

# RoboCap UCITS Fund

## Robotics, Automation and AI Equity

September 2019

### Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended September with a NAV of 155.71, up 2.82% in the month. This brings the net performance of the fund to +8.92% year-to-date and +55.71% 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

The Fed cut benchmark interest rates by 0.25% as the economic and manufacturing data suggest a slowdown. The ECB reduced already negative interest rates by 0.5% for the same reasons. These lower interest rates supported equity markets to an extent in September. The US and China agreed to resume high-level talks in early October, as the dispute has a significant impact on manufacturing around major economies.

The excitement around IPOs has cooled as market sentiment is more focused on near-term profits than a company's growth prospects. We think that this major repricing from growth towards value is creating interesting buying opportunities in companies with disruptive technologies that are now trading at a discount to their older listed peers.

Most sub-themes posted a positive contribution to the performance led by Industrial Robotics and General Automation. In the absence of major news or results, the share prices have been driven by their valuations and a view that a rebound in orders for cyclical industries is probably 2-3 quarters away as the rate of orders' decline is getting smaller.

Some stocks in Industrial Robotics trade at their peak valuation levels, while many Software, AI and Healthcare robotics stocks trade below their 5 years' average. We do not think that cyclical robotics stocks' valuation is always justified, while we find a better risk/return profile in companies benefiting from secular growth. You can find the latest statistics of the International Federation for Robotics on page 3 showing the negative impact of the trade war on industrial robotics demand. Our repositioning towards more Software and Healthcare robotics explains an important part of the median P/E valuation increase of the portfolio this year. We have continued to reduce our cash position to less than 10%.

We see a positive low double digits earnings growth of profitable companies in the portfolio this year. By comparison, the rebound of equity indices like the S&P 500 and Nasdaq 100 are only based on valuation multiples expansion, with almost no earnings growth.

### 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%				+8.92%

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

<b>Structure</b>	UCITS Fund
<b>Domicile</b>	Ireland
<b>Passported</b>	France, Germany, Luxembourg, Singapore (QI only), Spain, Switzerland and UK
<b>Liquidity</b>	Daily
<b>Fund AUM</b>	\$87 million
<b>Strategy AUM</b>	\$118 million
<b>Inception</b>	4 <sup>th</sup> January 2016

<b>Share Class</b>	Institutional Founder
<b>Currency</b>	EUR/USD/CHF/GBP
<b>Mgt. Fee</b>	1.00%
<b>Perf. Fee</b>	10.00%
<b>Min Init. Sub.</b>	5,000,000
<b>ISIN Codes</b>	EUR: IE00BYZB6N09 USD: IE00BYZB6R47 CHF: IE00BYZB6Q30 GBP: IE00BYZB6P23

<b>Share Class</b>	Institutional A Pooled (Clean)
<b>Currency</b>	EUR/USD/CHF/GBP
<b>Mgt. Fee</b>	1.25%
<b>Perf. Fee</b>	12.50%
<b>Min Init. Sub.</b>	1,000,000
<b>ISIN Codes</b>	EUR: IE00BYZB6855 USD: IE00BYZB6C93 CHF: IE00BYZB6B86 GBP: IE00BYZB6962

<b>Share Class</b>	Institutional B Pooled
<b>Currency</b>	EUR/USD/CHF/GBP
<b>Mgt. Fee</b>	1.50%
<b>Perf. Fee</b>	15.00%
<b>Min Init. Sub.</b>	500,000
<b>ISIN Codes</b>	EUR: IE00BYZB6D01 USD: IE00BYZB6H49 CHF: IE00BYZB6G32 GBP: IE00BYZB6F25

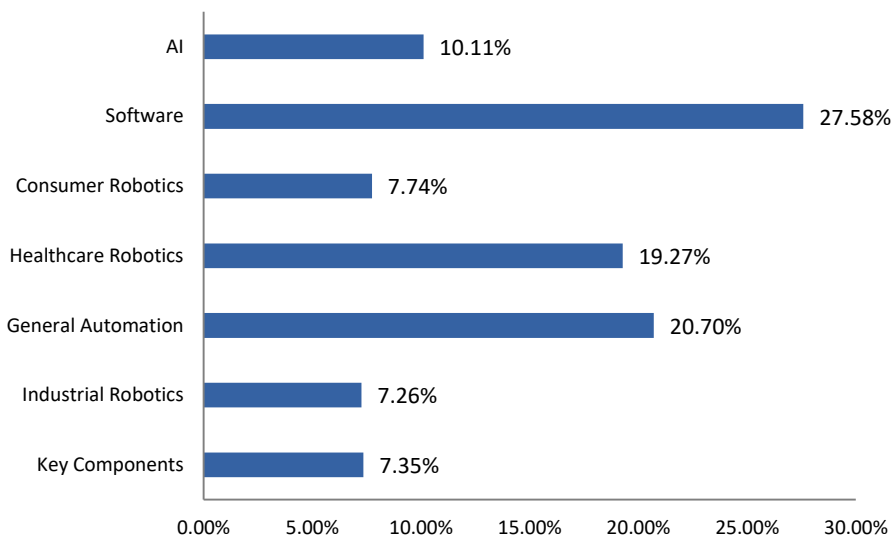
# RoboCap UCITS Fund

## Robotics, Automation and AI Equity

September 2019

### Composition of Fund (as of 30/09/2019)

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



#### Top 5 Holdings (alphabetical)

Honeywell International  
 Intuitive Surgical  
 Keyence  
 Nice Ltd  
 Rockwell Automation Inc

#### Key Fund Metrics

Med. Weighted Fwd P/E 12M	32.13x
Median Dividend Yield	0.78%
No. of Holdings	32
Volatility	12.25%
Sharpe Ratio (annualized)	+0.95
Annualized Performance	+13.52%

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

Large Cap (>\$10bn)	60.23%
Mid Cap	33.51%
Small Cap (<\$2bn)	6.23%

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

USD	65.08%
JPY	14.69%
EUR	4.27%
Other	15.96%

\*90-100% hedged

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### Disclaimer

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