



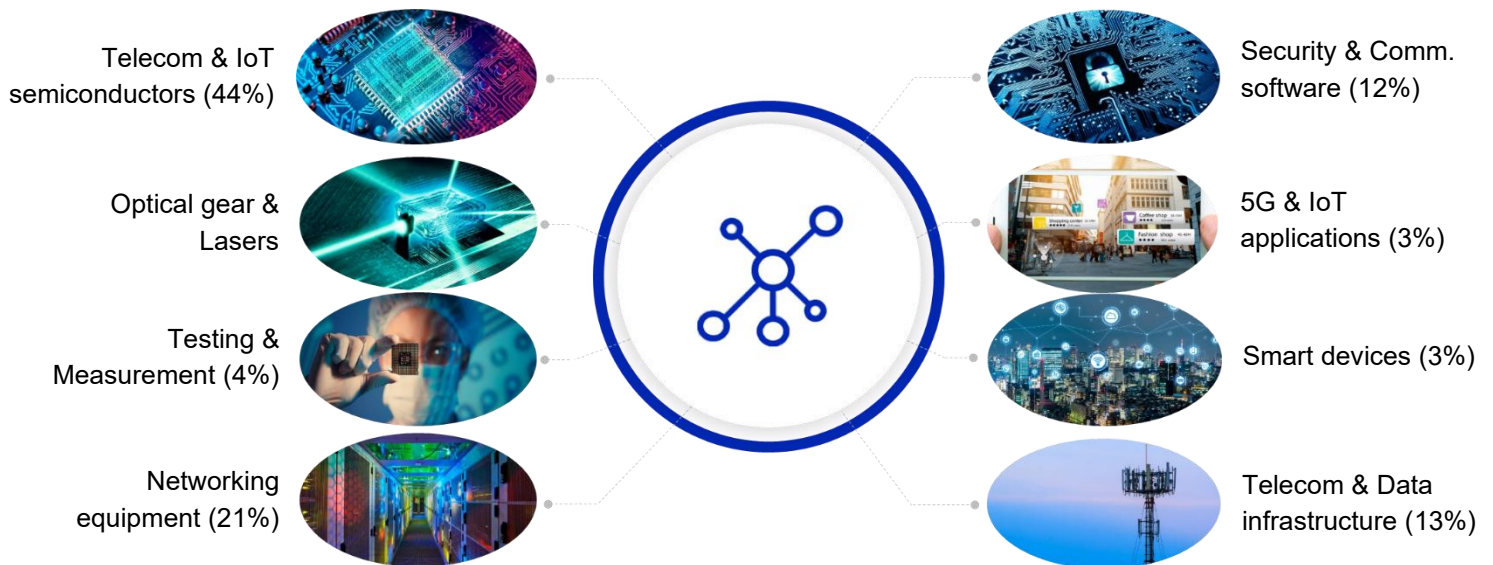
## Investment Rationale

- The global technology infrastructure has been under strain due to the increasing digitization of the economy and the emergence of several powerful innovations such as smart cars, the Internet of Things and the Metaverse should only exacerbate latency and bottleneck issues.
- To support the artificial intelligence, real-time and 3D requirements of this new generation of applications, a multi-year investment cycle in 5G, cloud and edge computing is on its way.
- Longer term, space-based connectivity should be another major driver and bring ubiquitous high-speed data in regions where connectivity has been limited.

## Certificate Details

<b>ISIN</b>	CH0473585260	XS2168938913	-
<b>NAV</b>	USD 122.7	USD 73.9	-
<b>Inception Date</b>	04.11.2019	03.03.2021	-
<b>Issuer Rating</b>	Kepler - UBS S&P A+	Kepler - JPM S&P A+	-
<b>Number of Holdings</b>	27		
<b>Liquidity</b>	Daily		
<b>Management fees</b>	1.6% (incl. Issuer fees)		
<b>Performance fees</b>	15% (HWM)		

