



Investment Rationale

- Digital payments are expected to keep growing at a fast pace and make cash increasingly irrelevant thanks to new shopping experiences (livestreams, in-store cashierless checkout...) and digitization of big-ticket transactions (B2B...).
- Cryptos are also gradually emerging as a means of exchange both online, where they make possible the transfer of property and trading of virtual goods, and in-store where retailers and consumers increasingly adopt them.
- Payments and cryptos are often the cornerstone of more ambitious service offerings (online trading, lending, payroll management...) turning Fintech firms into full digital banks and leveraging their highly scalable platforms.

Certificate Details

NAV	60.4
ISIN	CH0473585237
Currency	USD
Type	Active Equity
Issuer / Rating	UBS / S&P A+
Inception Date	08.11.2019
Number of Holdings	27
Liquidity	Daily
Management fees	1.6% (incl. 0.3% UBS)
Performance fees	15% (HWM)

Investment Universe

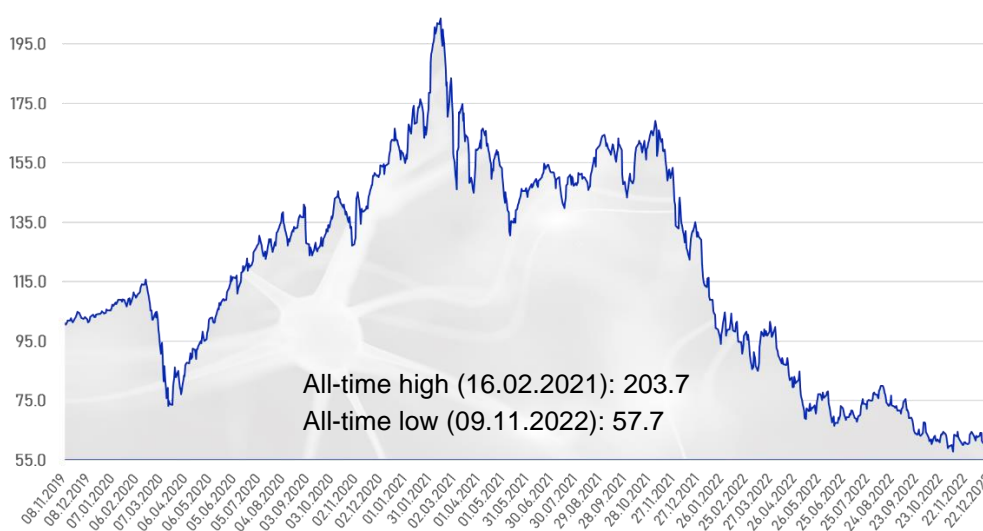


December Report

- The Fintech certificate fell 4.7% in December and underperformed the MSCI World by 0.4%.
- Amid continued macro concerns, payment companies Visa and Mastercard commented that consumer spending remains resilient. In the e-commerce segment which started to decelerate one year ago, recent comments and figures were also encouraging with online pet food retailer Chewy posting a surprise Q3 beat and raising its full-year guidance and PayPal indicating that it's on track to deliver 9% FX neutral top-line growth in Q4, as guided.
- Overall, absence of consumer spending deterioration, low year-on-year comparisons in 2023 and recent cost-cutting initiatives should support earnings in the payment ecosystem despite a weak top-line momentum, as illustrated by PayPal's CEO indication that the company is on track to exceed its Q4 EPS guidance.
- After the massive correction of valuations, it's then no surprise that private equity firms keep pouring a lot of money and paying significant premiums in the fintech space, as illustrated by the 77% premium paid by Thoma Bravo for Coupa, a business spend management software company.
- Elsewhere, in the crypto world, the repercussions from the FTX fallout were visible again with Signature Bank, one of the leading crypto banks, announcing it would limit its digital currency deposit exposure to less than 15% of total deposits from c.25%.



Performance



	2020	2021	2022
Jan	2.6%	3.9%	-21.2%
Feb	-4.9%	5.4%	-4.3%
Mar	-18.7%	-11.0%	-1.8%
Apr	17.1%	-0.1%	-16.1%
May	14.8%	-5.6%	-5.1%
Jun	9.5%	5.3%	-10.8%
Jul	8.2%	-3.9%	9.6%
Aug	3.5%	9.3%	-2.5%
Sep	-3.4%	-8.0%	-13.9%
Oct	-3.6%	8.2%	1.1%
Nov	18.5%	-6.8%	-0.5%
Dec	5.0%	-12.8%	-4.7%
Annual	51.4%	-17.8%	-53.5%

Top Contributors

Tencent (TCEHY US)
 Investnet (ENV US)
 Alibaba (BABA US)

Worst Contributors

Adyen (ADYEN NA)
 Marathon Digital (MARA US)
 PayPal (PYPL US)

Risk

Beta vs. MSCI AC World	1.48
Correlation vs. MSCI AC World	0.8
Realized Volatility (Annualized)	37.7
Cash Allocation	0%

Portfolio Structure

Top Holdings

Pinduoduo (PDD US)
 Visa (V US)
 Intuit (INTU US)

Top 5 Currencies

USD 87%
 EUR 6%
 HKD 4%
 JPY 3%

Market Cap Breakdown [USD]

Mega (> 200bn)	25%
Large (10bn to 200bn)	61%
Medium (2bn to 10bn)	14%
Small (300mln to 2bn)	0%
Micro (50mln to 300mln)	0%

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