

# hanetf

## Sharing the Fourth Industrial Revolution

Social Media

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2020



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## Overview

The fourth industrial revolution is the current environment where disruptive technology trends such as the Internet of Things (IoT), Robotics, Artificial intelligence (AI), Future Cars/Autonomous Vehicles, Blockchain, Cloud Computing, Genomics and Social Media are changing the way we live and work.

Unlike previous industrial revolutions, these technologies are rapidly combining to create an accelerating, virtuous cycle of nearly unlimited disruption. While previous industrial revolutions were often localized, today's is interconnected and global and its impact is already visible in homes and businesses across the world.

This is a short guide to help investors understand the main sectors of the fourth industrial revolution and their features, applications, and growth potential:

**Robotics & Automation**

**Future Transport**

**Cloud Computing**

**Cyber Security**

**Genomics**

**Social Media**

**Blockchain**

**Augmented & Virtual Reality**

## Social Media

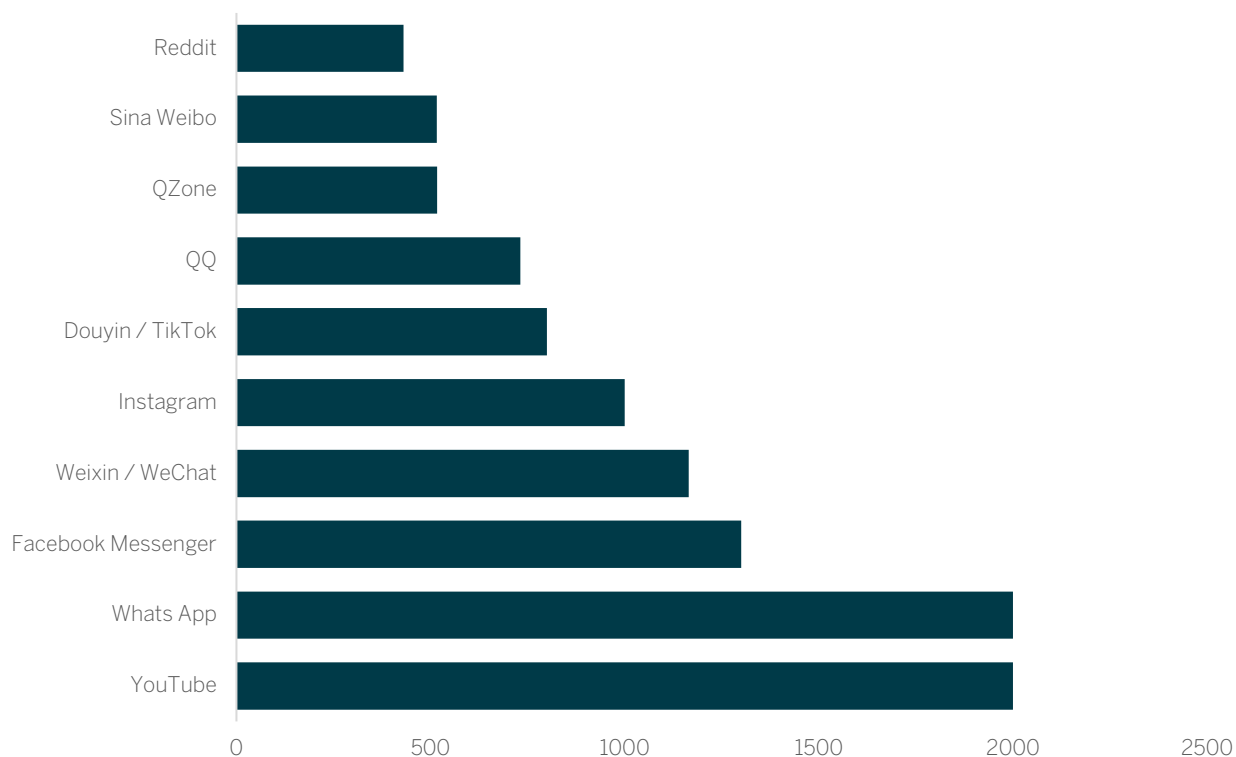
It is not a controversial statement to say that the internet is the defining technology of our age. Billions of people are now connected to the internet and are able to access and share a previously unthinkable amount of information, media and entertainment. An estimated 4.6 Billion people, over half of the world's population, now has internet access.

