



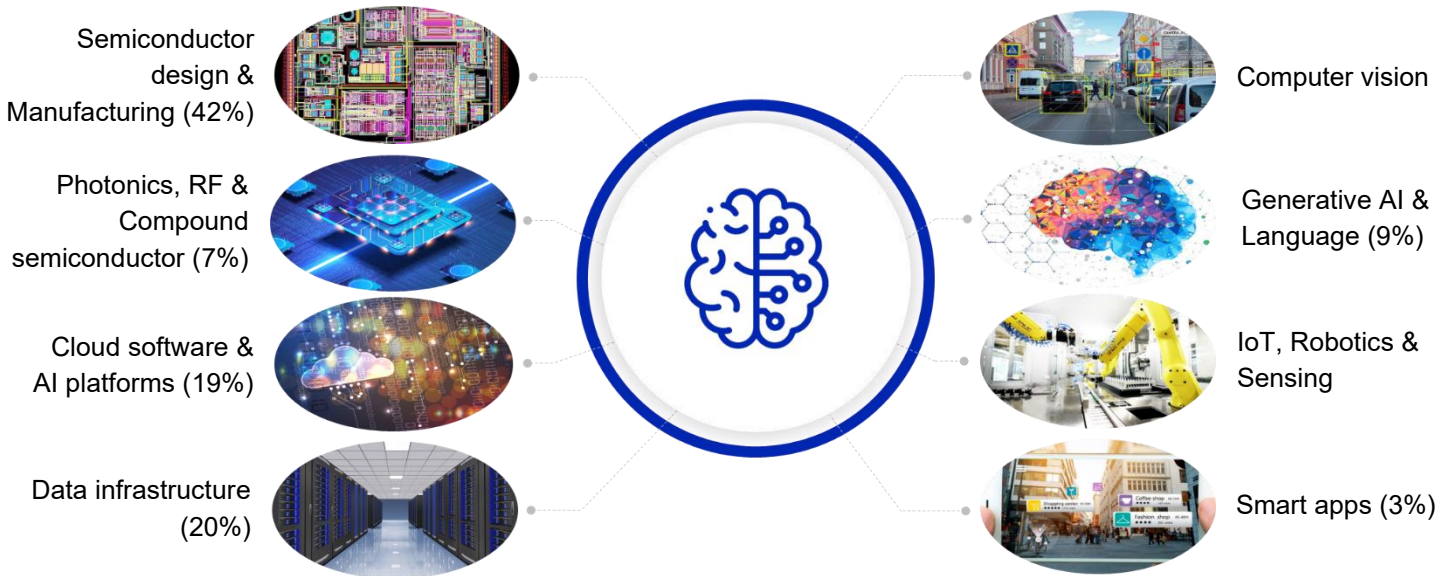
Investment Rationale

- Generative AI is about to reshuffle many industries with a disruptive impact as significant as mobile communications and the Web.
- AI is indeed the underlying base for many rising technologies, including autonomous driving, robotics or IoT. As such, it should become pervasive and open up new revenue opportunities and bring major efficiencies.
- The increasing complexity of training deep learning models is having a profound impact on the cloud computing architecture, while inference, or implementation of an AI service, is impacting end-devices and last mile connectivity.
- A multi-year investment cycle is then in sight to train AI and deliver AI services to customers at scale.

Certificate Details

NAV	145.6
ISIN	CH1263269362
Currency	USD
Type	Active Equity
Issuer / Rating	UBS / S&P A+
Inception Date	10.05.2023
Number of Holdings	36
Liquidity	Daily
Management fees	1.6% (incl. 0.25% UBS)
Performance fees	15% (HWM)

Investment Universe



March Report

- The Artificial Intelligence certificate gained 1.3% in March, underperforming the MSCI AC World by 1.9%.
- Nvidia showcased last month its latest server-class GPU family, called Blackwell. Aside from the impressive performances, the implications from this new generation of chips for the whole AI ecosystem are wide-ranging.
- Notably, as data-hungry AI processing chips need large and fast memory pools, HBM (High Bandwidth Memory) modules are now directly integrated into the CPU/GPU package in order to reduce latency, sparking a HBM demand boom at memory makers.
- Accordingly, Micron raised its outlook well above

estimates, guiding for \$6.6 billion revenue (10% above consensus) and gross margin of 26.5% (vs. consensus at 20.4%), leading to an EPS guide of \$0.45, crushing \$0.09 expectations.

- Nvidia's shift towards liquid cooling for the first time for the high-end version of its next-generation DGX server subsystem was also a pivotal moment for thermal management companies. With power consumption of GPUs rising exponentially and air cooling failing to maintain these new "monster chips" at normal working temperatures, data centers have no choice but to pivot towards liquid solutions.



Performance



	2023	2024
Jan		5.9%
Feb		12.0%
Mar		1.3%
Apr		
May	10.0%	
Jun	3.5%	
Jul	5.9%	
Aug	-6.5%	
Sep	-5.8%	
Oct	-6.1%	
Nov	15.5%	
Dec	5.1%	
Annual	21.2%	20.1%

Top Contributors

Micron (MU US)
Vertiv (VRT US)
Super Micro (SMCI US)

Worst Contributors

Alchip Technologies (3661 TT)
Palantir (PLTR US)
Advantest (6857 JP)

Risk

Beta vs. MSCI AC World	1.9
Correlation vs. MSCI AC World	0.8
Realized Volatility (Annualized)	28%
Cash Allocation	0%

Portfolio Structure

Top Holdings

Nvidia (NVDA US)
Vertiv (VRT US)
AMD (AMD US)

Top 5 Currencies

USD	86%
JPY	5%
TWD	5%
KRW	4%

Market Cap Breakdown [USD]

Mega (> 200bn)	19%
Large (10bn to 200bn)	61%
Medium (2bn to 10bn)	17%
Small (300mln to 2bn)	3%
Micro (50mln to 300mln)	0%

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