

# Form ADV, Part II A

## Global X Management Company LLC

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This Brochure provides information about the qualifications and business practices of Global X Management Company LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 644-6440 or [bdelama@globalxfunds.com](mailto:bdelama@globalxfunds.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Global X Management Company LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Global X Management Company LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated January 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We also will reference the date of our last annual update of our brochure.

In the past we have delivered information about our qualifications and business practices to our client on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at (212) 644-6440 or [bdelama@globalxfunds.com](mailto:bdelama@globalxfunds.com). Additional information about Global X is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### Brochure Supplements (Part II B):

- Bruno del Ama
- Jose C. Gonzalez

## 4 – Advisory Business

Global X Management Company LLC ("Global X") is a Delaware limited liability company with its principal offices located at 410 Park Avenue, 4th floor, New York, New York 10022. Global X started operations in 2008. The principal owners of Global X are Bruno del Ama, Chief Executive Officer, and Jose C. Gonzalez, Chief Operating Officer.

Global X serves as the investment adviser and the administrator for Global X Funds (the "Trust"). The Trust is a registered investment company that currently consists of forty-two exchange-traded funds (each a "Fund"). Subject to the supervision of the Board of Trustees, Global X is responsible for managing the investment activities of each Fund and the Funds' business affairs and other administrative matters.

Each Fund seeks to invest in a portfolio of securities that tracks a particular benchmark index (the "Underlying Index"). The investment objective of each Fund is to track the performance, before fees and expenses, of the Underlying Index. Currently twenty Funds are actively trading as of the date of this brochure:

Global X FTSE Nordic Region ETF (GXF)	Global X Aluminum ETF (ALUM)
Global X FTSE Norway 30 ETF (NORW)	Global X Copper Miners ETF (COPX)
Global X/InterBolsa FTSE Colombia 20 ETF (GXG)	Global X Gold Explorers ETF (GLDX)
Global X Brazil Mid Cap ETF (BRAZ)	Global X Lithium ETF (LIT)
Global X Brazil Consumer ETF (BRAQ)	Global X Silver Miners ETF (SIL)
Global X Brazil Financials ETF (BRAJ)	Global X Uranium ETF (URA)
Global X China Consumer ETF (CHIQ)	Global X Russell Emerging Markets Growth ETF (EMGX)
Global X China Energy ETF (CHIE)	Global X Russell Emerging Markets Value ETF (EMVX)
Global X China Financials ETF (CHIX)	
Global X China Industrials ETF (CHII)	
Global X China Materials ETF (CHIM)	
Global X China Technology ETF (CHIB)	

In managing the Funds, Global X uses a "passive" or indexing approach to try to achieve each Fund's investment objective. Unlike many investment companies, the Funds do not try to "beat" the Underlying Index and do not seek temporary defensive positions when markets decline or appear overvalued.

Each Fund invests at least 80% of its total assets in the securities of the Underlying Index and in ADRs and GDRs based on the securities in the Underlying Index.

Each Fund may also invest up to 20% of its assets in certain futures, options and swap contracts (which may be leveraged and are considered derivatives), cash and cash equivalents, as well as in stocks not included in its Underlying Index, but which Global X believes will help a Fund track its Underlying Index.

Each Fund, with the exception of the Global X Russell Emerging Markets Growth ETF (EMGX) and the Global X Russell Emerging Markets Value ETF (EMVX), uses a replication strategy. A replication strategy is an indexing strategy that involves investing in the securities of the Underlying Index in approximately the same proportions as in the Underlying Index. However,

the Funds may utilize a representative sampling strategy with respect to its Underlying Index when a replication strategy might be detrimental to its shareholders. For example, when there are practical difficulties or substantial costs involved in compiling a portfolio of equity securities to follow its Underlying Index, in instances when a security in an Underlying Index becomes temporarily illiquid, unavailable or less liquid, or due to legal restrictions (such as diversification requirements that apply to the Funds but not the Underlying Indexes).

The Global X Russell Emerging Markets Growth ETF (EMGX) and the Global X Russell Emerging Markets Value ETF (EMVX) use a representative sampling strategy with respect to their Underlying Index. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the Underlying Index in terms of key risk factors, performance attributes and other characteristics. These include country weightings, market capitalization and other financial characteristics of securities. The Funds may or may not hold all of the securities in the Underlying Index.

The Funds may terminate the advisory agreement between each Fund and Global X at any time upon thirty (30) days prior written notice to Global X.

As of December 31, 2010, Global X had \$1,294.2 million in assets under management, all on a discretionary basis.

## 5 – Fees and Compensation

Pursuant to the Investment Advisory Agreement and subject to the general supervision of the Board of Trustees of the Trust, Global X provides investment advisory services to the Funds. Pursuant to the Supervision and Administration Agreement and subject to the general supervision of the Board of Trustees of the Trust, Global X provides or causes to be furnished, all supervisory, administrative and other services reasonably necessary for the operation of the Funds and also bears the costs of various third-party services required by the Funds, including audit, certain custodial, portfolio accounting, legal, transfer agency and printing costs.

