

# Cyber Security

L&G Cyber Security  
UCITS ETF



**DISRUPTIVE**  
Technology thematics range

An ETF investing in the need for personal, corporate and governmental digital security



# DISRUPTIVE

Technology thematics range

# Cyber Security

## L&G Cyber Security UCITS ETF

### Key features

**Broad global exposure to a unique basket of selected cyber security companies**

**Diversified across countries, sectors and market capitalisation**

**Potential for reduced volatility versus investing in individual cyber security stocks**

**Rebalance of the fund each quarter provides responsiveness to new cyber security companies and trends**

**UCITS compliant**

Cyber security has become an unavoidable issue. As more data, systems and people connect digitally, vulnerability is on the rise. Cyber attacks pose a growing threat to governments, companies and individuals who are growing ever more concerned about security, financial and reputational damage.

This fund is Europe's first cyber security ETF providing investors with a simple, liquid and cost effective way to gain access to this high growth and rapidly evolving megatrend.

### DISRUPTIVE TECHNOLOGY PRODUCT RANGE

Our world is being transformed as a new wave of innovation, often technology-led, challenges every aspect of how we live and work.

Driving this megatrend is the unending quest for productivity improvement. For investors, it is making new investment opportunities, with the potential for higher growth than traditional investments, available today.

This is one of the Funds in our disruptive technology range

**For more information, visit: [lgimETF.com](https://lgimETF.com)**

# Investment opportunities

## An industry in demand

Cybercrime is now considered one of the biggest issues impacting global security, with governments and companies categorising cyber security defence as an essential expenditure.

Global cyber security spending will exceed \$1 trillion over the next five years, from 2017 to 2021. In 2004, the global cyber-security market was worth \$3.5 billion, and in 2017, it was worth more than \$120 billion – an increase of more than 35 times.<sup>1</sup>

## Long-term growth prospects

Data needs to be kept safe and secure. As technology begins to pervade every aspect of home and work environments, the growth prospects of the cyber security market are compelling.

Growth expectations for the sector are 12-15% per year between now and 2021, presenting an attractive opportunity for investors.



# Over \$1 trillion

Global spending on cyber security products and services from 2017 to 2021

Source: Cyber Security Ventures, February 2018

# \$3.6 million

Estimated cost of data breach for an individual firm

Source: Ponemon Institute, 2017 Cost of Data Breach Study

<sup>1</sup> Source: Cyber Security Ventures, February 2018

## What sets us apart?

### FOCUSED EXPOSURE

Most broad based technology indices have minor exposure to cyber security companies. The ISE Cyber Security® UCITS Index is equally weighted, allowing the Index to capture growth trends in both established and emerging companies.

### INDUSTRY EXPERTISE

The eligibility of the companies are determined by ISE Cyber Security® Industry Classification, with liquidity thresholds of a minimum \$100 million market cap and 3 months Average Daily Volume (ADV) of \$1 million to qualify.

### GROWTH OPPORTUNITY

The increasing demand for cyber security technology has prompted a number of high profile mergers and acquisitions. This interest will boost growth opportunities in the sector.

#### Secondary Market

The shares of this exchange traded UCITS Fund are publicly admitted to trading on the secondary markets of the stock exchanges detailed in the Product Information table.



## Product information

Fund Name	L&G Cyber Security UCITS ETF
Benchmark	ISE Cyber Security® UCITS Net Total Return Index (HURNTR)
Listings and Tickers	London Stock Exchange – USPY (USD), ISPY (GBX)
	Deutsche Börse – USPY (EUR)
	Borsa Italiana – ISPY (EUR)
	NYSE Euronext – ISPY (EUR)
	SIX Swiss Exchange – ISPY (CHF)
ISIN	IE00BYPLS672

UCITS Compliant	Yes
Domicile	Ireland
TER (%)	0.75
Base Currency	USD
Replication	Physical – Full replication
Distribution	Accumulating
Issuer	LGIM Managers (Europe) Limited
Promoter	Legal & General Investment Management Limited

### KEY RISK WARNING

**The value of an investment and any income taken from it is not guaranteed and can go down as well as up. You may not get back the amount you originally invested.**

# About the index

The ISE Cyber Security® UCITS Index Net Total Return utilises a rules-based investment methodology to select a diverse group of companies actively involved in the cyber security industry. Companies are either classified as cyber security infrastructure providers or cyber security service providers.

