

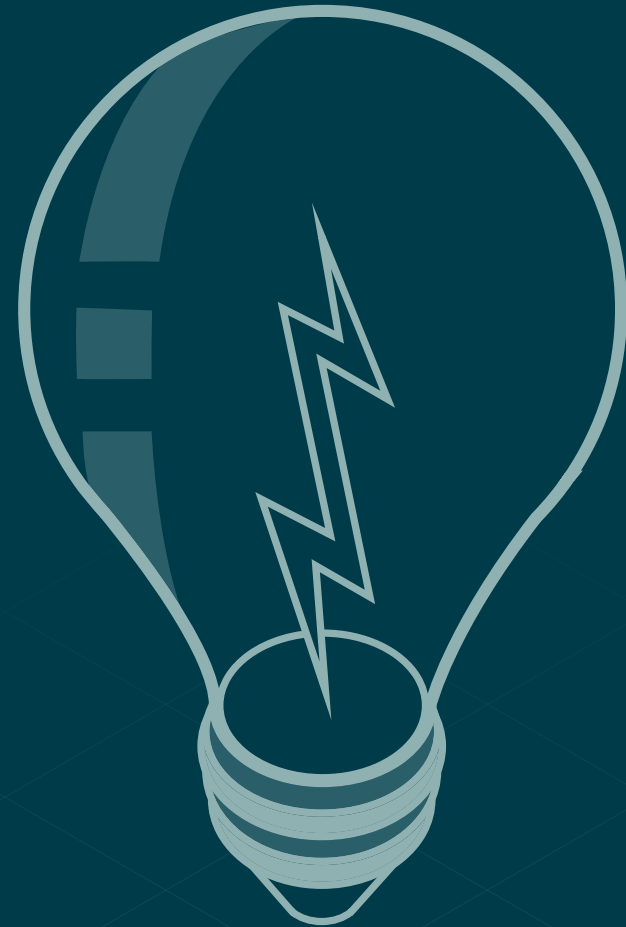


The Next Big Theme

GLOBAL X ETFs INSIGHTS

31 July 2025

Global X Investment Strategy Team



GLOBAL X
by Mirae Asset

*Marketing Communication. Capital at Risk.
For Professional Investors only.*

Please read fund legal documentation before making any final investment decisions.



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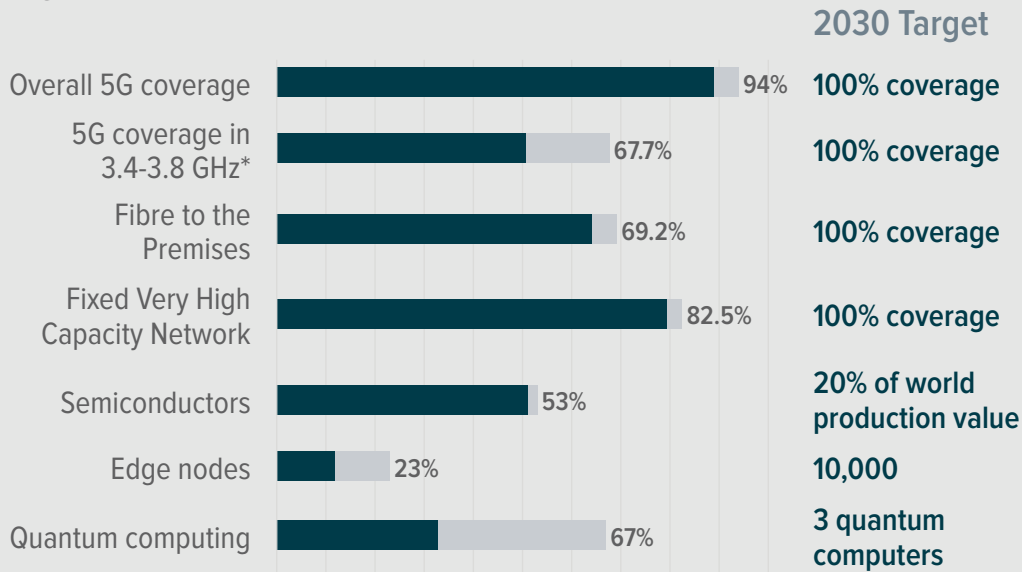
MONTHLY CHART SPOTLIGHT

STATE OF THE DIGITAL DECADE: CHARTING EUROPE'S TECH AMBITIONS

Source: European Commission, State of the Digital Decade 2025: Keep building the EU's sovereignty and digital future. 16 June 2025.