The fee is based on the daily net asset value of the each Fund and is deducted from the Fund’s assets in arrears on a monthly basis. The fee is negotiated with, and subject to approval by, the Board of Trustees of the Funds.

Each Fund pays Global X fees in return for providing investment advisory, supervisory and administrative services under an all-in fee structure. The fee for each Fund that is currently in operation is as follows (stated as a percentage of the average daily net assets of each Fund taken separately):

<b>Name of Fund</b>	<b>Annual Advisory, Supervision and Administrative Fee</b>
Global X FTSE Nordic 30 ETF	<b>0.50%</b>
Global X FTSE Norway 30 ETF	<b>0.50%</b>
Global X/InterBolsa FTSE Colombia 20 ETF	<b>0.68%</b>
Global X China Consumer ETF	<b>0.65%</b>
Global X China Energy ETF	<b>0.65%</b>
Global X China Financials ETF	<b>0.65%</b>
Global X China Industrials ETF	<b>0.65%</b>
Global X China Materials ETF	<b>0.65%</b>
Global X China Technology ETF	<b>0.65%</b>

Global X Copper Miners ETF	0.65%
Global X Silver Miners ETF	0.65%
Global X Brazil Consumer ETF	0.77%
Global X Brazil Financials ETF	0.77%
Global X Brazil Mid Cap ETF	0.69%
Global X Aluminum ETF	0.69%
Global X Lithium ETF	0.75%
Global X Uranium ETF	0.69%
Global X Gold Explorers ETF	0.65%
Global X Russell Emerging Markets Growth ETF	0.69%
Global X Russell Emerging Markets Value ETF	0.69%

In addition, each Fund bears other fees and expenses that are not covered by the Supervision and Administration Agreement, which may vary and will affect the total expense ratio of the Fund, such as taxes and governmental fees, brokerage fees, commissions and other transaction expenses, costs of borrowing money, including interest expenses and extraordinary expenses (such as litigation and indemnification expenses). Item 12 further describes the factors that Global X considers in selecting or recommending broker-dealers for transactions and determining the reasonableness of their compensation (e.g., commissions).

The Global X FTSE Colombia 20 ETF bears or will bear asset-based custodial fees not covered by the Supervision and Administration Agreement. Global X may earn a profit on the advisory fee paid by the Funds. Also, Global X, and not Fund shareholders, would benefit from any price decreases in third-party services, including decreases resulting from an increase in net assets.

## 6 – Performance-Based Fees and Side-By-Side Management

Global X does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## 7 – Types of Clients

Global X provides portfolio management services to SEC-registered investment companies, which currently includes only one client, Global X Funds, which currently consists of forty-two exchange-traded funds, twenty of which are actively trading as of the date of this Brochure.

## 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser will use a “passive” or indexing approach to try to achieve the Funds’ investment objective. Unlike many investment companies, the Funds do not try to “beat” the Underlying Index and do not seek temporary defensive positions when markets decline or appear overvalued. Each Fund uses a replication or representative sampling indexing strategy, as described in Item 4.

As with any investment, you could lose all or part of your investment in the Funds, and the Funds’ performance could trail that of other investments. The Funds are subject to the principal

risks noted below, any of which may adversely affect the Funds' net asset value ("NAV"), trading price, yield, total return and ability to meet their investment objective.

#### Global X FTSE Nordic Region ETF (GXF)

*Risks Related to Investing in the Nordic Region:* Investments are concentrated in companies in Sweden, Denmark, Norway and Finland. The Nordic economies are heavily dependent on natural resources, trade amongst one another and with the members of the European Union, and their historically generous welfare programs.

#### Global X FTSE Norway 30 ETF (NORW)

*Risks Related to Investing in Norway:* Because Norway's economy is heavily dependent on the export of natural resources, volatility in commodity prices may have a material impact on the Fund's investments. Although not a member of the European Union, the Norwegian economy may be materially affected by developments in the member states or the European Union as a whole. Pension reform, union regulation, and further cuts in liberal social programs will likely need to be addressed in the near future, which may adversely impact investments in the Fund.

#### Global X/InterBolsa FTSE Colombia 20 ETF (GXG)

*Risk Related to Investing in Colombia:* Colombia has experienced high interest rates, economic volatility, inflation, currency devaluations, high unemployment rates and high level of debt and public spending. The economy is heavily dependent on exports and commodities. The level of violence associated with internal conflicts and drug-trafficking has fallen but remains high by international standards. There is no assurance that past capital controls restricting the inflow and repatriation of capital and free transfers of securities will not be reinstated or changed again and without prior warning, which could adversely affect the trading of the Shares.

