

# Monthly Tech Megatrend Market Report

November 2021

**HANetf & GInsGlobal**  
**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 31.10.21

This report was written by, and is the opinion of, the ITEK index providers GinsGlobal. COVID helping propel the Digital Revolution – ITEK's subthemes amongst key beneficiaries of this fast adoption. Big Tech 3<sup>rd</sup> quarter results beat expectations.

## Key Takeaways

- Tech stocks rebounded strongly in October, ITEK gaining over 10%.<sup>1</sup>
- President Biden's \$1 trillion Infrastructure plan passed, big boost for EV vehicles.<sup>2</sup>
- ITEK up 18.1% for 2021 and almost 47% over one year.<sup>3</sup>
- Top subtheme performers in 2021 are led by Blockchain up 52.7%, Genomics, 18.7%, Robotics 21.7%. Cybersecurity 16.6% and Future Cars 23.3%.<sup>4</sup>
- Top 35 performing holdings represent all 8 subthemes - all producing 30%+ gains in 2021. Led by BioNTech (312%), Fortinet (126.5%), Galaxy Digital (100.8%), Nvidia (95.9%), Alphabet (68.9%) Riot (60.2%) and Tesla (57.9%).<sup>3</sup>
- Global Cloud spending is expected to double to \$1.3 trillion by 2025 - annualized growth rate (CAGR) of 17%.<sup>5</sup>
- ITEK's global mix boosting gains - US weighting at 54.2%, China 16.0%, Canada 7.3%, Japan 5.0%, Germany 4.3%.<sup>3</sup>
- 110 holdings, Equal Weight across 8 subthemes and per holding.<sup>3</sup>
- Top 5 holdings equal just 8%, and Top 10 only 14% of its portfolio.<sup>3</sup>
- Unlike Nasdaq and other Tech indices which are overweight Big Tech; ITEK's FAANG weight is under 6% - versus 40% in the Nasdaq 100.<sup>3</sup>

Please note that all performance figures are showing net data.

## Macro Outlook

- COVID continues to be a huge gamechanger for both the Technology & Healthcare industries. It has fast-tracked spending and demand by at least five years. Tech players continue to be the biggest beneficiary of the Pandemic. We see COVID continuing to propel the Digital Revolution forward with recent 3rd quarter record Big Tech earnings continuing into the 4th quarter.<sup>6</sup>
- Remote WFH behaviours are not changing – as workers adapt to a hybrid work schedule. Many smaller Cloud, Cybersecurity and Social Media players are also benefiting from the shift. Most corporate Tech budgets are shifting to Cloud spending – as hardware budgets have been dramatically cut.<sup>7</sup>
- Cloud computing market to doubling 2025, exceeding \$1 trillion.<sup>3</sup>

<sup>1</sup> Source: Bloomberg / HANetf. Data as of 10/11/2021

<sup>2</sup> <https://www.nytimes.com/2021/11/15/us/politics/biden-signs-infrastructure-bill.html>

<sup>3</sup> Source: Bloomberg / HANetf. Data as of 10/11/2021

<sup>4</sup> Source: Bloomberg/ Solactive. Data as of 31/10/2021

<sup>5</sup> <https://www.businesswire.com/news/home/20210914005759/en/IDC-Forecasts-Worldwide-Whole-Cloud-Spending-to-Reach-1.3-Trillion-by-2025>

<sup>6</sup> <https://www.mckinsey.com/business-functions/risk-and-resilience/our-insights/covid-19-implications-for-business>

<sup>7</sup> <https://cybersecurityventures.com/cybersecurity-market-report/>

- Digital Entertainment including online movies and gaming are seeing huge usage – with Asia likely to be the fastest growing region for some years.<sup>8</sup>
- Cloud is approaching 20% annualised growth – due to faster 5G and wireless services, allowing for wider cloud adoption.<sup>9</sup> Multi-cloud (hybrid) platforms are helping more businesses scale up faster – including in heavily regulated areas such as US banks that were slow adopters (Wells Fargo and Morgan Stanley both signed large Cloud deals recently<sup>10</sup>.)
- Demand for cybersecurity protection is expanding – particularly in the US boosted by recent large hack attacks and WFH trends. More cybersecurity data breaches occurred in 2020, than the prior 15 years.<sup>11</sup>
- Blockchain is an exciting new area that will provide further trust in Internet-based transactions. We see it reducing the cost of trade globally, via the use of transparent shared/distributed ledgers.<sup>12</sup>
- In Robotics, we also see Asia enjoying the largest share of the industrial robotics market over the next 5 years – due to the increased industrialisation and shortages of local workforce. Many US manufacturers are onshoring their plants - creating huge demand for industrial robots, often cheaper than employing US workers.<sup>13</sup>
- In the Electric Vehicle (EV) space, the new Biden polices shows the US intent on catching China the world's current EV leader. Biden's spending plans include huge upgrades for EV charging stations and infrastructure. The US government is also banning the sale of non EV cars from 2035 - fast-tracking EV adoption rates.<sup>14</sup>

### YEAR TO DATE (October 31<sup>st</sup> 2021)

Contribution	Total Return (%)	% Average Weight	% Performance of category
Genomics	2.5	13.6	18.7
Cyber Security	2.1	12.7	16.6
Social Media	0.5	10.4	4.7
Future Cars	3.0	12.7	23.3
Cloud Computing	2.1	12.8	16.8
Robotics & Automation	3.1	14.0	21.7
Digital Entertainment	-0.6	12.7	-4.8
Blockchain	5.5	10.4	52.7

For illustrative purposes only. Source: Bloomberg/ Solactive. Data as of 31.10.2021. Please note that all performance figures are showing net data.

### HAN-GINS Tech Megatrend Equal Weight UCITS ETF – Performance

As of 31.10.21

	1M	3M	6M	YTD	12M	2Y	3Y	SI
HAN-GINS Tech Megatrend UCITS ETF	10.28%	5.70%	5.02%	18.14%	46.82%	105.92%	135.81%	111.08%
<i>Solactive Innovative Technologies Index (NTR)</i>	10.34%	5.81%	5.28%	18.49%	47.42%	107.81%	140.14%	113.93%

<sup>8</sup><https://www2.deloitte.com/us/en/insights/industry/technology/digital-media-trends-consumption-habits-survey/summary.html>

<sup>9</sup> <https://futurecio.tech/four-trends-are-shaping-the-future-of-public-cloud>

<sup>10</sup> <https://www.wsj.com/articles/wells-fargo-embraces-multicloud-with-microsoft-google-deals-11631717100>

<sup>11</sup> <https://cybersecurityventures.com/cybersecurity-market-report/>

<sup>12</sup> <https://hbr.org/2017/01/the-truth-about-blockchain>

<sup>13</sup> <https://ifr.org/ifr-press-releases/news/record-2.7-million-robots-work-in-factories-around-the-globe>

<sup>14</sup> <https://apnews.com/article/joe-biden-technology-business-environment-and-nature-ap-fact-check-071ac73689a0191f31355a0d63bb931b>

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 31/10/2021. **Please note that all performance figures are showing net data.**

## 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 a majority of 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 a number of 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.

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Please note that all performance figures are showing net data.

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