

nato

Future of Defence UCITS ETF - Acc

Factsheet | Data as of 31 Jan 2024

Investment Objective

Future of Defence UCITS ETF (NATO) provides exposure to the companies generating revenue from NATO and NATO+ ally defence and cyber defence spending.

Global military spending is rising. In 2022, \$2.2 trillion was spent on defence — the highest level ever recorded. With the ongoing geopolitical tensions, one area of growth is among European NATO members. But despite such record spending, most European NATO members are still lagging the 2% of GDP target.

In the 21st century, national security is not just about physical borders and military strength. After invading Ukraine in 2014, Russia carried out a multitude of large-scale cyberattacks on the country.

Since the full-scale invasion of Ukraine in 2022, state-sponsored actors have targeted 128 governmental organisations in 42 countries that support Ukraine, highlighting the importance of cyber defence.

The Future of Defence ETF tracks the EQM NATO+ Future of Defence Index. Using a passive, rules-based approach, companies must derive more than 50% of their revenues from the manufacture and development of military aircraft and/or defence equipment or have business operations in cyber security contracted with a NATO+ member country.

Please remember that the value of your investment may go down as well as up and your capital is at risk.

Why NATO?



Increased NATO and NATO+ ally spending

Despite a record spending on defence in 2022, most European NATO members need to spend more to close the gap and reach the 2% of GDP target outlined by the alliance. As geopolitical tensions continue to worsen, this situation will have to change, and fast.



Need for modernised defence solutions

Companies exposed to NATO and NATO+ ally spending stand to benefit from the growing need for modernised defence solutions. The rise of data breaches and increasing sophistication of cyberattacks poses a global security threat, driving increased adoption of cybersecurity solutions.



Global growth opportunity

The defence market is expected to grow at a CAGR of 5.6% to \$718.12 billion by 2027, and the global cybersecurity market by a CAGR of 8.9% over the same period. It is likely that these growth rates will accelerate even further to reflect the risks associated with the Russia-Ukraine conflict.

Trading Information

Exchange	Ticker	RIC	SEDOL	ISIN	CCY
SIX	NATO SW	NATO.S	BRXJS97	IE0000J5TQP4	CHF
LSE	NATO LN	NATO.L	BP6N0Z2	IE0000J5TQP4	USD
LSE	NATP LN	NATP.L	BP6N104	IE0000J5TQP4	GBP
Borsa Italiana	NATO IM	NATO.MI	BMBR649	IE0000J5TQP4	EUR
Xetra	ASWC GY	ASWC.DE	BMBR650	IE0000J5TQP4	EUR

Key Facts

Inception Date	03/07/2023
Index	EQM Future of Defence Index
Number of Holdings	50
Base Currency	USD
Index PE Ratio	28,09
Index Dividend Yield (Est)	1,13%
Income Treatment	Accumulating
TER	49 bps
Rebalance Frequency	Quarterly
Replication Style	Physical
Registered for Sale	DK, AT, DE, GB, IE, LU, ES, FI, FR, IT, NO, NL, SE, CH
UK Fund Reporting Status	Seeking
UCITS Eligible	Yes
ISA Eligible	Yes
SIPP Eligible	Yes
Custodian	J.P. Morgan SE - Dublin Branch
Portfolio Manager	Vident Advisory LLC
Net Assets of Fund	51.120.443,86 (USD)
Net Assets of Share Class	51.120.443,86 (USD)
Shares Outstanding	5.460.000
SFDR Classification	Article 6

Key Risks

- 1. Thematic ETFs are exposed to a limited number of sectors and thus the investment will be concentrated and may experience high volatility
- 2. Investors' capital is fully at risk and may not get back the amount originally invested
- 3. Exchange rates can have a positive or negative effect on returns;
- 4. The value of equities and equity-related securities can be affected by daily stock and currency market movements
- 5. When you invest in ETFs, your capital is at risk.

Performance vs Index

Fund	1M	3M	6M	YTD	12M
NATONTR	5.30%	16.39%	15.77%	15.52%	34.34%

Source: Bloomberg, as of 31 Jan 2024. Performance for the fund and the index is shown in USD. Fund performance is shown net of fees with income reinvested where applicable. Please be aware that fees have a detrimental impact on the performance of an ETP. Past performance is not an indicator for future results.

Index Information

The EQM Future of Defence Index (NATONTR) is designed to track the performance of global companies generating revenues from NATO and non-NATO ally defence and cyber defence spending.

Performance and Volatility Indicators (USD)

Period	Return	Volatility
2024	4,18%	11,87%
2023	34,12%	0,00%
2022	-4,66%	0,00%
2021	17,23%	0,00%
2020	15,11%	0,00%

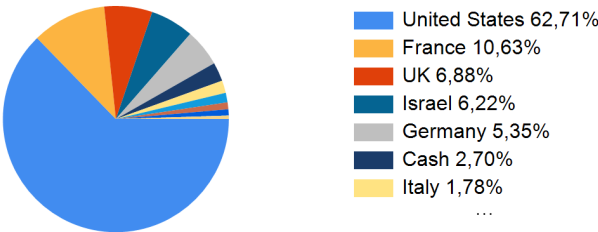
*Index data up to the 02/07/2023. Fund data from 03/07/2023

Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of that strategy would have been. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD and shown net of fees. Past performance and back tested index performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. It is provided for illustrative purposes only. Indices cannot be invested in directly. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. Source HANetf / Bloomberg.

Top 10 Holdings

Company	(%)	Company	(%)
SAFRAN SA	4,97%	THALES SA	4,69%
CYBERARK SOFTWARE LTD/ISRAEL	4,93%	RTX CORP	3,99%
CHECK POINT SOFTWARE TECH	4,90%	GENERAL DYNAMICS CORP	3,96%
RHEINMETALL AG	4,86%	CROWDSTRIKE HOLDINGS INC - A	3,82%
BAE SYSTEMS PLC	4,84%	PALO ALTO NETWORKS INC	3,82%

Regional Exposure



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About HANetf

HANetf is an independent provider of UCITS ETFs, working with asset management companies to bring differentiated, modern and innovative exposures to European ETF investors. Via our white-label ETF platform, HANetf provides a complete operational, regulatory, distribution and marketing solution for asset managers to launch and manage UCITS ETFs.

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2. HANetf ETC Securities plc, a public limited company incorporated in Ireland, issuing under the terms in the Base Prospectus approved by the Central Bank of Ireland and the final terms of the relevant series ("ETC Securities Documentation") is the issuer of the precious metals ETCs. Investors should read the latest version of the ETC Securities Documentation before investing and should refer to the section of the Base Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the ETC Securities Documentation.
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The ETF Prospectus, ETC Securities Documentation, and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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