#### Global X Brazil Mid Cap ETF (BRAZ)

*Risks Related to Investing in Brazil:* Investments in securities of Brazilian companies are subject to regulatory and economic interventions that the Brazilian government has frequently exercised in the past, including the setting of wage and price controls, blocking access to bank accounts, imposing exchange controls and limiting imports. Investments are also subject to certain restrictions on foreign investment as provided by Brazilian law. The Brazilian economy has historically been subject to high rates of inflation and a high level of debt, all of which may stifle economic growth. Despite rapid development in recent years, Brazil still suffers from high levels of corruption, crime and income disparity. There is the possibility that such conditions may lead to social unrest and political upheaval in the future, which may have adverse effects on the Fund's investments.

*Mid-Capitalization Companies Risk:* Mid cap companies may have greater volatility in price than the stocks of large companies due to limited product lines or resources or a dependency upon a particular market niche.

#### Global X Brazil Consumer ETF (BRAQ)

*Risks Related to Investing in Brazil* as described above.

*Risks Related to Investing in the Consumer Sector:* The consumer sector may be strongly affected by fads, marketing campaigns and other factors affecting supply and demand, including performance of the overall domestic and international economy, interest rates, currency exchange rates, consumer confidence and changes in demographics. Companies in the consumer sector may be subject to severe competition, which may also have an adverse impact on their profitability.

#### Global X Brazil Financials ETF (BRAJ)

*Risks Related to Investing in Brazil* as described above.

*Risks Related to Investing in the Financial Sector:* Companies in the financial sector are subject to extensive governmental regulation, which may adversely affect the scope of their activities. Governmental regulation may change frequently. The financial sector is exposed to certain risks, such as operating with substantial financial leverage, which may impact the value of investments more severely than investments outside the sector. Recently, the deterioration of the credit markets has caused an adverse impact in a broad range of mortgage, asset-backed, auction rate and other markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial services institutions and markets. This situation has created instability in the financial services markets and caused certain financial services companies to incur large losses or even become insolvent or bankrupt.

#### Global X China Consumer ETF (CHIQ)

*Risks Related to Investing in China:* Investments in securities of Chinese companies are subject to legal, regulatory, monetary, political, social instability and economic risks.

*Risks Related to Investing in the Consumer Sector* as described above.

#### Global X China Energy ETF (CHIE)

*Risks Related to Investing in China* as described above.

*Risks Related to Investing in the Energy Sector:* Investments in securities in the Energy sector are subject to swift energy price and supply fluctuations caused by events relating to international politics; energy conservation; the success of exploration projects; natural disasters or other catastrophes; changes in exchange rates, interest rates, or economic conditions; changes in demand for energy products and services; and tax and other governmental regulatory policies.

#### Global X China Financials ETF (CHIX)

*Risks Related to Investing in China* as described above.

*Risks Related to Investing in the Financial Sector* as described above.

#### Global X China Industrials ETF (CHII)

*Risks Related to Investing in China* as described above.



*Risks Related to Investing in the Industrials Sector:* Investments in securities in the Industrials sector are subject to fluctuations in supply and demand for their specific product or service. The products of manufacturing companies may face product obsolescence due to rapid technological developments. Government regulation, world events and economic conditions affect the performance of companies in the Industrials sector. Companies may also be adversely affected by environmental damage and product liability claims.

#### Global X China Materials ETF (CHIM)

*Risks Related to Investing in China* as described above.

*Risks Related to Investing in the Materials Sector:* Investments in securities in the Materials sector are subject to changes in commodity prices, exchange rates, import controls and worldwide competition. At times, worldwide production of industrial materials has exceeded demand, leading to poor investment returns or outright losses. Issuers in the Materials sector are at risk of depletion of resources, technical progress, labor relations, governmental regulations and environmental damage and product liability claims.

#### Global X China Technology ETF (CHIB)

*Risks Related to Investing in China* as described above.

*Risks Related to Investing in the Technology Sector:* Investments in securities in the Technology sector are subject to rapid changes in technology product cycles; rapid product obsolescence; government regulation; and increased competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Technology companies and companies that rely heavily on technology tend to be more volatile than the overall market, and are also heavily dependent on patent and intellectual property rights.

#### Global X Aluminum ETF (ALUM)

*Relationship to Aluminum Price:* The Underlying Index measures the performance of companies primarily involved in the aluminum industry and not the performance of aluminum price itself. The securities of companies involved in the aluminum industry may under- or over-perform aluminum price itself over the short-term or the long-term.

*Risk Related to Investing in the Aluminum Industry:* Securities in the Fund's portfolio may be significantly subject to the effects of competitive pressures in the aluminum industry and the price of aluminum itself. These prices may fluctuate substantially over short periods of time so the Fund's share price may be more volatile than other types of investments. In addition, aluminum companies may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

#### Global X Copper Miners ETF (COPX)

*Relationship to Copper Price:* The Underlying Index measures the performance of companies involved in the copper mining industry and not the performance of copper price itself. The securities of companies involved in the copper mining industry may under- or over-perform copper price itself over the short-term or the long-term.

