

RoboCap UCITS Fund

Robotics, Automation and AI Equity

February 2022

Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended February with a NAV of 248.42, down 3.48% for the month. This brings the net performance of the fund to -17.09% year to date and +148.42% 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 350 stocks. The investment selection is based on fundamental proprietary analysis in cooperation with leading robotics experts.

Market Commentary

The unfortunate and largely unexpected break-out of war in Ukraine has undoubtedly been the biggest news to hit financial markets since Covid. From a high level, there are no Russian or Ukrainian companies in the portfolio or indeed the investment universe. The maximum sales exposure we have found to Russia by any one company has been 1-2% and at a portfolio-level is materially less than 1%.

Having said that we do currently expect the war will have the following impacts on the global markets and demand:

- 1) The most immediate issue is that inflationary cost pressure on raw materials and input costs in general which were already elevated as we came out of the Covid crisis will undoubtedly last for longer than expected. This stems from Russia's role as one of the top global suppliers of both oil and gas as well as base metals. This issue has been complicated by an increase in airfreight and general logistic costs as Russia is decoupled from global trade flows. However, most of the portfolio is in software and healthcare technology which has little to no exposure to these cost increases. Those industrial hardware companies that we do hold have pricing power and the ability to raise prices to compensate in the short- to medium-term.
- 2) We expect global economic growth in 2022 to be negatively impacted versus expectations coming into the year which were at 4.4% growth yoy. The portfolio is mainly positioned in secular growth companies and will keep a minimal exposure to cyclicals and consumer-related stocks that are currently about 15% of the portfolio.
- 3) The US rate hike path in the rest of the year should be less hawkish than was being priced in just a few weeks ago as the risk of stagflation has risen, we believe. This should support the current valuations of quality growth names, that have already repriced to levels that assume much steeper rate rises.
- 4) AI Cyber Security demand will continue to see very high interest from both new and existing customers as the threat landscape has taken yet another step up due to the war. Names here have already started to rebound from valuations levels not seen since the outbreak of Covid, as fundamentals remain strong.

- 5) This inflationary environment will in general accelerate the need for all forms of automation both physical and digital in the face of rapid wage increases and a lack of capacity across many industries and plays into the core secular theme of the fund.

Overall companies in earnings season continued to post strong results and forward guidance in the face of these ongoing supply chain challenges. In particular, AI, Software, Healthcare Robotics and Logistics Automation names had the strongest earnings releases overall.

In the portfolio, we are maintaining our positions in the companies with resilient growth and net margins. In the few cases where there was weakness, this was attributed to supply-side issues and are delayed sales, rather than the demand environment which many verticals have stated remains very strong. We think that many of the risks are now priced-in, but in these uncertain times we would expect market volatility to remain elevated due to the number of intertwined moving parts - we remain 91% invested and hold a 5% equity hedge.

As we write this letter, several structural buying opportunities have emerged in AI, Logistics and semi-con automation where the downside is limited by real earnings and solid cash generation profiles.

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	\$135 million
Strategy AUM	\$182 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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February 2022

Fund Performance and Statistics 1/2 (as of 28/02/2022)

