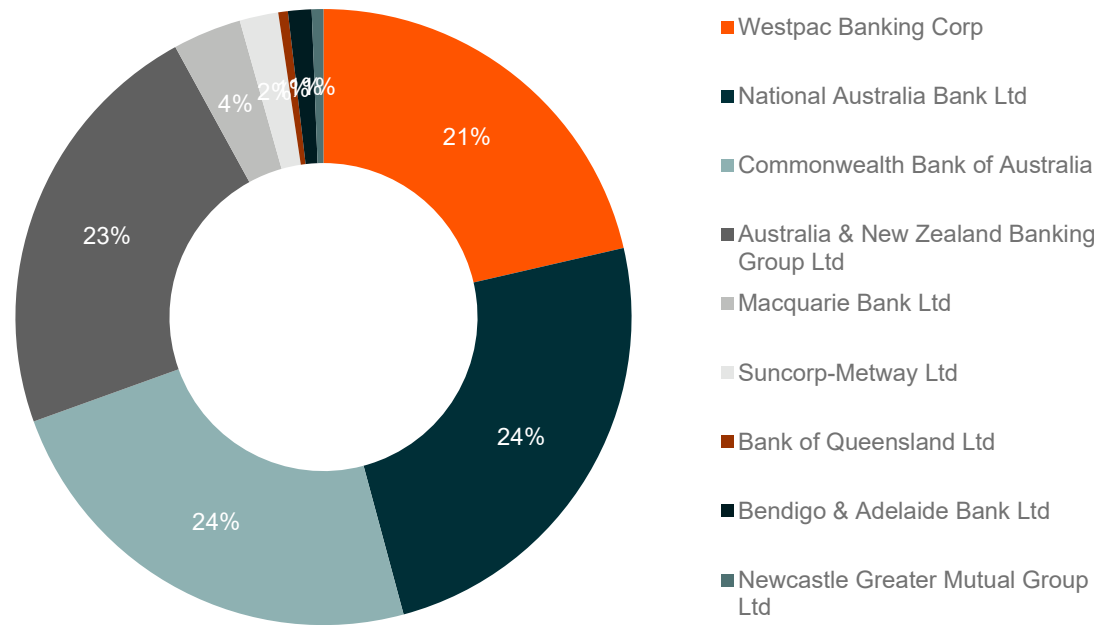


Opportunity for those looking at corporate credit to get exposure to securities with **higher quality** and **shorter duration**

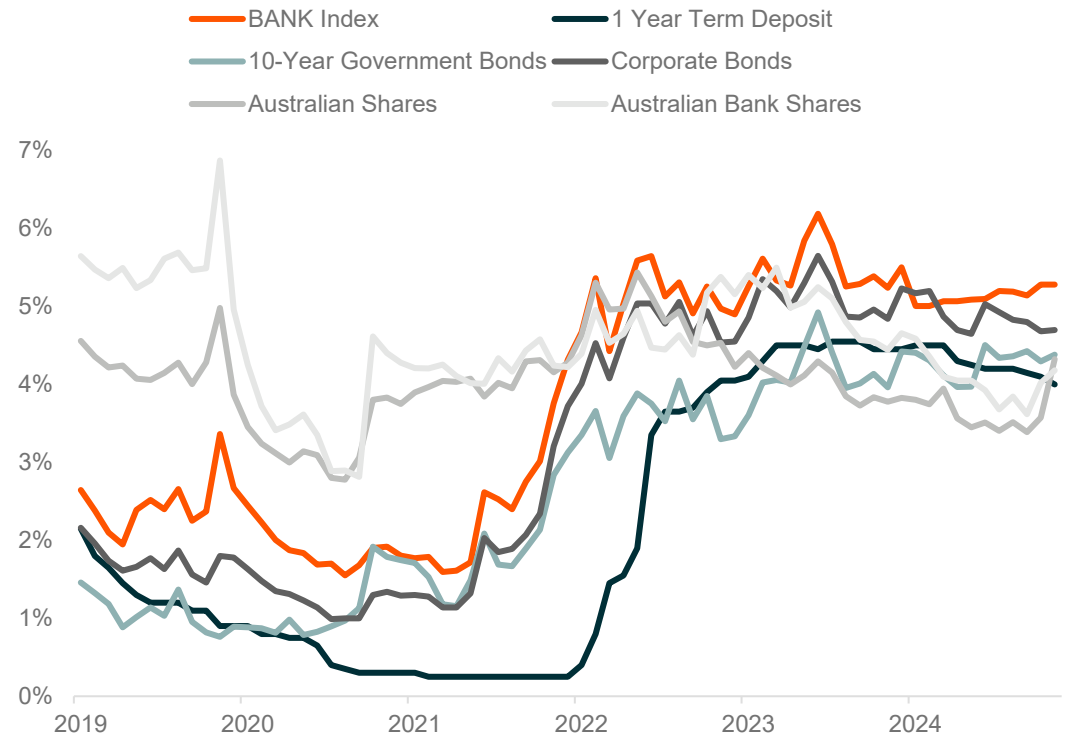
Source: Bloomberg data as of 31 March 2025. Credit rating is based on non-hybrid securities in the index.

BANK | Issuer and Yield Comparison

Issuer Breakdown



Asset Class Yields



Source: Bloomberg, Solactive data as of 31 March 2025 using underlying indices/data: Solactive Australian Bank Credit Index, RBA 1-Year Term Deposit Rate, Australia 10 Year Government Bond Yield, Bloomberg AusBond Composite 0+ Year Index, Bloomberg AusBond Credit 0+ Year Index, Bloomberg AusBond Credit FRN 0+ Yr Index, Solactive Australian Banking Preferred Shares Index, S&P/ASX 200 Index and The S&P/ASX 200 Financials Ex-A-REIT Index. Past performance is not a reliable indicator of future performance.

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Thank you

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