

# RoboCap UCITS Fund

## Robotics, Automation and AI Equity

October 2020

### Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended October with a NAV of 212.75, up +0.74% in the month. This brings the net performance of the fund to +23.91% year-to-date and +112.75% 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

October had a good start, but major equity markets fell again by 2% to 7%, primarily during the last week, as the growth in the number of COVID cases accelerated and uncertainties around the US election outcome surfaced. China's economy grew by +4.9% in 3Q yoy, as Chinese industrial production returned to pre-pandemic levels and appears to remain largely decoupled to the pandemic related economic woes in the rest of the world and has served as the growth engine for industrials in the last six months.

As we write this letter (11-Nov-2020), we feel it is more important to focus on the latest and most relevant news of early November. Firstly, the US elected Joe Biden to be its 46th President. Trump has not yet acknowledged that he lost, but we do not see how this result could change as Biden has already surpassed the 270 electoral college votes needed to win. We have avoided the worst-case scenario of not knowing the outcome for months, and the result gives an idea of the future US policy. There was no "blue wave" as the Democrats are unlikely to control the Senate, limiting the chances of tax hikes.

Secondly, Pfizer and BioNTech announced a vaccine breakthrough that they claim is more than 90% effective based on a large trial. We believe that it is a turning point in the battle against COVID as the second wave is hitting Europe and the US. It will take months until the doses will be widely available and, importantly, we do not know how long the protection given by vaccine will last, but we are cautiously optimistic that vaccines are a realistic and effective solution against this pandemic. It also has important implications for the portfolio as the market has rotated into more cyclical names that should benefit from an economic rebound, away from some "work from home" names.

Thirdly, the earnings season so far has been relatively strong across all sub-themes. Cyclical sub-themes did better than expected thanks in part to a strong rebound in Chinese orders, which confirms the demand has bottomed out. Healthcare Robotics names have also been resilient as elective surgeries are almost back to pre-pandemic levels. Software and AI related companies have largely done well too, the main source of volatility here being faster than anticipated demand for cloud-based services which has pressured near-term sales (due to accounting mechanics) but paints a healthy long-term picture. Overall we view these developments as positive for equity markets and for the theme and, as uncertainties fade, we expect that more investors will come back to equity markets. We reduced our investment ratio during the October rally and progressively increased it during down days. We are rotating selectively towards cyclical names that will benefit from a healing economy.

Going forward, we expect a slow normalization of equity markets. While the COVID situation in Europe and the US is a concern, equities are forward-looking assets, and 2021 should see a continuation of the V-shaped rebound we saw in 3Q, thanks to vaccines. Central banks remain very accommodative and governments are starting a fresh round of stimulus. The pandemic has accelerated many secular trends like digitalization, automation and e-commerce that will not reverse, but the valuation metrics in these verticals may come back a bit. We are nimble enough to quickly adapt the portfolio to a fast-changing world, like we did about eight months ago.

### 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%			+23.91%

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.

### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Passported	France, Germany, Luxembourg, Singapore (QI only), Spain, Switzerland and UK
Liquidity	Daily
Fund AUM	\$103 million
Strategy AUM	\$145 million
Inception	4th 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

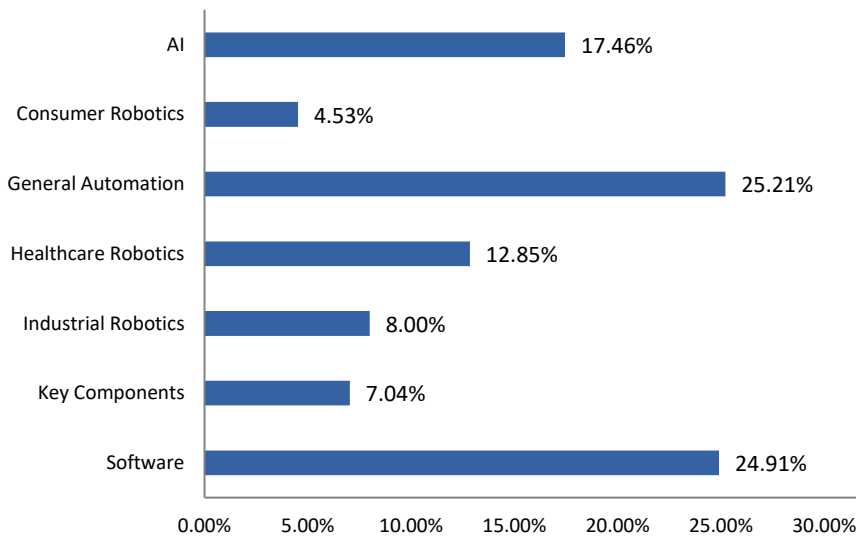
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### Composition of Fund (as of 30/10/2020)

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



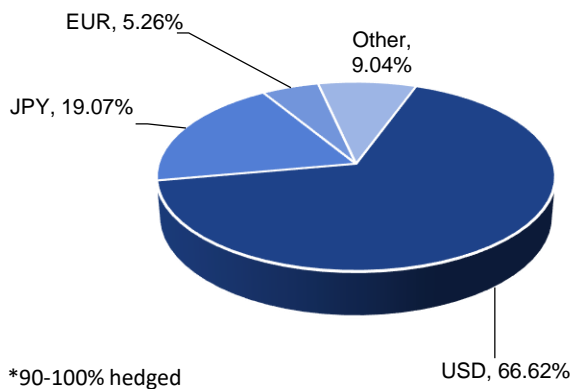
#### Top 5 Holdings (alphabetical)

- CrowdStrike Holdings
- ServiceNow
- Splunk
- Synopsys
- Teradyne

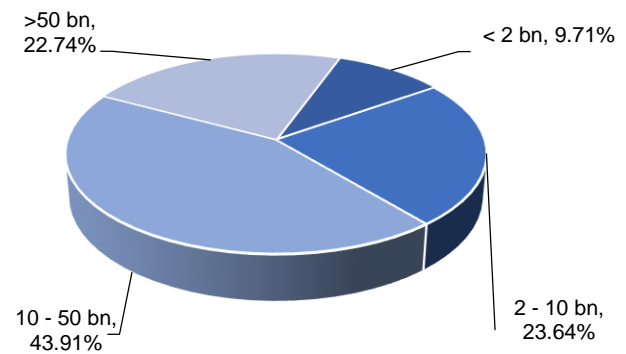
#### Key Fund Metrics

Med. Weighted Fwd P/E 12M	44.37x
Med. Weighted Fwd P/E 24M	35.53x
Median Dividend Yield	0.47%
No. of Holdings	37
Volatility	16.63%
Sharpe Ratio (annualized)	1.12
Annualized Performance	+18.72%

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



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



### Contact Details

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### Disclaimer

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