

CLOU

Global X Cloud Computing ETF

Analyst Report

The Global X Cloud Computing ETF invests in an index of companies that stand to benefit from the increased adoption of cloud-based computing, including firms that provide cloud-based software, platforms and infrastructure.

Part of the Global X suite of niche thematic ETFs, the index methodology attempts to keep giants like Microsoft and Amazon from swamping the portfolio. To gain entry into the benchmark, companies must get at least half their revenue from these businesses. There's an exception for firms that earn more than \$500 million from cloud computing, but those stocks are limited to a combined 10 percent of the portfolio. CLOU's top holdings include Zscaler, Akamai and Netflix.

At 68 basis points, the CLOU management fee is high for passive funds, but niche products aren't designed to be core portfolio products for set-it-and-forget-it investors. Micro-sector funds are geared for medium-term tactical wagers of weeks or months.

There are plenty of cheaper technology ETFs for buy-and-hold investors looking for broad exposure to tech, such as State Street's popular Technology Select Sector SPDR Fund (XLK) and the Vanguard Information Technology ETF (VGT). There are also funds devoted to a subset of tech, like the Invesco S&P SmallCap Information Technology ETF (PSCT) or the iShares Exponential Technologies ETF (XT), but none offer the same targeted exposure to cloud computing.

ESG Themes and Scores

7.25/10

ESG Rate

78.71%

Global Percentile

82.98%

Peer Percentile

Performance Data

	CLOU	ETF Database Category Average	Factset Segment Average
1 Month	-0.87%	2.98%	3.20%
3 Month	15.42%	26.00%	22.40%
YTD Return	0.57%	24.67%	19.78%
1 Year Return	-1.86%	42.80%	24.18%
3 Year Return	5.53%	21.68%	10.08%
5 Year Return	-3.04%	5.37%	4.09%

Top 5 Holdings

Symbol	Holding	% Assets
DOCN	DigitalOcean Holdings, Inc.	6.40%
SNOW	Snowflake, Inc.	6.33%
DDOG	Datadog, Inc. Class A	6.20%
TWLO	Twilio, Inc. Class A	5.04%
AKAM	Akamai Technologies, Inc.	4.54%

Vitals

Issuer	Mirae Asset Global Investments Co., Ltd.
Brand	Global X
Structure	ETF
Expense Ratio	0.68%
Inception	Apr 12, 2019
Index Tracked	Indxx Global Cloud Computing Index

ETF Database Themes

Category	Technology Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Growth
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: Global Information Technology
Category	Sector
Focus	Information Technology
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

