WARETF

The **U.S. Global Technology and Aerospace & Defense ETF (NYSE: WAR)** provides diversified exposure to advanced technology, aerospace and defense sectors. It aims to select efficient companies across industries such as semiconductors, cybersecurity, electronic warfare, data centers and defense manufacturing, including fighter jets, tanks and missiles. The ETF includes common stocks from developed markets worldwide.

Why Invest in the Defense Industry?

The world is entering a new age of warfare, shaped by escalating geopolitical conflicts, the rise of non-state actors and rapid technological advancements in areas like artificial intelligence (AI) and cybersecurity. This changing landscape presents a significant growth opportunity for investors in both traditional defense and cutting-edge technologies.

1

Escalating Conflicts:

Russia's invasion of Ukraine and tensions involving China have increased global military spending. European arms imports nearly doubled between 2019 and 2023[1], while U.S. defense spending continues to outpace the next 10 countries combined.

2

Technological Advancements:

AI, hypersonic missiles and autonomous weapons are revolutionizing warfare. Countries like China are focusing heavily on advanced technologies, with a 7.2% increase in their defense budget this year alone.[2]

3

Cybersecurity Threats:

Cyberattacks have hit record highs, rising 75%[3] globally year-over-year. State-sponsored actors from nations like China and Russia are driving unprecedented investment in cybersecurity infrastructure.

4

Bipartisan Defense Support:

U.S. military and cybersecurity budgets have historically received bipartisan backing. The Congressional Budget Office (CBO) projects a 10% increase in military spending by 2038[4] (adjusted for inflation), with NATO allies like Germany and Poland significantly increasing their defense budgets.

5

European Defense Modernization:

In response to the Russia-Ukraine conflict, European nations are prioritizing defense R&D and reducing reliance on U.S.-made equipment.

Smart Beta 2.0 Investment Strategy

Using a quantamental approach, the **U.S. Global Technology and Aerospace & Defense ETF (NYSE: WAR)** targets companies we believe benefit from rising defense budgets, geopolitical tensions, technological advancements, and the growing demand for data centers. With a globally diversified portfolio, the ETF captures innovation, supply chain interconnections and transformative technologies. Key features of this strategy include:

Factor-Based Selection:
The ETF utilizes key factors such as profitability, volatility and liquidity to identify companies poised for long-term outperformance in technology, aerospace, defense, and security-related industries.

Sector Rotation:
Allocations are adjusted based on macroeconomic trends, geopolitical developments and regulatory changes to capitalize on emerging opportunities within the technology, aerospace, defense, and data center sectors while managing specific sector risks.

Active Management with Quantitative and Fundamental Analysis:

The ETF employs active management using both quantitative and fundamental research. Insights from various sources guide stock selection, aligning with smart-beta's focus on systematic and transparent criteria for weighting.

By integrating these elements, the ETF aims to deliver risk-adjusted returns for investors seeking diversified exposure to the technology, aerospace, defense and global security sectors aims to deliver risk-adjusted returns for investors seeking diversified exposure to the aerospace, defense and global security sectors.

Learn more by scanning the code:

1 Stockholm International Peace Research Institute. (2024, March 11). European arms imports nearly double, US and French exports rise, and Russian exports fall sharply. Retrieved from https://www.sipri.org/media/press-release/2024/european-arms-imports-nearly-double-us-and-french-exports-rise-and-russian-exports-fall-sharply#

2 Wu, H., & Bodeen, C. (2024, March 5). China raises defense budget by 7.2% as it pushes for global heft and regional tensions continue. Associated Press. Retrieved from https://apnews.com/article/china-legislature-defense-budget-taiwan-us-9e751a41c9a1ffe8c0cf9775797750e3

3 Check Point Team. (2024, October 18). A closer look at Q3 2024: 75% surge in cyber attacks worldwide. Check Point Research Blog. Retrieved from https://blog.checkpoint.com/research/a-closer-look-at-q3-2024-75-surge-in-cyber-attacks-worldwide

4 Congressional Budget Office. (2023, October 25). Long-term implications of the 2024 future years defense program. Retrieved from https://www.cbo.gov/publication/59511

Reasons to Consider the WAR ETF

Diverse Investment Options

The cybersecurity industry includes a wide range of companies, from those specializing in network security and endpoint protection to cloud security and identity management. This diversity provides investors with opportunities to target specific niches within the industry.

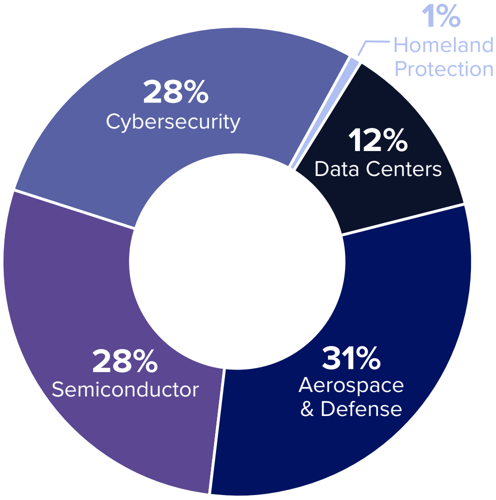
Focuses on Economic Reselience

Cybersecurity is often viewed as a non-discretionary expense for businesses. During economic downturns, companies cut back on other expenses, but investments in cybersecurity remain critical to protect against devastating losses.

Recurring Revenue Models

Many cybersecurity companies operate on a subscription-based model, offering software-as-a-service (SaaS) solutions. This creates recurring revenue streams, promoting financial stability and long-term growth potential for these businesses.

FUND INDUSTRY BREAKDOWN[2]



2 As of 12/30/2024, holdings and allocations are subject to change.

FUND DETAILS

Ticker:	WAR
Type	Active
CUSIP:	26922B410
Expense Ratio:	0.60%
Inception Date:	12/30/2024[1]
Number of Holdings:	28
Stock Exchange:	NYSE Arca

1 As of 12/30/2024, holdings and allocations are subject to change.

WARETF

Learn more by scanning the code:

Please consider carefully a fund's investment objectives, risks, charges and expenses. For this and other important information, obtain a statutory and summary prospectus at www.usglobaletfs.com. Read it carefully before investing.

Investing involves risk including the possible loss of principal.

The Fund is actively-managed and there is no guarantee the investment objective will be met. The fund is new and has a limited operating history to evaluate. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund.

The Fund's concentration in the securities of a particular industry namely Aerospace and Defense, Cybersecurity and Semi-conductor industries as well as geographic concentration may cause it to be more susceptible to greater fluctuations in share price and volatility due to adverse events that affect the Fund's investments.

Aerospace and Defense companies are subject to numerous risks, including fierce competition, adverse political, economic and governmental developments, substantial research and development costs. Aerospace and defense companies rely heavily on the U.S. Government, political support and demand for their products and services.

Companies in the cybersecurity field face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. The products of cybersecurity companies may face obsolescence due to rapid technological development. Companies in the cybersecurity field are heavily dependent on patent and intellectual property rights

Competitive pressures may have a significant effect on the financial condition of semiconductor companies and may become increasingly subject to aggressive pricing, which hampers profitability. Semiconductor companies typically face high capital costs and can be highly cyclical, which may cause the operating results to vary significantly. The stock prices of companies in the semiconductor sector have been and likely will continue to be extremely volatile.

Investments in the securities of non-U.S. issuers may subject the Fund to more volatility and less liquidity due to currency fluctuations, political instability, economic and geographic events. Emerging markets may pose additional risks and be more volatile due to less information, limited government oversight and lack of uniform standards.

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