

# NATONTR / EQM Future of Defence Index

Index fact sheet as of April 30, 2024

## NATONTR Facts

### Ticker

Price Return: NATOP  
Total Return: NATOT  
Net Total Return: NATONTR

### Index Launch

December 01, 2017

### Base Value

100 on April 25, 2023

### Index Calculation

Every fifteen (15) seconds

### Rebalancing Dates

Quarterly  
(Jan/Apr/Jul/Oct)

### Index Rules

Available at vettafi.com

## Portfolio Characteristics

Number of Companies: 59  
U.S. Companies: 35  
Non-U.S. Companies: 24

Company Size by Market Capitalization (millions):

Average: \$22,782  
Median: \$8,772  
Largest: \$190,231  
Smallest: \$1,279

Annualized Return: 16.51%  
Annualized Volatility: 18.85%  
Information Ratio: 0.88

An index designed to provide defence exposure by investing in global companies generating revenues from NATO and non-NATO ally defence and cyber defence spending.

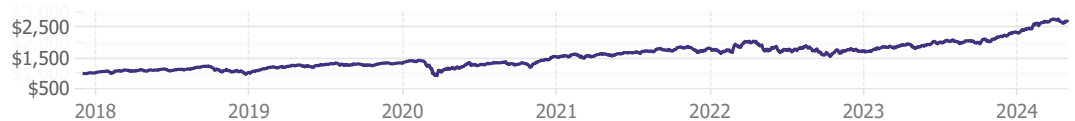
## The Case for Future of Defence

- NATO Defence Budget Accelerated by Recent Events** - NATO members must follow a guideline seeking a 2% of GDP, combined with equipment spending of 20% by 2024. The resolve for the "2/20" guideline established at NATO's Wales Summit a decade ago, has been accelerated by Russia's invasion of Ukraine.<sup>1</sup>
- Need for Modernized Defence Solutions** - Companies exposed to NATO and NATO+ ally spending such as military aircraft, defence equipment, and future of defence applications such as cyber security, stand to benefit from increased spending levels and the need for modernized defence solutions such as unmanned, autonomous jets and combat vehicles and cyber defence solutions.
- Global Growth Opportunity** - The global defence market is expected to grow at a CAGR of 5.6% to an expected size of \$718.12 billion<sup>2</sup>, and the global cyber security market to a CAGR of 13.8% by 2030.<sup>3</sup> The rise of data breaches and increasing sophistication of cyberattacks poses a global security threat, driving increased adoption of cloud-based cybersecurity solutions.

<sup>1</sup>AtlanticCouncil.org, September 15, 2023; <sup>2</sup>Business Research, January 2023;

<sup>3</sup>Fortune Business Insights, December 6, 2023

## Performance of \$1,000 invested

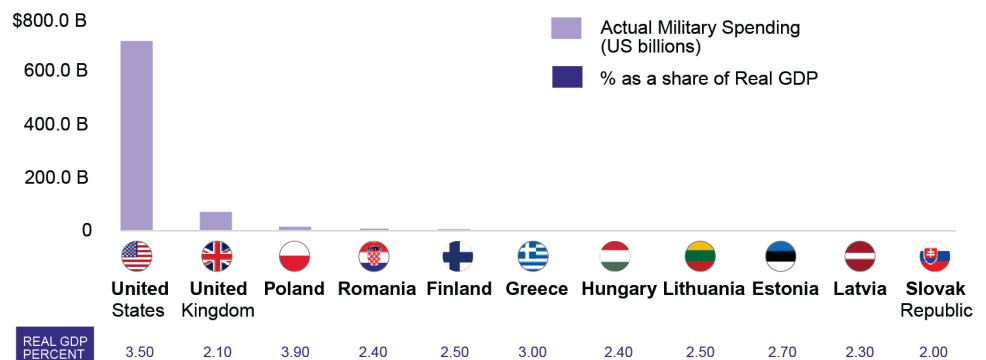


## Performance Data

	3 Month	6 Month	YTD	1 Year	Annualized	
					3 Year	5 Year
Total Return	9.3%	29.7%	13.9%	43.4%	18.3%	15.9%
Net Total Return	9.2%	29.5%	13.9%	42.9%	17.9%	15.4%
Price Return	9.0%	29.0%	13.6%	41.7%	16.8%	14.4%

## NATO Defence Expenditures

NATO has called for Allies to meet the 2% of the GDP guideline for defence spending. Both Finland and Sweden were recently approved as new members.



As of July, 2023

Source: NATO

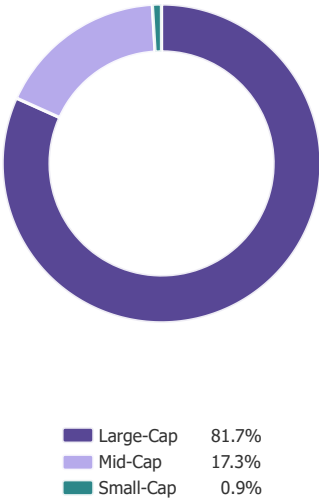
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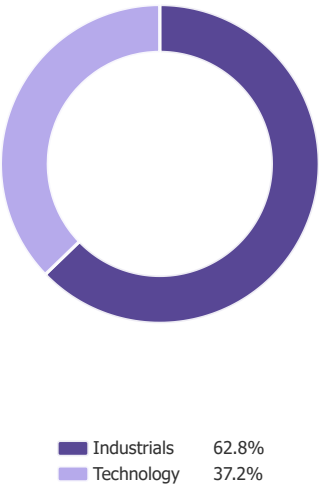
## Top 10 Constituents

Company Name	Index Weight
BAE SYSTEMS PLC	5.04%
THALES SA	4.99%
SAFRAN SA	4.98%
LEONARDO S.P.A.	4.77%
RHEINMETALL AG	4.75%
CHECK POINT SOFTWARE TECHNOLOGIES	4.73%
NORTHROP GRUMMAN CORPORATION	4.32%
PALO ALTO NETWORKS INC	4.24%
RTX CORP.	4.04%
GENERAL DYNAMICS CORPORATION	4.04%
<b>TOTAL</b>	<b>45.90%</b>

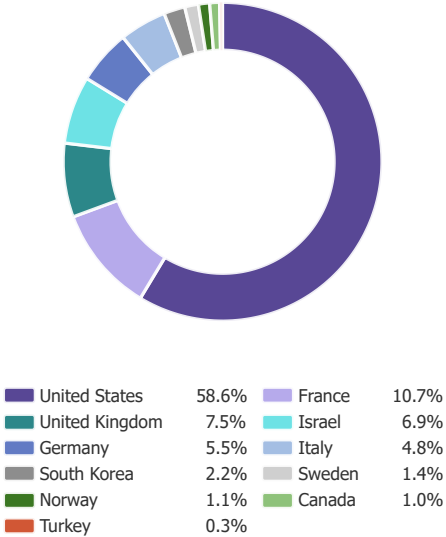
## Market Capitalization



## Sector Weightings



## Country Weightings



## About VettaFi

VettaFi, a data, analytics, and thought leadership company, is transforming financial services from an industry to a community one relationship at a time. In addition to providing interactive online tools and research, VettaFi offers asset managers an array of indexing and digital distribution solutions to innovate and scale their businesses. With billions in assets benchmarked to its indices and more than 200 customers globally asset managers look to VettaFi for benchmarks and best-in-class index solutions. VettaFi owns and administers the EQM Index Series.

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