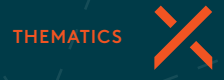




# Global X Cybersecurity UCITS ETF



A fund which invests in companies that stand to potentially benefit from the increased adoption of cybersecurity technology.

## BUG LN

IE00BMH5Y871

For Professional Investors only.

If we're lucky, cybersecurity can feel like an afterthought – something that works in the background. But as the world continues to digitalise, more of our data and devices are potentially at risk. The threat of ransomware and tangible impact of data breaches have converged to create a heightened need for cybersecurity services.

The cybersecurity theme is comprised of cutting-edge technology companies located throughout the world. Business activities include the development and management of security protocols that prevent intrusion/attacks to systems, networks, applications, and devices.

### DID YOU KNOW?

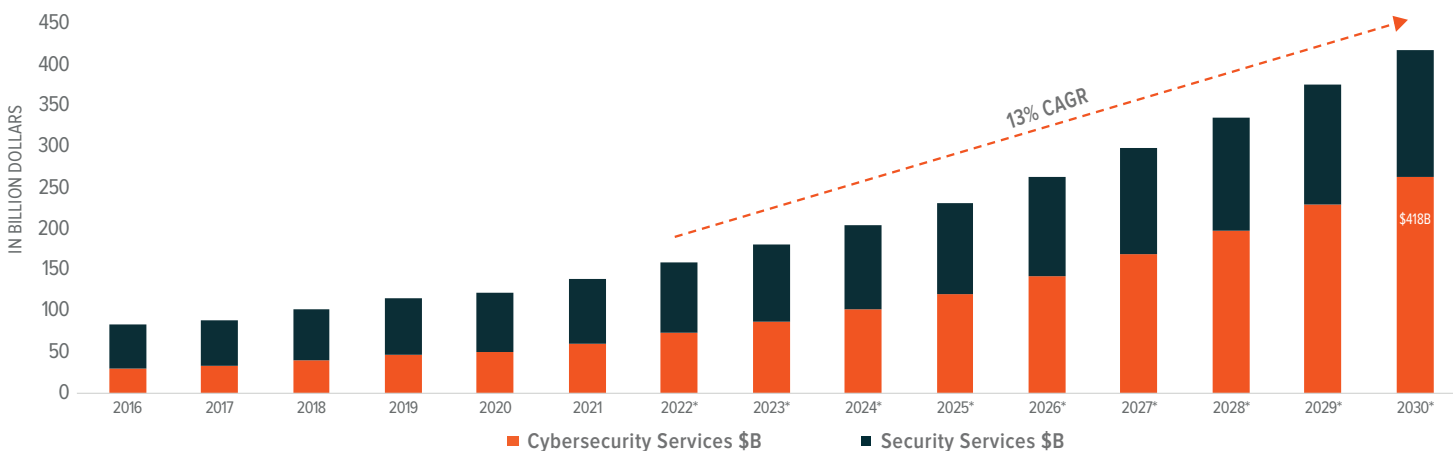
- Cybersecurity is a persistent global concern, affecting both public and private sector entities seeking to protect against the increased risk of ransomware attacks and other online threats.
- Forecasts suggest global spending on cybersecurity solutions could grow from nearly **\$150B (USD) in 2021** to more than **\$415B (USD) by 2030**.<sup>1</sup>
- Identity, network, and endpoint security continue to be areas of emphasis for cybersecurity efforts, with the network security segment forecast to **grow fastest (+24%) between 2021 and 2028**.<sup>2</sup>
- Cyberattacks have been more prevalent and costly since the onset of the pandemic. The average data breach cost increased from **\$3.86MM (USD) in 2020** to **\$4.24 MM (USD) in 2021**, the highest total cost in the 17 years IBM has published its Cost of a Data Breach Report.<sup>3</sup>

## MORE SEVERE THREATS ARE ACCELERATING GLOBAL CYBERSECURITY SPENDING

The rapidly shifting threat landscape, remote work, and the risk of ransomware attack and data losses are strong tailwinds for cybersecurity spending. Standardised software solutions provide a long runway for growth.

Historically, most cybersecurity spending went to custom IT work. But state-of-the-art, cloud deployed solutions are winning share. Overall, the global spend on security solutions is forecast to grown at 13% CAGR through 2030.<sup>4</sup>

GLOBAL SPENDING ON SECURITY SOLUTIONS AND FORECAST (IN BILLIONS)



Indicates estimates. Software includes software applications and platforms, while security services includes custom IT work performed by specialized security consultants that does not scale. Using Global X derived growth assumptions to project 2028, 2029, 2030 estimates.

