



DTEC

Global X Defence Tech ETF



Shield Your Portfolio.

Thematic Growth – Disruptive Technology

FUND DETAILS

ASX Code	DTEC
Bloomberg Code	DTEC AU EQUITY
IRESS Code	DTEC.AXW
Benchmark	Global X Defense Tech Index
Mgt. Fee (% p.a.)*	0.50%
Rebalance Frequency	Semi-Annually
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 DTEC

The Global X Defence Tech ETF (DTEC) provides investors with access to companies at the forefront of defence innovation. As global security concerns shift towards more technology-driven solutions, DTEC captures the sectors driving the future of defence. This includes AI, drones, and cybersecurity – all crucial components in today’s modern defence landscape.

DID YOU KNOW?

- Over the past 40 years, global defence spending has grown at an annualised rate of 4.3%¹, showing resilience even through economic downturns. This steady increase reflects the essential role of defence in national economies and long-term strategic planning.
- More than 20%³ of US defence spending is now allocated to research and development, with a strong focus on AI, drones, and cybersecurity. These technologies are shaping the future of defence by enhancing intelligence, surveillance, and operational efficiency.

EVOLVING DEFENCE: A SHIFT TO PROTECTION AND INNOVATION

In the 21st century, defence has become synonymous with protection, intelligence, and innovation. Over the past 40 years, global defence spending has grown at a steady annualised rate of 4.3%, showing resilience even during times of economic uncertainty. As the focus shifts from traditional military hardware to advanced technologies, defence is increasingly being seen as an essential and stable investment opportunity.

This shift is driven by the need for nations to protect themselves in a rapidly changing world. Technological advancements are now at the heart of defence strategies, with investments in AI, drones, and cybersecurity leading the way. Defence budgets are increasingly allocated towards these innovations, allowing countries to safeguard critical infrastructure, enhance surveillance capabilities, and respond to modern threats with greater precision. The demand for these technologies reflects a growing realisation that future conflicts will be defined by intelligence and automation rather than sheer military force.

RIDING THE WAVE OF NATIONAL SECURITY PRIORITIES

As global security priorities evolve, nations that were once considered non-traditional defence spenders are becoming increasingly important players on the world stage. These countries are significantly increasing their defence budgets, focusing not on military aggression, but on modernisation and innovation. Investments in cutting-edge technologies such as autonomous drones, cybersecurity, and artificial intelligence are becoming central to their national security strategies. This shift highlights the growing importance of technological advancement in maintaining strategic advantages, particularly in an era where threats are more complex and diverse than ever before.

KEY FEATURES



Historically Consistent Growth

Global defence spending has grown at an annualised rate of 4.3%¹ over the past 40 years, underscoring the essential and growing role of defence in economies worldwide.



Rising National Security Focus

Increasing global tensions are driving nations to boost defence spending, reflecting heightened national security concerns and a competitive push to maintain strategic advantage.



Focus on Tech-Driven Defence

DTEC includes companies with a revenue filter ensuring exposure to AI, drones, and cybersecurity, capturing the future of innovation in defence.



THE FUTURE OF DEFENCE LIES IN TECHNOLOGY

Today's defence budgets are no longer dominated by tanks and fighter jets but by intelligent systems and automated solutions that enhance a nation's ability to respond to threats quickly and precisely. The demand for advanced technology is surging, with sectors such as AI, quantum computing, and drone technology leading the charge. These innovations are transforming modern defence, allowing for more precise and autonomous decision-making, and are rapidly becoming central to both surveillance and combat operations.

Governments across the globe, particularly in the US, are ramping up investments in defence technologies that focus on automation, intelligence gathering, and cybersecurity.

Drones, in particular, have become pivotal in modern warfare and national security strategies. Autonomous drones are increasingly relied upon for reconnaissance and precision strikes, with AI-driven platforms offering enhanced operational efficiency. The future of defence lies in these advancements, as nations prioritise technological superiority to maintain a strategic edge in a rapidly changing global landscape.

HOW TO USE DTEC IN A PORTFOLIO

- As a satellite investment for exposure to the growing demand for advanced defence technologies, including AI, drones, and cybersecurity.
- As a thematic tilt towards megatrends in defence innovation and national security spending, with a focus on cutting-edge technology.

- To diversify exposure away from traditional defence stocks and into high-growth areas like autonomous systems and next-generation military tech.

HOW DTEC WORKS

The Global X Defense Tech Index is designed to track companies driving innovation in defence technologies, including AI, autonomous systems, drones, and cybersecurity. To ensure focused exposure, the index includes companies that derive at least 50% of their revenue from these areas. It applies a market cap filter, requiring a minimum of US\$200 million for new companies and US\$160 million for existing constituents. The index uses a modified market cap-weighting approach, capping individual securities at 8% and limiting the aggregate weight of companies above 5% to 40%. The index is rebalanced semi-annually, with distributions paid twice a year.

CONSIDERATIONS FOR INVESTING IN DTEC

DTEC invests in companies primarily focused on defence technologies such as AI, drones, autonomous systems, and cybersecurity. These sectors face intense competition and are subject to shifts in government policies, geopolitical tensions, and regulatory changes, all of which could impact their growth and profitability.

Market or economic factors affecting the global defence industry, particularly in regions where military spending is heavily reliant on technology advancements, may influence the value of DTEC's investments. Changes in geopolitical dynamics and national security budgets could also have a significant impact.

Concentration risk exists in the fund, as individual stocks that derive substantial revenue from defence technology may face volatility. In the event of a decline in value of any key stock, the Net Asset Value (NAV) of DTEC may be adversely affected.

For more information on Global X Defence Tech Index (ASX Code: DTEC), please speak to Global X ETFs.

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[1] Stockholm International Peace Research Institute, US Department of State.

[2] Department of Defense, Stockholm International Peace Research Institute

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