

Invest in disruptive financial technology and blockchain through the ETFS Fintech & Blockchain ETF (Exchange Code: FTEC).

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 the 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, digital wallets—are recent examples of fintech disruption. With blockchain adoption looming, 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.



Digital 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.

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\$500 million and a 6-month average daily turnover greater than or equal to US\$2 million.
- ✓ 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. Constituents are equally weighted at each rebalance.

Reasons to consider FTEC

1. Access exciting growth companies disrupting financial services.
2. Achieve global diversification in a single trade and avoid the risks and volatility of picking individual stocks.
3. Invest in the world’s leading adopters of blockchain technology.

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).

Snapshot

Exchange Code	FTEC
Bloomberg Code	FTEC AU Equity
IRESS Code	FTEC.CXA
Benchmark	Indxx Developed Markets Fintech & DeFi Index
Management Cost (%pa)	0.69%
Rebalance Frequency	Quarterly
Distribution Frequency	Semi-annually
W-8 BEN Form Required	No

For more information on the ETFS Fintech & Blockchain ETF (**Exchange Code: FTEC**), please speak to ETF Securities.

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