The internet age has also profoundly changed the way that media is created and disseminated. Instead of a small group of media companies controlling the debate, now anyone can contribute to and influence the global conversation through a proliferation of social media platforms.

Social media takes many forms, including blogs, chatrooms, forums, photo and video sharing, social gaming, chat apps as well as the familiar social networks like Facebook or LinkedIn and its popularity is such that there are an estimated 3 Billion active social media users . If you have an internet connection, it's very likely you will also have social media. As lower cost, more accessible mobile broadband is rolled out across the developing world, the potential to bring many more people online and, in turn, create more social media users is very high.



### Largest Social Media Platform by Users (Millions)



Source: <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>. Data as of April 2020

As illustrated above, there are many names (Facebook, YouTube...) in the top social media platforms that are familiar to many readers but platforms that face emerging market users (China, India) are also significant players. While they may be less well-known, they command massive user bases and are growing fast.

### Social Media – Benefiting From Huge Advertising Disruption

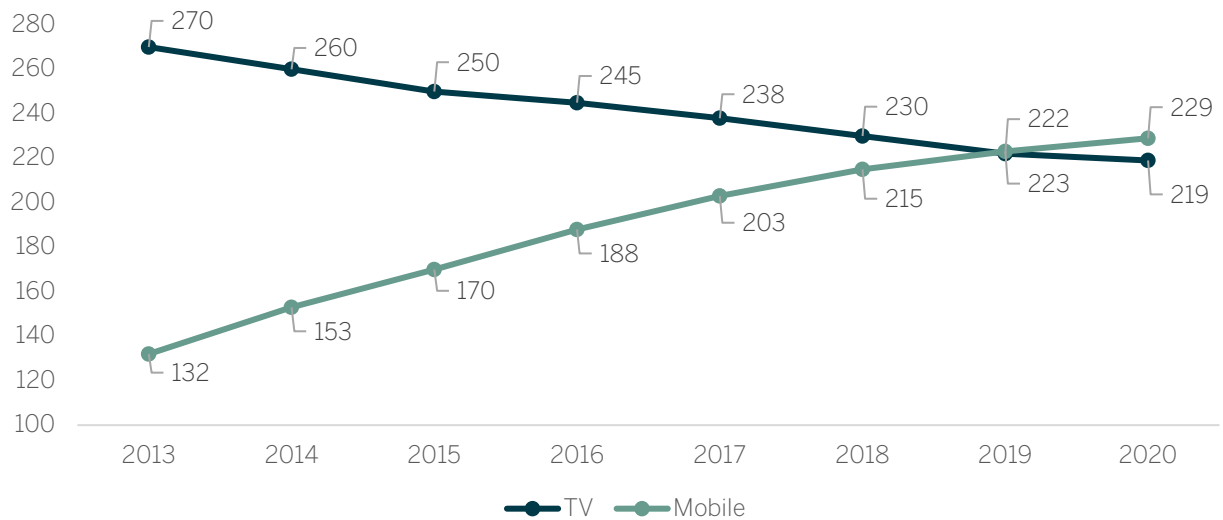
The basic business model for social media is the same as for any other media platform: advertising. The larger the audience, the more effective an advertising platform it will be. The more time people spend on social media, the more impact advertising can have and the more engaged social media users means advertisers gain confidence that their money is being deployed effectively.

The huge success of social media in attracting advertising spend reflects the seismic shift occurring in the way the average person consumes media content.

Historically, TV and Radio have been the primary opinion-shaping media, taking the greatest share of mind of the audience. Yet now, for the first time, audiences are spending more time looking at their mobile phones than TVs. This profound change in consumer behaviour, information dissemination and use of leisure time has significant knock on effects for advertisers who must now develop new strategies to deliver effective, impactful content and messages.



