



## Investment Rationale

- The increasing supply of next-gen consoles should give fresh impetus to video game demand over coming years, with the blockbuster release cadence expected to accelerate and fuel industry growth.
- e-sports, game streaming and Augmented Reality are other major catalysts, expected to offer both increased engagement and new revenue streams (subscriptions, media rights, sponsorship...).
- In the longer term, gaming companies appear at the forefront of the Metaverse revolution, a 3D virtual world that will come with its own economy and new monetization opportunities (advertising, NFT collectibles...).
- Video gaming assets should then keep attracting M&A interest from Tech and Media giants seeking to bolster their content library amid the rise of video game streaming and to consolidate their position in the Metaverse.

## Certificate Details

<b>ISIN</b>	CH0473580212	DE000US734W3	XS2168939648
<b>NAV</b>	USD 122.4	USD 69.2	EUR 69.4
<b>Inception Date</b>	20.12.2019	04.06.2021	08.03.2021
<b>Issuer Rating</b>	Kepler - UBS S&P A+	Kepler - UBS S&P A+	Kepler - JPM S&P A+
<b>Number of Holdings</b>	30		
<b>Liquidity</b>	Daily		
<b>Management fees</b>	1.6% (incl. Issuer fees)		
<b>Performance fees</b>	15% (HWM)		

## Investment Universe



## August Report

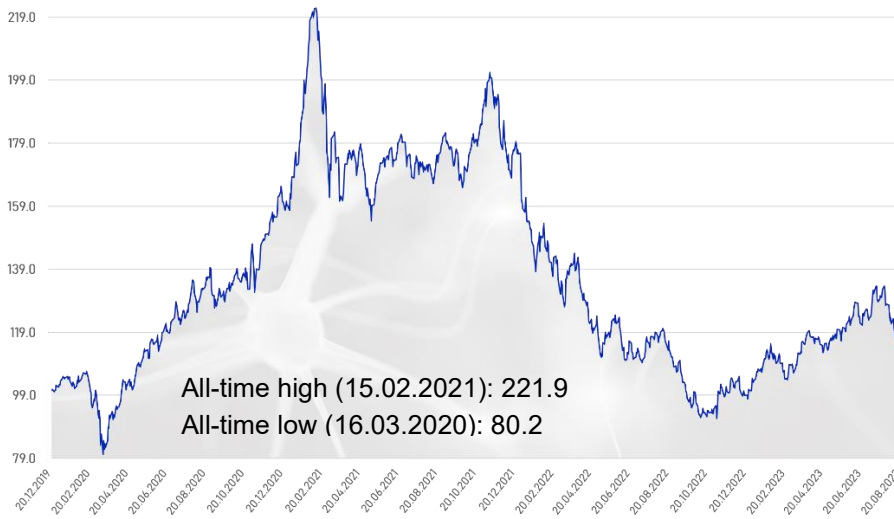
- The Gaming certificate fell 8.4% in August and underperformed the MSCI AC World by 5.5%.
- Following in the footsteps of Ubisoft and Capcom the previous month, most console game makers delivered robust earnings and/or guidance in August, confirming that consumer spending on games remains well oriented and largely unaffected by the macro environment and that the increasing supply of next-gen consoles and a rich game pipeline are powerful growth drivers. While the upcoming holiday season should be marked by the release of several promising titles including Avatar, Monster Hunter AR (mobile) and the Cyberpunk expansion pack, all eyes should soon be on next fiscal year and on GTA VI, with publisher Take-Two

confirming in its earnings report that it expects a significant inflection in its earnings in 2024/25 and further growth in 2026.

- Next year should also see the release of the next Nintendo console, with recent reports unsurprisingly stating that development kits for this new console have been shipped to key partner studios. This should provide additional impetus to game software demand in the medium term.
- Turning to mobile gaming, the earnings season was less inspiring, with both Roblox and Sea revenue and EBITDA failing to impress and H2 EBITDA expectations going down due to lower-than-expected operating leverage (Roblox) or new investments (Sea).



