



Investment Rationale

- Digital payments are expected to keep growing at a fast pace and make cash increasingly irrelevant thanks to new shopping experiences (livestreams, in-store cashier less checkout...) and digitization of big-ticket transactions (B2B...).
- Cryptos are also gradually emerging as a means of exchange both online, where they make possible the transfer of property and trading of virtual goods, and in-store where retailers and consumers increasingly adopt them.
- Payments and cryptos are often the cornerstone of more ambitious service offerings (online trading, lending, payroll management...) turning Fintech firms into full digital banks and leveraging their highly scalable platforms.

Certificate Details

NAV	67.5
ISIN	CH0473585237
Currency	USD
Type	Active Equity
Issuer / Rating	UBS / S&P A+
Inception Date	08.11.2019
Number of Holdings	31
Liquidity	Daily
Management fees	1.6% (incl. 0.3% UBS)
Performance fees	15% (HWM)

Investment Universe

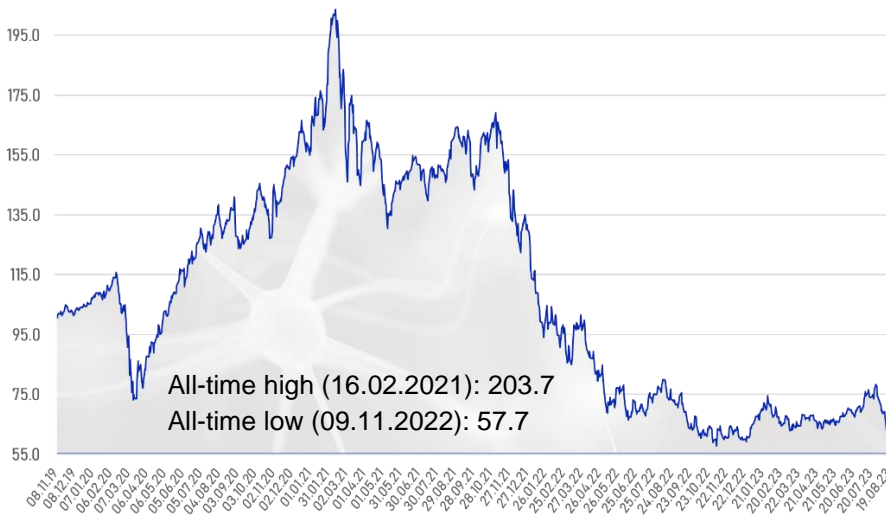


August Report

- The Fintech certificate fell 13.9% in August and underperformed the MSCI AC World by 11%.
- It was a tough month for fintech players, specifically in the payments segment. While legacy players such as Global Payments and Fiserv reported robust quarterly results, those focused on online payments (PayPal, Adyen...) suffered from increasing competition that took a toll on take rates (pricing), transaction volumes and margins.
- Visibility on margin recovery is limited at this stage given continued compression of take rates and lower growth, but we believe that the risk is well discounted for some names (PayPal) that trade at never-seen-before multiples (13x 2023 EPS, 11x 2024).
- Among large software platforms, the mood was much more constructive with Intuit delivering 12% growth in FY23 and initiating an inline revenue guide and Shopify beating Q2 expectations by a wide margin (31% growth, 9% margin) thanks to e-commerce reacceleration.
- Finally, there was also a lot of volatility in crypto-related names as the SEC escalated its rhetoric and its actions against Coinbase and Binance before losing a court ruling about its decision to reject a Bitcoin ETF.



Performance



	2020	2021	2022	2023
Jan	2.6%	3.9%	-21.2%	16.6%
Feb	-4.9%	5.4%	-4.3%	-7.4%
Mar	-18.7%	-11.0%	-1.8%	4.4%
Apr	17.1%	-0.1%	-16.1%	-3.5%
May	14.8%	-5.6%	-5.1%	0.1%
Jun	9.5%	5.3%	-10.8%	6.7%
Jul	8.2%	-3.9%	9.6%	11.7%
Aug	3.5%	9.3%	-2.5%	-13.9%
Sep	-3.4%	-8.0%	-13.9%	
Oct	-3.6%	8.2%	1.1%	
Nov	18.5%	-6.8%	-0.5%	
Dec	5.0%	-12.8%	-4.7%	
Annual	51.4%	-17.8%	-53.5%	11.7%

Top Contributors

Mercadolibre (MELI US)
Shopify (SHOP US)
Amazon (AMZN US)

Worst Contributors

Adyen (ADYEN NA)
Sea (SE US)
Block (SQ US)

Risk

Beta vs. MSCI AC World	1.3
Correlation vs. MSCI AC World	0.8
Realized Volatility (Annualized)	36%
Cash Allocation	0%

Portfolio Structure

Top Holdings

Shopify (SHOP US)
Amazon (AMZN US)
Robinhood (HOOD US)

Top 5 Currencies

USD 95%
CHF 3%
EUR 2%

Market Cap Breakdown [USD]

Mega (> 200bn)	26%
Large (10bn to 200bn)	39%
Medium (2bn to 10bn)	26%
Small (300mln to 2bn)	6%
Micro (50mln to 300mln)	3%

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