The index follows a modified equal weight portfolio weighting scheme and rebalances on a quarterly basis.



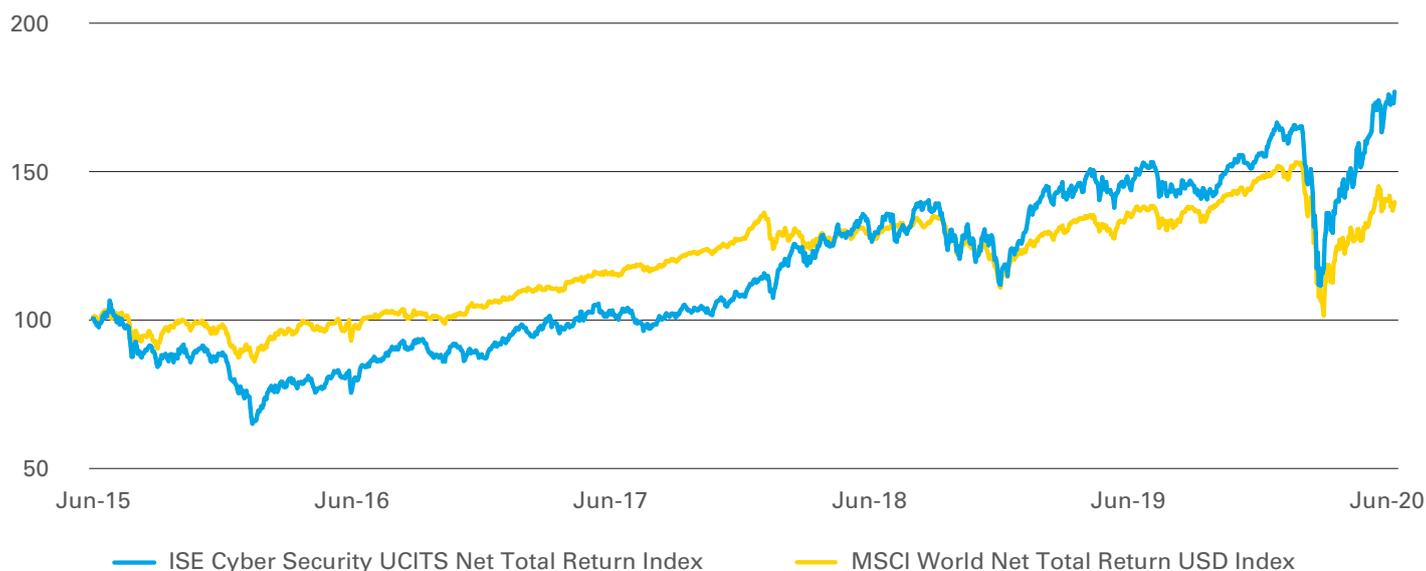
## Learn more

To learn more about the L&G Cyber Security UCITS ETF  
visit [www.lgimetf.com](http://www.lgimetf.com)

# Index performance

## Historical backtested performance

Rebased 100 = June 2015



Annual index performance	2020	2019	2018	2017	2016	2015
ISE Cyber Security UCITS Net Total Return Index	14.15%	31.18%	10.08%	24.19%	-0.71%	3.55%
MSCI World Net Total Return USD Index	-5.77%	27.67%	-8.71%	22.40%	7.51%	-0.87%

Indices	Cumulative return in USD			Volatility	Sharpe Ratio
	1 year	3 years	5 years		
ISE Cyber Security UCITS Net Total Return Index	20.25%	74.91%	77.13%	21.29%	0.51
MSCI World Net Total Return USD Index	2.84%	21.48%	39.59%	16.04%	0.36

**Source: Bloomberg; all in USD; as at 30 June 2020.**

All returns, correlations and volatilities are based on data in USD. Dates are from 30 June 2015 to 30 June 2020 unless otherwise stated. Sharpe ratios are based on 5 year annualised returns, 5 year annualised volatility and a risk free rate of 1.2% (average of US 5yr rates over 1 year).

The index was launched on 31 August 2015. In the period prior to that, the index values were simulated and were based on back-tested data. Simulated past performance data does not represent actual performance and should not be interpreted as an indication of actual or future performance.

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