

Monthly Tech Megatrend Market Report

September 2021

HANetf & GlnsGlobal
HAN-GINS Tech Megatrends UCITS ETF
ITEK
59bps
IE00BDDRF700
Product Inception Date: 05/10/2018



For Professional Clients Only. Capital at risk.

All data as of 31.08.21

This report was written by, and is the opinion of, the ITEK index providers GlnsGlobal.

Key Takeaways

- Big Tech posted impressive 2nd quarter results.
- Tech Megatrend up 16.0% for 2021 (Year to Date).
- Themes powering gains led by Gene Sequencing, Cybersecurity, Robotics-AI, Cloud & Blockchain.
- Tech Flows out of China stocks (regulatory concerns) - into leading US Tech players propelling US gains.
- ITEK 's US weighting at just 55.9%.
- COVID still fast-tracking digital adoption across Telemedicine, Data/Analytics, Wearables, Biotech, Gene Editing & Robotics.
- Biden new budget to unleash spending in EV vehicles, Genomics and Cybersecurity
- Cyberattacks – SolarWinds, Colonial Pipeline, Meat factories - driving demand to upgrade cybersecurity.

Tech Megatrend ETF (ITEK) Returns

August	12 Month*
3.74%	42.48%

Past performance is no guarantee of future performance.

Source: Solactive, HANetf
 *12 Month figures based on 01.09.20 - 31.08.21. Please note that all performance figures are showing net data.

Performance Review

HAN-GINS Tech Megatrend Equal Weight UCITS ETF (ITEK) gained 3.7% in August and is up 42.5% over 12 months. ITEK continues to benefit from fast adoption rates across the Digital Revolution.

For 2021, Blockchain remains up 31.9% despite some volatility, followed by Genomics up 23.9%, Robotics-AI 20.6%, Cybersecurity 16.8%, Future Cars 16.1%, Cloud Computing 14.4% and Social Media 8.8%.

For August – Blockchain enjoyed a strong rebound with a 16.1% gain, followed by Cybersecurity up 8.3%, Genomics 4.6% and Robotics-AI 2.8%.

As remote WFH tends get stickier - Cybersecurity and Robotics are increasingly in demand – due to large scale hack attacks via cloud services and the growth of AI and onshoring respectively. Increasing cloud security and

data protection is vital. Currently the Healthcare space is significantly under-invested in this area and likely to be amongst the largest corporate spenders going forward. Please note that all performance figures are showing net data.

The largest monthly contributors to performance were dominated by holdings across Blockchain, Cybersecurity, Social Medi and Genomics. This is partly a reflection of an increase in large Cyberattacks and the upcoming Biden budget which is set to unleash billions in cybersecurity and genomics spending. Top contributors this month included (see table0: MARATHON DIGITAL HOLDINGS, FORTINET INC, SOHU.COM LTD-ADR, NVIDIA CORP, ZSCALER, AGILENT TECHNOLOGIES INC, CYBERARK SOFTWARE LTD/ISRAEL, CUREVAC NV, YANDEX, PALO ALTO NETWORKS INC and CROWDSTRIKE HOLDINGS INC.

The success of Gene Sequencing working with Biotech firms to identify COVID vaccines – ensures it is increasingly being adopted within mainstream medicine - as CRISPR and other editing techniques provide countless ways to customise medical treatment – likely providing huge cost savings.

Subtheme Contribution	Total Return (%)	% Average Weight	% Performance of Theme
Genomics	0.67	14.55	4.60
Digital_Entertainment	-0.40	10.87	-3.68
Robotics & Automation	0.43	15.13	2.84
Blockchain	1.57	9.73	16.14
Future Cars	0.18	11.90	1.51
Cloud Computing	0.21	13.71	1.53
Social Media	0.08	10.54	0.76
Cyber Security	1.09	13.20	8.26

Past performance is no guarantee of future performance. Source of all data: Solactive. Data as of 31.08.2021. Please note that all performance figures are showing net data.

HAN-GINS Tech Megatrend Equal Weight UCITS ETF – Performance

As of 31.08.21

	1M	3M	6M	YTD	12M	2Y	SI
HAN-GINS Tech Megatrend UCITS ETF	3.74%	6.67%	4.60%	15.95%	42.48%	109.67%	115.00%
<i>Solactive Innovative Technologies Index (NTR)</i>	3.80%	6.83%	4.89%	16.23%	43.11%	111.92%	118.12%

Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. 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: Bloomberg / HANetf. Data as of 31/08/2021. **Please note that all performance figures are showing net data.**

Industry s Outlook

Much of Biden’s clean energy and infrastructure plans are likely to pass Congress and boost EV vehicle spending dramatically. The US intent on catching China which is set for a sustained period of strong EV growth – representing upwards of one third of all China car sales by 2025. Canals expects 51% EV growth in China in 2021. (Source: [Canalys Newsroom- China electric vehicle sales 2021](#) and [ev vehiucles growth 2021 - Bing images](#))

Big Tech continues to benefit from remote WFH behaviours, but many smaller Cloud, Cybersecurity and Social Media players are also benefiting from the shift. Most corporate IT budgets are now devoted to Cloud spending – as hardware budgets have been dramatically cut.

