

## **Global X Powers Aussie Portfolios with New Uranium ETF**

Sydney, Australia, 7 December– Global X ETFs Australia (Global X) is today launching the Global X Uranium ETF (ASX: ATOM) to give local investors exposure to the growing uranium and nuclear power sector.

ATOM tracks the Solactive Global Uranium & Nuclear Components Total Returns Index to provide access to a broad range of companies involved in uranium mining nuclear components production, including those in extraction, refining, exploration, or manufacturing of equipment for the uranium and nuclear industries.

Blair Hannon, Head of Investment Strategy, says uranium demand will continue to increase as nuclear power use rises around the world as a crucial power source to facilitate the clean energy transition.

“Nuclear power capacity is set to dramatically increase in the coming decades, with projections anticipating a 17% rise from current levels by 2035 and another 71.5% by 2050.<sup>1</sup> The case for uranium is perhaps the strongest it’s been in a decade, and this is where we see the investment appeal for Australian investors,” Hannon says.

“However, nuclear power remains one of the few sources of electricity that combines large-scale power output and low greenhouse gas emissions, with costs comparable to those of traditional fossil fuel power stations. As governments pledge to reduce fossil fuel reliance, nuclear could be a viable bridge while more renewable capacity is built. Increasing adoption is anticipated to drive up uranium prices over the medium to long-term as supply will not come to market fast enough to keep up with demand.”

ATOM has been available for Global X clients in the United States for many years and Hannon says Australian investors are ready to gain access to uranium and its powerful growth potential.

“ATOM’s comparable fund in the US has been very well received by our clients in that market, so we are expecting to see similar uptake in Australia – particularly as investing in uranium and nuclear technologies can be difficult to navigate.

“In constructing this fund we have taken into consideration key concerns for investing in uranium such as geopolitical, social and environmental issues to help investors minimise risk, while leveraging structural tailwinds in the uranium sector.”

ATOM is the third ETF launched by Global X ETFs Australia since it rebranded from ETF Securities in September 2022. It joins a diverse product suite of more than 25 ETFs with almost \$5 billion in assets under management in Australia.

**Ends**

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<sup>1</sup> GE Hitachi Nuclear Energy. (n.d.) Nuclear power basics. General Electric. Accessed on April 19, 2022.

## What is Uranium and Nuclear Power?

Uranium is a heavy, dense, and radioactive metal, making it a potent source of energy. Found in most rocks in concentrations of two to four parts per million, it appears commonly in the Earth's crust in many parts of the world, including Australia, Kazakhstan, and Canada. Uranium extraction generally involves recovery from the ground using open-pit mining, underground mining, or in-situ leach (ISL) methods, then requires processing before it can be used.

Similar to coal or natural gas power plants, nuclear reactors generate electricity by producing immense heat. This is done by splitting uranium atoms in the process of nuclear fission, as opposed to burning fossil fuels. Nuclear fission produces thousands of times more energy than that released through burning similar amounts of fossil fuels, so it is a very efficient method of generating utility-scale power. In addition to the power density advantage of uranium, nuclear power also ranks among the cleanest methods of producing electricity, as measured by greenhouse gas emissions – making it a vital source of power security in the clean energy transition

## Considerations for Investing in Uranium

Despite the upside potential of uranium and nuclear power, there are some risks to keep in mind. In the past, nuclear technologies have caused a number of political, environmental and social issues. The 1986 Chernobyl and 2011 Fukushima nuclear disasters live on in memory for many around the world and brought the safety of nuclear into question. Technological advancements have increased the scalability and safety of nuclear power, however negative perceptions around nuclear and its use in weaponry linger – particularly in the face of geopolitical tensions.

In 2017, the United Nations Treaty on the Prohibition of Nuclear Weapons (TPNW) was enacted to ban nuclear weapon activities, with the ultimate goal to completely eliminate them.<sup>2</sup> As a result of the treaty, the nuclear weapon industry saw investment inflows drop by US\$63 billion in 2021 compared to 2019, according to a study by the International Campaign to Abolish Nuclear Weapons (ICAN) and PAX.<sup>3</sup>

Additionally, Uranium mining can have adverse effects on the environment and people's health, according to the US National Institutes of Health (NIH).<sup>4</sup> The NIH highlights three categories of concern.

- Mine site and miner health and safety. Noting, uranium miners more likely to succumb to “multifactorial health hazards” including lung and other forms of cancer.<sup>5</sup>
- Health and safety of people in the immediate vicinity who might be affected by spread of radioactivity.

<sup>2</sup> <https://www.un.org/disarmament/wmd/nuclear/tpnw/>

<sup>3</sup> [https://www.icanw.org/63\\_billion\\_usd\\_drop\\_in\\_nuclear\\_weapons\\_investments](https://www.icanw.org/63_billion_usd_drop_in_nuclear_weapons_investments)

<sup>4</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3653646/#:~:text=Uranium%20mining%20has%20widespread%20effects,nuclear%20power%20and%20nuclear%20weapons.>

<sup>5</sup> <https://link.springer.com/article/10.1007/s10653-022-01293-x>

- Global health and environmental effects of increasing background radiation and water contamination.

When investing in uranium it is important to weigh up these potential concerns and whether this type of investment aligns with one's risk profile.

### About Global X ETFs Australia

Global X ETFs Australia – formally known as ETF Securities Australia – is a global ETF provider with a growing range of cost-effective and innovation-led products. For more than a decade, our mission has been empowering investors with unexplored and intelligent solutions. Our global product lineup features over 90 ETF strategies and over US\$42 billion in assets under management.<sup>6</sup> While we are distinguished for our Thematic Growth, Income and International Access ETFs, we also offer Core, Commodity, and Alpha funds to suit a wide range of investment objectives. Explore our ETFs, research and insights, and more at [www.globalxetfs.com.au](http://www.globalxetfs.com.au).

Global X is a member of Mirae Asset Financial Group, a global leader in financial services, with more than \$545 billion in assets under management worldwide.<sup>7</sup> Mirae Asset has an extensive global ETF platform ranging across the US, Australia, Brazil, Canada, Colombia, Europe, Hong Kong, India, Japan, Korea, and Vietnam with over \$80 billion in assets under management.<sup>8</sup>

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### For All Media Queries

Taryn Silver, Madden & Associates | +61 401 081 683 | [globalxetfs@madden.com.au](mailto:globalxetfs@madden.com.au)

Natalie Jollow, Global X ETFs | + 61 492 359 616 | [natalie.jollow@globalxetfs.com.au](mailto:natalie.jollow@globalxetfs.com.au)

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<sup>6</sup> Global X, AUM as at August 2022

<sup>7</sup> Mirae Asset, AUM as at June 2022

<sup>8</sup> Mirae Asset, AUM as at June 2022

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