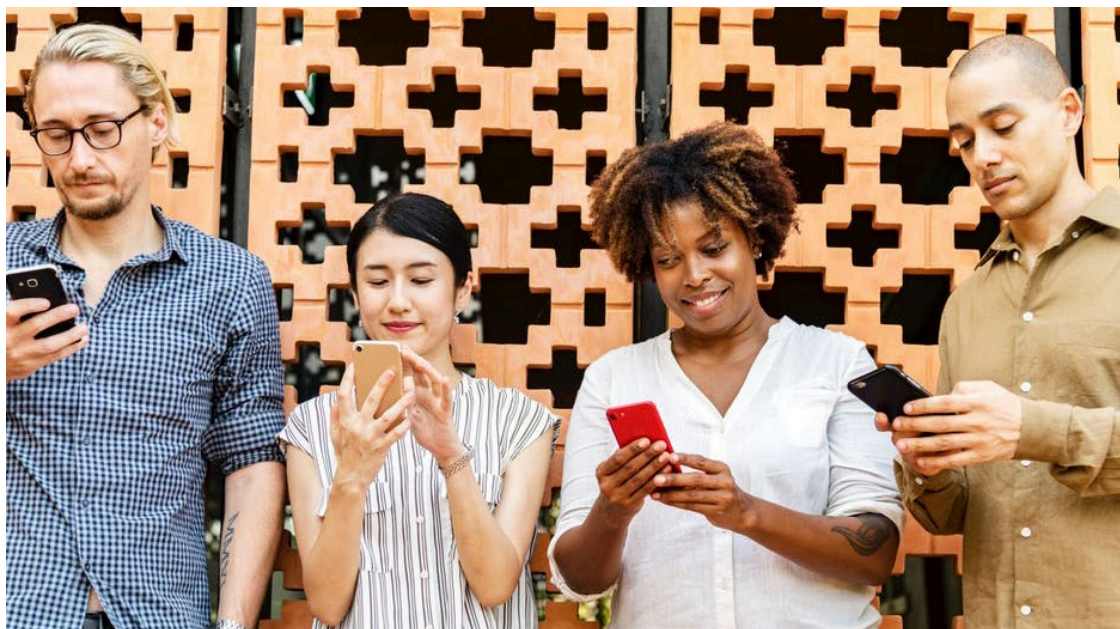
Average Time Spent Per Day (Minutes)



Source: <https://www.emarketer.com/content/mobile-soon-to-pass-tv-in-time-spent>

### The Digital Disruption of Advertising

In an increasingly fragmented media landscape, traditional advertising strategies are no longer cost effective. As consumers spend more time on mobile devices and less time on newspapers, magazines and TV, marketing managers must develop new strategies to deliver their message. With userbases that dwarf the audiences of even the most successful prime-time TV shows, social platforms offer a more compelling proposition to advertisers that want cost effective targeting.



Some see a zombie apocalypse, others see an advertising opportunity

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info@hanetf.com

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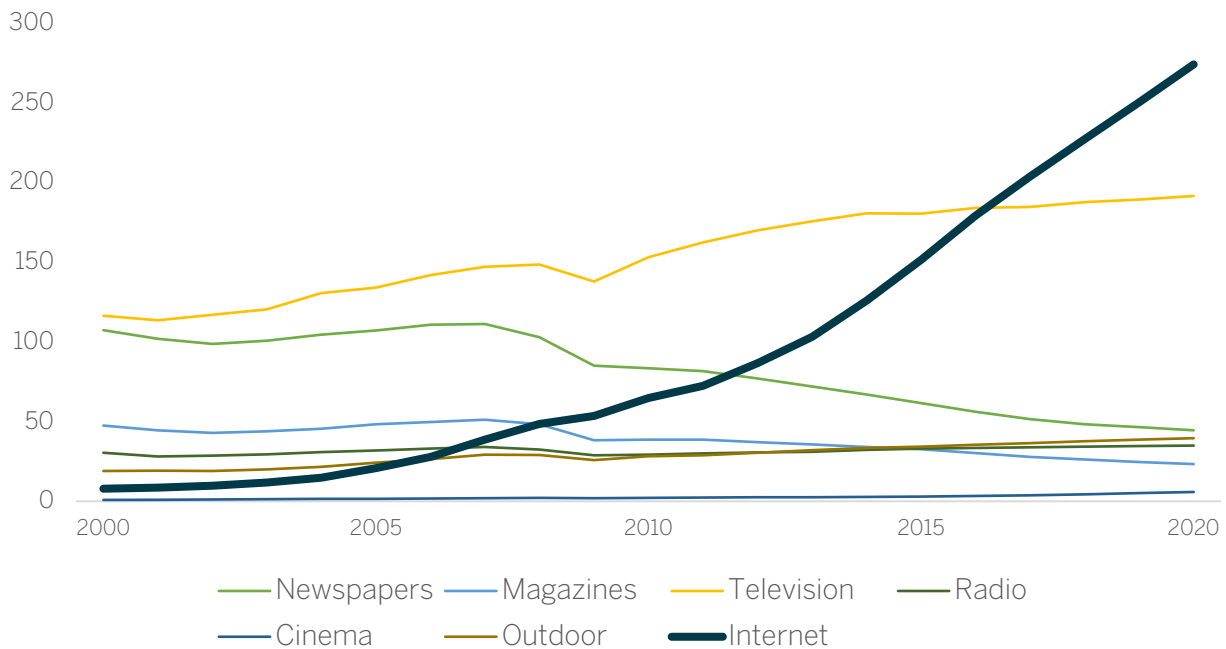