Demand for cybersecurity is expanding and likely to also be big beneficiary of the WFH trends along with increasingly large cyberattacks. The SolarWinds, Colonial Pipeline and Meat factories hack attacks, are driving demand to upgrade cybersecurity.

Big Tech post Record Earnings - impressive 2nd quarter results:

- WFH continues to boost huge Cloud spending as well as Cybersecurity.
- Microsoft had its best ever quarterly revenue - Azure Cloud revenue up 51% yoy.

- Google parent Alphabet enjoyed its biggest jump in quarterly sales in 14yrs. Advertising revenue up 69% yoy; YouTube had blowout qtr.
- Apple posted its best fiscal 3rd qtr in its 45-year history. Record profits on strong iPhone 12 launch with 5G. (up 50% yoy). All product lines >12% growth yoy

Sources of all data: <https://www.theguardian.com/technology/2021/jul/27/google-apple-and-microsoft-to-report-record-breaking-profits> and <https://www.cnbc.com/2021/07/27/alphabet-googl-earnings-q2-2021.html>

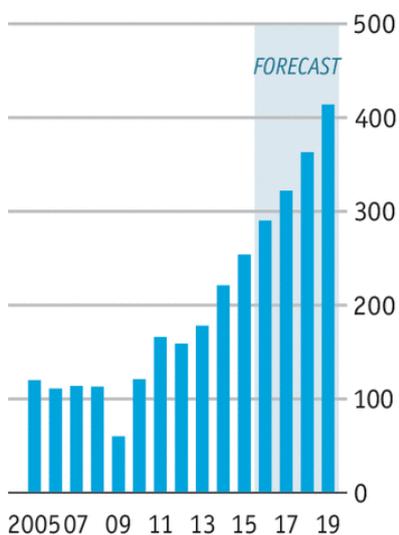
More cybersecurity data breaches occurred in 2020, than the prior 15 years - despite a 10% growth in cybersecurity spending last year to \$53bn.¹

The life robotic

Global industrial robots

Sales

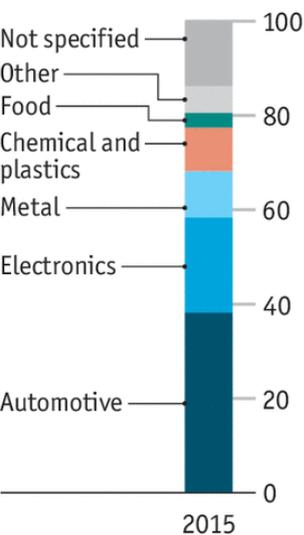
'000 units



Source: International Federation of Robotics

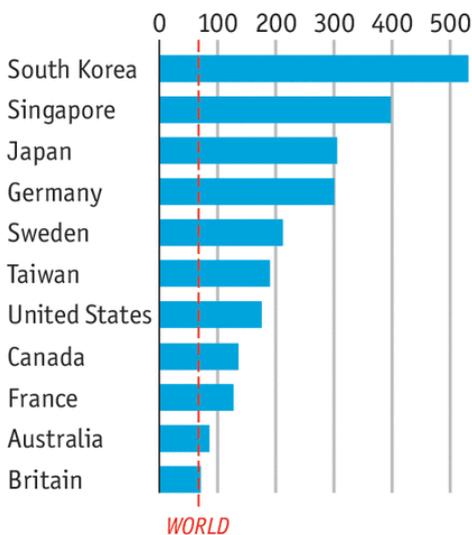
By industry

% of total



Number of robots

Per 10,000 manufacturing employees, 2015



Economist.com

For illustrative purposes only

Asia is projected to account for the largest share of the industrial robotics market over the next 5 years – due to the increased industrialization there and the shortages of the local workforce. To combat COVID type situations in future – and supply chain challenges – many US manufacturers are onshoring their plants creating huge demand for industrial robots that are often cheaper than employing US workers.

Constituent News

The table below shows our top gainers in June – spread across most of our subthemes. ITEK’s global mix of 114 holdings is representative of the Digital Revolution. Our US exposure is currently 55.9%, with Asia at almost 20% and Europe at 18%. Most of our Top 10 holdings are between 1.0% - 1.2%, prior to rebalancing.

- ITEK is equally weighted across all 8 subthemes and 114 underlying holdings.

