

Global X China Clean Energy ETF – Associated Risks

Description of risks associated with Green or ESG fund's investment theme	<ol style="list-style-type: none">1) Clean energy companies may be dependent on the successful development of new and proprietary technologies. Many clean energy companies are involved in the development and commercialization of new technologies, which may be subject to delays resulting from budget constraints and technological difficulties. Obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions also significantly affect the clean energy sector.2) There are also factors external to the companies which may affect the performance of clean energy companies. Clean energy companies may be highly dependent upon government subsidies and incentives (including but not limited to preferential tax treatments) and contracts with government entities, and may be negatively affected if such subsidies are reduced, such preferential tax treatments expires or are discontinued, or contracts are unavailable due to changes in government policies. In addition, seasonal weather conditions, fluctuations in the supply of, and demand for, clean energy products, changes in energy prices, and international political events may cause fluctuations in the performance of clean energy companies and the prices of their securities.3) Shares in the companies involved in the clean energy have been significantly more volatile than shares of companies operating in other, more established industries. Currently, certain methods used to value companies involved in the alternative power and power technology sectors, particularly those that have not yet traded profitably, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may increase the volatility of the share prices of certain alternative power and power technology company.4) There is a lack of standardized taxonomy in relation to sustainable investing strategies and funds with investment focus on climate, green, environmental or sustainable development. The standard of disclosure adopted by these funds in relation to the relevant climate, green, environmental or sustainable development factors or principles may vary.
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