



Why Thematic Equity and Why Global X Thematic Model Portfolios

Authored by:

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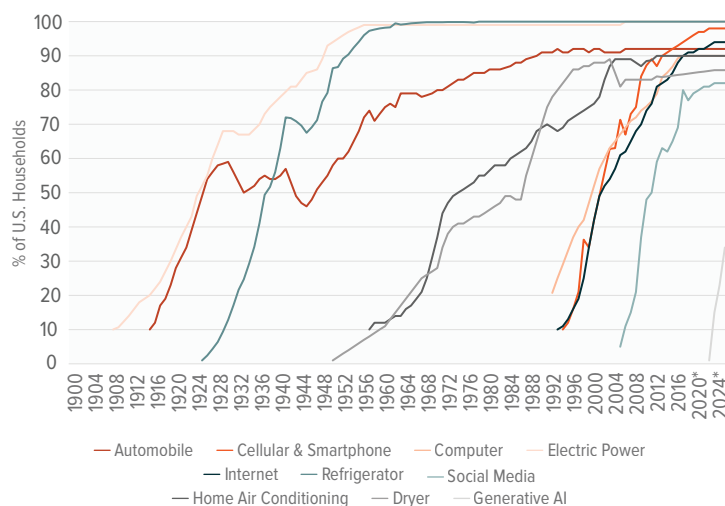
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An Essential Portfolio Component

Thematic equity provides differentiated exposures that can complement a diversified portfolio. It adds long-term growth potential while providing a story that can assist financial advisors with client engagement.

TECHNOLOGY ADOPTION RATES ACROSS U.S. HOUSEHOLDS



*Forecast

Sources: Generative AI: Pymnts. (2025, April 8). ChatGPT / OpenAI Statistics: How Many People Use ChatGPT?; Other Technologies: Global X ETFs forecast with information derived from: Our World in Data. (2019, July 27). Share of United States Households Using Specific Technologies.

Technology has reshaped our lives, dramatically changing how we work, travel, and interact. While technological progress has always been important, the accelerated speed of technological change has heightened the importance of exposure to up-and-coming market areas. We're at an inflection point where technologies are converging, with AI becoming integrated across a multitude of software and driving accelerated breakthroughs across areas spanning drug discovery, autonomous driving, automation, and a variety of others. Innovation never stops, building on the foundation of prior breakthroughs and redefining the investment landscape of today.

In recent memory we've had a few substantial technology platform changes – computer, internet, smartphones, social media, and the current frontier is AI. Historically, shifts in technology platform

have driven changes in tech dominance, creating opportunities for innovative smaller companies. Alphabet is one of the few companies that has been dominant across several platforms including internet, smartphones, and social media. With all eyes on AI as the platform of the future, companies are investing heavily to solidify their dominance.

Like innovation, markets are constantly evolving. As adoption rises, companies at the cutting edge of the technological revolution have the potential to become a larger part of the broader market or be acquired by more established peers. Maintaining exposure to a diversified group of the key structural themes currently shaping innovation can benefit investors without requiring them to correctly time their thematic exposure.

Why the Global X Equity Thematic Disruptors ETF Model Portfolio

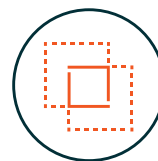
The Equity Thematic Disruptors Portfolio is a zero-strategist fee, open architecture strategy that provides targeted access to these key structural themes shaping innovation and progress. The portfolio is unconstrained and looks at all geographies and sectors. Themes are thoughtfully chosen based on their disruptive potential while ensuring diversification through including exposures to themes disrupting different portions of the economy.

EQUITY THEMATIC DISRUPTORS KEY FEATURES



Targeted Thematic Exposure

Pure play exposure to key structural themes that may be disrupting various segments and sectors in the broad market.



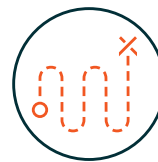
Diversified Across 7-12 Themes

Diversification between themes while remaining mindful that this portfolio is a satellite exposure.



Conversational Alpha®

Thematic equity provides relatable stories that can assist with client engagement.



Unconstrained

All-cap, global in nature, and is sector agnostic.



Thematic equity is long term in nature, with themes typically remaining in the portfolio for several years. Historically, there have been one to two theme changes per year, with majority of the allocation changes focused on the weighting between themes. Allocation changes are typically made quarterly but may occur more or less frequently based on the market environment. The chart below illustrates the positioning of themes since the portfolio's inception, for example:

- **Data Centers & Digital Infrastructure** was added to the portfolio in 2024 to benefit from AI's global expansion.
- The ETF used to access the **Cloud Computing** theme was updated as part of the 2024 theme changes to better reflect the current stage of AI development.