*Risk Related to Investing in the Copper Mining Industry:* Securities in the Fund's portfolio may be significantly subject to the effects of competitive pressures in the copper mining industry and the price of copper itself. These prices may fluctuate substantially over short periods of time so the Fund's share price may be more volatile than other types of investments. In addition, copper mining companies may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

#### Global X Gold Explorers ETF (GLDX)

*Relationship to Gold Bullion:* The Underlying Index measures the performance of companies involved in the gold mining industry and not the performance of gold bullion itself. The securities of companies involved in the gold mining industry may under- or over-perform gold bullion over the short-term or the long-term.

*Risk Related to Investing in the Gold Mining Industry:* Securities in the Fund's portfolio may be significantly subject to the effects of competitive pressures in the gold mining industry and the price of gold bullion. These prices may fluctuate substantially over short periods of time so the Fund's share price may be more volatile than other types of investments. In addition, gold mining companies may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

#### Global X Lithium ETF (LIT)

*Exposure to Non-Lithium Markets:* Although the Fund invests a large percentage of its assets in the securities of companies that are active in the exploration and/or mining of lithium, these companies may derive a significant percentage of their profits from other business activities including, for example, the production of fertilizers and/or specialty and industrial chemicals. As a result, the performance of these markets and the profits of these companies from such activities may significantly impact the Fund's performance.

*Relationship to Lithium Price:* The Underlying Index measures the performance of companies involved in the lithium mining and lithium-ion battery industries and not the performance of lithium price itself. The securities of companies involved in the lithium industry may under- or over-perform lithium price itself over the short-term or the long-term.

*Risk Related to Investing in the Lithium-Ion Battery Industry:* Securities in the Fund's portfolio involved in the manufacturing of lithium-ion batteries are subject to the effects of price fluctuations of traditional and alternative sources of energy, developments in battery and alternative energy technology, the possibility that government subsidies for alternative energy will be eliminated and the possibility that lithium-ion technology is not suitable for widespread adoption.

*Risk Related to Investing in the Lithium Mining Industry:* Securities in the Fund's portfolio may be significantly subject to the effects of competitive pressures in the lithium mining industry and the price of lithium itself. These prices may fluctuate substantially over short periods of time so the Fund's share price may be more volatile than other types of investments. In addition, lithium mining companies may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

### Global X Silver Miners ETF (SIL)

*Relationship to Silver Bullion:* The Underlying Index measures the performance of companies involved in the silver mining industry and not the performance of silver bullion itself. The securities of companies involved in the silver mining industry may under- or over-perform silver bullion over the short-term or the long-term.

*Risk Related to Investing in the Silver Mining Industry:* Securities in the Fund's portfolio may be significantly subject to the effects of competitive pressures in the silver mining industry and the price of silver bullion. These prices may fluctuate substantially over short periods of time so the Fund's share price may be more volatile than other types of investments. In addition, silver mining companies may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

### Global X Uranium ETF (URA)

*Relationship to Uranium Price:* The Underlying Index measures the performance of companies involved in the uranium industry and not the performance of uranium price itself. The securities of companies involved in the uranium industry may under- or over-perform uranium price itself over the short-term or the long-term.

*Risk Related to Investing in the Uranium Industry:* Securities in the Fund's portfolio may be significantly subject to the effects of competitive pressures in the uranium industry and the price of uranium itself. These prices may fluctuate substantially over short periods of time so the Fund's share price may be more volatile than other types of investments. In addition, uranium companies may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices.

### Global X Russell Emerging Markets Growth ETF (EMGX)

*Emerging Market Risk:* Emerging markets may be subject to a greater risk of loss than investments in developed markets.

*Growth Securities Risk:* The Fund invests in growth securities, which may be more volatile than other types of investments.

### Global X Russell Emerging Markets Value ETF (EMVX)

*Emerging Market Risk* as described above.

*Value Securities Risk:* Securities issued by companies that may be perceived as undervalued may fail to appreciate for long periods of time, and may never realize their full potential value.

### Other risks common to several Funds:

*Asset Class Risk:* Securities in the Underlying Index or a Fund's portfolio may underperform in comparison to the general securities markets or other asset classes.

*Cash Transaction Risk:* Unlike most exchange-traded funds, the Global X/InterBolsa FTSE Colombia 20 ETF (GXG), Global X Brazil Mid Cap ETF (BRAZ), Global X Brazil Consumer ETF (BRAQ) and Global X Brazil Financials ETF (BRAAF) intend to effect all creations and redemptions partially for cash, rather than in-kind securities. As a result, an investment in these Funds may be less tax-efficient than an investment in a more conventional ETF.

