

# Global X Defence Tech UCITS ETF



**ARMR LN**  
IE000JCW3DZ3

A fund that seeks to invest in companies that appear positioned to benefit from the increased adoption and utilisation of defence technology ("Defence Tech").

For Professional Investors only

Mounting geopolitical challenges, rapid economic deglobalisation, and the increasing use of advanced technology in defence and national security are among the factors driving a surge in military and defence spending. By 2030, forecasts suggest that global military and defence spending will grow nearly 40%, surpassing \$3.3 trillion (USD)<sup>1</sup>. However, the allocation of these funds is shifting rapidly. Significant portions are expected to be allocated towards artificial intelligence (AI), cybersecurity, drones, and other defence technologies. It is believed that this marks the beginning of a transformative era for the entire defence industry.

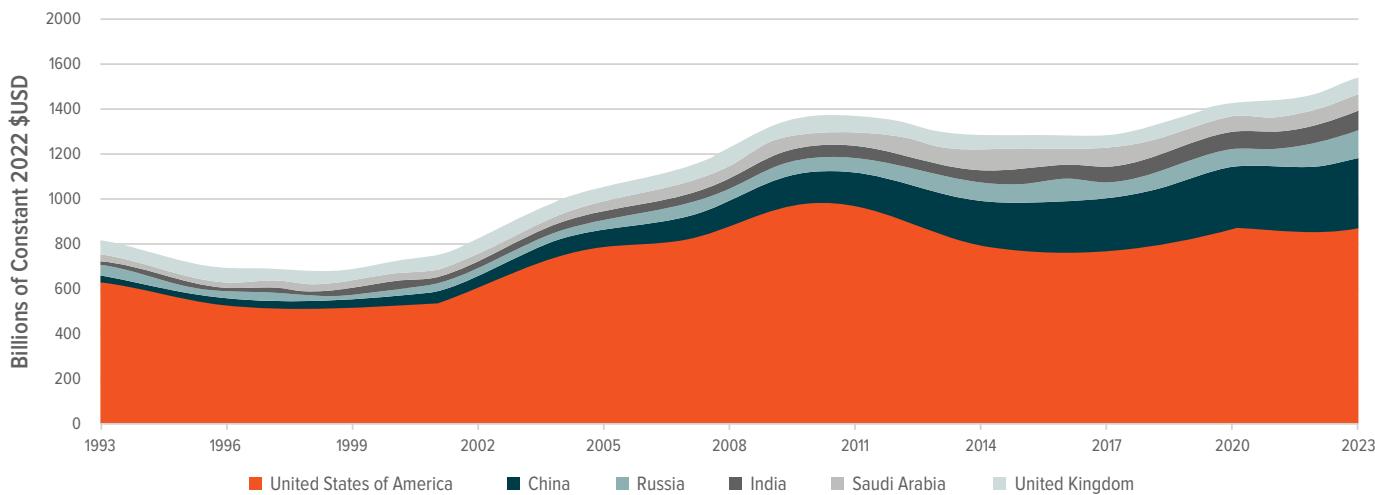
It is possible that businesses and solutions providers across the value chain could benefit, including large military contractors with domain knowledge, suppliers of emerging components and hardware, and suppliers of defence-specific security software. It is believed that this secular growth opportunity may offer exposure to a compelling macro trend rooted in innovation. ARMR LN seeks to provide a focused exposure to leading companies in defence technologies, cybersecurity, and advanced military systems and hardware.

## DID YOU KNOW?

- Since 2020, military spending growth accelerated by about 4x to 4.4% Year-over-Year (YoY) a Compound Annual Growth Rate (CAGR)<sup>2</sup>.
- Increasing investment in AI startups by defence companies enabled the market to reach \$9.23 bn (USD) in 2023<sup>3</sup>.
- In 2024, two-thirds of NATO Allies are expected to meet or exceed the target of investing at least 2% of GDP in defence, compared to only three Allies in 2014<sup>4</sup>.
- 74% of cybersecurity professionals in the defence sector have reported an increase in cyberattacks targeting critical infrastructure and military systems<sup>5</sup>. This highlights the escalating threat and emphasis of cyber warfare on essential national security assets.

## TOP SIX COUNTRIES BY MILITARY EXPENDITURES FROM 1992 TO 2023 (IN CURRENT \$USD PRICES)

Source: Global X ETFs with information derived from Stockholm International Peace Research Institute (2024). SIPRI Military Expenditure Database. Note: The top six countries were those with the highest defence spending from 2019 to 2023.



There is no guarantee that any trends observed in this material will continue. Any views and opinions are based on current market conditions and are subject to change.



