

RoboCap UCITS Fund

Robotics, Automation and AI Equity

December 2019

Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended December with a NAV of 171.70, up 1.91% in the month. This brings the net performance of the fund to +20.10% for 2019 and +71.70% 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

America and China reached a "phase one" agreement in December that should be signed on Jan 15. This marks a further de-escalation in the trade war. New US tariffs due in December did not materialize and tariffs on around \$120bn of imports have been reduced from 15% to 7.5%. China apparently agreed to make efforts on curbing forced technology transfer, which was a major concern for the US.

Companies with exposure to China and the trade war were the main beneficiaries of the improved trade environment in December. Some companies with smaller market caps have also started to rebound, notably in Japan as markets adopted a risk on stance. We added two new positions in AI, in companies involved with hardware and in neuro-machine translation.

Last month, we visited one of Ocado's automated grocery fulfilment centers, which uses a 3D grid called the "Hive" supported by nearly a thousand logistics robots controlled by a central AI to fulfil online grocery orders. They are the leader in this space and are set to more than quadruple the number of these fulfilment centers in the next few years. There is a strong consumer demand for this service, and they have already signed deals with some of the largest grocers in the world: Kruger (no.1 in the U.S.), M&S, Aeon (no.1 in Japan), Casino and many more. More broadly, logistics automation demand continued to grow in 2019, despite trade tensions, due to their efficiency benefits - this will remain a key element of the portfolio.

At the start of 2020, low interest rates, the de-escalation of the trade war and innovation are major tailwinds for our theme. We expect the demand for most verticals to rebound. However, as multiples expanded in 2019, we expect 2020 will be a 'show me' year with many companies needing to show solid top-line growth to move higher from here. We are particularly selective in Industrial Robotics and Healthcare Robotics due to the relatively high valuation multiples of these sub-themes.

We see no shortage of investment opportunities and increased the number of positions. Our investment ratio at the start of the year stands at over 93% which reflects this stance.

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%	+1.91%	+20.10%

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

Structure	UCITS Fund
Domicile	Ireland
Passported	France, Germany, Luxembourg, Singapore (QI only), Spain, Switzerland and UK
Liquidity	Daily
Fund AUM	\$85 million
Strategy AUM	\$119 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

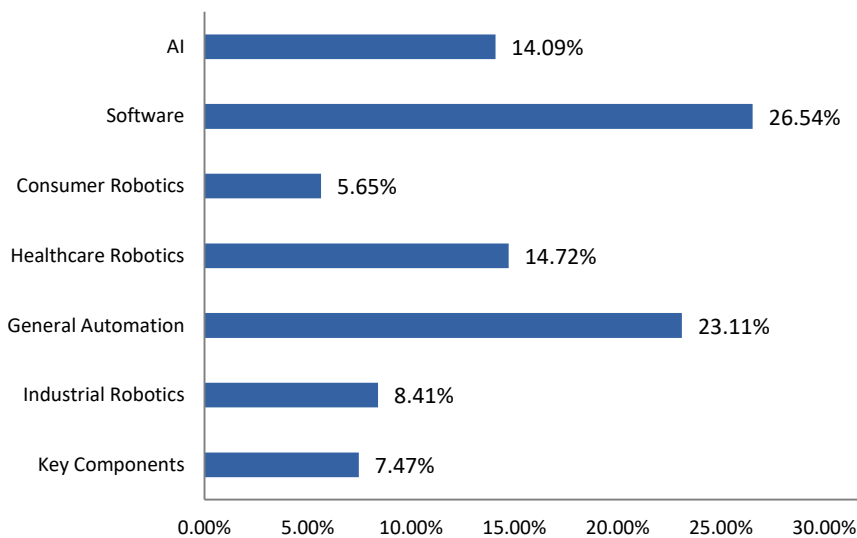
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Composition of Fund (as of 31/12/2019)

Holdings By Sub-Theme (% of Equity Holdings)



Top 5 Holdings (alphabetical)

Ametek
Honeywell International
Intuitive Surgical
Keyence
Omniceil

Key Fund Metrics

Med. Weighted Fwd P/E 12M	35.70x
Median Dividend Yield	0.69%
No. of Holdings	33
Volatility	12.20%
Sharpe Ratio (annualized)	+1.15
Annualized Performance	+15.48%

Holdings by Market Cap (% of Equity Holdings)

Large Cap (>\$10bn)	69.40%
Mid Cap	24.91%
Small Cap (<\$2bn)	5.70%

Holdings By Currency (% of Equity Holdings) *

USD	63.15%
JPY	16.52%
EUR	4.04%
Other	16.29%

*90-100% hedged

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