

# RoboCap UCITS Fund

## Robotics, Automation and AI Equity

August 2021

### Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended August with a NAV of 290.61, up 2.71% in the month. This brings the net performance of the fund to +14.89% year-to-date and +190.61% 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

August was another positive month in this bull market, even with lingering concerns about the global growth due to Covid. There were a number of market observer comments on stagflation or growth deceleration about the wider market, but not specifically in our space. With the Delta variant, it has become clear that a one-off vaccination is not a panacea, as protection is incomplete and wanes over time. However, the reduction in cases, hospitalizations and deaths have the ability to sustain most of the economy without the potential need for large lockdowns. We see Delta as delaying rather than derailing the economic recovery, as highlighted by the weak US payroll gain in August. The Fed rate hikes still seem far off, even with talks of tapering this year. In 2022, we are likely to see some fiscal drag from the huge fiscal boosts in 2020-21, so it will be important to focus on secular growth themes.

China's crackdown continues as it unveiled its global antitrust regulation for tech firms and puts further pressure on the gaming industry for "common prosperity". The disappointing economic data and some recent feedback from industrials led us to believe that China's economic growth could slow over the next 12-months. As such, we have put some of our projected investments into Chinese names on hold until the situation becomes clearer. It is worth highlighting that AI and Robotics are not only preserved from the crackdown, but also part of the China 2025 plan.

The end of the earnings season continues to be strong, especially for Software and AI stocks that continue to see sustained growth and higher valuation multiples. Echoing our article in June about AI-powered Cybersecurity, Biden urged tech companies to further invest more in cyber-defense, while the industry tries to fill up half a million job vacancies in this space, in the US alone. As expected, CrowdStrike continued to show strong number and robust growth even at its current scale.

General Automation stocks related to the wafer manufacturing equipment supply chain have done well as the industry tries to raise capacity as quickly as possible. The need for microchips is so strong that we also see a trend towards nationalization of manufacturing of the industry in the US and Europe away from the dominance of East Asia, which currently has around 75% of the world's manufacturing capacity. This combined with the increased amount of automation needed for leading edge chips implies that this demand will remain strong for years to come. Nvidia's proposed takeover of ARM faces headwinds on national security and competition grounds in the UK, and on competition grounds in the EU and China.

We think that we are in the middle of a phase of the economic cycle characterized by growth, but at a lower rate than a few months ago. Now, inflation expectations are more reasonable, and the monetary policy remains very supportive of high growth stocks. The evolution of the pandemic is hard to predict, so we will continue to focus on growth names that will perform, irrespective of the economic cycle. As for the adoption cycle of our Robotics and AI theme, we believe that we are still in the early phases. We have noted a rapid acceleration in the number of companies joining our universe from IPOs and SPACS in the last 12-months, with many of them using these core technologies to enter and disrupt entirely new markets which bodes well for the longevity of the theme.

### 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	\$201 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

August 2021

### Fund Performance and Statistics 1/2 (as of 30/08/2021)

#### RoboCap UCITS Fund Performance

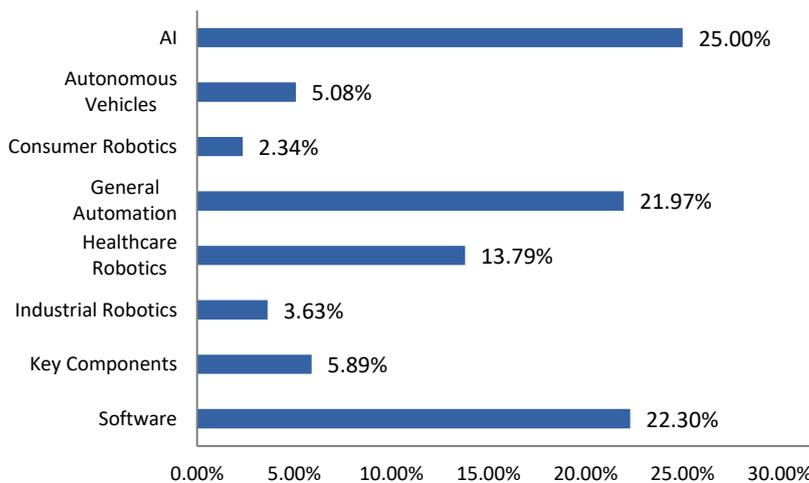
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-2.4%	+1.28%	+4.95%	-0.55%	+3.36%	-1.97%	+3.83%	+0.43%	+4.36%	-2.02%	+0.98%	+1.15%	+13.83%
2017	+6.92%	+1.66%	+4.53%	+3.99%	+5.69%	-1.29%	+4.48%	+3.02%	+5.32%	6.96%	+1.04%	-0.82%	+49.78%
2018	+7.52%	-3.45%	-3.66%	-2.68%	+1.97%	-0.54%	+1.17%	+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%					+14.89%

