



Investment Rationale

- Green incentive plans, technology breakthroughs and rising consumer adoption are giving a massive boost to the energy transition and to our electric future, with the stated goal to get to a carbon-free world in 2050.
- With renewable energies set to become dominant in the power mix, storage becomes a key element of the power puzzle. Hydrogen has a major role to play in both renewable energy storage and e-Mobility for long-haul and heavy-load vehicles, while electric batteries should remain more competitive for cars and smaller devices in the foreseeable future.
- e-Mobility, which is the main application of the electrification theme, is expected to enjoy massive growth thanks to a major EV product cycle and to a flurry of incentives.

Certificate Details

ISIN	DE000US8JLA4	XS2168939218	XS2168939721
NAV	USD 70.4	USD 42.9	EUR 48.0
Inception Date	02.10.2020	03.03.2021	08.03.2021
Issuer Rating	Kepler - UBS S&P A+	Kepler - JPM S&P A+	Kepler - JPM S&P A+
Number of Holdings	32		
Liquidity	Daily		
Management fees	1.6% (incl. Issuer fees)		
Performance fees	15% (HWM)		

Investment Universe



August Report

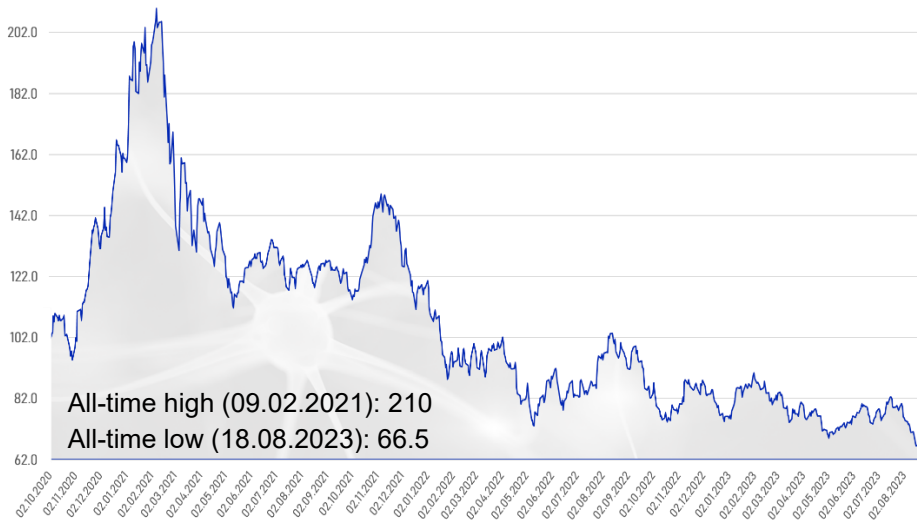
- The Hydrogen & Electrons certificate fell 12.4% in August and underperformed the MSCI AC World by 9.5%.
- Amid risk-off sentiment, uninspiring earnings from solar (e.g., SolarEdge) and hydrogen names (e.g., Plug) unsurprisingly weighed on the portfolio performance in August.
- In solar, while Europe exceeded expectations in most cases, US residential demand is slowing due to higher interest rates and the implementation in California of a new metering tariff scheme, that significantly lowers the price per kWh at which utilities buy surplus electricity from homeowners. Overall, solar growth remains robust but against elevated expectations, the slowdown has been sufficient to justify the sell-off. Looking forward, we believe that the California headwinds should

dissipate from Q2 24 when the industry laps the regulation. Longer term, the growth trajectory remains intact with Elon Musk highlighting recently that the world will need a tripling of electrical output when everything is sustainably electric.

- In hydrogen, growth is there and above expectations (+72% at Plug) but profits and cash-flows are still elusive, raising concerns about the ability of the company and its peers to deliver double digit operating margins by 2025.
- Finally, EVs/semiconductors were again a source of outperformance. In Europe, car sales grew for 12 months in a row in July powered by EVs (+62%). With large auto markets expected to catch up (US, India), the momentum should remain strong.



Performance



	2020	2021	2022	2023
Jan		15.5%	-18.6%	15.2%
Feb		-13.9%	3.9%	-6.8%
Mar		-9.1%	-1.5%	-1.0%
Apr		-9.9%	-17.2%	-11.2%
May		-4.4%	6.9%	2.3%
Jun		6.4%	-4.4%	5.7%
Jul		-6.2%	15.0%	3.4%
Aug		0.5%	-0.6%	-12.4%
Sep		-6.1%	-13.7%	
Oct	-5.4%	20.5%	-5.0%	
Nov	45.6%	-2.2%	11.2%	
Dec	16.8%	-14.7%	-12.4%	
Annual	60.8%	-26.5%	-35.5%	-7.6%

Top Contributors

Array Tech (ARRY US)
L'Air Liquide (AI FP)
Aehr Test (AEHR US)

Worst Contributors

Maxeon Solar (MAXN US)
Renesas Electronics (6723 JP)
SK Innovation (096770 KS)

Risk

Beta vs. MSCI AC World	1.5
Correlation vs. MSCI AC World	0.6
Realized Volatility (Annualized)	40%
Cash Allocation	0%

Portfolio Structure

Top Holdings

Tesla (TSLA US)
On Semiconductor (ON US)
Advanced Energy (AEIS US)

Top 5 Currencies

USD	63%
EUR	24%
KRW	6%
JPY	4%
CHF	3%

Market Cap Breakdown [USD]

Mega (> 200bn)	3%
Large (10bn to 200bn)	47%
Medium (2bn to 10bn)	41%
Small (300mln to 2bn)	9%
Micro (50mln to 300mln)	0%

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