¹ <https://newsopener.com/big-data/canalys-more-data-breaches-in-2020-than-previous-15-years-despite-10-growth-in-cybersecurity-spending/>

- ITEK's Top 5 holdings equal just 7%, and Top 10 only 12.3% of its portfolio.
- Provides equal exposure to all key Digital Revolution themes.
- ITEK is considerably underweight large Megacaps compared to competitors.
- Unlike Nasdaq and other tech benchmarks which remain very overweight a few Big Tech players, ITEK's FAANG exposure remains under 7% - versus 40% in the Nasdaq 100.

Standouts contributors to our August returns are listed below.

Top Contributors – August 2021

	Index Category	% Average Weight	Total Return (%)	Contribution to Return (%)
MARATHON DIGITAL HOLDINGS IN	Blockchain	1.06	46.91	0.42
HUT 8 MINING CORP	Blockchain	0.75	62.61	0.37
BITFARMS LTD/CANADA	Blockchain	1.16	42.51	0.35
SEA LTD-ADR	Digital Entertainment	1.06	22.51	0.22
FORTINET INC	Cyber Security	1.46	15.76	0.21
SOHU.COM LTD-ADR	Social Media	1.17	17.77	0.20
NVIDIA CORP	Robotics & Automation	1.23	14.82	0.18
ZSCALER INC	Cyber Security	1.00	17.99	0.17
AGILENT TECHNOLOGIES INC	Genomics	1.09	14.51	0.15
CYBERARK SOFTWARE LTD/ISRAEL	Cyber Security	0.85	18.24	0.15
CUREVAC NV	Genomics	0.55	33.64	0.15
YANDEX NV-A	Social Media	1.10	13.20	0.14
PALO ALTO NETWORKS INC	Cyber Security	0.91	15.53	0.14
HIVE BLOCKCHAIN TECHNOLOGIES	Blockchain	0.74	21.58	0.14
CROWDSTRIKE HOLDINGS INC - A	Cyber Security	0.97	10.80	0.11
VARONIS SYSTEMS INC	Cyber Security	0.80	12.76	0.11
ALPHABET INC-CL A	Social Media	1.40	7.40	0.10
ARISTOCRAT LEISURE LTD	Digital Entertainment	1.09	9.07	0.10

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Top Subtheme Contributors – Year to Date 2021

Subthemes	Total Return (%)	% Average Weight	% Performance of Theme
Genomics	3.26	13.66	23.87
Cyber Security	2.11	12.59	16.76
Social Media	0.98	11.15	8.79
Future Cars	2.05	12.74	16.09
Cloud Computing	1.81	12.54	14.43
Robotics & Automation	2.87	13.95	20.57
Digital Entertainment	-0.41	12.63	-3.25
Blockchain	3.16	9.90	31.92

Product Details

HAN-GINS Tech Megatrend Equal Weight UCITS ETF (ITEK) is a UCITS compliant ETF domiciled in Ireland. ITEK tracks the Solactive Innovative Technologies Index (Net Total Return), an index of leading companies that are driving innovation in

sectors including Robotics & Automation, Cloud Computing & Big Data, Cyber Security, Future Cars, Genomics, Social Media, Blockchain and Augmented & Virtual Reality.

The Solactive Index is managed according to a published, rules-based methodology. It is designed to measure the performance of an investable universe of publicly-traded companies that are involved in innovative and disruptive technological trends across a broad range of industries mentioned. To be included, companies must derive most of the revenue from one of these themes.

Please remember that the value of your investment may go down as well as up and past performance is no indication of future performance.

Visit the [ITEK Fund Page](#) for more information.

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	ITEK LN	ITEK.L	IE00BDDRF700	-	BYVJ8Y3	USD	0.59%
London Stock Exchange	ITEP LN	ITEP.L	IE00BDDRF700	-	BYVJ9D9	GBP	0.59%
Borsa Italiana	ITEK IM	ITEK.MI	IE00BDDRF700	-	BFX1C86	EUR	0.59%
Deutsche Boerse Xetra	T3KE GY	T3KE.DE	IE00BDDRF700	-	BFX38M8	EUR	0.59%
SIX Swiss Exchange	ITEK SW	ITEK.S	IE00BDDRF700	43915667	BMYC3Q2	CHF	0.59%



Anthony Ginsberg, GinsGlobal Index Funds

Anthony Ginsberg is the co-creator of the HAN-GINS Tech Megatrend UCITS ETF (ITEK), enabling investors to gain exposure to the eight leading subthemes driving the Fourth Industrial Revolution, across Developed and Emerging markets. ITEK tracks a rules-based index that equally weights these eight subthemes, including cybersecurity, social media, future cars to digital entertainment, gene editing and robotics.

Anthony Ginsberg is the Managing Director of GinsGlobal Investment Management, a global asset management company offering a broad range of innovative index-linked products, for both retail and institutional investors. GinsGlobal designs index products for several leading financial institutions, including global insurers, banks and asset managers. GinsGlobal was founded in 2000 and has operations in North America, Africa, Middle East and Asia-Pacific.

Important Information

Please note that all performance figures are showing net data.

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