RoboCap UCITS Fund Performance

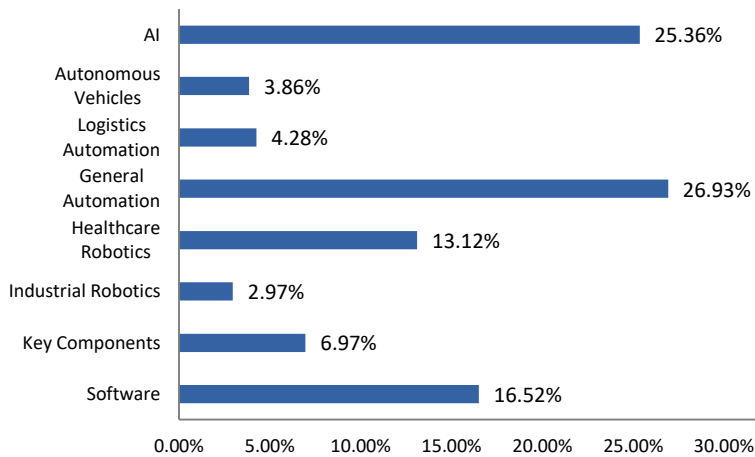
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-2.4%	+1.28%	+4.95%	-0.55%	+3.36%	-1.97%	+3.83%	+0.43%	+4.36%	-2.02%	+0.98%	+1.15%	+13.83%
2017	+6.92%	+1.66%	+4.53%	+3.99%	+5.69%	-1.29%	+4.48%	+3.02%	+5.32%	6.96%	+1.04%	-0.82%	+49.78%
2018	+7.52%	-3.45%	-3.66%	-2.68%	+1.97%	-0.54%	+1.17%	+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%	+8.70%	-1.92%	+0.76%	+18.47%
2022	-14.11%	-3.48%											-17.09%

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
- Advantest
- Omnice
- Splunk
- Synopsys

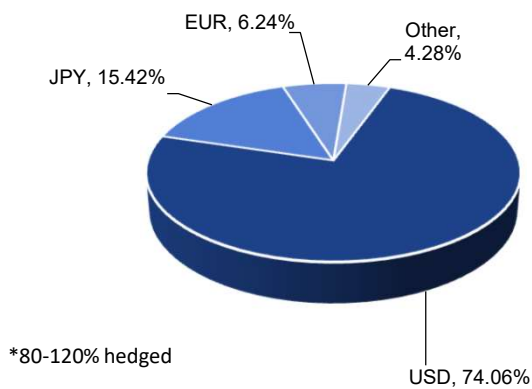
Holdings By Sub-Theme (% of Equity Holdings)



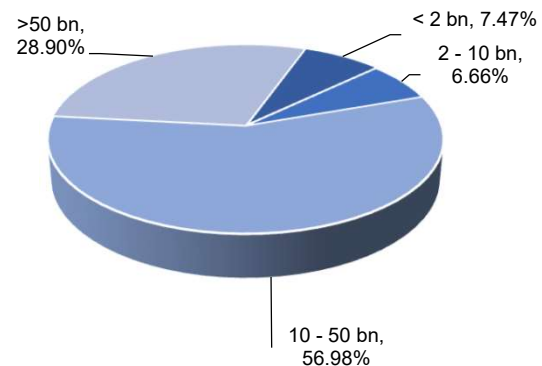
Key Fund Metrics

Med. Weighted Fwd P/E 12M	37.43x
Med. Weighted Fwd P/E 24M	31.46x
Dividend Yield	0.36%
No. of Holdings	36
Volatility	17.13%
Sharpe Ratio (annualized)	1.02
Annualized Performance	+17.80%

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 28/02/2022)

Portfolio's ESG Monitor *

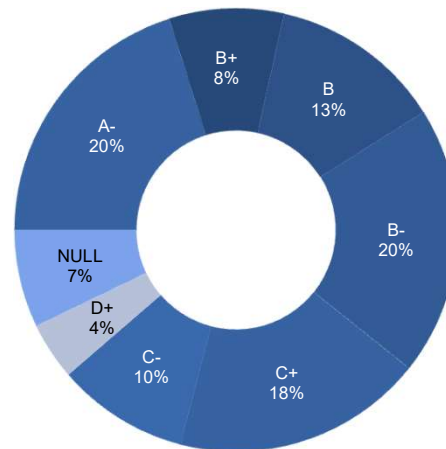


Resource Use	52
Emissions	51
Environmental Innovation	27
Shareholders	45
Management	48
Corporate Social Responsibility	40
Workforce	61
Community	60
Human Rights	48
Product Responsibility	45

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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