

# Monthly Tech Megatrend Market Report

October 2024

HANetf & GinsGlobal

HAN-GINS Tech Megatrend Equal Weight UCITS ETF

ITEK

59bps

IE00BDDRF700

Product Inception Date: 05/10/2018

For Professional Clients Only. Capital at risk.

All data as of 30/09/2024

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

## Equal Weight ETF Key Takeaways

- ITEK returned 4.1% in September.
- Federal Reserve's large 0.50% rate cuts a potentially positive tailwind for ITEK.
- ITEK P/E valuations remain below 20, attractive vs Nasdaq above 30X.
- For 2024, best subthemes Digital Entertainment, Cloud, Cybersec, AI-Robotics & Blockchain.
- For September - Social Media, Blockchain, Digital Entertainment, Future Cars & Cloud best performers. Blockchain a laggard.
- Global mix: US 58.7%, China 10.4%, Japan 8.4%, South Korea 3.5%, & Australia 3.4%.
- Unlike 100% US centric Nasdaq & many Tech Indices/Funds.
- Fast adoption of OpenAI, ChatGPT & BARD AI - continues boosting Cloud Computing and AI spend.
- Equal weight across 8 subthemes (12.5% per theme; 120 total holdings, 15 per subtheme).
- Tech Convergence and AI – boosts broader Tech gains across ITEK holdings, beyond Magnificent 7.
- Social Media, Cloud, AI, Cybersecurity, EVs, Robotics, Streaming interlinked – boosting usage & deals.
- ITEK potentially well positioned for broader Tech rally in 2024 beyond Mega-Caps.
- Soft landing should help Tech spending & earnings as economic confidence grows.
- Top 15 leaders for each Megatrend subtheme – all established firms.
- Top 5 holdings less than 10% weight; Top 10 under 14%. Nasdaq approaching 40% & 55% respectively.
- Mega-Cap weight still below 8% (Nasdaq 49%) - source Morningstar.
- Equal Weight top holdings – offers broader diversity vs. Nasdaq & many active Tech funds.

Source of all data: Gins Global / Bloomberg as of 30/09/2024. Additional sources available upon request. Please note that all performance figures are showing net data. Past performance is not indicative of future performance and when you invest in ETFs, your capital is at risk.

## Macro Outlook

- Big Fed rate cuts boosting M&A deals - across key ITEK holdings: Large-Caps, Mid-Caps & Small-Caps.
- Tech gains broadening beyond Mega-Caps as Fed rate cuts likely – helps equal weight approach.
- Two more Fed rate cuts before year-end 2024 - inflation falling and unemployment rising.
- Tailwind for Tech stock valuations beyond Magnificent7/FAANGs.
- US Chips Act & \$1tn Infrastructure Bill boosts EVs & big onshoring trend.
- Big AI spending boosting Big Tech values & Cloud providers.
- AI Convergence across Tech space - positive for Cloud, Social Media, Gaming, Future Cars & Cybersecurity.
- Over \$2.5tn spending in AI expected within decade, potentially boosting Cloud spending to \$2bn+ too.
- ITEK holdings still relatively cheap valuations, majority trading at PEs below 20X.
- Many ITEK stocks remain below 2021 levels, undervalued versus Magnificent 7.
- Social Media boosted via gaming & video streaming to mobile (expected to double in 3yrs).
- Online Gaming dominated by Mobile - boosting Digital Entertainment/Videos.

## Subtheme Returns - September

Contribution	Contribution (%)	Average Return (%)	Sum of Weight (%)
Blockchain	1.03%	5.37%	13.34%
Robotics & Automation	-0.07%	-1.14%	12.42%
Genomics	0.24%	0.90%	14.54%
Cyber Security	0.21%	0.91%	13.70%
Future Cars	0.42%	2.68%	12.52%
Digital Entertainment	0.51%	2.65%	13.30%
Cloud Computing	0.99%	7.14%	13.82%
Social Media	0.75%	4.62%	15.82%
<b>Total</b>	<b>4.08%</b>		

Source of all data: Solactive. Past performance is no guarantee of future performance.

## Largest Contributors - September

HOLDINGS	Index Category	Contribution (%)	Return (%)	Average Weight (%)
KUNLUN TECH CO LTD-A	Social Media	0.33%	38.25%	0.67%
LI AUTO INC-CLASS A	Future Cars	0.27%	37.10%	0.54%
RANGE INTELLIGENT COMPUTING TECH	Cyber Security	0.30%	34.21%	0.79%
ALIBABA GROUP HOLDING-SP ADR	Cloud Computing	0.23%	27.33%	0.95%
BAIDU INC-CLASS A	Social Media	0.23%	27.31%	0.75%
BAIDU INC - SPON ADR	Cloud Computing	0.20%	24.43%	0.76%
BEIGENE LTD	Genomics	0.21%	23.78%	0.92%
TESLA INC	Future Cars	0.19%	22.19%	0.93%
HUT 8 CORP	Blockchain	0.19%	21.38%	1.00%
ORACLE CORP	Cloud Computing	0.21%	20.60%	1.09%
BITDEER TECHNOLOGIES GROUP	Blockchain	0.16%	19.72%	0.85%
TRUMP MEDIA & TECHNOLOGY GROUP CORP	Social Media	0.11%	18.60%	0.61%
NETEASE INC	Digital Entertainment	0.16%	17.85%	0.66%
BYD CO LTD	Future Cars	0.16%	17.66%	0.98%
GALAXY DIGITAL HOLDINGS LTD	Blockchain	0.14%	17.46%	0.87%
CORE SCIENTIFIC INC	Blockchain	0.34%	14.92%	1.95%
SNAP INC	Social Media	0.11%	14.56%	0.75%
DRAFTKINGS INC	Digital Entertainment	0.09%	13.62%	0.76%
LG CHEM LTD	Future Cars	0.12%	12.64%	0.90%
KONAMI GROUP CORP	Digital Entertainment	0.13%	10.65%	1.09%

Source of all data: Solactive. Past performance is no guarantee of future performance.

## Equal Weight ETF Performance

As of 30.09.2024

	1M	3M	6M	YTD	12M	3Y	SI
<b>HAN-GINS Tech Megatrends Equal Weight UCITS ETF</b>	<b>4.07%</b>	<b>4.08%</b>	<b>6.37%</b>	<b>8.72%</b>	<b>30.54%</b>	<b>-11.41%</b>	<b>75.99%</b>
<i>Solactive Innovative Technologies Index (NTR)</i>	4.08%	4.28%	6.75%	9.27%	31.55%	-10.47%	80.41%

**Please note that all performance figures are showing net data.** Source: Bloomberg / HANetf. Data as of 30/09/2024. 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 such 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. 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. When you invest in ETFs and ETCs, your capital is at risk.

\* The SFDR classifications for the funds are documented in their respective supplements and approved by the Central Bank of Ireland. The supplement for each fund can be found on their respective product page.

## 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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The ETF Prospectus, ETC Securities Documentation, and Cryptocurrency Prospectus can all be downloaded from [www.hanetf.com](http://www.hanetf.com).

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