

# RoboCap UCITS Fund

## Robotics, Automation and AI Equity

September 2021

### Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended September with a NAV of 278.95, down 4.01% in the month. This brings the net performance of the fund to +10.28% year-to-date and +178.95% 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 (AI). 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, Automation and AI related end markets. The portfolio aims to hold around 30 positions out of a target universe of about 300 stocks. The investment selection is based on fundamental proprietary analysis in cooperation with leading robotics experts.

### Market Commentary

Equities saw the largest drawdown since March 2020 with indices like the NASDAQ down 5.5% and the S&P500 down 4.8%, as supply chain disruptions raised the fear of stagflation. Global energy prices have risen significantly as the demand from the economic recovery has not been met by what is a tight supply situation. The Chinese government has decided to ration coal for the winter, triggering planned but so far temporary production halts in some factories.

These supply chain issues have two negative consequences for the economy, namely inflation and slowing economic growth. The workforce shortages that we witness globally, for truck drivers for example and the consequent salary increases add impetus to the continued need to automate.

US 10Y interest rates rose back to 1.5%, as we saw again a rotation from growth towards value, like in February. In our view, the rate should settle in the near-term somewhere between 1.5-2.0% and the rotation should be short-lived.

This month, there were no significant company related news, but most positions were down except for Japanese Industrial Robotics which were catching up a bit with the rest of the market.

Brooks Automation, one of our main positions, was planning to diverge into two companies specializing in semi-conductor and life sciences automation, but it announced that it would now sell the semi business to Thomas H Lee for \$3bn driving the share to +20.7% gain in the month. The transaction gives Life Sciences, the fastest growing and least cyclical business, a significant amount of cash to invest into growth opportunities.

In the portfolio, we reduced the exposure to the (autonomous) Automotive industry selectively, due to the supply chain issues related to chips shortage. However, we increased our position in Tesla as their unique vertically integrated supply chain allows them to adapt more easily while raising their average selling price to push inflationary pressures to customers. We used the market correction to initiate two new positions in AI-powered cybersecurity (see our special article in June 2021) and Robotics Process Automation companies.

For the rest of the year, we remain confident in our positions and see the current volatility as an opportunity to build positions in quality growth companies, supported by strong secular trends, that have finally reached reasonable valuations following market exaggerations. We are aware that supply chain issues will not be resolved quickly, so we have adapted the portfolio to minimize this risk and benefit from it by investing in the automation of the microchip industry, as illustrated in this quarter's special article. Valuations remain an important consideration of our due diligence and most of our "high growth positions" trade inline or below their valuation metrics of the last 3-4 years. We remain positive on the economic recovery, but it seems to be less front-end loaded, so prefer to keep our cyclical exposure low.

### The Manager



**Jonathan Cohen (CIO)** has over 17 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 20 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.

**Nick Martin (Head of Operations)** has over 25 years of investment operations experience across hedge funds, asset management and fund administration firms. He worked at LTCM, Credit Suisse AM, GlobeOp Financial Services and Rubicon Fund Management.

### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Passported	France, Germany, Luxembourg, Singapore (QI only), Spain, Switzerland and UK
Liquidity	Daily
Fund AUM	\$142 million
Strategy AUM	\$198 million
Inception	4 <sup>th</sup> 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

# RoboCap UCITS Fund

## Robotics, Automation and AI Equity

September 2021

### Fund Performance and Statistics 1/2 (as of 30/09/2021)

#### RoboCap UCITS Fund Performance

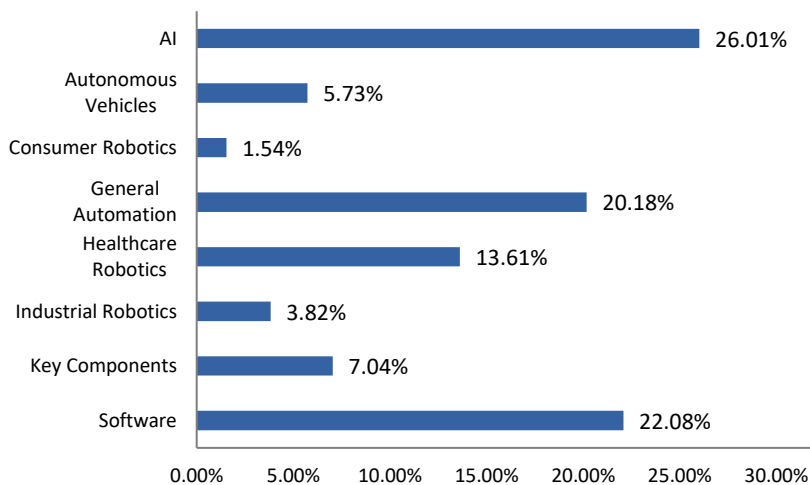
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-2.4%	+1.28%	+4.95%	-0.55%	+3.36%	-1.97%	+3.83%	+0.43%	+4.36%	-2.02%	+0.98%	+1.15%	+13.83%
2017	+6.92%	+1.66%	+4.53%	+3.99%	+5.69%	-1.29%	+4.48%	+3.02%	+5.32%	6.96%	+1.04%	-0.82%	+49.78%
2018	+7.52%	-3.45%	-3.66%	-2.68%	+1.97%	-0.54%	+1.17%	+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%	+4.12%	+5.05%	+4.57%	-0.48%	+0.74%	+11.69%	+6.45%	+47.31%
2021	+1.39%	+0.78%	-0.42%	+3.94%	-0.74%	+6.07%	+0.47%	+2.71%	-4.01%				+10.28%

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.

