

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	48.1
ISIN	XS2168927809
Currency	USD
Type	Active Equity
Issuer / Rating	Kepler - JPM / S&P A+
Inception Date	16.11.2021
Number of Holdings	37
Liquidity	Daily
Management fees	1.6% (incl. 0.25% JPM)
Performance fees	15% (HWM)

Investment Universe



February Report

- The Metaverse certificate fell 5.5% in February and underperformed the MSCI AC World by 2.8%.
- While some investors voiced concerns in recent months about the future of virtual worlds, Roblox blew them away with its latest quarterly report showing robust 17% growth in Q4 bookings and 19% growth in daily active users (DAUs), and a surprising acceleration in January metrics with bookings up 19-21% and DAUs up 19%.
- Roblox was initially aimed at kids, but is now also well on track to attract a more mature audience, as illustrated by its bookings for 17-24 year olds that grew 34% and accounted for 22% of total bookings. The trend should keep going as Roblox multiplies activities for young adults (virtual concerts, social events...), helping position the company as a top Metaverse destination going forward.
- Also importantly, this growth is coming with a sharp margin improvement with a Q4 EBITDA margin of 20%, roughly double the margin in previous quarters, showing the significant operating leverage that can be achieved in this kind of business.
- As we expected, Generative AI is expected to be an accelerator for the Metaverse. While Roblox already relies on creators for the creation of games and 3D experiences and provides them with a design platform, Generative AI will make it easier and faster for creators to build these experiences and will also open the opportunity to non-professional users.



Performance



	2021	2022	2023
Jan		-19.1%	11.1%
Feb		-3.7%	-5.5%
Mar		-2.1%	
Apr		-16.9%	
May		-2.5%	
Jun		-12.4%	
Jul		10.8%	
Aug		-3.2%	
Sep		-13.4%	
Oct		1.2%	
Nov	-4.7%	8.2%	
Dec	-8.2%	-6.2%	
Annual	-12.5%	-47.7%	5.0%

Top Contributors

Super Micro (SMCI US)
Nvidia (NVDA US)
Meta Platforms (META US)

Worst Contributors

Tencent (TCEHY US)
Bilibili (BILI US)
NetEase (NTES US)

Risk

Beta vs. MSCI AC World	1.4
Correlation vs. MSCI AC World	0.9
Realized Volatility (Annualized)	34%
Cash Allocation	0%

Portfolio Structure

Top Holdings

Nvidia (NVDA US)
Roblox (RBLX US)
Apple (AAPL US)

Top 5 Currencies

USD 88%
JPY 5%
EUR 5%
HKD 2%

Market Cap Breakdown [USD]

Mega (> 200bn)	24%
Large (10bn to 200bn)	57%
Medium (2bn to 10bn)	19%
Small (300mln to 2bn)	0%
Micro (50mln to 300mln)	0%

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