

## 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	50.1
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



## April Report

- The Metaverse certificate fell 6.7% in April and underperformed the MSCI World by 8.3%.
- The announced launch of an Augmented Reality version on mobile devices of Monster Hunter by Japanese game publisher Capcom and Niantic, the developer behind the hit Pokemon Go, will be the opportunity to test as soon as September the appetite of consumers for the AR technology (not to be confused with Virtual Reality) which mixes digital images with real-world environments and will take players through their neighborhood or city on the hunt for monsters. If successful, this launch could raise expectations for Apple's upcoming devices that include a rumored VR/AR headset and AR glasses.
- On the technology infrastructure side, Microsoft and Google cloud activities impressed during last quarter with 31% and 28% growth, respectively. The major news is that amid general spending scrutiny, both companies are reaccelerating spending. Azure capex was up \$1 billion or 15% over the previous quarter and should again "materially increase" in the June quarter, with Microsoft hinting at gross margin pressures in 2024 that suggest continued massive investments. And Google, which previously guided its total capex to be roughly flat in 2023 now expects it to be "modestly higher", driven by a "meaningful increase" in cloud/AI capex. The data center market is then shaping up as a rare oasis of growth over 2023-24.



## Performance



	2021	2022	2023
Jan		-19.1%	11.1%
Feb		-3.7%	-5.5%
Mar		-2.1%	11.6%
Apr		-16.9%	-6.7%
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%	
<b>Annual</b>	<b>-12.5%</b>	<b>-47.7%</b>	<b>9.4%</b>

### Top Contributors

Meta Platforms (META US)  
Microsoft (MSFT US)  
Apple (AAPL US)

### Worst Contributors

Roblox (RBLX US)  
Maxlinear (MXL US)  
Baidu (BIDU US)

### Risk

Beta vs. MSCI AC World	1.4
Correlation vs. MSCI AC World	0.9
Realized Volatility (Annualized)	32%
Cash Allocation	0%

## Portfolio Structure

### Top Holdings

Nvidia (NVDA US)  
Meta Platforms (META US)  
Apple (AAPL US)

### Top 5 Currencies

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

### Market Cap Breakdown [USD]

Mega (> 200bn)	22%
Large (10bn to 200bn)	51%
Medium (2bn to 10bn)	19%
Small (300mln to 2bn)	8%
Micro (50mln to 300mln)	0%

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