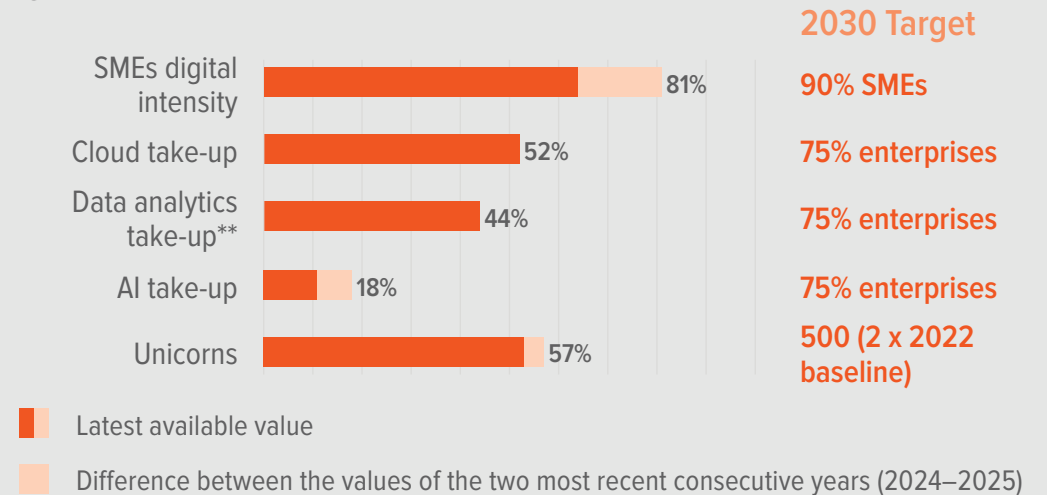
European Infrastructure - % of Target Achieved

Digital Infrastructure



Latest available value
 Difference between the values of the two most recent consecutive years (2024–2025)

Digital Transformation of Businesses



*Not a KPI but gives an important indication of high quality 5G coverage.

**The former Big data indicator is now replaced by the take up of Data analytics technologies. Progress is not fully comparable.

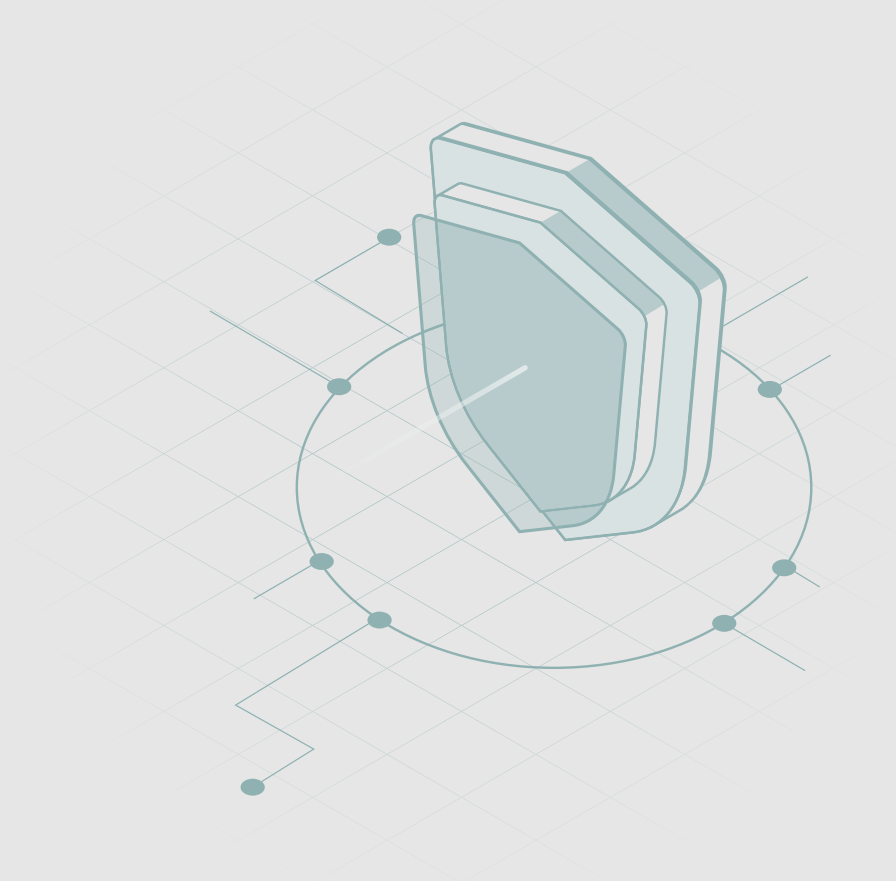
There is no guarantee that any trends observed in this material will continue. Any views and opinions are based on current market conditions and are subject to change.



