

September 9, 2019

Press Release

Global X Management Company Inc.
Daiwa Securities Group Inc.
Daiwa Asset Management Co. Ltd.

Attention

Please note: This document is an unofficial translation of a press release announced on 9 September, 2019 by Global X Management Company Inc. and Daiwa Securities Group Inc. The original press release is in Japanese.

**Daiwa Securities Group and Global X to establish a joint venture
to expand the domestic ETF business
-Supporting customer asset building by activating the domestic
ETF market-**

Tokyo, Japan – Daiwa Securities Group Inc. (Headquarters: Chiyoda-ku, Tokyo; President and CEO: Seiji Nakata), Daiwa Asset Management Co. Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Koichi Matsushita) and Global X Management Company Inc. (Hereinafter referred to as “Global X”) will collaborate in the asset management business, and establish a joint venture, Global X Japan Co. Ltd., to support their customers’ asset building through their new ETF (Exchange Traded Fund) solutions to investors in Japan.

The global ETF market continues to expand due to product benefits that include lower cost and higher liquidity.. Especially in the US market, the investor base has expanded with individual investors holding more than 50% of the assets. ETF assets under management in the US have grown from circa \$500 billion 10 years ago to more than \$3 trillion as of December 2018.

In Japan, although the presence of ETFs in publicly offered stock investment trusts has been increasing year-by-year, the market is still developing, with more than 50% of personal financial assets (exceeding 1,800 trillion yen) held in cash. It is expected that various types of financial products will be required for the progress from savings to asset building, and the investment need for low-cost, highly flexible ETF will increase.

In light of this opportunity, Global X Japan Co. Ltd. has entered the developing domestic ETF market and plans to introduce differentiated ETF products, mainly thematic and income-oriented solutions, to serve growing demand.

Global X has an established product development process, longstanding index provider relationships, as well as proven operational, sales and marketing expertise in the US. Also, with its wide recognition in the United States, the firm has a strong brand.

Daiwa Securities Group Inc. has been developing products and service platforms that meet the needs of a wide range of investors. By collaborating with Global X, which has an excellent track record for leadership in thematic investing, the Group is well-positioned to offer differentiated ETF solutions to its individual investor customers. Daiwa Securities Group Inc. will provide strong support to the progression “from savings to asset building” in Japan.

Daiwa Securities Group Inc. and Global X will leverage their strengths to contribute to the realization of a better life for their customers and a better society.

* The services mentioned are under the expectation that registration procedures with the relevant authorities will be completed. Please note that the service content, etc. may change in the future.

* At present, Daiwa Securities Group Inc. is the only founder to swiftly complete the company establishment process so far. Once the necessary preparations are completed, the three companies will promptly increase capital to 5 billion yen (including capital reserve).

■ Overview of the joint venture

Trade Name	Global X Japan Co. Ltd.
Business Description	Investment management business, Investment advisory and agency business, Type II Financial Instruments Business

Date of Establishment	September 2, 2019
Head Office	Chiyoda-ku, Tokyo
Representative Director	Hiroyuki Chida
Director	Junichi Aizawa
Director	Shogo Yoneyama
Capital	200 million yen (including capital reserve)

■ Overview of Daiwa Securities Group Inc.

Trade Name	Daiwa Securities Group Inc.
Business Description	Business Ownership, management and control of shares of a company engaged in financial instruments business
Head Office	1-9-1, Marunouchi, Chiyoda-ku, Tokyo
President and CEO	Seiji Nakata

■ Overview of Daiwa Asset Management Co. Ltd.

Trade Name	Daiwa Asset Management Co. Ltd.
Business Description	Investment management business, Investment advisory and agency business, Type II Financial Instruments Business
Head office	1-9-1, Marunouchi, Chiyoda-ku, Tokyo
President	Koichi Matsushita

■ Overview of Global X

Trade Name	Global X Management Company Inc.
Business Description	Investment management
Head Office	600 Lexington Ave., 20th Floor – New York, NY 10022
CEO	Luis Berruga