

RoboCap UCITS Fund

Robotics, Automation and AI Equity

May 2020

Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended May with a NAV of 185.52, up 10.64% in the month. This brings the net performance of the fund to +8.05% year-to-date and +85.52% since inception.

Investment Objective & Strategy

RoboCap is a thematic equity fund focusing on Robotics, Automation and AI listed stocks. This fast-growing theme includes general automation, industrial robotics, healthcare robotics, 3D printing, drones, autonomous vehicles, key components, enabling software and artificial intelligence. A key aspect of the strategy is that we aim to primarily invest into 'pure-play' stocks which have at least 40% of sales coming from Robotics and Automation related end markets. The portfolio aims to hold around 30 positions out of a target universe of 230 stocks. The investment selection is based on fundamental proprietary analysis in cooperation with leading robotics experts

Market Commentary

It was another good month for the portfolio as it returned double the average of the major global equity indices in the US, Europe and Japan, highlighting the strength of the theme. We think that markets are now firmly focused on post-COVID economics and demand levels, with some major catalysts such as further stimulus packages to re-ignite economies still to be announced.

The latest US jobs numbers were a great positive indicator for the economy as jobs in May actually increased by 2.5 million there, rather than the 7.5m contraction that was expected. Although this is quite an early data point, it does suggest a V-shaped economic recovery in the US is possible. One sour note though is as we feared last month, US-China tensions are on the rise again with further restrictions on sales to Huawei, while China is tightening its control on Hong Kong. We think that the tensions are here to stay and see the beginning of a decoupling of the supply chains especially in high tech areas like semi-con. TSMC announced a new wafer fabrication plant in the US, while China is building its own capabilities, both with robots of course.

First quarter earnings came in better than feared, with about half of the companies in the portfolio growing faster in 2020 than initially expected, as cloud, AI, logistics, automation adoption spiked, and new supply chains were created. The most negatively impacted sub-themes are in Industrial Robotics and Automation to cyclical industries that expect a drop of sales of 15-20% yoy in 2Q followed by sequential improvements in 3Q and 4Q. Consumer Robotics companies also saw a slowdown in 1Q-2Q. We have increased our Software exposure while taking some profit on companies nearing our target valuations metrics and brought our investment ratio to +90% as we reinvested in some underperformers in May.

We want to highlight the example of CrowdStrike, a US AI-powered cybersecurity company. Since the start of the coronavirus crisis, the firm has actually seen an increase in expected sales growth for this year versus estimates in January. As they disrupt the market, their top-line is growing at +85% yoy vs a broader security market growing at +5%. Their service is mission-critical for many companies as more customer interaction and indeed internal productivity (work-from-home) has moved to cloud solutions. With high technological barriers to entry and the surge in Covid-19 related demand, it was an anomaly that the share price fell by half in the crisis, so we used this chance to build out our position.

Going forward, we think that we are well-positioned to benefit from the decoupling of supply chains between the US and China, keeping in mind that many companies have said that this will be a slow and complicated path. The lower but still high volatility of equity markets means that we have to adapt faster than usual, so we had a turnover of 55% YTD vs 30-40% normally. We added the 24-month forward P/E on page 2 as shorter-term metrics would be less relevant considering the volatile earnings this year.

We have seen a growing interest in recent weeks for our theme. The RoboCap team is healthy and still working from home in London. We expect to return very soon to our Mayfair office, as soon as the government and health experts confirm it is safe to do so.

RoboCap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-2.4%	+1.28%	+4.95%	-0.55%	+3.36%	-1.97%	+3.83%	+0.43%	+4.36%	-2.02%	+0.98%	+1.15%	+13.83%
2017	+6.92%	+1.66%	+4.53%	+3.99%	+5.69%	-1.29%	+4.48%	+3.02%	+5.32%	6.96%	+1.04%	-0.82%	+49.78%
2018	+7.52%	-3.45%	-3.66%	-2.68%	+1.97%	-0.54%	+1.17%	+3.62%	-1.07%	-11.84%	+2.12%	-9.02%	-16.15%
2019	+5.34%	+6.98%	+1.81%	+4.73%	-8.92%	+5.54%	-3.42%	-5.04%	+2.82%	+1.28%	+6.83%	+1.81%	+20.10%
2020	+1.30%	-6.63%	-9.93%	+14.63%	+10.64%								+8.05%

The performance figures quoted above represent the performance of the RoboCap UCITS Fund since launch on 4th January 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

The Manager



Jonathan Cohen (CIO) has over 15 years of investment experience in equities acquired at boutique asset management companies and banks like Goldman Sachs. He held the titles of CIO and Senior Portfolio manager during his last positions. Jonathan has a Masters in Management with a major in Finance from the University of St Gallen (HSG).

Heenal Patel (Senior Analyst) has over 18 years of experience in equity analysis in the industrials and automotive sectors. He began his career as UBS Global Asset management where he helped to run European industrial and automotive portfolios, before moving onto sell-side positions at DrKW and industrials at S&P Equity Research. He holds a degree in Economics and Finance from the University of Manchester.