*Commodity Exposure Risk:* Certain markets and sectors in which the Funds invest are susceptible to fluctuations in commodity markets. Any negative changes in commodity markets could have a great impact on these Funds.

*Concentration Risk:* The Fund may invest in securities denominated in foreign currencies. Because the Fund's NAV is determined in U.S. dollars, the Fund's NAV could decline if a foreign currency depreciates against the U.S. dollar.

*Currency Risk:* To the extent that a Fund's investments hold securities denominated in foreign currencies, because the Fund's NAV is determined in U.S. dollars, the Fund's NAV could decline if foreign currencies depreciate against the U.S. dollar.

*Custody Risk:* Less developed markets are more likely to experience problems with the clearing and settling of trades.

*Emerging Market Risk:* Emerging markets may be subject to a greater risk of loss than investments in developed markets.

*Equity Securities Risk:* Equity securities are subject to changes in value and their values may be more volatile than other asset classes.

*Foreign Security Risk:* Investments in the securities of foreign issuers are subject to the risks associated with investing in those foreign markets, such as heightened risks of inflation or nationalization. You may lose money due to political, economic and geographic events affecting a foreign issuer or market.

*Geographic Risk:* A natural disaster could occur in a geographic region in which a Fund invests.

*Issuer Risk:* A Fund's performance depends on the performance of individual companies in which the Fund invests. Changes to the financial condition of any of those companies may cause the value of their securities to decline.

*Management Risk:* A Fund is subject to the risk that Global X's investment management strategy may not produce the intended results.

*Market Risk:* A Fund's NAV could decline over short periods due to short-term market movements and over longer periods during market downturns.

*Market Trading Risks:* A Fund faces numerous market trading risks, including the potential lack of an active market for Shares, losses from trading in secondary markets, and disruption in the creation/redemption process of the Fund. Any of these factors may lead to Fund Shares trading at a premium or discount to NAV.

*Non-Diversification Risk:* A Fund may invest a large percentage of its assets in securities issued by or representing a small number of issuers. As a result, the Fund's performance may depend on the performance of a small number of issuers.

*Passive Investment Risk:* The Funds are not actively managed and the Adviser does not attempt to take defensive positions in declining markets.

*Privatization Risk:* Several countries in which the Funds invest have begun a process of privatizing certain entities and industries. Privatized entities may lose money or be re-nationalized.

*Reliance on Trading Partners Risk:* Certain Funds invests in economies that are heavily dependent upon trading with key partners. Any reduction in this trading may cause an adverse impact on the economies in which the Fund invests. Funds are exposed to *Asian Economic Risk, Central and South American Economic Risk, European Economic Risk and U.S. Economic Risk.*

*Securities Lending Risk:* Securities lending involves the risk that a Fund loses money because the borrower fails to return the securities in a timely manner or at all. A Fund could also lose money in the event of a decline in the value of the collateral provided for loaned securities or of investments made with cash collateral. These events could also trigger adverse tax consequences for the Fund.

*Securities Market Risk:* Because certain securities markets in the countries in which the Fund may invest are small in size, underdeveloped, and are less regulated and less correlated to global economic cycles than those markets located in more developed countries, the securities markets in such countries are subject to greater risks associated with market volatility, lower market capitalization, lower trading volume, illiquidity, inflation, greater price fluctuations and uncertainty regarding the existence of trading markets.

*Small- and Mid-Capitalization Companies Risk:* A Fund may invest a significant percentage of its assets in small- or medium-capitalization companies, which are typically subject to lower trading volume, less liquidity, greater price volatility and less analyst coverage than larger more established companies.

*Tracking Error Risk:* The performance of a Fund may diverge from that of the Underlying Index.

*Valuation Risk:* The value of the securities in a Fund's portfolio may change on days when shareholders will not be able to purchase or sell the Fund's Shares.

Each Fund's Prospectus and Statement of Additional Information ("SAI") describes these risks in more detail and can be obtained from or charge by contacting us at (888) GX-FUND-1 (888-493-8631) or [info@globalxfunds.com](mailto:info@globalxfunds.com).

## **9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Global X or the integrity of Global X's management. Global X has no legal or disciplinary events to disclose.

## **10 – Other Financial Industry Activities and Affiliations**

Jose Gonzalez, Chief Operating Officer of Global X, is President and owner of GWM Group, Inc. a registered broker-dealer. Mr. Gonzalez spends a material amount of his time on activities related to GWM Group, Inc. While there are currently no business relationships between GWM Group and Global X, Mr. Gonzalez may offer in the future to provide clients of Global X with services or products from GWM Group, Inc.

Under this circumstance, a potential conflict arises that Global X might favor GWM Group Inc. as the preferred broker. Global X has therefore instituted policies and procedures to execute its orders with recognized third party brokers in the relevant markets and securities. GWM Group Inc. can only be used as a broker when it provides a better price and execution of the order than what can be obtained from these third party brokers. The primary consideration is best execution.