## Performance



	2020	2021	2022	2023
<b>Jan</b>	0.6%	22.3%	-16.1%	10.4%
<b>Feb</b>	-6.0%	-3.3%	-2.7%	-6.3%
<b>Mar</b>	-1.6%	-11.3%	-3.3%	14.1%
<b>Apr</b>	9.2%	3.0%	-13.6%	-2.7%
<b>May</b>	12.9%	0.5%	2.6%	3.2%
<b>Jun</b>	3.7%	4.8%	-10.1%	5.3%
<b>Jul</b>	8.1%	-5.4%	6.6%	6.5%
<b>Aug</b>	5.4%	3.7%	-5.6%	-8.4%
<b>Sep</b>	-2.4%	-5.0%	-14.4%	
<b>Oct</b>	-0.4%	6.6%	-1.8%	
<b>Nov</b>	13.3%	6.5%	9.6%	
<b>Dec</b>	6.0%	-8.5%	-1.8%	
<b>Annual</b>	<b>58.3%</b>	<b>10.2%</b>	<b>-42.7%</b>	<b>21.7%</b>

### Top Contributors

Applovin (APP US)  
Nvidia (NVDA US)  
Konami (9766 JP)

### Worst Contributors

Sea (SE US)  
Roblox (RBLX US)  
Unity Software (U US)

### Risk

Beta vs. MSCI AC World	0.9
Correlation vs. MSCI AC World	0.7
Realized Volatility (Annualized)	28%
Cash Allocation	0%

## Portfolio Structure

### Top Holdings

Nvidia (NVDA US)  
AMD (AMD US)  
NetEase (NTES US)

### Top 5 Currencies

USD	76%
JPY	17%
PLN	3%
EUR	2%
HKD	2%

### Market Cap Breakdown [USD]

Mega (> 200bn)	17%
Large (10bn to 200bn)	50%
Medium (2bn to 10bn)	33%
Small (300mln to 2bn)	0%
Micro (50mln to 300mln)	0%

This document has been issued by Synapse Invest Sàrl (hereinafter «Synapse» or the "Company"). It reflects the opinions of Synapse as of the date of issue. All information and opinions included in this document are subject to change and may be modified without notice. It is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, disposal or use would be unlawful, or contrary to the rules and regulations in place or would expose the Company to registration or licensing requirements in the said jurisdiction nor is it directed to any person or entity to which it would be unlawful to direct such a document.

This document has been made on a best efforts basis and is furnished for information purposes only and does not constitute an offer or solicitation to buy, sell or subscribe to any securities or financial instruments. The Company strives to publish research reports of impartial, independent, honest, clear and not misleading analysis only and issues such reports at the time it considers as the most appropriate.

The information and analysis contained herein have been based on sources believed to be reliable. However, Synapse does not guarantee their timeliness, accuracy, or completeness, nor does it accept any liability for any loss or damage resulting from their use. The opinions herein do not take into account individual clients' circumstances, objectives, or needs and the Company has taken no measure to ensure appropriateness and/or suitability of investments in the securities covered by this report to any particular investor or category of investor. Each investor must make his own independent decisions regarding any securities or financial instruments mentioned herein. Before entering into any transaction, each client is urged to consider the suitability of the transaction in relation to his particular circumstances and to independently review, with professional advisors as necessary, the specific risks incurred, in particular at the financial, regulatory and tax levels. Synapse shall accept no responsibility for the use of the elements presented in this report. This exclusion shall not apply in cases specifically provided for in the applicable regulation and legislation.

Past performance is not a guarantee for current or future returns. The value of securities and financial instruments are subject to market and exchange rates fluctuations that may positively or negatively impact the price of and/or revenues from these securities and financial instruments. Investors may get back less than originally invested or even suffer losses in excess of the initial investment amount.

This document is confidential and is intended only for the use of the person to whom it was delivered. Unless otherwise stated, the elements of this report are the property of Synapse subject to relevant author rights. The content of this report or any elements of it may not in any way be altered, copied, transmitted or distributed to any party other than whom it was originally intended for without the prior written approval of Synapse. This report may include references or links to websites. These are provided for information only. The Company has not carried out any controls on these websites and shall accept no responsibility for their content.

This research report is issued by Synapse Invest Sàrl, a Swiss investment manager authorized and self-regulated in Switzerland by the ARIF.