DEFENCE TECH

NATO Allies aim to Boost Defence Spending

NATO members have agreed to raise their annual defence spending target from the current 2% of GDP — set in 2014 — to 5% by 2035 for each member state.¹ This new target exceeds what any NATO member currently spends.² For comparison, the U.S. allocated 3.4% of its GDP to defence in 2024.³ NATO's new 5% target includes at least 3.5% for core military capabilities such as troops, weapons, and defence technologies, with the remaining 1.5% directed toward critical security infrastructure like cybersecurity.⁴ This marks a significant financial increase, potentially making it a key inflection point in the global military expenditure trajectory. The move comes amid increasing hostilities with Russia, heightened tensions in the Middle East, and the current U.S. administration's "America First" policy, which appears to have pushed European allies to increase defence investment and pursue greater military self-reliance.⁵



5% of GDP

2035 NATO annual defence spending target per member state



VIDEO GAMES & ESPORTS

Nintendo's Switch 2 Sets Record Release

Nintendo's Switch 2 sold over 3.5 million units in the first four days after its June 2025 launch.⁶ Nintendo's seemingly successful hardware launch could bode well for the gaming industry's value chain. Historically, hardware sales are a leading indicator of software and platform success.⁷ A substantial install base could attract developers and may encourage increased software sales.



+3.5_m

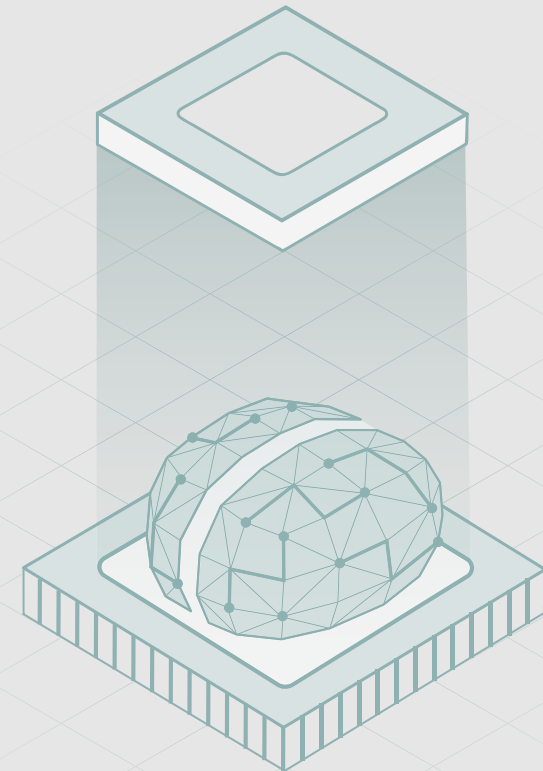
Switch 2 units sold within four days after its release



ARTIFICIAL INTELLIGENCE

AI Monetisation Taking Shape

Anthropic, a leading AI startup known for their Claude family of AI models, has achieved a staggering \$4 billion annualised revenue run rate, quadrupling its run rate from just the beginning of the year.⁸ This jump perhaps underscores the rapid commercialisation of AI models as enterprises increasingly pay for access to powerful foundation models.⁹ Anthropic's growth is being driven primarily by its Claude chatbot and partnerships with major cloud platforms, such as Amazon.¹⁰ Google has also invested in Anthropic and integrated Claude into its cloud marketplace.¹¹ Similarly, Anthropic's rapid success exemplifies the dynamic landscape of the AI industry, where significant investments align with innovations to drive growth at rapid pace.¹²



\$4bn

Anthropic annualised revenue run rate



FINTECH

Buy Now Pay Later (BNPL) Solutions Set to Factor into Credit Scores, FinTech Funding Sees Momentum

Fair Isaac Corporation (FICO) is launching new credit scoring models this autumn, FICO Score 10 BNPL and FICO Score 10 T BNPL, that will incorporate BNPL loan data for the first time.¹³ This move brings greater visibility and accountability to short-term instalment loans, allowing responsible BNPL usage to help build credit histories while penalising missed payments.¹⁴ For the FinTech theme, this appears to mark a significant step toward the mainstream integration of alternative lending into the traditional credit ecosystem, potentially boosting transparency and regulatory alignment. June also saw two large and highly successful FinTech initial public offerings (IPOs), perhaps indicative of robust investor interest in this theme. Circle Internet Group, which operates a blockchain-based financial infrastructure platform best known for issuing the USDC stablecoin, marked the largest FinTech related IPO since 2021.¹⁵ Chime Financial, which offers mobile-first banking services focused on fee-free checking, savings, and early direct deposit, also made its public market debut.¹⁶





