



THEMATIC ETF PIONEERS LAUNCH GLOBAL CYBERSECURITY AND MEDICAL CANNABIS ETFs

London, UK – February 17th 2020 - Rize ETF, Europe's first specialist thematic ETF issuer, has today launched its first two ETFs. The Rize Cybersecurity and Data Privacy UCITS ETF (CYBR) lists today on both the Frankfurt Stock Exchange (Xetra) and the London Stock Exchange (LSE). The Rize Medical Cannabis and Life Sciences UCITS ETF (FLWR) lists today on the Frankfurt Stock Exchange (Xetra) and will list later in the week on the London Stock Exchange (LSE).

Each ETF has been purpose-built by Rize ETF in collaboration with index provider Foxberry and thematic specialists in each particular theme, namely New Frontier Data with respect to FLWR and Tematica Research with respect to CYBR.

The **Rize Cybersecurity and Data Privacy UCITS ETF (CYBR)** provides exposure to 45 companies that are poised to benefit from the booming demand in cybersecurity products and services. These companies offer protection against cyber threats and are heralding the crusade for better data privacy regulation around the world. CYBR is Europe's most progressive cybersecurity ETF and provides investors with exposure to a booming industry propelled by fresh concerns for data privacy around the world.

"Cybersecurity has always been an exciting area for us since we launched Europe's first cybersecurity ETF back in 2015. The market is entering into a new phase of growth, as technologies such as AI and the cloud rapidly change security practices and digital infrastructures around the world, and as the sector is buoyed by favourable regulation such as GDPR in Europe and CCPA in the United States, which went live on 1 January this year. We feel CYBR is well-tailored to benefit from these structural tailwinds, and as we enter 2020, is designed to look out over the next 5 years to capture the growth we are expecting from this next wave of cybersecurity," says **Rahul Bhushan**, co-founder of Rize ETF.

A key differentiator between CYBR and other ETFs on the market providing similar exposure is the exclusion of companies engaged in the aerospace and defence sector. *"We want to give much greater consideration to the growing concern amongst investors around particular topics such as social and environmental issues and human conflict and, in each case, seeking to incorporate some of the most directly applicable considerations into the structure of each product. In this case, we have excluded specific aerospace and defence companies that are involved with controversial weapons, such as BAE Systems, General Dynamics and Thales,"* says **Stuart Forbes**, co-founder of Rize ETF.

CYBR is priced at 0.45% per annum.

The **Rize Medical Cannabis and Life Sciences UCITS ETF (FLWR)** provides exposure to 23 companies that are positively exposed to the revolution in cannabinoid-derived medicine and wellness products and operating globally, making it the most diversified and liquid cannabis ETF in Europe.

"FLWR offers European investors the chance to participate in the growth of companies working on developing new-form medicines with elements of the cannabis plant. The market continues to grow, buoyed by the tailwinds of favourable legislation, social acceptance, medical recognition and an exciting CBD complex, at a rate only eclipsed in the last century by internet adoption. In our view, we've only just scratched the surface of the medical potential of cannabinoids such as THC and CBD, and expect to hear much more about new cannabinoids such as CBN, CBC and CBG over the course of 2020. On a macro level, over 2020 and beyond, we anticipate a continued trend towards liberalisation, legalisation and globalisation of medical cannabis as a therapy," says **Rahul Bhushan**.

FLWR has four key features that distinguish it from existing medical cannabis-themed ETFs. Firstly, the index which the ETF replicates incorporates a specially-designed, transparent and publicly-available

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exclusion list methodology - the “Rize Global Medical Cannabis Exclusion List”. Companies are excluded if they are determined to be either non-compliant with state and federal laws in the countries in which they operate and/or are directly involved in the production and/or distribution of cannabis for the recreational (adult-use) consumer market. The Rize Global Medical Cannabis Exclusion List has been developed by Rize ETF in tandem with its partners and is published, along with the methodology, on the company’s website, www.rizeetf.com.

Secondly, FLWR is global in its exposure. It captures companies not only in the US and Canada, but also those operating in Australia, Israel, China, Colombia, Switzerland and the UK.

Thirdly, FLWR incorporates certain companies from the “Big Pharma” sector that are making forays into the sector through the development or acquisition of patents, distribution partnerships and sponsored clinical trials, although exposure to this sector is capped at 10% of the index.

Finally, FLWR is the most diversified (with 23 companies, globally) and liquid cannabis ETF in Europe and specifically weights constituent companies by reference to their relative liquidity, which is critical for retail investors who pay high bid/ask spreads on illiquid ETFs.

FLWR is the most price competitive cannabis ETF on the European market and is priced at 0.65% per annum.

Both ETFs have been purpose-built in collaboration with specialists in each particular theme/sector. For FLWR, Rize ETF partnered with New Frontier Data, an independent cannabis research and tech-driven analytics firm based in Washington, D.C., and leverages their unique insights and proprietary classification system of companies that have demonstrable exposure to the medical cannabis and life sciences sector.

For CYBR, Rize ETF work with US-based Tematica Research, and leverages their unique thematic data analytics expertise in researching, identifying, classifying and exposing companies that have demonstrable revenues from the cybersecurity and data privacy theme.

FLWR replicates the Foxberry Medical Cannabis & Life Sciences Index and CYBR replicates the Foxberry Tematica Research Cybersecurity & Data Privacy Index.

Commenting on this approach, **Stuart Forbes**, says: *“The only way that you can legitimately capture the companies best exposed to an emerging theme for which traditional sector classifications are not available, is to partner with thematic research houses that have a unique ability to distil a theme into investable sub-classifications in order to identify the companies that are best exposed to the structural tailwinds of a theme using a bottom-up approach. In 2014, we pioneered the approach of working with sector experts to develop innovative themed-based exposures that can be wrapped into an ETF. Our approach has enabled us to build highly innovative thematic products that are hugely price competitive compared with actively managed products that purport to offer the same exposure.”*

The team at Rize ETF is committed to challenging orthodoxy and providing investors with access to the most ground-breaking megatrends shaping the planet. The company aims to achieve a balance between long-term returns and an investment in sustainable themes. Rize ETF covers the entire life-cycle of an ETF, starting with product strategy, index design, ETF structuring through to distribution.

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About Rize ETF

Rize ETF was founded in 2019 by Rahul Bhushan, Stuart Forbes, Anthony Martin and Jason Kennard. The team of proven ETF experts bring 30 years of combined ETF experience, having previously built and managed the ETF platform for Legal & General Investment Management (LGIM) that was acquired from ETF Securities in March 2018.

The team specialises in identifying emerging trends and working with experts to make them investable early. They launched Europe’s first Robotics ETF in 2014 and, the following year, Europe’s first Cybersecurity ETF – each of which has attracted assets of over £1bn.

The Rize ETF team sees itself as appealing to a new generation of investors that have global perspectives and a less siloed approach to investing. Its focus on thematic ETFs will allow it to accelerate the launch of timely, relevant and accessible investment products.

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Further information is available at <https://rizeetf.com>

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