

# Thematic Investing | Cyber Security



## Overview

Cyber security is the practice of protecting systems, networks, and programs from digital attacks. In today's connected world, it is becoming even more beneficial to integrate advanced cyber defence programs. At an individual level a cyber security attack can result in identity theft, extortion attempts and the loss of important data. The global population relies heavily on critical infrastructure like power plants, hospitals and financial service companies, meaning securing these are essential to keeping our society functioning.

Cyberattacks are usually aimed at accessing, changing, or destroying sensitive information; extorting money from users, or interrupting normal business processes. Implementing effective cyber security measures is particularly challenging today as there are more devices than people, and attackers are becoming more innovative. In a world where everything is on the internet, ensuring that data remains safe is one of the biggest challenges of cyber security. Cyber security challenges come in many forms, such as ransomware, phishing attacks, malware attacks and social engineering.

## Benefits

- **Data protection:** Robust cyber security measures safeguard sensitive information, protecting it from unauthorised access, breaches, and potential financial and reputational damage.
- **Business continuity:** Effective cyber security safeguards ensure uninterrupted operations, mitigating the risk of disruptions and minimising potential downtime and losses.
- **Customer trust and brand reputation:** Demonstrating a commitment to cyber security builds trust with customers, enhances brand reputation and helps maintain a competitive edge in the market.

## Challenges

- **Evolving threats:** cyber security requires ongoing adaptation to rapidly evolving cyber-attack techniques, requiring continuous investment in technologies, expertise and monitoring capabilities.
- **Skill shortage:** Acquiring and retaining skilled cyber security professionals can be challenging due to a shortage of talent in the industry.
- **Cost-effectiveness:** Balancing the costs of cyber security investments with an organisation's budget can be complex, as security measures often require significant financial resources and ongoing maintenance.

## Shortlist of ETFs to gain exposure to this theme

Ticker	Name	Net Assets (US\$)*	Holdings	Fee*	Link to Factsheet
HACK AU	Betashares Global Cyber Security	\$486m	42	0.67%	<a href="#">HACK AU</a>
HACK US	ETFMG Prime Cyber Security	\$1.4b	56	0.60%	<a href="#">HACK US</a>
CIBR US	First Trust Nasdaq Cyber Security	\$5.0b	36	0.60%	<a href="#">CIBR US</a>
BUG US	Global X Cyber Security	\$653.8m	27	0.51%	<a href="#">BUG US</a>
WCBR US	Wisdomtree Cyber Security	\$32.7m	30	0.45%	<a href="#">WCBR US</a>

\*Data as at 1 October 2023



1300 988 878 | [wealth@masonstevens.com.au](mailto:wealth@masonstevens.com.au) | [masonstevens.com.au](https://masonstevens.com.au)

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