

RoboCap UCITS Fund

Robotics, Automation and AI Equity

September 2020

Performance Returns

The RoboCap UCITS Fund USD Institutional Founder share class ended September with a NAV of 211.19, down -0.48% in the month. This brings the net performance of the fund to +23.00% year-to-date and +111.19% 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

In September, equity markets generally corrected, led by tech as the Nasdaq 100 fell by 5.72% in the month. The sell-off was likely related to concerns over valuations that appear to have triggered profit-taking particularly in stocks that performed well year-to-date.

The COVID cases keep expanding and have infected 10% of the world's population, according to the WHO, and even reached Trump. The V-shaped economic recovery is showing some signs of fatigue at the start of Q4 as the growing number of cases in Europe, among others, is followed by measures that are capping the economic recovery. In this context, COVID related positions continue to perform well, but we remain optimistic on treatments and vaccines emerging in the coming quarters.

Less than a month before the US presidential elections, everything is related to the elections. The Biden camp is extending its advance, based on recent surveys, and increases the odds of a clear win that would not delay the results, a scenario that is feared by the markets. For our portfolio, a Republican win would be a continuation of the past four years, while a Democrat win would probably mean more economic stimulus, a tougher stance on the monopolistic position of big tech companies (that we do not own) and higher taxes. The US-China trade tensions would probably remain as it is a bipartisan issue, and the decoupling of the supply chains would continue. We think that both scenarios are priced in by the markets and either way clarification on the future policies will be welcomed.

This month, we had a negative contribution from tech-related names in Software and AI, while Healthcare Robotics and Industrial Robotics stocks generally had a positive returns. We started the month by taking some profits on strong-performers and selectively increased our allocation to Industrial Robotics names. We increased our investment ratio during the month from 90% to 92%, trying to take advantage of market exaggerations.

We would like to note that the overhyped Tesla battery day highlighted an interesting roadmap of improvements for battery technologies. Nvidia, the leader in microprocessors for AI and a fund's position, indicated its intention to merge with ARM, the British semiconductor owned by Softbank, that would further strengthen its lead and significantly increase its Total Addressable Market from \$50bn to \$100bn in 2024. The merger is not completed yet and the approval could face some roadblocks as highlighted in our news section.

Going forward, we stick to our GARP (Growth At a Reasonable Price) investment process with discipline, which means we may have to avoid some fast-growing but overvalued stocks. The US elections will bring some volatility, but we feel well-positioned. We expect a slowdown in the economic recovery in Q4 vs Q3 with some upside risk from new treatments and vaccines against the coronavirus and likely new round of fiscal stimulus, but we do not invest into the economy as much as we do invest into innovations that are the bedrock of the fourth industrial revolution.

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%				+23.00%

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	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

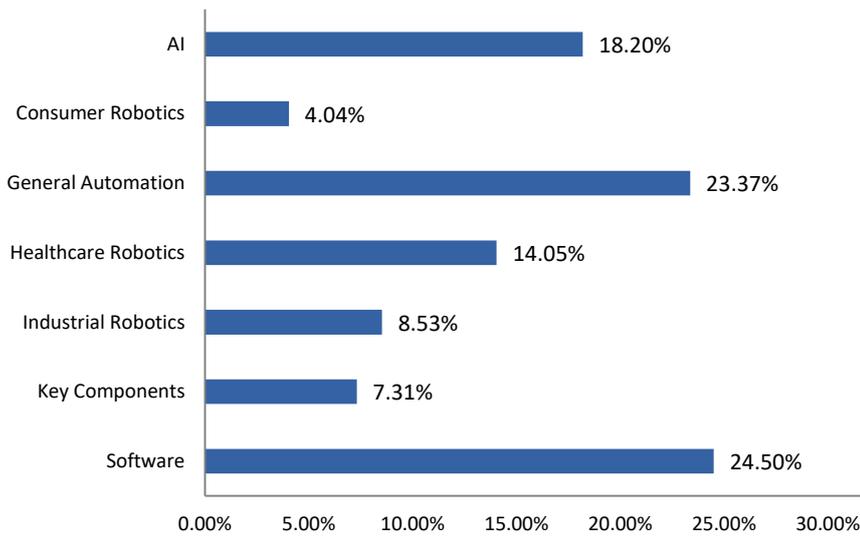
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Composition of Fund (as of 28/08/2020)

Holdings By Sub-Theme (% of Equity Holdings)



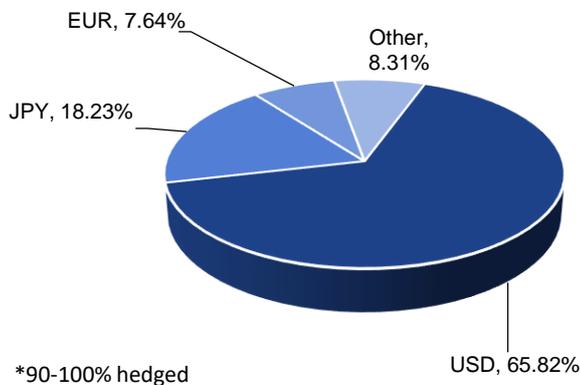
Top 5 Holdings (alphabetical)

CrowdStrike Holdings
 Dynatrace
 PTC
 ServiceNow
 Synopsys

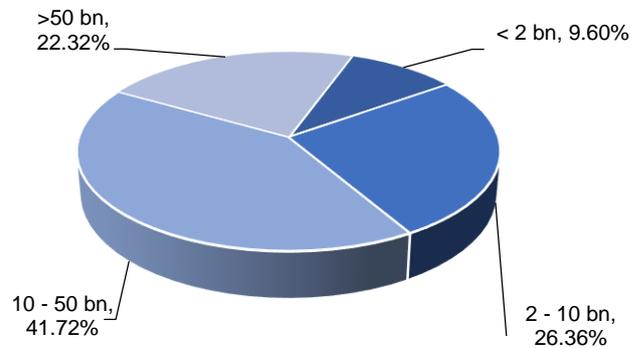
Key Fund Metrics

Med. Weighted Fwd P/E 12M	46.40x
Med. Weighted Fwd P/E 24M	34.59x
Median Dividend Yield	0.48%
No. of Holdings	36
Volatility	16.66%
Sharpe Ratio (annualized)	1.13
Annualized Performance	+18.87%

Holdings By Currency (% of Equity Holdings) *



Holdings by Market Cap (% of Equity Holdings)



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