



Investment Rationale

- A tense geopolitical environment and the accelerated digitization of the economy are a fertile ground for cyber criminals, with the number of attacks surging.
- The next growth driver is already visible, with the emergence of the Internet of Things expected to spark a massive rise in the number of vulnerabilities (autonomous cars, medical wearables...).
- Against this backdrop, all organizations face massive intrusion threats, suggesting they will have no choice but to roll out Zero Trust security architectures that combine user identification and access management with device protection.
- M&A is adding some spice to the investment case as private equity and Tech companies seek to consolidate this fragmented market.

Certificate Details

ISIN	CH0473585252	DE000US8NX94
NAV	USD 103.0	USD 63.1
Inception Date	08.11.2019	27.09.2021
Issuer Rating	UBS / S&P A+	Kepler - UBS S&P A+
Number of Holdings	36	
Liquidity	Daily	
Management fees	1.6% (incl. issuer fees)	
Performance fees	15% (HWM)	

Investment Universe



April Report

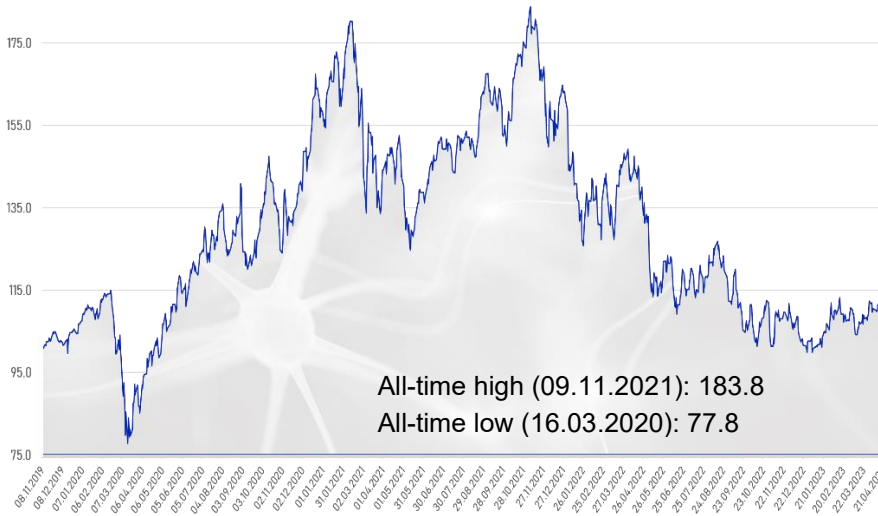
- The Digital Security & Privacy certificate fell 8.4% in April and underperformed the MSCI AC World by 10%.
- The start to the earnings season in cybersecurity has been challenging with both Tenable and Cloudflare softening their full-year expectations as they suffered from a lengthening of their sales cycles, increased scrutiny of large deals and a decline in their close rates in the wake of the banking crisis in March (SVB, Credit Suisse...). Unsurprisingly, the revenue slowdown was particularly pronounced in the financial services end-market and should then affect most cybersecurity players as banking customers account on average for 10-15% of industry revenue.
- Looking beyond these banking woes, it's worth noting

that the commercial pipeline remains strong, that FY23 guidance still point to a healthy 14-31% top-line growth, and that operating margins keep expanding.

- In terms of new catalysts, the Biden administration, in collaboration with the Cybersecurity and Infrastructure Security Agency (CISA), is at the forefront a transformative plan that seeks to shift the burden of cybersecurity from consumers and small organizations to the software industry itself. As prioritizing security measures throughout the software development lifecycle will become the new norm, we expect the initiative to boost demand for security testing and vulnerability assessment and for identity and access management solutions.



Performance



	2020	2021	2022	2023
Jan	3.3%	0.8%	-14.9%	4.1%
Feb	-7.8%	-2.3%	3.5%	0.9%
Mar	-9.0%	-10.1%	3.2%	4.3%
Apr	11.8%	1.6%	-10.5%	-8.4%
May	13.9%	-2.6%	-8.9%	
Jun	4.5%	7.7%	-5.0%	
Jul	10.9%	0.9%	4.0%	
Aug	-0.1%	7.9%	-1.5%	
Sep	-2.4%	-6.0%	-9.7%	
Oct	-4.5%	14.7%	6.4%	
Nov	13.4%	-5.7%	-2.8%	
Dec	12.1%	-2.2%	-5.7%	
Annual	51.5%	2.0%	-36.5%	0.3%

Top Contributors

Microsoft (MSFT US)
Rapid7 (RPD US)
Verisign (VRSN US)

Worst Contributors

Okta (OKTA US)
Cloudflare (NET US)
Alteryx (AYX US)

Risk

Beta vs. MSCI AC World	1.08
Correlation vs. MSCI AC World	0.7
Realized Volatility (Annualized)	34%
Cash Allocation	0%

Portfolio Structure

Top Holdings

Palo Alto Networks (PANW US)
Fortinet (FTNT US)
Microsoft (MSFT US)

Top 5 Currencies

USD	91%
CNY	3%
JPY	3%
HKD	2%
GBP	1%

Market Cap Breakdown [USD]

Mega (> 200bn)	8%
Large (10bn to 200bn)	44%
Medium (2bn to 10bn)	37%
Small (300mln to 2bn)	11%
Micro (50mln to 300mln)	0%

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