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)

- Brooks Automation
- CrowdStrike
- Dynatrace
- Omnicell
- Splunk

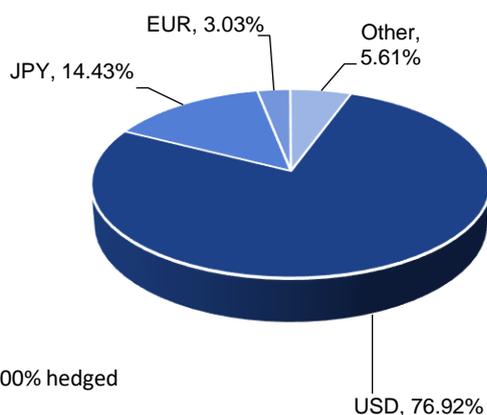
#### Holdings By Sub-Theme (% of Equity Holdings)



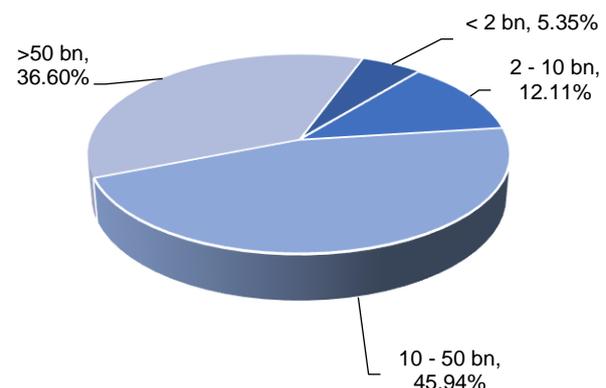
#### Key Fund Metrics

Med. Weighted Fwd P/E 12M	41.61x
Med. Weighted Fwd P/E 24M	36.23x
Dividend Yield	0.47%
No. of Holdings	36
Volatility	16.56%
Sharpe Ratio (annualized)	1.36
Annualized Performance	+22.63%

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



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



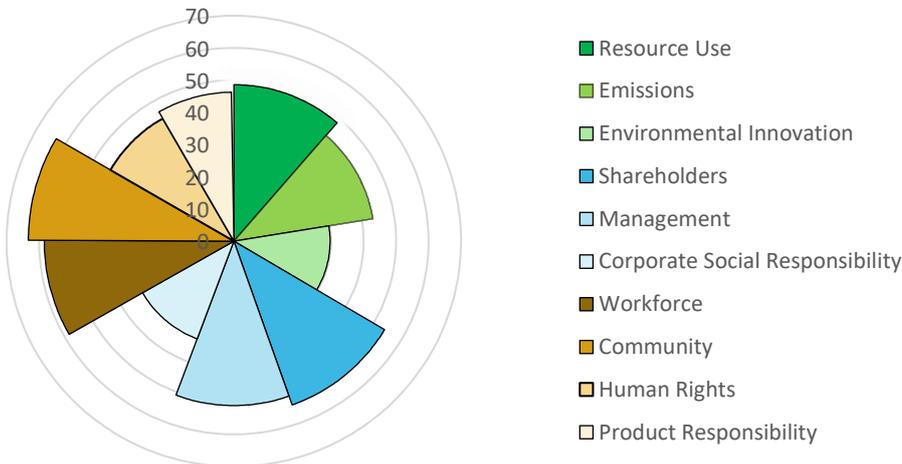
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### Fund Performance and Statistics 2/2 (as of 30/08/2021)

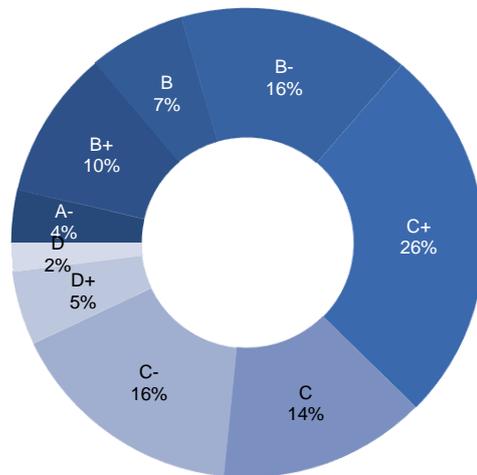
#### Portfolio's ESG Monitor \*



#### 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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