Hiroshi Kamide (Equity Analyst) has 24 years experience, including 17 years investment experience in TMT and Japanese equities. He worked at Cazenove, KBC Securities Japan, JPMorgan Securities Tokyo and more recently Daiwa Securities in London. He graduated from Aston University with a BSc Hons in Human Psychology and became a qualified accountant (ICAEW) at KPMG in London.

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Passported	France, Germany, Luxembourg, Singapore (QI only), Spain, Switzerland and UK
Liquidity	Daily
Fund AUM	\$77 million
Strategy AUM	\$112 million
Inception	4 th January 2016

Share Class	Institutional Founder
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.00%
Perf. Fee	10.00%
Min Init. Sub.	5,000,000
ISIN Codes	EUR: IE00BYZB6N09 USD: IE00BYZB6R47 CHF: IE00BYZB6Q30 GBP: IE00BYZB6P23

Share Class	Institutional A Pooled (Clean)
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%
Perf. Fee	12.50%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYZB6855 USD: IE00BYZB6C93 CHF: IE00BYZB6B86 GBP: IE00BYZB6962

Share Class	Institutional B Pooled
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	15.00%
Min Init. Sub.	500,000
ISIN Codes	EUR: IE00BYZB6D01 USD: IE00BYZB6H49 CHF: IE00BYZB6G32 GBP: IE00BYZB6F25

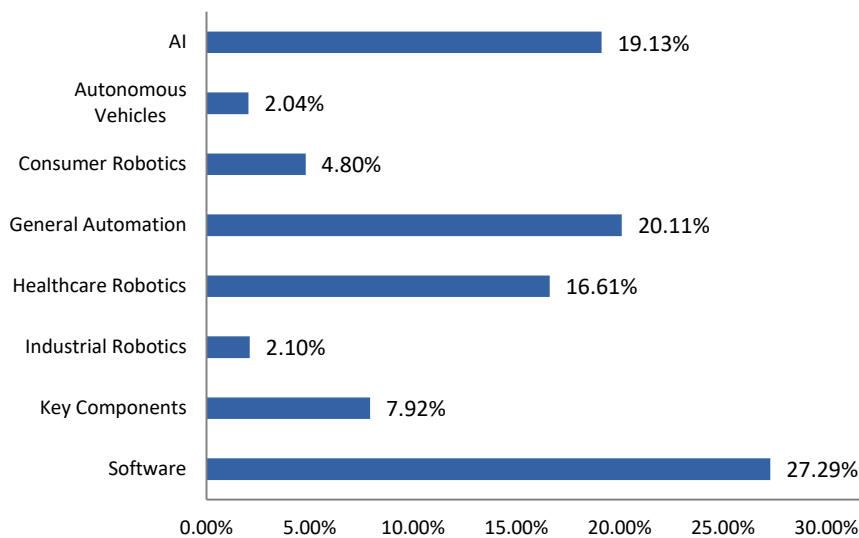
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Robotics, Automation and AI Equity

May 2020

Composition of Fund (as of 31/05/2020)

Holdings By Sub-Theme (% of Equity Holdings)



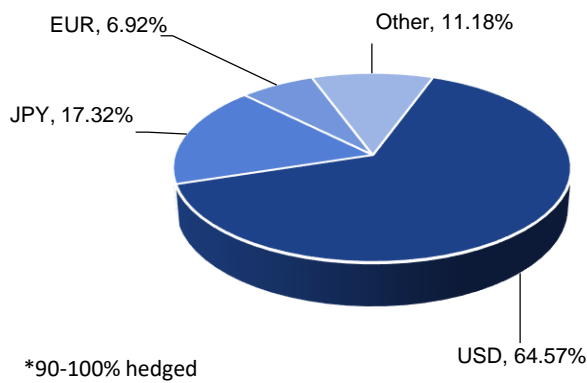
Top 5 Holdings (alphabetical)

CrowdStrike Holdings
 Intuitive Surgical
 Keyence
 Service Now
 Splunk

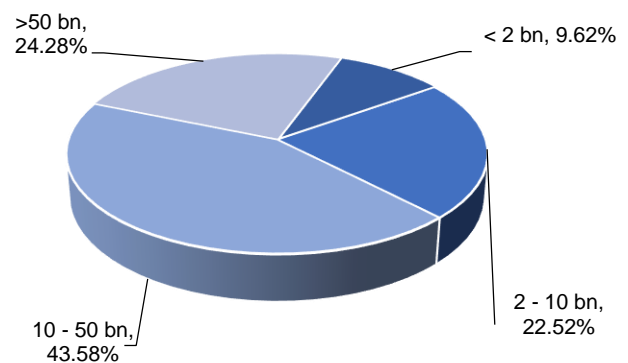
Key Fund Metrics

Med. Weighted Fwd P/E 12M	44.25x
Med. Weighted Fwd P/E 24M	33.60x
Median Dividend Yield	0.35%
No. of Holdings	38
Volatility	16.56%
Sharpe Ratio (annualized)	1.01
Annualized Performance	+16.81%

Holdings By Currency (% of Equity Holdings) *



Holdings by Market Cap (% of Equity Holdings)



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