Source: Global X ETFs illustration, with data derived from Gartner, 2022a and Gartner, 2022b.



## FUND DETAILS

|                     |                              |
|---------------------|------------------------------|
| Inception Date      | 16 November 2021             |
| Total Expense Ratio | 0.50%                        |
| Ongoing Charges     | 0.50%                        |
| Primary ISIN        | IE00BMH5Y871                 |
| Primary Ticker      | BUG LN                       |
| SFDR Classification | Article 6                    |
| Underlying Index    | Indxx Cybersecurity v2 Index |

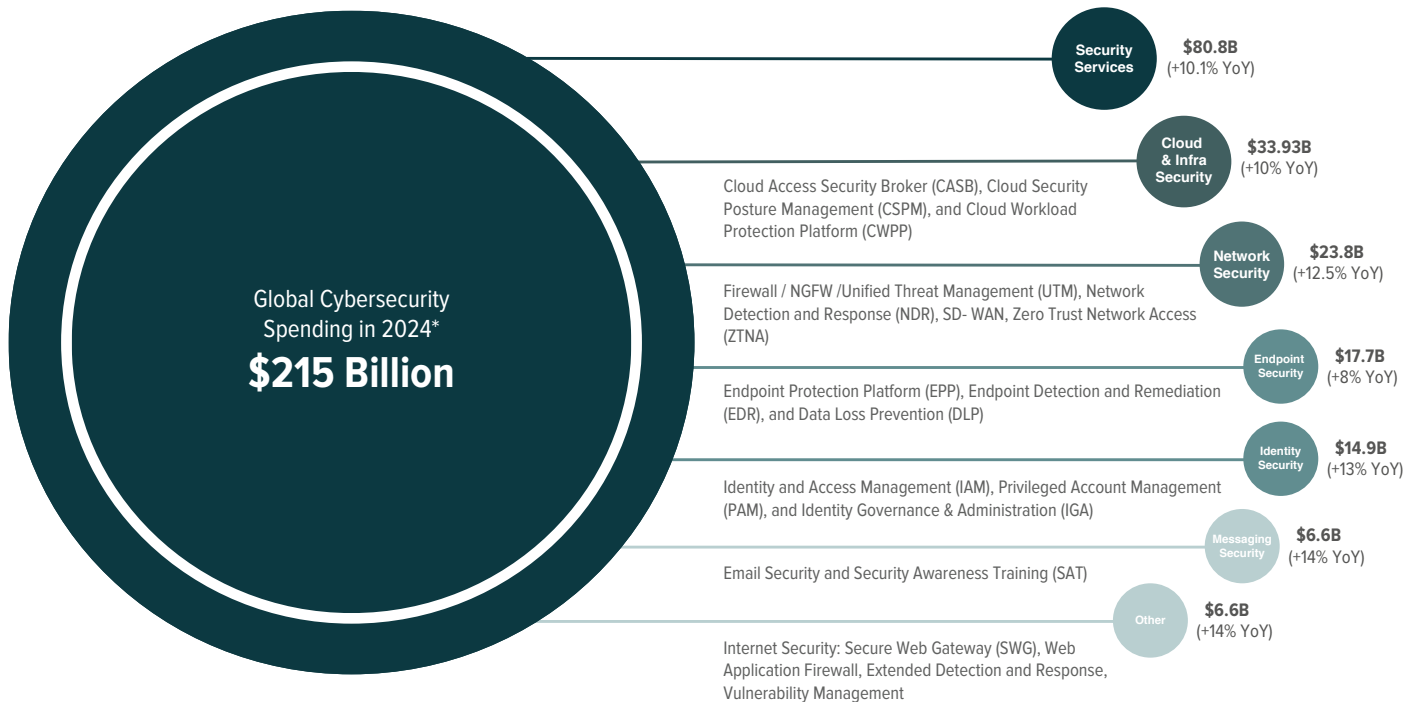
## FUND INVESTMENT APPROACH

- The Global X Cybersecurity UCITS ETF (BUG LN) offers access to a basket of pure-play companies involved in the cybersecurity space, regardless of sector or geographic classification.
- The initial universe of stocks includes companies that derive revenue **greater than or equal to 50%** of their revenues from cybersecurity activities.
- The **top 40** cybersecurity companies, ranked by market capitalisation, form the final index.
- Index components are subject to **maximum weight of 6%** and **minimum weight of 0.3%**.

## CYBERSECURITY MARKET IS FRAGMENTED WITH SEVERAL EMERGING CATEGORIES

Sources: Global X ETFs illustration, with data derived from Gartner, 2023 \*indicates forecast.

