



# FTEC

## Global X Fintech & Blockchain ETF



### Invest in disruptive financial technology and blockchain.

#### Thematic Growth — Disruptive Technology

#### FUND DETAILS

ASX Code	FTEC
Bloomberg Code	FTEC AU Equity
IRESS Code	FTEC.CXA
Benchmark	Indxx Developed Markets Fintech & DeFi Index
Mgt. Fee (% p.a.)*	0.69
Rebalance Frequency	Quarterly
Distribution Frequency	Semi-Annually
W-8 BEN Form Required	No

\* Calculated on the Net Asset Value (NAV) of the Fund. All fees and costs are inclusive of GST. Refer to the PDS for a complete list of fees and costs.

#### INTRODUCING FTEC

FTEC tracks the performance of the Indxx Developed Markets Fintech & DeFi Index. The index includes companies from developed markets with significant exposure to one of several fintech sub-themes: decentralised finance, digital payments, financial data provider and analyser, financial enterprise solutions, peer-to-peer lending and crowdfunding, personal finance software, tax compliance software, trading and capital markets, and point-of-sale.

#### DID YOU KNOW?

- Financial services have the strongest expected uptake of blockchain of any industry, a survey from PwC found.
- Regulations on the banks introduced after 2008 financial crisis has created a boom in fintech credit companies, including Afterpay.

#### WHAT ARE FINTECHS?

Fintechs are companies that bring technology to financial services - banking, wealth management, insurance, etc - making it cheaper and more efficient. Free share trading, instant international money transfers, robo-advice and digital wallets are recent examples of fintech disruption. With blockchain adoption looming, and the world steadily turning cashless - there is much to come.

#### THE FINTECH INDUSTRY

- **Decentralised Finance:** blockchain technology most famously behind cryptocurrencies. Its other uses in finance potentially include tokenisation and smart contracts.
- **Digitalised Payments and Point of Sale:** are companies bringing technology to make payments quicker and more seamless. It includes smartphone apps, but also card networks and point of sale machines.
- **Financial Data Provider and Analyser:** financial data companies allow assets - like shares, real estate, bonds - to be accurately priced and their performance to be measured.
- **Finance and Tax Software:** software companies are driving automation throughout finance and removing human error from tasks.
- **Trading and Capital Markets:** is allowing wealth management like brokerage and financial advice to run over the internet.

#### KEY FEATURES



##### High Growth Potential

The global online banking users is expected to reach 3.6 billion by 2024, highlighting the vast reach in just one segment of this theme<sup>1</sup> and the global bitcoin market is expected to surpass USD\$5.4bn by 2030<sup>2</sup>.



##### Global Tailwinds

Fintech and blockchain are global themes, poised to benefit as both expanding broadband and mobile internet penetration coincide with a rising middle class in developing markets, historically under-served by traditional financial services, and government and industry seek to improve the accuracy, transparency, and security of financial transactions.



##### Changing Consumer Preferences

While Fintech companies have historically catered to the digital preferences of younger consumers, they are increasingly competing on cost and convenience across a range of more established industries like lending and insurance. 84 countries now offer bitcoin ATMs<sup>3</sup>.



## HOW FTEC WORKS

- FTEC tracks the Indxx Developed Markets Fintech & DeFi Index. The index identifies companies in developed markets with market capitalisations greater than US\$500mn and a 6-month average daily turnover greater than or equal to US\$2mn.
- The index provider has identified several “sub-themes” they include - decentralised finance, digital payments, financial data provider and analyser, financial enterprise solutions, peer-to-peer lending and crowdfunding, personal finance software, tax compliance software and backend payment processing, trading and capital markets, point of sale (POS).
- Company’s revenue for each sub-theme is identified, using proprietary and public data. After this, a company is assigned to the sub-theme it derives the highest revenue from. Companies within the relevant sub-themes will be eligible for inclusion.
- The top 75 companies based on market capitalisation will be chosen, with companies from each sub-theme capped at 10, with the exception of decentralised finance which is capped at 20. Consultants are equally weighted at each rebalance.

## HOW TO USE FTEC IN A PORTFOLIO

- To express long-term strategic or short-term tactical views on blockchain and fintech companies.
- Hedge against disruption to the banks, whose shares often feature in superannuation funds.
- To complement technology sector exposure with finance-aligned companies outside of the GICS classification (the industry sector classification created by MSCI and S&P Dow Jones Indices).

For more information on Global X Fintech & Blockchain ETF (ASX Code: FTEC), please speak to Global X ETFs.

## Client Services

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[1] (Gitnux, 2023) <https://gitnux.org/online-banking-usage-statistics/>

[2] (Capital.com, 2023) <https://capital.com/bitcoin-price-prediction-2030-2050>

[3] (Statista, 2024) <https://www.statista.com/statistics/343147/number-of-bitcoin-atms-countries/>

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