

Investment Rationale

- We are getting increasingly close to the Metaverse, a 3D virtual world in which people will direct avatars to play video games, socialize, share experiences, shop, work and learn. The Metaverse is the next iteration of the Internet.
- If Tech giants have serious Metaverse ambitions, gaming companies have taken the lead thanks to their proficiency in building 3D worlds and early versions of the Metaverse include popular games such as Fortnite and Roblox.
- The Metaverse is expected to power a massive virtual goods economy (avatars, outfits, lands, buildings...) and new business models as the blockchain enables ownership and transfer of property of digital assets.

Certificate Details

NAV	51.6
ISIN	XS2168927809
Currency	USD
Type	Active Equity
Issuer / Rating	Kepler - JPM / S&P A+
Inception Date	16.11.2021
Number of Holdings	36
Liquidity	Daily
Management fees	1.6% (incl. 0.25% JPM)
Performance fees	15% (HWM)

Investment Universe

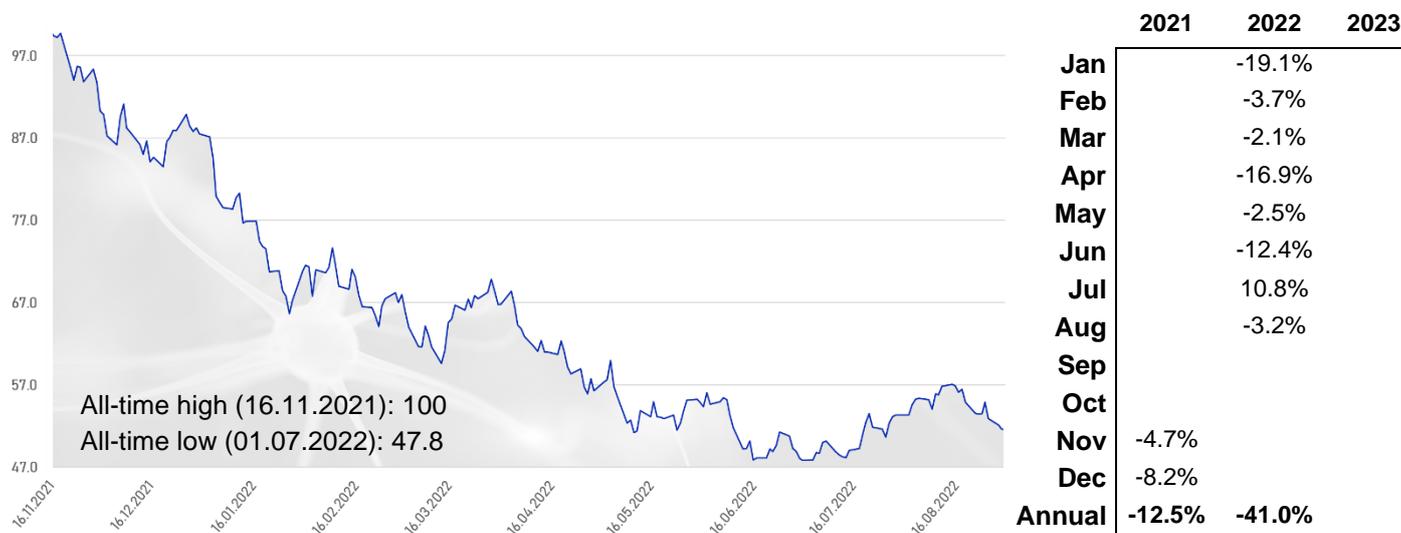


August Report

- The Metaverse certificate fell 3.2% in August and outperformed the MSCI World by 1%.
- Even if the Metaverse is not immune to the slowdown that we currently witness in the Tech industry, there's still a lot of activity going on to shape the virtual world(s) of the future.
- Notably, Ready Player Me, which just raised \$56 million from private equity, is making inroads in the gaming and virtual world community by offering custom avatars that can be transferred from one digital playground to another, hence solving of the Metaverse's main challenges: interoperability, or the ability for users to own their digital identities across various virtual worlds.
- Leading Metaverse and crypto games firm Animoca was also in the spotlight as its Japanese unit raised \$45 million at a \$500 million valuation and is expected to embark on a series of licensing deals to develop NFTs around major anime, manga and video games.
- On the earnings front, most quarterly reports and guidance failed to impress, unsurprisingly, as gaming and online consumption is in a digestion phase after two years of strong growth. That said, there were some encouraging signs with Roblox for instance providing data for July (early Q3) showing a recovery in bookings (+9% vs. -4% in Q2) and an improvement in Daily Active Users.



Performance



Top Contributors

Super Micro (SMCI US)
Edgio (EGIO US)
Ubisoft (UBI FP)

Worst Contributors

Nvidia (NVDA US)
AMD (AMD US)
Roblox (RBLX US)

Risk

Beta vs. MSCI AC World	1.7
Correlation vs. MSCI AC World	0.8
Realized Volatility (Annualized)	36%
Cash Allocation	6.2%

Portfolio Structure

Top Holdings

Arista Networks (ANET US)
AMD (AMD US)
Apple (AAPL US)

Top 5 Currencies

USD	87%
JPY	7%
EUR	5%
KRW	1%

Market Cap Breakdown [USD]

Mega (> 200bn)	4%
Large (10bn to 200bn)	66%
Medium (2bn to 10bn)	27%
Small (300mln to 2bn)	3%
Micro (50mln to 300mln)	0%

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