



USIG

Global X USD Corporate Bond (Currency Hedged) ETF



Invest in a currency hedged portfolio of investment grade US corporate bonds.

Income — Fixed Income

FUND DETAILS

ASX Code	USIG
Bloomberg Code	USIG AU EQUITY
IRESS Code	USIG.AXW
Benchmark	Bloomberg USD Liquid Investment Grade Corporate Hedged to AUD Index
Mgt. Fee and Costs (% p.a.)*	0.30
Rebalance Frequency	Monthly
Distribution Frequency	Quarterly
W-8 BEN Form Required	No

*Calculated on the Net Asset Value (NAV) of the Fund. Comprised of a Management Fee of 0.18% p.a. plus estimated indirect costs of 0.12% p.a. Refer to the PDS for a complete list of fees and costs.

KEY FEATURES



Generate Income

Steady income potential from investment grade corporate bonds, which generally deliver higher yields than treasury bonds.



Risk Management

Diversify portfolio income with access to only lower risk BBB and above credit rated corporate bonds.



US Exposure

Access the world's largest corporate bond market in a cost-effective, highly liquid and currency hedged vehicle.¹

INTRODUCING USIG

USIG provides exposure to investment grade, USD denominated corporate bonds to offer investors a tool to generate yield from a fixed income asset class. USIG seeks to deliver investment results that correspond generally to the price and yield performance, before fees and expenses, of the Bloomberg USD Liquid Investment Grade Corporate Hedged to AUD Index by investing in the Xtrackers USD Corporate Bond UCITS ETF 1D (the Underlying Fund), which is managed by DWS Group (DWS). DWS is a leading global asset manager with over €859 billion in assets under management as of June 2023².

DID YOU KNOW?

- The US has the largest corporate bond market in the world, with more than US\$1.2 trillion worth of investment grade bonds being issued in 2023 and over US\$10 trillion is still to be paid out to investors.³
- The investments in the underlying fund are investment grade bonds from the world's largest companies such as Apple, Microsoft, Disney, and Berkshire Hathaway.
- USIG offers access to the debts of lower-risk companies' bonds by restricting itself to bonds with an investment grade rating.

WHAT ARE INVESTMENT GRADE CORPORATE BONDS?

Issuing bonds, or in other words debt, is one way companies raise capital to fund their business activity. To help investors, these corporate bonds are then assessed by credit rating agencies – Fitch Ratings, Moody's and Standard & Poor's (S&P) – to determine their quality (how likely the company is to pay back the debt with interest). Investment grade bonds are the highest quality corporate bonds and must meet at least a BBB rating from S&P and Fitch or Baa3 from Moody's.

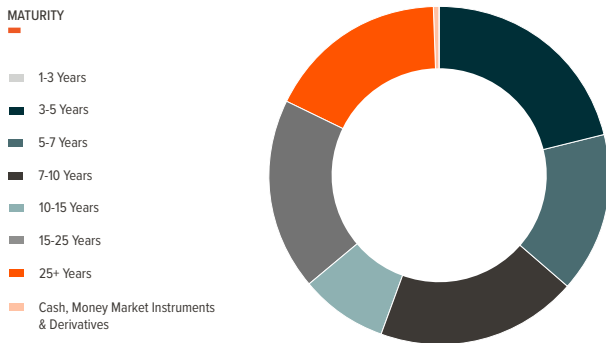
Historically, investment grade bonds are higher risk and yielding than US Government bonds. On the flip side, investment grade bonds are considered less risky and offer more reliable returns than sub-investment grade bonds, also called high yield bonds.

UNDERSTANDING INVESTMENT GRADE CORPORATE BONDS

- **Credit ratings:** reflect how likely a borrower is to repay the money that they borrow. The higher a credit rating (AAA is the highest) the more likely a borrower is to repay their debt.
- **Ratings agencies:** are companies – S&P, Fitch, Moody's are the main three – that determine companies' credit ratings.
- **Duration:** measures the extent to which a bond's price responds to changes in prevailing interest rates.
- **Yield to maturity:** measures the yield an investor would receive if all the coupon payments of a bond were received and the bond held until maturity.
- **Currency hedging:** is where the price changes between two currencies – such as Australian dollars and US dollars – are mitigated using derivatives.



USIG BOND MATURATION PORTFOLIO PIE CHART



HOW TO USE USIG IN A PORTFOLIO

- As a core portfolio holding to enhance income potential and exposure to US fixed income.
- For regular income during the year with quarterly distributions.
- ETF providing access to a wider range of bonds instead of taking on higher risk investing in a singular bond.
- To complement other fixed income ETFs including the Global X US Treasury Bond (Currency Hedged) ETF (USTB) and Global X USD High Yield Bond (Currency Hedged) ETF (USHY) by diversifying potential risks and fixed income streams.

HOW USIG WORKS

USIG is passively managed and seeks to match the performance of its benchmark, the Bloomberg USD Liquid Investment Grade Corporate Hedged to AUD Index, which invests in:

- USD-denominated corporate bonds.
- Investment grade bonds only.
- Bonds with maturities of at least three years.
- Minimum amount outstanding of US\$750 million per bond and US\$2 billion per issuer (liquid universe).

CONSIDERATIONS FOR INVESTING IN USIG

- The value of your investment may go down as well as up. Past performance does not predict future returns. Investor capital may be at risk up to a total loss.
- The Fund is exposed to market movements in a single country or region which may be adversely affected by political or economic developments, government action or natural events that do not affect a fund investing in broader markets.
- Bonds are exposed to credit risk and interest rate risk. There is a risk that the bond issuer may be unable to pay interest or repay the bond principal, resulting in your investment suffering a loss. If interest rates rise, typically the value of the bond will fall, which could also affect the value of your investment.

For more information on Global X USD Corporate Bond (Currency Hedged) ETF (ASX Code: USIG), please speak to Global X ETFs.

Client Services

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[1] (SIFMA Research, 2023) <https://www.sifma.org/resources/research/us-corporate-bonds-statistics/>

[2] (DWS, 2023) <https://www.dws.com/en-gb/our-profile/facts-and-figures/>

[3] (SIFMA Research, 2023) <https://www.sifma.org/resources/research/us-corporate-bonds-statistics/>

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Information current as at 31 January 2024.