

RoboCap UCITS Fund

Robotics, Automation and AI Equity

January 2020

Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended January with a NAV of 173.94, up 1.30% in the month. This brings the net performance of the fund to +1.30% year-to-date and +73.94% 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

As expected, the US and China finally signed the "phase-one" trade deal which effectively rolled back some tariffs and confirmed the de-escalation of the trade tensions. But this news was soured by the Coronavirus outbreak in Hubei, China, which has so far infected over 70,000 people and lead to over 1,700 fatalities, or a death rate of about 2-3%. To counter its spread, the Chinese government extended the New Years Holiday by up to two weeks, but we have started to see some factories outside of the Hubei province re-start operations. Overall we expect the impact on the portfolio to be limited. However, we think there will be some short-term supply chain disruption due to the delayed restart to operations across the country coupled with the uncertain ramp up of production (as we do not expect workers to return immediately). This is likely to hurt industrial robotics and key component makers which may see some material but temporary impacts in the first quarter of the year, as we would also expect that some capital investment decisions are likely to be delayed, pushing the cyclical recovery out further.

Equity markets had a strong start, boosted by improving trade conditions, but corrected in the second half of the month, as the news on the virus broke. Major equity indices finished in the red. The portfolio however, stayed in the black thanks to good earnings results, especially in Healthcare Robotics, Software and AI where secular drivers are not really impacted by the virus. Industrial Robotics and Key Components orders seem to be bottoming out led by the tailwind recovery in semi-capital equipment spending after the 18-month headwind of the trade war, but the strength of the rebound is still muted, partly due to closed factories in China. High-growth stocks outperformed this month, catching up their underperformance from last fall during the growth-to-value rotation.

We finished the month with an investment ratio of 95% which reflects our confidence in our theme and across all sub-themes. The improving trade relations and low interest rates are central reasons for this stance. Following the trade war and the frictions it has caused globally we would expect the long-term trend will be for companies to try to diversify manufacturing away from China to neighbor "low-cost" countries and for China to reduce its reliance on US technologies. We are monitoring the news on the coronavirus, but history has shown, like in the case of SARS in 2003, that its impact on the economy and businesses will be temporary. It will probably create entry points for stocks where the market overreacts.

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%												+1.30%

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	\$75 million
Strategy AUM	\$109 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

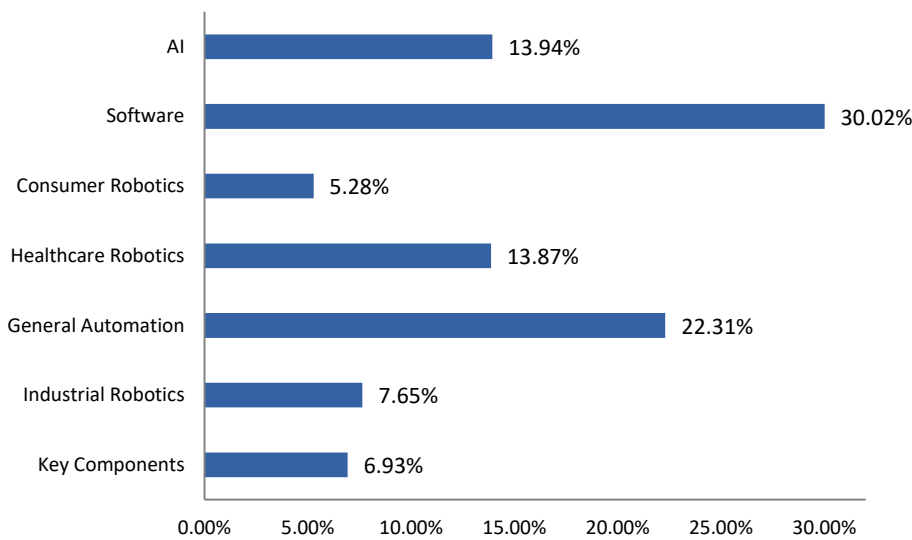
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Composition of Fund (as of 31/01/2020)

Holdings By Sub-Theme (% of Equity Holdings)



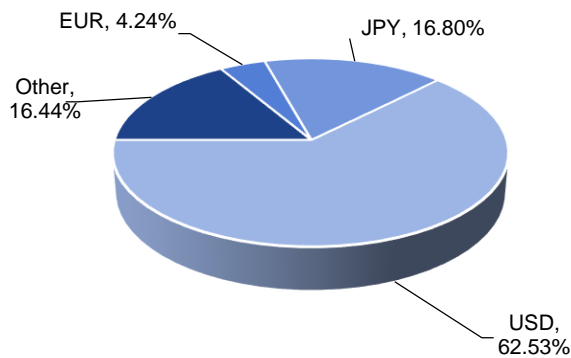
Top 5 Holdings (alphabetical)

Honeywell International
 Intuitive Surgical
 Keyence
 Nice Ltd
 Service Now

Key Fund Metrics

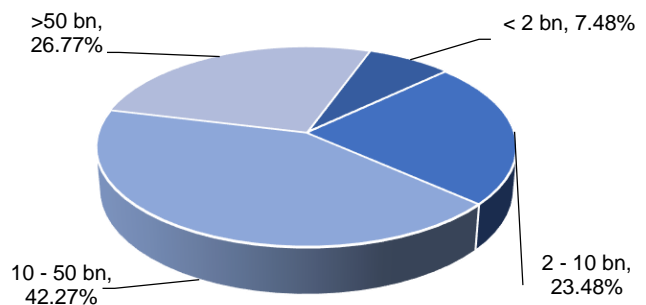
Med. Weighted Fwd P/E 12M	36.24x
Median Dividend Yield	0.66%
No. of Holdings	32
Volatility	12.20%
Sharpe Ratio (annualized)	+1.15
Annualized Performance	+15%

Holdings By Currency (% of Equity Holdings) *



*90-100% hedged

Holdings by Market Cap (% of Equity Holdings)



Please note that we split the "Large Caps" category into over/above \$50bn to give investors more granularity

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