



30th June 2021



**ARK**  
INVEST

ARK Next Generation  
Internet | **ARKW**

ARKW is an actively managed ETF that focuses on Next Generation Internet including artificial intelligence, big data, cloud computing, cybersecurity companies globally to create long-term capital growth for its investors.

The team defines disruptive innovation and developing technologies as next-gen internet services to displace the older technologies to create new markets. ARM/Accelerator is the next big thing for the coming decade as the base is shifting from traditional CPUs to cloud-based systems with projected growth of 21% CAGR over the coming decade.

Top 10 holding accounts for 50% of overall allocation leaning towards sensitivity with communication and technology sector accounting for 67% of the overall portfolio. Cyclical sectors like consumer defensive and financial service account for 26% and healthcare accounts for 5.5% which is defensive in nature.

## Fund Performance

	3 Months	YTD	1 Year	3 Years*	5 Years*	Since Inception
*ARKW   NAV	4.66%	5.42%	84.27%	47.24%	51.80%	38.99%
*ARKW   Market Price	4.49%	5.26%	83.96%	47.10%	51.83%	38.97%
S&P 500 Index (SPX)	8.55%	15.25%	40.79%	18.67%	17.65%	14.43%
MSCI World Index (MIWO)	7.74%	13.05%	39.04%	14.99%	14.83%	10.87%

• \*Annualised

### Technology Fund - Actively Managed ETF - ARK Investment Managers - Inception: 30-Sep-14





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### 3 Reasons to consider ARKK

1. Thematic multi-cap exposure to innovative internet technologies including big data, digital media, streaming, and e-commerce.
2. A good diversification due to little overlap with traditional investments style or traditional indices.
3. Cost alternative to other financial products with true active management in new-age tech space through ETF approach.

#### Key Matrix

<b>Expense Ratio</b>	<b>AUM(S)</b>
0.79%	6.01 Billion
<b>No: of Holdings</b>	<b>Turn Over</b>
48	93%

#### Top 10 Holdings

Tesla Inc	10.08%
Shopify Inc	5.22%
Twitter Inc	5.15%
Square Inc	4.95%
Teladoc Health Inc	4.31%
Twilio Inc	4.26%
Coinbase Globale	4.01%
Spotify Tech S.A	3.64%
Unity Software	3.55%
Zoom Video Communications	3.45%
<b>Total</b>	<b>48.62%</b>

In the last quarter, the fund has taken a position in 3 new companies like Coinbase Global, UiPath, and Octa Inc. ARKW is the very first to identify UiPath which operates into a complete automation service that includes simple, small tasks to long load business processes. Whereas octa Inc is a cloud computing company engaged in managing and securing user authentication into applications.

### Why invest now? (Tactical & Technical Prospect)

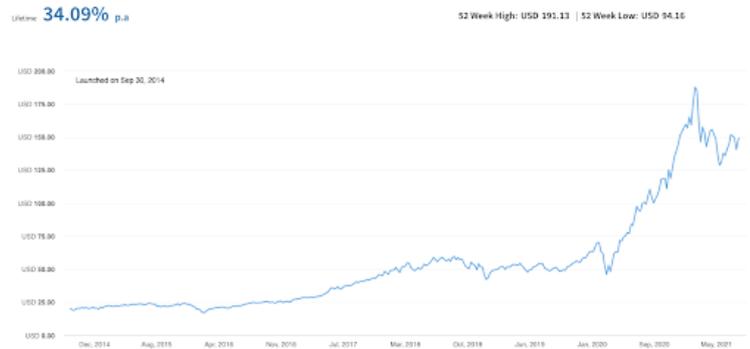
The fund is adding new-age internet companies at this stage which shows the research team's high conviction on these companies. Fund has already corrected 22% from its 52 week high due to profit booking on some segments but fundamentally nothing has changed for the fund and looks promising. On the tactical front, the fund is hovering around 200-day moving average which is having a good support and suitable entry point for long term investors.



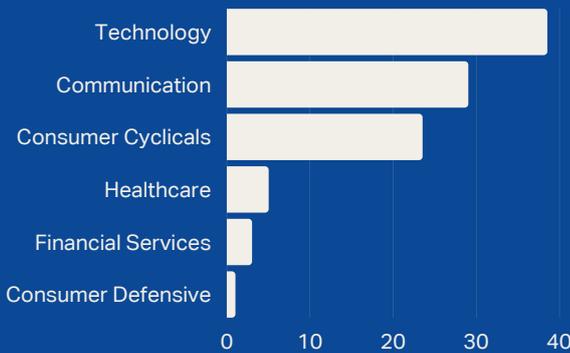
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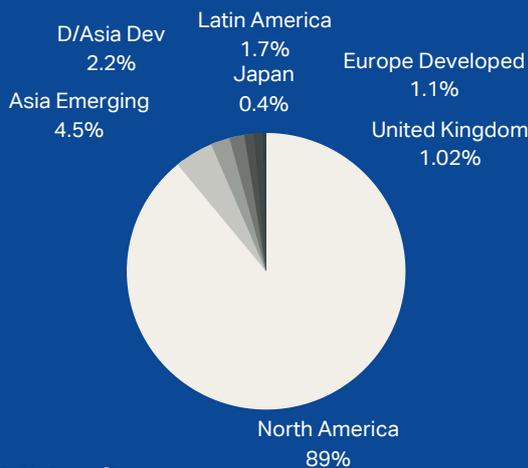
On both short-term and long-term basis, the fund has outperformed the S&P 500 with a healthy margin highlighting next-generation tech is outperforming the traditional investment approach.



### Sectoral Allocation



### Regional Exposure



### New Addition/Increase

Company	Allocation
Coinbase Global	4.27%
Ui Path Inc	1.67%
Octa Inc A	1.50%

## The risk involved in innovation investment

1. Innovative technologies are developed to displace existing technologies and create new markets which sometimes fail to do so.
2. Difficult to evaluate highly innovative new companies due to the lack of competitors in the early stage.
3. New innovative companies always command higher valuations and PE looks expensive due to their cash-burning strategies in their early stage.

The market easily can be distracted by short-term profit-booking, downtrends losing the focus on disruptive technologies but ARKW believes in time arbitrage for such companies which seek opportunity and growth over 3-5 years of time horizon.

## Investor Suitability

Suitable for high-risk investors looking to participate in a new age internet companies involved in the creation of new markets.



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Innovation ETF  
ARKW

## Biggest Contributors/Detractors

	Top 5 Stocks	BPs*	Bottom 5 Stocks	BPs*
<b>ARKK</b> <b><u>Q2 2021</u></b>	Roku INC	148	Opendoor Technologies Inc	-40
	Trade desk Inc/The Class A	138	Teladoc Health Inc	-43
	Shopify INC - Class A	128	Fastly Inc - Class A	-61
	Twitter Inc	75	Coinbase Global INC- Class A	-68
	Twilio Inc - A	69	Grayscale Bitcoin Trust BTC	-267

- A basis point (BP) is a unit that is equal to 1/100th of 1%.