

GSIB

Themes Global Systemically Important Banks ETF

Fund Description

GSIB is an actively managed, concentrated portfolio of large-cap stocks selected solely based on the designation as a Global Systemically Important Bank. Stocks are equally weighted in the portfolio.

FactSet Analyst Report

GSIB invests in companies that operate in the global banking sector. These are exclusively the banks classified as Global Systemically Important Bank (G-SIB) by the Financial Stability Board. To be designated as G-SIB, the bank has to be considered so systemically important to the global banking system, that its failure could trigger a wider financial crisis or threaten the global economy. The Basel Committee on Banking Supervision is the primary evaluator for G-SIB designations. On an annual basis, the committee evaluates each bank's risk factors based on five primary categories: size, interconnectedness to other financial institutions, institution infrastructure, the bank's global footprint, and complexity of bank transactions. Stocks identified as G-SIB are automatically selected and held on an equally weighted basis, rebalancing quarterly. Ironically perhaps, the ETF can lend up to one-third of the underlying portfolio value to potentially generate additional income.