

# Thematic Investing | Uranium

## Overview

As the world looks hastily towards low carbon sources of energy, uranium has the potential to play a key role in meeting global energy requirements.

Geopolitical instability and the resulting soaring energy prices have re-opened the discourse on uranium due to its association with nuclear power as a potential opportunity, as global economies move towards 'decarbonisation'.

Public sentiment towards the use of nuclear power as a primary energy source also looks to be shifting, chiefly characterised by a number of countries extending their use of existing reactors or initiating plans to construct new ones including Japan, France, and Germany. This represents a stark turnaround compared to historical views, especially in regards to Japan where reactors had remained dormant since the Fukushima disaster of 2011.

## Benefits

- **Increasing demand:** Demand for Uranium is likely to increase, with the International Energy Agency (IEA) declaring that energy generated via nuclear power would ideally need to double by 2050 to meet net-zero carbon emission targets.<sup>1</sup>
- **Government support:** More governments worldwide are seemingly embracing nuclear power – over 50 reactors are currently under construction in 19 different countries.<sup>2</sup>

## Challenges

- **Nuclear waste:** While nuclear waste may not produce carbon emissions, its' disposal still poses a challenge. The waste material remains radioactive for up to 300,000 years and must be disposed of adequately.
- **Negative sentiment:** Some negative sentiment still exists concerning disasters of the past, such as the Chernobyl meltdown. Increased geopolitical instability may see increased public opposition.

## Shortlist of ETFs to gain exposure to this theme

Ticker	Name	Net Assets (US\$)*	Holdings	Fee*	Link To Factsheet
URNM US	Sprott Uranium Miners ETF	\$1,340m	39	0.85%	<a href="#">URNM US</a>
URA US	Global X Uranium ETF	\$2,120m	50	0.69%	<a href="#">URA US</a>
NLR US	VanEck Uranium+Nuclear Energy ETF	\$71.2m	29	0.61%	<a href="#">NLR US</a>
URNM AU	BetaShares Global Uranium ETF	\$48m	42	0.69%	<a href="#">URNM AU</a>

\*Data as at 1 October 2023



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<sup>1</sup> International Energy Agency 30 June 2022, Nuclear power can play a major role in enabling secure transitions to low emissions energy systems

<sup>2</sup> World Nuclear Association April 2023, Plans For New Reactors Worldwide

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