## FUND DETAILS

Inception Date	10 September 2024
Total Expense Ratio	0.50%
Ongoing Charges	0.50%
Primary ISIN	IE000JCW3DZ3
Primary Ticker	ARMR LN
SFDR Classification	Article 6
Underlying Index	Mirae Asset Defence Tech Index

## Registered Countries:

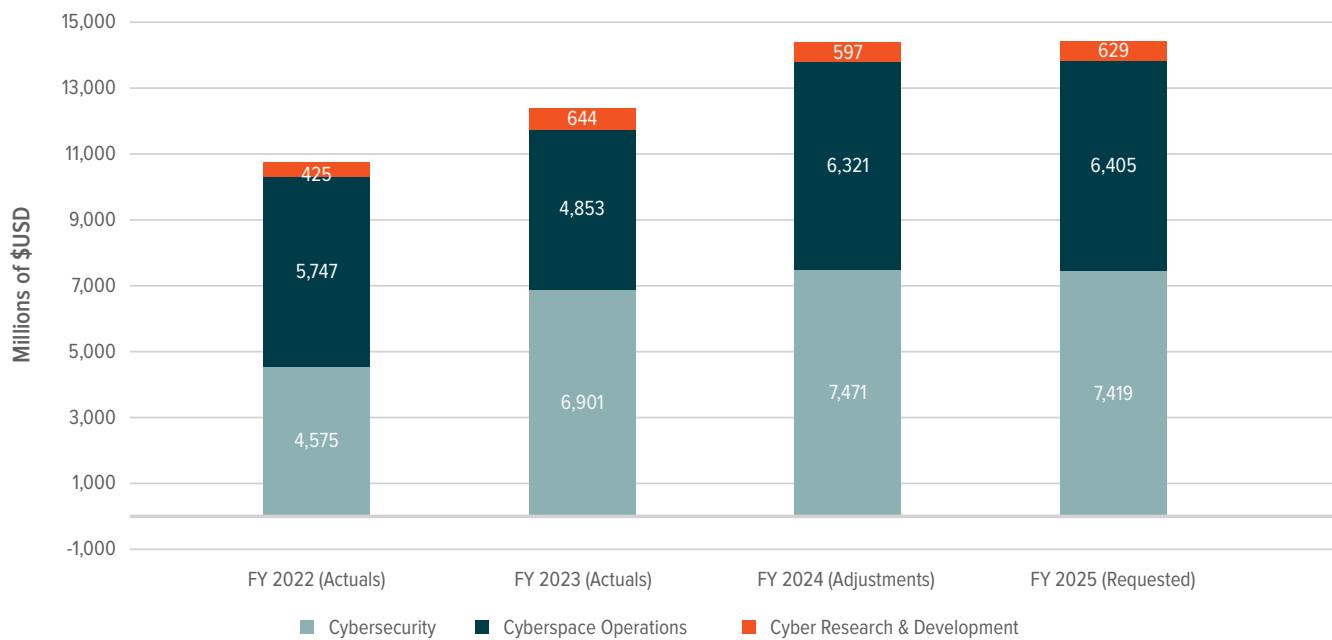
Austria, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom,

## FUND INVESTMENT APPROACH

- The Global X Defence Tech UCITS ETF (ARMR LN) seeks to invest in companies that appear poised to benefit from technology, services, systems, and hardware that cater to the local and/or national security, defence, and military sectors.
- The Index consists of securities classified as a Defence Tech Company or “pure play”. These companies must derive at least 50% of their revenues from one or more of the core businesses of the sub-themes in aggregate.
- The sub-themes include Cybersecurity, Defence Technology and Advanced Military and Hardware.
- The final index will include up to the top 50 pure-play companies, ranked by their market capitalisation.
- Index components are subject to a maximum weight of 8%.
- Components are rebalanced semi-annually.

## DEPARTMENT OF DEFENCE BUDGET FOR CYBERSPACE ACTIVITIES FY 2025

Source: Global X ETFs U.S. Department of Defense. (2024, May). Department of Defense Information Technology and Cyberspace Activities FY 2025 Budget Overview.



Prospectuses and Key Investor Information Documents (KIIDs) for this ETF are available in English at [www.globalxetfs.eu/funds/armr/](http://www.globalxetfs.eu/funds/armr/) For more information on the Index, please visit [Mirae Asset](http://MiraeAsset.com) website.



#### Sources:

- <sup>1</sup> Forecasts made by Global X, assuming a consistent 4.2% Compound Annual Growth Rate (CAGR) through 2030 and data from Stockholm International Peace Research Institute (2023, April). Trends in World Military Expenditure, 2022.
- <sup>2</sup> Stockholm International Peace Research Institute. (2023, April). Trends in World Military Expenditure, 2022.
- <sup>3</sup> Defence Industry Outlook, 2024
- <sup>4</sup> NATO, April 2024
- <sup>5</sup> Accenture Third Annual State of Cyber Resilience Report, February 2020

#### Disclosures

The Global X UCITS ETFs are regulated by the Central Bank of Ireland.

This is a marketing communication. Please refer to the relevant prospectus, supplement, and the Key Information Document ("KID") of the relevant UCITS ETFs before making any final investment decisions. Investors should also refer to the section entitled "Risk Factors" in the relevant prospectus of the UCITS ETFs in advance of any investment decision for information on the risks associated with an investment in the UCITS ETFs, and for details on portfolio transparency. The relevant prospectus and KID for the UCITS ETFs are available in English at [www.globalxetfs.eu/funds](http://www.globalxetfs.eu/funds).

Investment in the UCITS ETFs concern the purchase of shares in the UCITS ETFs and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets that may be owned by the UCITS ETFs.

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#### Information for Investors in Switzerland

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