DATA CENTRES & DIGITAL INFRASTRUCTURE

Data Centre Investments Accelerate

The breakdown includes \$150 billion for domestic memory fab construction and upgrades across Idaho, New York, and Virginia, and \$50 billion for R&D, chiefly aimed at High Bandwidth Memory (HBM) production, which is vital for AI powered data centres.¹⁷ Key components of the roll-out include a second leading-edge Dynamic Random Access Memory (DRAM) fab in Boise, expansion of the Manassas, Virginia facility, plus building up to four more fabs in New York, along with advanced HBM packaging capabilities to support AI infrastructure. Backed by federal funding, including over \$6 billion from the CHIPS Act and eligibility for the Advanced Manufacturing Investment Credit, this investment underscores a national strategy to reinforce resilient data centre and memory-chip supply chains.¹⁹



\$150_{bn}

domestic memory fab construction and upgrades



LITHIUM & BATTERY TECHNOLOGY

Battery Storage Rapidly Scaling into a Core Pillar of U.S. Grid Resilience?

Between April 2024 and April 2025, nearly 180 large-scale battery energy storage systems entered operation in the U.S.²⁰ Total battery energy storage capacity increased from 18 gigawatts (GW) to 25GW — a 41% YoY increase.²¹ Energy storage can potentially help mitigate risks of supply disruptions on power grids due to extreme heat events and shifting supply and demand dynamics. For example, the odds for Texas to have an energy emergency this summer have dropped from 15% a few months ago to less than 4% currently, due to battery capacity additions.²² As such, large-scale battery storage appears to be emerging as a critical tool to prevent blackouts in the U.S. Utilities across the country are rapidly deploying massive lithium-ion battery systems to store excess energy - often from renewables like solar and wind - and discharge it during peak hours when air conditioning use spikes.²³ Nationwide, grid-scale battery capacity is expected to reach 30 gigawatts by year-end - enough to power millions of homes for several hours.²⁴



25_{gw}

U.S. total battery energy storage capacity as at April 2025



FOOTNOTES

- 1 BBC (2025, June 25).
Trump says Nato's new 5% defence spending pledge a 'big win'.
- 2 IBID
- 3 International Institute for Strategic Studies (2025, February 25).
Ranked: The 15 Largest Defense Budgets in the World.
- 4 Economic Times (2025, May 28).
Nato floats cybersecurity to be included in new spending target.
- 5 Sky News (2025, February 12).
US defence secretary signals dramatic shift in American military policy away from Europe, warning allies about "stark strategic realities".
- 6 CNBC (2025, June 11).
U.S. online stores put 'out of stock' signs as Nintendo Switch 2 sales hit record highs.
- 7 ResearchGate (2000, June 1).
The Effect of Superstar Software on Hardware Sales in System Markets.
- 8 Yahoo Finance (2025, July 3).
Amazon-Backed Anthropic Scales to \$4 Billion ARR.
- 9 CNBC (2024, November 20).
Business spending on AI surged 500% this year to \$13.8 billion, says Menlo Ventures.
- 10 CNBC (2024, November 22).
Amazon to invest another \$4 billion in Anthropic, OpenAI's biggest rival.
- 11 CNBC (2025, January 22).
Google agrees to new \$1 billion investment in Anthropic.
- 12 OpenTools.ai (2025, July 2).
Anthropic Soars to New Heights with \$4B Revenue Run Rate.
- 13 Bloomberg (2025, June 23).
FICO to Offer Credit Scores Including Buy-Now, Pay-Later Data.
- 14 Yahoo Finance (2025, July 3).
If you're missing buy now pay later payments, FICO's new credit score plan may hurt you.
- 15 Yahoo Finance (2025, June 5).
Stablecoin giant Circle's shares surge in blowout NYSE debut.
- 16 Reuters (2025, June 12).
Chime valued at \$18.4 billion as shares soar in Nasdaq debut.
- 17 The Manufacturer (2025, June 19).
Micron Technology announces \$200bn investment in semiconductor manufacturing and R&D in Idaho, New York and Virginia.
- 18 IBID
- 19 Proactive Investors (2024, December 10).
Micron secures \$6.1B subsidy for chip manufacturing facilities from US government.
- 20 Reuters (2025, June 24).
US power sector battery storage momentum keeps charging on.
- 21 Bloomberg (2025, June 17).
How Big Batteries Could Prevent Summer Power Blackouts.
- 22 IBID
- 23 Titan Lithium (2025, May 14).
The Impact of Lithium Batteries on Renewable Energy Storage.
- 24 Bloomberg (2025, June 17).
How Big Batteries Could Prevent Summer Power Blackouts.



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