

Press Release

ETF Securities Releases Semiconductors ETF in Australia – Enabling Investors to Participate in this Indispensable Industry

31 August 2021

FRANKFURT AM MAIN – The ongoing semiconductor shortage caught many businesses off guard as production of chips slowed down during the global pandemic. From domestic appliances to cars, almost every technological device relies on semiconductors, and the global shortage has taken its toll: car manufacturers idled their production lines¹ or – on the more creative side – utilized dummy chips in their production, which will be replaced by functional semiconductors as soon as the capacity allows it². While there is a shortage, demand for semiconductor technology increases in the light of a global 5G rollout, interconnectivity, and smarter consumer technology. Major Australian issuer ETF Securities now releases an ETF, the ETFS Semiconductor ETF (ASX: SEMI). This fund is the first Australian passive investment product in that space.

In its market forecast, the World Semiconductor Trade Statistics (WSTS) expects the worldwide semiconductor market growth to rise from 6.8 percent in 2020 to a staggering 19.7 percent in the year 2021, which corresponds to a market size of US\$ 527 billion. For 2022, WSTS expects growth by 8.8 percent.³ Enjoying tailwinds, companies active in the semiconductor business can be expected to outperform for the foreseeable future.

The ETF tracks the **Solactive Global Semiconductor 30 Index**, which is a representation of 30 companies active across the semiconductor value chain. Eligible companies must be part of the **Solactive GBS Global Markets Semiconductor All Cap USD Index** and classified – by a common industry classification system – in the semiconductors industry, or semiconductor equipment and services and semiconductor manufacturing subsectors. Furthermore, companies must have their primary listing in one of the countries that are part of the Developed Markets – as defined by the Solactive Country Classification Framework (<https://www.solactive.com/documents/solactivecountry-classification/>) – or in South Korea or Taiwan. All

¹ <https://www.reuters.com/business/autos-transportation/volvo-cars-idle-göthenburg-plant-again-over-chip-shortage-2021-08-23/>

² <https://ieconomy.io/porsche-installs-dummy-chips-in-cars/>

³ https://www.wsts.org/esraCMS/extension/media/f/WST/5088/WSTS_nr-2021_06.pdf

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eligible securities are ranked based on their free float market capitalization in descending order, and the top 30 ranked securities are selected for index inclusion.

Timo Pfeiffer, Chief Markets Officer at Solactive, comments: *"Semiconductors serve as the heart and soul of every electric device, and with a growing need for chips to fuel our future smart economy, companies active in this megatrend now are well positioned for future growth. ETF Securities realized the vast potential of this industry, which will accompany us for the next decades to come. We are excited to be part of this thematic ETF release in Australia, and we look forward to launching more innovative products with ETF Securities soon."*

Kanish Chugh, Head of Distribution at ETF Securities, comments: *"We are delighted to have partnered with Solactive to bring to market the ETFS Semiconductor ETF. At ETF Securities we have a focus on identifying and developing products that enable our clients to benefit from rapid technological advances across the globe. Observing the rise in prominence of the semiconductor across a vast array of industries from gaming to automobiles, this product addresses a gap in the Australian market for investors wanting exposure to this growing sector."*

The ETFS Semiconductor ETF (SEMI) started trading on August 31st, 2021, on ASX.

For more information please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 18,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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