If GWM Group Inc. were to act as broker in connection with the sale of securities to or by a Fund, Global X and GWM Group Inc. will act in accordance with Section 17(e)(2) of the Investment Company Act of 1940, which provides that a Fund affiliate may not receive any compensation exceeding the limits set forth in Section 17(e)(2) and Rule 17e-1.

To date, GWM Group Inc. has not executed any trades for any of the Funds.

## **11 – Code of Ethics**

Global X has adopted a code of ethics (the "Code of Ethics") that establishes the standard of business conduct that all of its employees must follow. The Code of Ethics also addresses personal trading and investments by its employees. Employees are required to acknowledge in writing that they have received the Code of Ethics and each subsequent amendment thereto, that they comprehend the Code of Ethics, and that they have complied (as applicable) and will comply with the Code of Ethics.

The Code of Ethics sets forth specific policies and procedures for its employees to follow regarding material, non-public information ("inside information") and other confidential information of clients and Global X. While Global X does not expect its employees to be in receipt of inside information, it requires any employee receiving inside information to refrain from trading on the information and to discuss the information only with the Chief Compliance Officer to determine an appropriate course of action.

The Code of Ethics also details policies and procedures regarding personal securities transactions by employees. Most employees are required to provide initial, annual and quarterly securities transaction reports, which are reviewed by the Chief Compliance Officer or his designee. All employees are required to pre-clear investments in initial public offerings, limited offerings and securities that are included as a component of an Underlying Index or for which public notice has been given that such security will be added to, or deleted from, an Underlying Index. A copy of Global X's Code of Ethics is available to clients and prospective clients upon request. Global X's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at (212) 644-6440 or [bdelama@globalxfunds.com](mailto:bdelama@globalxfunds.com).

The Code of Ethics allows Global X and its affiliates, as well as the personnel subject to it, to trade and invest for their own accounts in securities, including securities that may be held or purchased by the Fund. Where any such conflict exists, portfolio managers will not make any such investment for a Fund without:

- causing Global X to fully disclose the nature and extent of the conflict prior to the transaction, including any direct or indirect compensation the portfolio manager or Global X receives in connection with the transaction;
- make the investment only if he or she has a reasonable belief that the investment is in the Fund's best interest; and
- ensuring compliance with any relevant procedures set forth in the Code of Ethics.

## **12 – Brokerage Practices**

The policy regarding purchases and sales of securities for each Fund is that primary consideration will be given to obtaining the most favorable prices and efficient executions of transactions. Consistent with this policy, when securities transactions are effected on a stock exchange, the policy is to pay commissions that are considered fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, Global X relies upon its experience and knowledge regarding commissions generally charged by various brokers and in various jurisdictions. Global X effects transactions for the Funds with those brokers and dealers that Global X believes provide the most favorable prices and are capable of providing the most efficient and best execution of trades. The primary consideration of Global X is to seek prompt execution of orders at the most favorable net price. The sale of Shares by a broker-dealer is not a factor in the selection of broker-dealers. Global X and its affiliates do not currently participate in any soft dollar transactions, although Global X relies on Section 28(e) of the 1934 Act in effecting or executing transactions for the Funds. Accordingly, in selecting broker-dealers to execute a particular transaction, Global X may consider the brokerage and research services (as those terms are defined in Section 28(e) of the 1934 Act) provided to the Funds and/or other accounts over which Global X or its affiliates exercise investment discretion. Global X may cause a Fund to pay a broker-dealer that furnishes brokerage and research services a higher commission than that which might be charged by another broker-dealer for effecting the same transaction, provided that Global X determines in

good faith that such commission is reasonable in relation the value of the brokerage and research services provided by such broker-dealer, viewed in terms of either the particular transaction or the overall responsibilities of Global X to the Funds. Such brokerage and research services might consist of reports and statistics on specific companies or industries or broad overviews of the securities markets and the economy. Shareholders of the Funds should understand that the services provided by such brokers may be useful to Global X in connection with its services to other clients.

Global X assumes general supervision over placing orders on behalf of the Funds for the purchase or sale of portfolio securities. Global X generally does not aggregate purchase and sale transactions for the Funds. Not bundling or bunching transactions for the Funds may result in less favorable prices for portfolio securities and higher brokerage commissions.

### **13 – Review of Accounts**

The professionals primarily responsible for the day-to-day management of the Fund are Bruno del Ama and Jose C. Gonzalez (“Portfolio Managers”). Mr. del Ama, who is the Chief Executive Officer of the Adviser, and Mr. Gonzalez, who is the Chief Operating Officer of the Adviser, have been Portfolio Managers of the Fund since inception. The accounts managed are under continuous review by the two Portfolio Managers. With respect to the Funds, additional reviews of a Fund's account may be triggered by changes in such Fund's Underlying Index or by updates in the Prospectus.

