



## Investment Rationale

- By 2030, water demand could exceed supply by 40% thanks to population growth, urbanization and climate change, plunging half of the world into critical water stress.
- There's consequently an urgent need to bring in new techniques to rein in water usage (notably smart irrigation in agriculture) and to upgrade an ageing infrastructure to prevent leaks. The US alone announced close to \$100bn in water infrastructure investments.
- Longer term, as supply issues persist, water recycling and desalination should become major alternative supply sources.
- Water and ocean preservation is also core in the environment discussion, with plastic pollution starting to be addressed and the shipping industry on track to make its electric transition.

## Certificate Details

NAV	80.8
ISIN	DE000US778A6
Currency	USD
Type	Active Equity
Issuer / Rating	Kepler - UBS / S&P A+
Inception Date	01.07.2021
Number of Holdings	29
Liquidity	Daily
Management fees	1.6% (incl. 0.3% UBS)
Performance fees	15% (HWM)

## Investment Universe

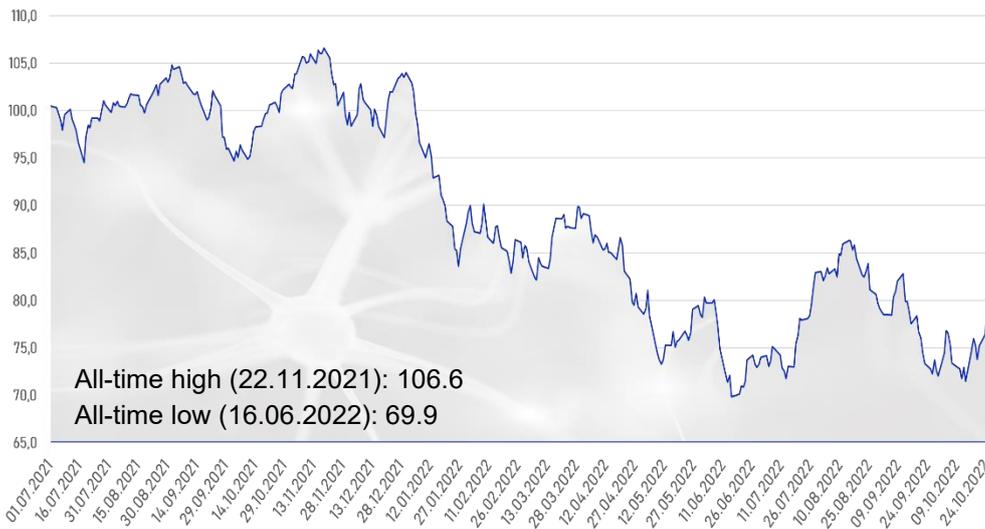


## October Report

- The Aqua certificate gained 12.1% in October and outperformed the MSCI World by 5%.
- As funding to modernize the US water infrastructure is gradually being rolled out, water companies' earnings are so far showing resilience, not to say strength. For instance, water meter specialist Badger Meter delivered an impressive 15% sales growth with no slowdown in sight and was also able to post a 100bps margin improvement despite cost inflation.
- The trend is here to stay as massive investments keep pouring into the water sector globally following the droughts and water shortages of the last few months.
- In the US, as part of a strategy to mitigate California's projected water supply reduction of 10% by 2040, regulators approved a \$140 million desalination plant providing drinking water, as the two nation's biggest reservoirs, Lake Mead and Lake Powell, have reached the lowest water levels ever observed.
- And in Indonesia, the government announced \$1 billion investments to expand access to clean water throughout the country.
- In other action, water is also increasingly considered as a source of energy: in Europe, 2.2MW of tidal stream capacity was added last year, compared to just 260KW in 2020. Moreover, a EUR19.6 million project, funded by the UK and EU was officially launched to address the commercialization of large-scale wave energy projects.



## Performance



	2021	2022	2023
Jan		-15.3%	
Feb		-2.3%	
Mar		2.9%	
Apr		-10.4%	
May		-1.1%	
Jun		-6.6%	
Jul	0.6%	13.2%	
Aug	2.4%	-4.5%	
Sep	-6.8%	-9.0%	
Oct	6.5%	12.1%	
Nov	-2.6%		
Dec	4.5%		
<b>Annual</b>	<b>4.0%</b>	<b>-22.3%</b>	

### Top Contributors

Badger Meter (BMI US)  
Energy Recovery (ERII US)  
Montrose (MEG US)

### Worst Contributors

Tomra Systems (TOM NO)  
Advanced Drainage (WMS US)  
Danaher (DHR US)

### Risk

Beta vs. MSCI AC World	1.2
Correlation vs. MSCI AC World	0.9
Realized Volatility (Annualized)	22.3
Cash Allocation	0%

## Portfolio Structure

### Top Holdings

Badger Meter (BMI US)  
Energy Recovery (ERII US)  
Evoqua Water (AQUA US)

### Top 5 Currencies

USD	87%
NOK	6%
EUR	3%
GBP	2%
CHF	2%

### Market Cap Breakdown [USD]

Mega (> 200bn)	4%
Large (10bn to 200bn)	49%
Medium (2bn to 10bn)	36%
Small (300mln to 2bn)	11%
Micro (50mln to 300mln)	0%

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