## Investment Universe

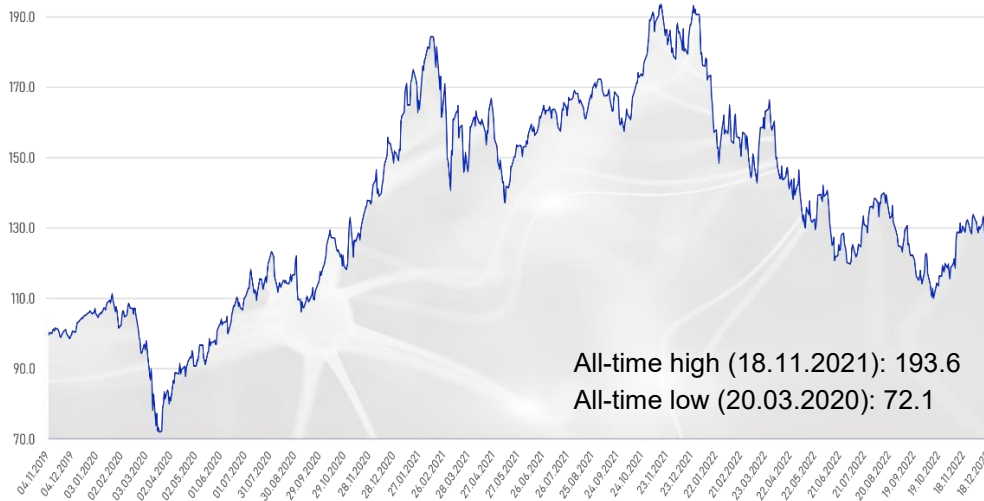


## December Report

- The Smart Connectivity certificate fell 7.9% in December, underperforming the MSCI World by 3.7%.
- Even if there have been some contradictory reports, China could announce a massive \$143 billion incentive plan for its semiconductor industry spread over five years, that would notably take the form of 20% subsidies on the purchase of wafer fabrication equipment. Even if, in the short-term, such a plan is unlikely to close the technology gap between China and the US, it should accelerate the shift towards local semiconductor manufacturing technologies like deposition, lithography, etching and cleaning for trailing edge processes.
- Even though wireless capex is expected to be flat in 2023, the rollout of 5G SA networks (a mode where a 5G network operates independently and without relying on any other network infrastructure) will reach an inflection point by the end of the year. This “native 5G mode” will help telco operators to leverage one of 5G’s main attributes, slicing, that enables to deploy private networks for specific purposes (e.g. autonomous cars).
- Finally, the Metaverse is set to become a major driver with Apple expected to release a VR/AR headset this year and many industrial applications in the works (digital twins, or the transposition of the design of products in a 3D virtual world by using AI and VR tools).



## Performance



	2020	2021	2022
Jan	-3.9%	8.3%	-16.8%
Feb	-7.1%	-0.4%	-1.3%
Mar	-11.8%	-5.9%	1.7%
Apr	12.8%	1.2%	-12.4%
May	7.4%	-1.2%	-0.8%
Jun	7.7%	6.6%	-10.9%
Jul	10.9%	1.7%	10.2%
Aug	-3.0%	2.1%	-6.1%
Sep	-1.3%	-6.0%	-10.5%
Oct	3.4%	11.3%	3.9%
Nov	15.5%	3.0%	12.2%
Dec	9.9%	4.3%	-7.9%
<b>Annual</b>	<b>42.9%</b>	<b>26.0%</b>	<b>-35.7%</b>

### Top Performers

Amdocs (DOX US)  
Silicon Motion (SIMO US)  
China Tower (788 HK)

### Worst Performers

Marvell (MRVL US)  
Alpha & Omega (AOSL US)  
Aixtron (AIXA GR)

### Risk

Beta vs. MSCI AC World	1.3
Correlation vs. MSCI AC World	0.8
Realized Volatility (Annualized)	33%
Cash Allocation	2.5%

## Portfolio Structure

### Top Holdings

Amdocs (DOX US)  
Lattice (LSCC US)  
Aixtron (AIXA GR)

### Top 5 Currencies

USD	81%
EUR	13%
HKD	3%
TWD	3%

### Market Cap Breakdown [USD]

Mega (> 200bn)	9%
Large (10bn to 200bn)	45%
Medium (2bn to 10bn)	37%
Small (300mln to 2bn)	6%
Micro (50mln to 300mln)	0%

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