#### Top 5 Holdings (alphabetical)

- Advanced Micro Devices
- Brooks Automation
- Dynatrace
- Omnicell
- Splunk

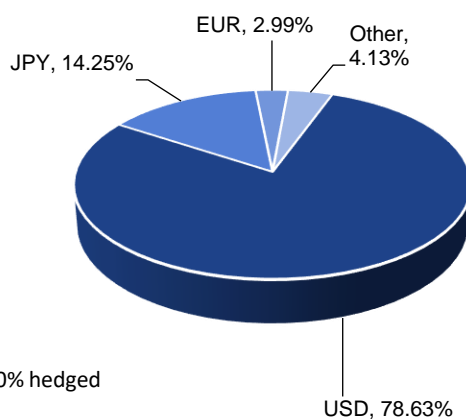
#### Holdings By Sub-Theme (% of Equity Holdings)



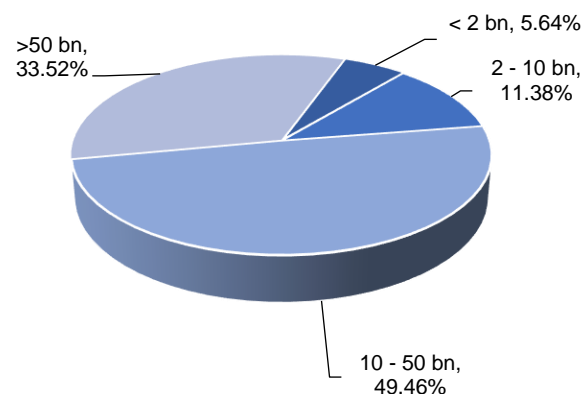
#### Key Fund Metrics

Med. Weighted Fwd P/E 12M	42.39x
Med. Weighted Fwd P/E 24M	34.66x
Dividend Yield	0.43%
No. of Holdings	36
Volatility	16.50%
Sharpe Ratio (annualized)	1.29
Annualized Performance	+21.38%

#### Holdings By Currency (% of Equity Holdings) \*



#### Holdings by Market Cap (% of Equity Holdings)



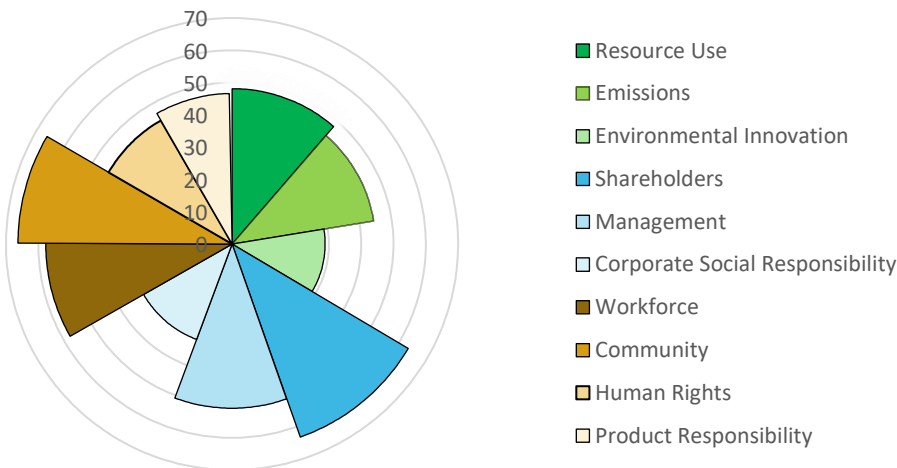
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### Fund Performance and Statistics 2/2 (as of 30/09/2021)

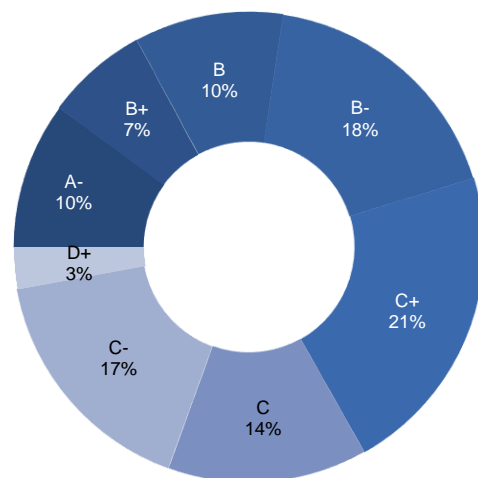
#### Portfolio's ESG Monitor \*



#### Controversies Checklist at Portfolio Level

No lethal weapons	●
Not involved in the manufacture of tobacco and other dangerous consumer substances	●
Not on the US Governmental Entity List	●
Does not produce goods that are used to weaken democratic rights	●
No evidence of workforce oppression in its supply chain	●
Not involved in the production of carbon-intensive electricity	●
Not involved in the extraction of fossil fuels	●
Not involved in the production of nuclear energy	●
Not involved in oil & gas production	●

#### Portfolio by Refinitiv ESG Score \*



\* Sources: Refinitiv / RoboCap  
Figures adjusted for portfolio weightings

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