Quarterly reports regarding each Fund operations are provided to the Funds' Board of Trustees. In addition, the Funds' daily and quarterly performance is posted on the Funds' website. The Funds' website also publishes quarterly factsheets, semi-annual reports, and audited annual reports for each Fund.

### **14 – Client Referrals and Other Compensation**

Global X and InterBolsa S.A. (“InterBolsa”), one of the leading broker-dealers located in Colombia, have entered into an agreement, pursuant to which InterBolsa agrees to provide certain marketing, marketing-related and other services and allow the use of InterBolsa's name and brand with respect to the Global X/InterBolsa FTSE Colombia 20 ETF. Under this agreement, InterBolsa has agreed to make an initial payment to Global X regarding certain start up expenses for the Global X/InterBolsa FTSE Colombia 20 ETF and Global X has agreed to share with InterBolsa fifty percent (50%) of Global X's legitimate profits and losses with respect to the Global X/InterBolsa FTSE Colombia 20 ETF.

Global X and MCCA Lithium ETF, LLC (“MCCA”), a single purpose limited liability firm, have entered into an agreement, pursuant to which MCCA has agreed to assist the Adviser, in its capacity as sponsor of the Global X Lithium ETF, by providing initial capital and additional financial resources to the Adviser in connection with the listing, launch and the continuing



operation of the Global X Lithium Fund. In return, the Adviser has agreed to compensate MCCA for its financial assistance to the Adviser with respect to the Global X Lithium ETF by sharing with MCCA fifty percent of the Adviser's Net Profits with respect to the Global X Lithium ETF. For this purpose, the term Net Profits means, for any calendar quarter, the total management fees received by the Adviser with respect to the Global X Lithium ETF less direct expenses, marketing expenses and overhead expenses for the Global X Lithium ETF during such quarter. In the event that there are no Net Profits with respect to the Global X Lithium ETF in any calendar quarter, MCCA shall pay fifty percent of the negative shortfall in Net Profits to the Adviser. The agreement between the parties does not contemplate that MCCA or any of its affiliates will be involved directly or indirectly in the distribution of shares of the Global X Lithium ETF.

In connection with the marketing and sales of Fund shares, Global X has entered into a marketing services agreement with NAV Capital Partners, LLC dba NAVCAP, a Michigan limited liability company ("NAVCAP") whose principals are registered representatives of broker-dealer, Naples AIS, Inc. Pursuant to the terms of the agreement, NAVCAP uses its reasonable best efforts to (i) inform prospective clients about the Funds and (ii) introduce Global X and the Funds to prospective clients. In return, Global X pays out of its internal resources and profits a fee based on increases in net assets directly attributable to purchases of Fund shares by prospects.

In addition, Global X may make payments out of its own internal resources and profits from all sources to other financial intermediaries to encourage the sale of shares of the Funds. The payments are intended to compensate financial intermediaries (including broker-dealers) for, among other things: marketing shares, which may consist of payments relating to the Funds, including but not limited to: inclusion on preferred or recommended fund lists or in certain sales programs from time to time sponsored by the financial intermediaries; access to the financial intermediaries registered sales persons; and /or other specified services of persons intended to assist in the marketing of the Funds. Such payments may be based on various factors, including levels of assets and /or sales (based on gross or net sales or some other criteria). These payments may create an incentive for a financial intermediary to sell and recommend certain investment products, including the Funds, over other products for which it may receive less compensation. You may contact your financial intermediary if you want information regarding any payment it receives from Global X.

## **15 – Custody**

Global X may be deemed to have custody based solely on the ability to debit advisory fees. Global X publishes on the Funds' website the prior Business Day's NAV of each Fund on a daily basis, as well as a quarterly factsheet of each Fund. The website also posts the Funds' semi-annual and audited annual reports. Global X urges you to carefully review such statements and information.

## **16 – Investment Discretion**

Global X has discretionary authority to trade. In all cases, however, such discretion is to be exercised in a manner consistent with each Fund's investment objective. In managing the Funds, Global X uses a "passive" or indexing approach to try to achieve each Fund's investment objective. This is described in more detail in Item 4 – Advisory Business.

## **17 – Voting Client Securities**

The Funds have delegated proxy voting responsibilities to Global X, subject to the Boards of Trustees' oversight. In delegating proxy responsibilities, the Board has directed that proxies be voted consistent with the Funds' and their shareholders' best interests and in compliance with all applicable proxy voting rules and regulations. Global X has adopted its own proxy voting policies and guidelines for this purpose and has engaged a third party proxy solicitation firm, Glass Lewis & Co., to assist it in its duties.

It is Global X's policy to vote proxies of securities held in each Fund's portfolio in a manner that is consistent with the interests of the Fund. The proxy voting policies and procedures are designed to maximize returns for the Funds through identifying and avoiding financial, audit and corporate governance risks. The proxy voting procedures address, among other things, material conflicts of interest that may arise between the interests of the Funds and the interests of Global X.

