



Investment Rationale

- A tense geopolitical environment and the accelerated digitization of the economy are 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 125.4	USD 76.8
Inception Date	08.11.2019	27.09.2021
Issuer Rating	UBS / S&P A+	Kepler - UBS S&P A+
Number of Holdings	31	
Liquidity	Daily	
Management fees	1.6% (incl. issuer fees)	
Performance fees	15% (HWM)	

Investment Universe



August Report

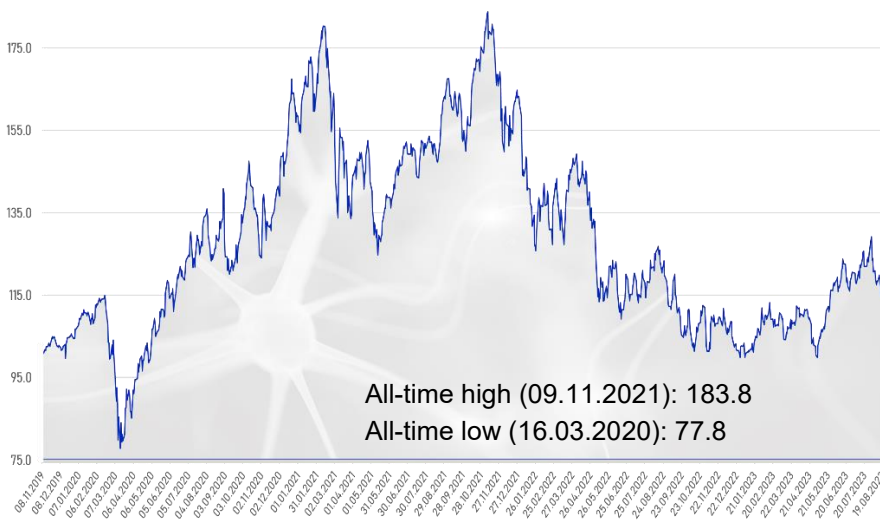
- The Digital Security certificate fell 2.1% in August and outperformed the MSCI AC World by 0.8%.
- Cybersecurity names have not been spared by the interest-rate driven selling pressure that hit growth stocks. But from a fundamental standpoint, the cybersecurity industry is exiting the earnings season with a flurry of strong figures/guidance and highly encouraging signs that clearly put to rest the growth worries that emerged after the US spring banking crisis.
- Three months after a messy Q1, most cybersecurity companies were back on track, beating top and bottom-line expectations and raising FY guidance. While some firms observed stabilizing trends in the banking/financials end-market, others went so far as saying that there were

also signs of macro stabilization/improvement... Overall, revenue growth showed no signs of slowing down compared to Q1 at 20-25% in Q2, the only misstep coming from Fortinet.

- Looking forward, we expect revenue growth to accelerate. While comparisons will start easing in Q3/Q4, cybersecurity players should also benefit from two powerful catalysts 1/ the adoption by the SEC of rules requiring public companies to report material security breaches within four business days is likely to encourage them to improve threat detection and incident response 2/ monetization of generative AI cyber products could deliver a 10-30% boost to industry revenue over the next couple of years.



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%	14.6%
Jun	4.5%	7.7%	-5.0%	2.1%
Jul	10.9%	0.9%	4.0%	6.3%
Aug	-0.1%	7.9%	-1.5%	-2.1%
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%	22.2%

Top Contributors

Splunk (SPLK US)
Rapid7 (RPD US)
Okta (OKTA US)

Worst Contributors

Palantir (PLTR US)
Fortinet (FTNT US)
Trend Micro (4704 JP)

Risk

Beta vs. MSCI AC World	1.1
Correlation vs. MSCI AC World	0.7
Realized Volatility (Annualized)	33%
Cash Allocation	0%

Portfolio Structure

Top Holdings

Palo Alto Net (PANW US)
CrowdStrike (CRWD US)
Zscaler (ZS US)

Top 5 Currencies

USD 94%
CNY 2%
JPY 2%
GBP 2%

Market Cap Breakdown [USD]

Mega (> 200bn)	16%
Large (10bn to 200bn)	45%
Medium (2bn to 10bn)	35%
Small (300mln to 2bn)	4%
Micro (50mln to 300mln)	0%

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