

SPDR Spotlight

What Lies Ahead in Cyberspace – FITE

The Lead

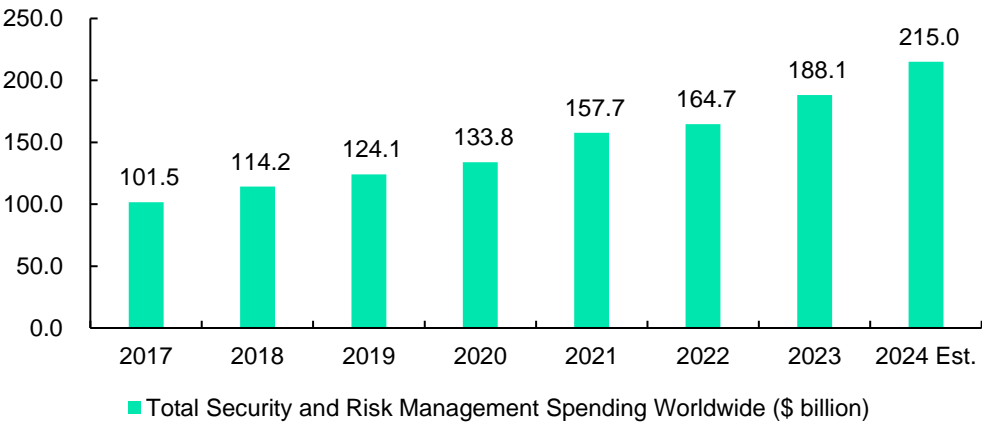
- Hybrid warfare that combines conventional military operations, cyberattacks and disinformation campaigns has become the new reality in the world geopolitical landscape and likely will gain more focus in 2024 given ongoing conflicts in the Middle East and the Russia-Ukraine war, as well as critical presidential elections in Taiwan and the US
- As cybersecurity remains a growing concern, regulators have introduced new regulations to increase oversight and transparency of cybersecurity incidents¹, incentivizing companies to allocate more budget to cybersecurity risk management
- Additionally, with generative AI seen as a double-edged sword for cybersecurity – not only helping to carry out more sophisticated attacks but also potentially improving the industry’s capability to detect and act on threats – its rapid emergence may also increase demand for cyber defense while improving efficiency of cybersecurity service providers

The Takeaway

Global enterprise spending on security and risk management is estimated to have grown 11% annually over the last 6 years and is projected to increase another 14% this year² (see the chart below) while the US government is also expected to increase cybersecurity funding at a similar pace allocating \$13.5 billion for the Pentagon to advance its adoption of zero trust architecture and \$12.7 billion for civilian cybersecurity-related activities³. Investors looking to potentially capture geopolitical, technological and regulatory tailwinds in the cybersecurity industry might consider the [SPDR® S&P Kensho Future Security ETF \(FITE\)](#). It is designed to capture companies whose products and services are driving innovation behind future security, including cybersecurity and advanced technology for military application.

Chart of the Week

Global enterprise spending on security and risk management is projected to reach \$215 billion in 2024



Source: Gartner, September 2023. Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.

Standard
Performance

Ticker	Name	YTD (%)	Annualized					Inception Date	Gross Expense Ratio (%)
			1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)		
FITE (NAV)	SPDR® S&P Kensho Future Security ETF	28.30	28.30	6.46	14.06	-	11.50	12/26/2017	0.45
FITE (MKT)	SPDR® S&P Kensho Future Security ETF	28.37	28.37	6.47	14.11	-	11.47	-	-

Source: ssga.com, as of 12/31/2023. **Performance returns for periods of less than one year are not annualized. Past performance is not a reliable indicator of future performance. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. For SPDR ETFs, visit ssga.com for most recent month-end performance.** The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ. The gross expense ratio is the fund's total annual operating expenses ratio. It is gross of any fee waivers or expense reimbursements. It can be found in the fund's most recent prospectus.

Footnotes

¹ SEC.gov, July 2023

² Gartner, September 28, 2023

³ White House, Analytical Perspectives: FY 2024 Federal Budget, March 2023

ssga.com

Marketing Communication

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