

RoboCap UCITS Fund

Robotics, Automation and AI Equity

October 2019

Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended October with a NAV of 157.71, up 1.28% in the month. This brings the net performance of the fund to +10.32% year-to-date and +57.71% 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

The Fed started buying short-term debt and cut its benchmark interest rates by a quarter of a percent, a move welcomed by equity markets. The trade negotiations between the US and China continue to drag on with hopes of a "phase one" settlement that could include a rollback of some tariffs. There is still nothing concrete but with an election year looming in 2020 we think at least a partial agreement is viable in the coming months. According to the IMF, the global economy is expected to grow by 3% this year, but many companies in our universe are not impacted by this economic slowdown, based on their sales and earnings growth. We could not say as much for the rest of equity markets.

The earnings season started well and has so far generally confirmed many of our investment theses. Our largest position, Intuitive Surgical reported a 20% in sales and earnings growth year-on-year thanks to their strong pipeline and monopolistic position, in excess of their historical growth of +15%.

Software, including SaaS (Software as a Service) stocks, that have reported so far confirmed their sustained double-digit growth and maintained robust guidance next year. This is a positive signal after the valuations of growth stocks were pressured in the summer during a growth to value rotation. General automation companies have also done well with a more modest but stable growth rate in 3Q. Many of these companies have indicated that they think that we have reached the bottom in terms of demand paving the way for a much stronger 2020. Order trends for Industrial Robotics and Key Components companies remain muted but their rising valuations have already begun to price-in this recovery. Demand for 5G technology and other semi-conductors will also be a bright spot of 2020 demand, but we think that Auto capex may continue to be weak. Consumer Robotics stocks near-term guidance remains weak, as they have been directly hit by U.S. tariffs. Their valuations currently do not price in the medium-term recovery we expect to see here.

We increased our investment ratio to 92%, encouraged by the greater visibility of a number of our stocks. The recent price moves have presented an opportunity to take some long-term gains and reallocate to new or existing positions that are undervalued. Our median P/E is skewed by some small positions and the reality of the portfolio is lower.

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%			+10.32%

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	\$80.5 million
Strategy AUM	\$111.5 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

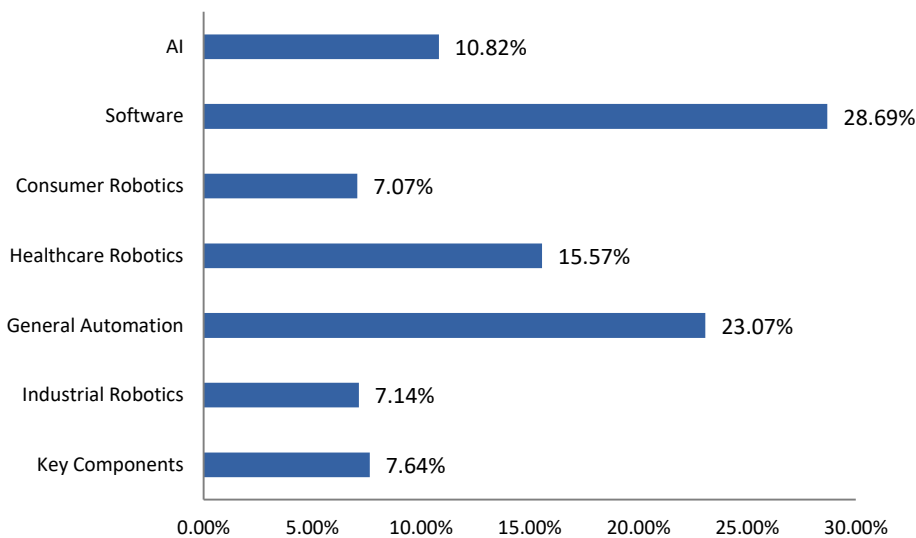
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Composition of Fund (as of 31/10/2019)

Holdings By Sub-Theme (% of Equity Holdings)



Top 5 Holdings (alphabetical)

Honeywell International
 Intuitive Surgical
 Keyence
 Nice Ltd
 Rockwell Automation Inc

Key Fund Metrics

Med. Weighted Fwd P/E 12M	33.43x
Median Dividend Yield	0.69%
No. of Holdings	32
Volatility	12.32%
Sharpe Ratio (annualized)	+0.95
Annualized Performance	+13.60%

Holdings by Market Cap (% of Equity Holdings)

Large Cap (>\$10bn)	64.40%
Mid Cap	30.30%
Small Cap (<\$2bn)	5.30%

Holdings By Currency (% of Equity Holdings) *

USD	63.78%
JPY	14.61%
EUR	4.45%
Other	17.16%

*90-100% hedged

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