Information on how the Funds voted proxies relating to portfolio securities during the most recent 12 month period is available (1) without charge, upon request, by calling 1-888-843-7824 and (2) on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. Global X has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Global X has not included a balance sheet because it does not require or solicit prepayment of fees.

# Form ADV, Part II B

## Brochure Supplement

**Bruno del Ama**

**Global X Management Company LLC**

410 Park Avenue, 4<sup>th</sup> floor

New York, New York, 10022

(212) 644-6110

**January 2011**

This Brochure Supplement provides information about Bruno del Ama that supplements the Global X Management Company LLC Brochure. You should have received a copy of that Brochure. Please contact (212) 644-6440 and/or [bdelama@globalxfunds.com](mailto:bdelama@globalxfunds.com) if you did not receive Global X Management Company LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Bruno del Ama is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **2- Educational Background and Business Experience**

### **Bruno del Ama, Chief Executive Officer and Chief Compliance Officer**

#### **Business Background:**

2008 to Present: Chief Executive Officer and Chief Compliance Officer of Global X.

2004 to 2008: Director of Radian Asset Assurance

**Education:** Mr. del Ama graduated from the Universidad Pontificia de Comillas in 1998 with a degree in Business Administration and from the Wharton Business School in 2007 with an MBA. Mr. del Ama, a CFA Charterholder, was born in 1976.

## **3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mr. del Ama has no legal or disciplinary information to disclose.

## **4- Other Business Activities**

Bruno del Ama is not substantially engaged in any other business or occupation for compensation, investment related or otherwise.

## **5- Additional Compensation**

Bruno del Ama is a shareholder of Global X Management Company LLC. No other economic benefit beyond regular salary and bonus.

## **6 - Supervision**

Bruno del Ama is the Chief Executive Officer and Chief Compliance Officer of Global X and is supervised by the Independent Trustees of the Trust. In addition, he is supervised by Jose C. Gonzalez as Chief Compliance Officer of the Trust. Mr. Gonzalez can be reached at (212) 644-6550.

# Form ADV, Part II B

## Brochure Supplement

**Jose C. Gonzalez**

**Global X Management Company LLC**

410 Park Avenue, 4<sup>th</sup> floor

New York, New York, 10022

(212) 644-6550

**January 2011**

This Brochure Supplement provides information about Jose C. Gonzalez that supplements the Global X Management Company LLC Brochure. You should have received a copy of that Brochure. Please contact (212) 644-6440 and/or [bdelama@globalxfunds.com](mailto:bdelama@globalxfunds.com) if you did not receive Global X Management Company LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Jose C. Gonzalez is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **2- Educational Background and Business Experience**

### **Jose C. Gonzalez, Chief Operating Officer**

#### **Business Background:**

2008 to Present: Chief Operating Officer of Global X.

2006 to Present: President of GWM Group, Inc.

**Education:** Mr. Gonzalez graduated in 1998 from the Universidad Autonoma de Madrid with a degree in Business Administration. Mr. Gonzalez was born in 1976. Mr. Gonzalez holds the Series 7, 24, 63 and 65.

## **3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mr. Gonzalez has no legal or disciplinary information to disclose.

## **4- Other Business Activities**

Jose Gonzalez, Chief Operating Officer of Global X, is President and owner of GWM Group, Inc. a registered broker-dealer. Mr. Gonzalez spends a material amount of his time on activities related to GWM Group, Inc. While there are currently no business relationships between GWM Group and Global X, Mr. Gonzalez may offer in the future to provide clients of Global X with services or products from GWM Group, Inc.

Under this circumstance, a potential conflict arises that Global X might favor GWM Group Inc. as the preferred broker. Global X has therefore instituted policies and procedures to execute its orders with recognized third party brokers in the relevant markets and securities. GWM Group Inc. can only be used as a broker when it provides a better price and execution of the order than what can be obtained from these third party brokers. The primary consideration is best execution.

If GWM Group Inc. were to act as broker in connection with the sale of securities to or by a Fund, Global X and GWM Group Inc. will act in accordance with Section 17(e)(2) of the Investment Company Act of 1940, which provides that a Fund affiliate may not receive any compensation exceeding the limits set forth in Section 17(e)(2) and Rule 17e-1.

To date, GWM Group Inc. has not executed any trades for any of the Funds.

## **5- Additional Compensation**

Jose C. Gonzalez is a shareholder of Global X Management Company LLC. No other economic benefit beyond regular salary and bonus.

## **6 - Supervision**

Jose C. Gonzalez is supervised by Bruno del Ama, Chief Executive Officer and Chief Compliance Officer of Global X. Mr. del Ama is in constant communication with Mr. Gonzalez

and gets reports on a daily basis to monitor the portfolio management activities of Mr. Gonzalez, as well as his compliance with Global X policies and procedures and code of ethics. Mr. del Ama can be reached at (212) 644-6110.