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This evolution in the viewing habits of consumers has catalysed a profound change in advertising buying patterns. While most traditional advertising mediums have been in long-term secular decline, digital advertising spend has rapidly accelerated. In 2016 the ad industry became digital-first - more advertising dollars were spent online than on TV, or any other form of media. In total, online ad spending grew from ~\$48.4bn in 2008 to ~\$227bn in 2018 and is estimated to reach ~\$274bn this year (2020).

**Global Ad Spending by Medium. \$Billions 2000-2020**



*For illustrative purposes only*

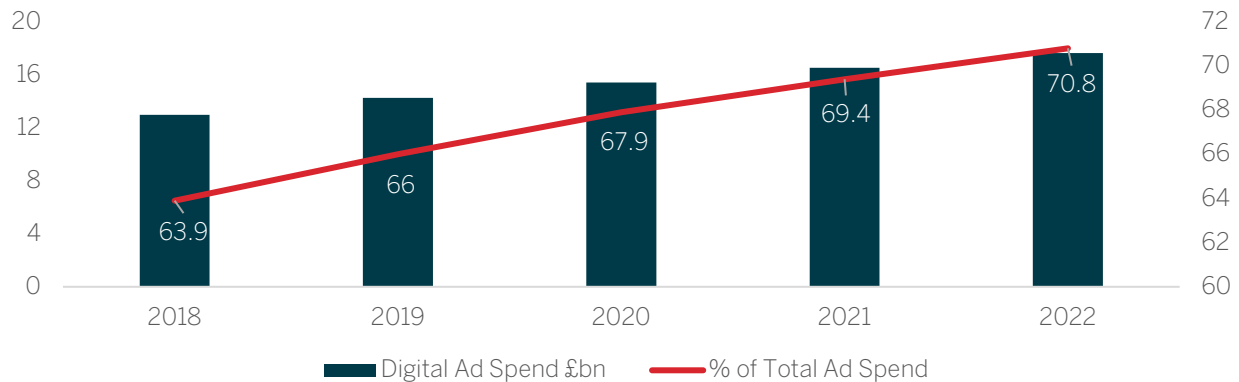
Source: <https://www.recode.net/2018/3/26/17163852/online-internet-advertisers-outspend-tv-ads-advertisers-social-video-mobile-40-billion-2018>

Social media advertising, as a subset of internet advertising reflects these broader trends. In the UK, Europe’s largest digital advertising market, two-thirds of all advertising budgets are now deployed online, and a quarter of that is deployed on social media <sup>1</sup>. In the UK social media advertising is predicted to even eclipse TV ad spend by 2020, taking an estimated 30% share of all advertising budgets. This is a phenomenal land grab by social platforms, most of which did not exist 15 years ago.

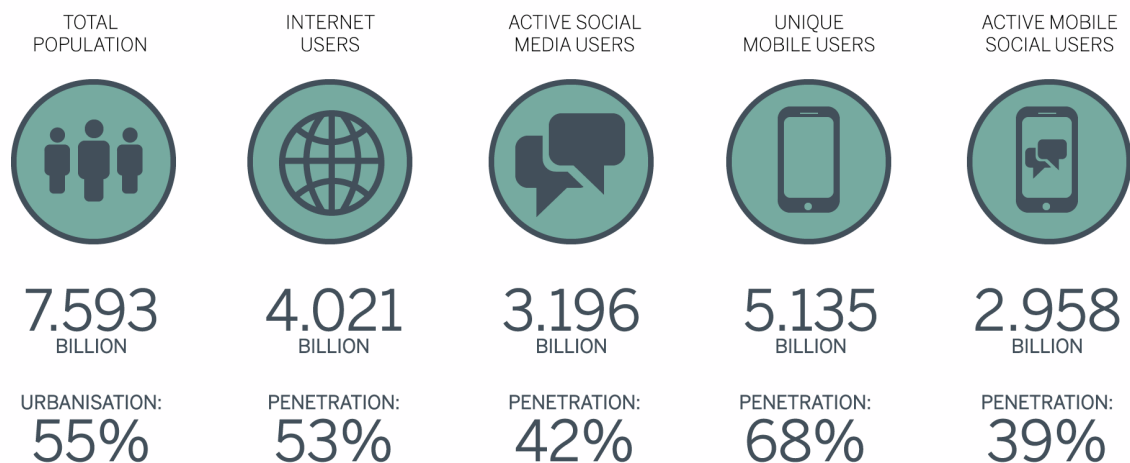
<sup>1</sup> <https://www.emarketer.com/newsroom/index.php/uk-social-networks-will-take-a-quarter-of-digital-ad-spend-in-2018>



