



## Investment Rationale

- A tense geopolitical environment and the accelerated digitization of the economy are a fertile ground for cyber criminals, with the number of attacks surging.
- The next growth driver is already visible, with the emergence of the Internet of Things expected to spark a massive rise in the number of vulnerabilities (autonomous cars, medical wearables...).
- Against this backdrop, all organizations face massive intrusion threats, suggesting they will have no choice but to roll out Zero Trust security architectures that combine user identification and access management with device protection.
- M&A is adding some spice to the investment case as private equity and Tech companies seek to consolidate this fragmented market.

## Certificate Details

<b>ISIN</b>	CH0473585252	DE000US8NX94
<b>NAV</b>	USD 116.6	USD 71.3
<b>Inception Date</b>	08.11.2019	27.09.2021
<b>Issuer Rating</b>	UBS / S&P A+	Kepler - UBS S&P A+
<b>Number of Holdings</b>	32	
<b>Liquidity</b>	Daily	
<b>Management fees</b>	1.6% (incl. issuer fees)	
<b>Performance fees</b>	15% (HWM)	

## Investment Universe

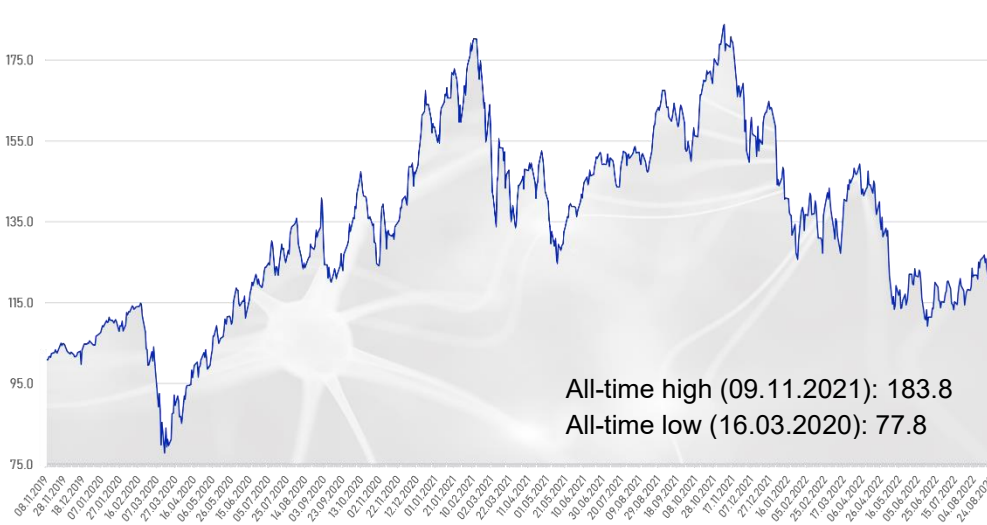


## August Report

- The Digital Security & Privacy certificate fell 1.5% in August and outperformed the MSCI World by 2.7%.
- While revenue and earnings were strong overall, most cybersecurity companies hinted at increasing deal scrutiny from their corporate customers, lengthening sales cycles and softening growth trends as customers navigate a complex environment and are closely watching their spending amidst high inflation and FX pressures.
- This growth deceleration does not come as a surprise and has been largely anticipated by investors over the last few months. Importantly, this is just a slight growth deceleration and not a brutal one, confirming cybersecurity as a top corporate IT priority and setting it apart from other Tech sectors that have been hit hard by the growth slowdown.
- In terms of demand, XDR (threat detection), IAM (identity management) and network security/firewalls are benefiting from an elevated threat environment and are key components of Zero Trust platforms that are gradually being rolled out in enterprises.
- Finally, M&A remains hot with the announced takeover of identity management specialist Ping Identity (a portfolio company) by private equity firm Thoma Bravo for a \$2.8 billion enterprise value and a massive 63% premium. Thoma Bravo is also in talks for the acquisition of another portfolio company, Darktrace, with the outcome expected in September.



## Performance



	2020	2021	2022
Jan	3.3%	0.8%	-14.9%
Feb	-7.8%	-2.3%	3.5%
Mar	-9.0%	-10.1%	3.2%
Apr	11.8%	1.6%	-10.5%
May	13.9%	-2.6%	-8.9%
Jun	4.5%	7.7%	-5.0%
Jul	10.9%	0.9%	4.0%
Aug	-0.1%	7.9%	-1.5%
Sep	-2.4%	-6.0%	
Oct	-4.5%	14.7%	
Nov	13.4%	-5.7%	
Dec	12.1%	-2.2%	
<b>Annual</b>	<b>51.5%</b>	<b>2.0%</b>	<b>-27.9%</b>

### Top Contributors

Ping Identity (PING US)  
Darktrace (DARK LN)  
Qualys (QLYS US)

### Worst Contributors

Fortinet (FTNT US)  
Ambarella (AMBA US)  
Splunk (SPLK US)

### Risk

Beta vs. MSCI AC World	1.2
Correlation vs. MSCI AC World	0.7
Realized Volatility (Annualized)	35.4
Cash Allocation	6.5%

## Portfolio Structure

### Top Holdings

Palo Alto Net (PANW US)  
Microsoft (MSFT US)  
Crowdstrike (CRWD US)

### Top 5 Currencies

USD 95%  
GBP 3%  
JPY 2%

### Market Cap Breakdown [USD]

Mega (> 200bn)	8%
Large (10bn to 200bn)	62%
Medium (2bn to 10bn)	30%
Small (300mln to 2bn)	0%
Micro (50mln to 300mln)	0%

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