The cybersecurity ecosystem is complex with many verticals. Companies are now shifting from niche providers to one-stop-solution, driving industry wide M&A and deal activity up through 2023.



Prospectuses and Key Investor Information Documents (KIID) for this ETF are available in English at [www.globalxetfs.eu/funds/bug/](http://www.globalxetfs.eu/funds/bug/)

For more information on the Index, please visit [Indxx's website](http://Indxx's website).



<sup>1</sup>Source: Gartner, Oct 2022

<sup>2</sup>Source: Metric derived from average CAGRs featured in the following sources: Markets and Markets, “Zero Trust Security Market by Solution Type (Data Security, Endpoint Security, API Security, Security Analytics, Security Policy Management), Deployment Type, Authentication Type, Organization Size, Vertical, and Region – Global Forecast to 2026,” February 2021., Research and Markets, “SD-WAN – Global Market Trajectory & Analytics,” April 2021., Market Growth Reports, “Global Network Detection and Response (NDR) Market Growth (Status and Outlook) 2022-2026,” July 2021., Expert Market Research, “Global Unified Threat Management Market: By Component: Hardware, Software, Virtual; By Service: Consulting, Support & Maintenance, Managed UTM; By Deployment Mode; By Company Size; Regional Analysis; Historical Market and Forecast (2017-2027); Market Dynamics; Competitive Landscape; Industry Events and Developments,” 2021., Markets and Markets, “Secure Access Service Edge (SASE) Market with COVID19 Impact Analysis, by Offering (Network as a Service and Security as a Service), Organization Size (SMEs and Large Enterprises), Vertical, and Region – Global Forecast to 2026,” August 2021., Global X Analysis.

<sup>3</sup>Source: IBM, July 2021

<sup>4</sup>Source: Gartner, 2022a; Gartner, 2022b

## 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.

A UCITS ETF's shares purchased on the secondary market cannot usually be sold directly back to a UCITS ETF. Investors must buy and sell shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying shares and may receive less than the current net asset value when selling them. Changes in exchange rates may have an adverse effect on the value price or income of the UCITS ETF. Past performance of a UCITS ETF does not predict future returns. Future performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future. Neither past experience nor the current situation are necessarily accurate guides to the future growth in value or rate of return of a UCITS ETF. Investment may be subject to sudden and large falls in value, and, if it is the case, the investor could lose the total value of the initial investment. Income may fluctuate in accordance with market conditions and taxation arrangements. The difference at any one time between the sale and repurchase price of a share in the UCITS ETF means that the investment should be viewed as medium term to long term.

Any investment in a UCITS ETF may lead to a financial loss. The value of an investment can reduce as well as increase and, therefore, the return on the investment will be variable. Global X ETFs ICAV is an open-ended Irish collective asset management vehicle issuing under the terms of its prospectus and relevant supplements as approved by the Central Bank of Ireland and is the issuer of certain of the ETFs where stated.

Global X ETFs ICAV II is an open-ended Irish collective asset management vehicle issuing under the terms of its prospectus and relevant supplements as approved by the Central Bank of Ireland and is the issuer of certain of the ETFs where stated.

Communications issued in the European Union relating to Global X UCITS ETFs are issued by Global X Management Company (Europe) Limited (“GXM Europe”) acting in its capacity as management company of Global X ETFs ICAV. GXM Europe is authorised and regulated by the Central Bank of Ireland. GXM Europe is registered in Ireland with registration number 711633.

Communications issued in the United Kingdom and Switzerland relating to Global X UCITS ETFs are issued by Global X Management Company (UK) Limited (“GXM UK”), which is authorised and regulated by the Financial Conduct Authority. The registered office of GXM UK is 77 Coleman St, London EC2R 5BJ. Information about GXM UK can be found on the Financial Services Register (register number 965081).

### Information for Investors in the United Kingdom

Please refer to the relevant prospectus, supplement, and the Key Investor Information Document (“KIID”) of the relevant UCITS ETFs before making any final investment decisions. These are available in English at [www.globalxetfs.eu](http://www.globalxetfs.eu). The Financial Ombudsman Service is unlikely to consider complaints relating to the ETF and any claims for losses relating to the manager and the Depositary of the ETF are unlikely to be covered under the Financial Services Compensation Scheme.

### Information for Investors in Switzerland

This is an advertising document. The state of the origin of the fund is Ireland. In Switzerland, the representative is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St.Gallen. The paying agent is Tellco Bank Ltd, Bahnhofstrasse 4, 6430 Schwyz. The prospectus, the key information documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.