**UK Digital Ad Spend £Billions 2018-2022**



Source: <https://www.emarketer.com/content/more-than-60-of-uk-media-ad-spending-is-digital>



For illustrative purposes only

SOURCES: Population: United Nations; U.S. Census Bureau; Internet: Internetworldstats; Itu; Eurostat; Internetlivestats; Cia World Factbook; Mideastmedia.Org; Facebook; Government Officials; Regulatory Authorities; Reputable Media; Social Media And Mobile Social Media; Facebook; Tencent; Vkontakte; Kakao; Naver; Ding; Tchrasa; Similarweb; Kepios Analysis; Mobile: Gsma Intelligence; Google; Ericsson; Kepios Analysis. Note: Penetration Figures Are For Total Population (All Ages).

**Investing in the Social Media Theme**

The growth potential, consumer interest and size of the addressable market of Social Media has spurred investor interest in this theme. Investors who see long-term opportunity can consider an allocation to The HAN-GINS Tech Megatrend Equal Weight UCITS ETF (ITEK). ITEK includes Social Media as part of 8 transformational technology trends that are reshaping the world alongside Robotics & AI, Cloud Computing & Big Data, Cyber Security, Future Transportation, Genomics, Blockchain, Augmented & Virtual Reality.

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40 Basinghall Street, City Tower,  
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EXCHANGE	BB CODE	RIC	ISIN	CURRENCY	INCOME
London Stock Exchange	ITEK LN	ITEK.L	IE00BDDRF700	USD	Acc
London Stock Exchange	ITEP LN	ITEP.L	IE00BDDRF700	GBP	Acc
Borsa Italiana	ITEK IM	ITEK.MI	IE00BDDRF700	EUR	Acc
XETRA	T3KE GY	T3KE.DE	DE000A2N5XE0	EUR	Acc
SIX	ITEK SW	ITEK.S	IE00BDDRF700	CHF	Acc

- [ITEK Factsheet](#)
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- [ITEK Fund Page](#)

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Founded by two of Europe's leading ETF entrepreneurs, Hector McNeil and Nik Bienkowski, HANetf provides a complete operational, regulatory, distribution and marketing solution for asset managers who want to successfully launch and manage UCITS ETFs.

HANetf's full products list includes:

Name	TER	Bloomberg Codes				
		LSE \$	LSE £	Borsa €	XETRA €	SIX
<b>The Emerging Markets Internet &amp; Ecommerce UCITS ETF</b>	0.86%	EMQQ LN	EMQP LN	EMQQ IM	EMQQ GY	EMQQ SW
<b>HAN-GINS Tech Megatrend Equal Weight UCITS ETF</b>	0.59%	ITEK LN	ITEP LN	ITEK IM	T3KE GY	ITEK SW
<b>HAN-GINS Cloud Technology UCITS ETF</b>	0.59%	SKYY LN	SKYP LN	SKYY IM	5XYE GY	SKYY SW
<b>HAN-GINS Indxx Medical Innovation UCITS ETF</b>	0.59%	WELL LN	WELP LN	WELL IM	W311 GY	WELL SW
<b>KMEFIC FTSE Kuwait UCITS ETF</b>	0.80%	KUW8 LN	KUWP LN	KUW8 IM	KUW8 GY	-
<b>The Medical Cannabis &amp; Wellness UCITS ETF</b>	0.80%	CBDX LN	CBDP LN	-	CDSX GY	CBDX SW
<b>The Royal Mint Physical Gold ETC</b>	0.22%	RMAU LN	RMAP LN	-	RM8U GY	-
<b>BTCetc Bitcoin Exchange Traded Crypto*</b>	2.00%	-	-	-	BTCE GY	-

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