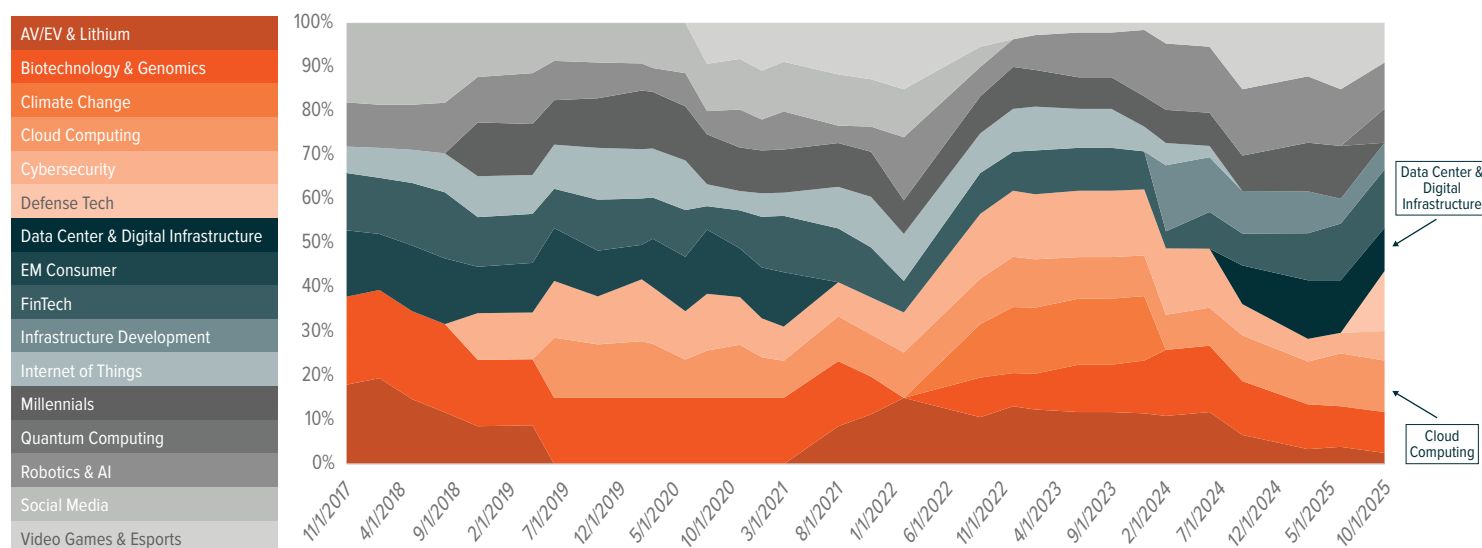
These repositioning decisions were highly beneficial during 2025, with AI remaining a key market driver while international exposure was also highly supportive.

Global X takes a targeted yet diversified approach to managing thematic portfolios. This is a key differentiator relative to some competitor products. ETF selection focuses on pure play exposure to select themes to minimize overlap within the thematic portfolio and with core beta exposure. Diversification is an important consideration in managing our thematic model portfolios, assessing the factor and exposure risk to understand how themes are likely to work together in a portfolio over time.

How to Use Thematic Equity

A Core-Satellite approach is a useful way to think about this future focused exposure. Thematic equity can be used as a satellite exposure within a diversified portfolio. It's important to establish a framework around the long-term inclusion of thematic equity, setting limits that ensure this exposure can augment the rest of the portfolio without adding meaningfully to risk. We've done extensive analysis into the appropriate levels of thematic equity at different risk profiles. Please refer to our [Scaling Thematic](#) analysis for more information.

THEMES OVER TIME IN THE EQUITY THEMATIC DISRUPTORS PORTFOLIO



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Need More Info or Modeling?

For advisors who are interested in exploring our model solutions, we offer a wide range of support to help you explain the portfolios to your clients. Beyond factsheets and market insights, we also provide reports explaining the rationale behind our allocation changes, and monthly performance reports that draw attention to the key factors driving performance. Additionally, we put out research and analysis on key areas related to our model portfolios, including portfolio perspectives on equity income investing or establishing a framework for the long-term inclusion of thematic equity.

The Model Portfolio Solutions Team is available to discuss the portfolios, provide insights on our view on the market and how this shapes our portfolio positioning. We understand that outsourcing to a third-party model manager is a big decision. We're available to explain our processes and the support behind our model portfolios.

Please reach out to your Global X representative or contact ModelPortfolioSolutions@globalxetfs.com for more information on how our model portfolios may be a solution for you.

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