

Robin Hood Capital

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The contrarian quality growth approach

Basically, we love buying Ferraris, but only on the days they've been scratched in the parking lot and are selling for the price of a Honda.

Being a "Contrarian" means you look like a genius in five years, but you look like an idiot today. So... please keep that in mind for the next 10 minutes.

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IV. Risk Analysis

- Risk Management & Capital preservation
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Muzamel Shah – 3rd year – NEFS Investment Fund Director

- abrdn – alternative investment trainee (1 year)
- Troy Asset Management – Spring Intern
- HSBC – Spring Week (general)
- Franklin Templeton – Summer Analyst

Kabir Siddhu – 2nd year – NEFS corporate finance Director

- Irwin Mitchell Asset Management – Summer Analyst
- Piper Sandler – Spring Week (IBD)
- A. Stotz – Investment Research analyst
- Shield Corporate Finance – Summer Analyst (M&A)

Josh Groves – 2nd year – NEFS Investment Fund Vice-Director

- Lucror Analytics – Corporate Credit experience
- Royal Bank of Canada – Spring Week (capital markets)
- Collins Sarri Statham Investments – AM experience
- BrandAlley – Finance placement

Portfolio Summary

A Portfolio built on 3 distinct pillars, for the long-term



Robin Hood Capital

Thesis Overview



Contrarian

- We have chosen unloved, beaten up by the market companies facing challenges, leading to discounts and cheap prices.
- Our analysis indicates that they will be able to navigate these.



Quality

- Quality businesses, with strong fundamentals, outperform.
- We have chosen equities with strong, sustainable competitive advantages, high returns on capital, and strong management.



Long-Term

- There is a lot of irrelevant, short-term noise in the market. We ignore it, staying focused on the true valuation of a company.
- Our strategy is anchored in the belief that it pays to be patient.

Asset Allocation

Funds & Trusts (45.7%): Access & Stability: Gaining access to late-stage VC (e.g., SpaceX) via Baillie Gifford trusts, at a ~10% discount to NAV.

Anchoring the portfolio with Fundsmith's high-quality compounders to minimise downside volatility.

Equities (43.9%): High-Conviction Alpha: Deploying capital into specific themes where the market is wrong, such as the US Housing Recovery (FND) and EM Digitisation (MELI, NU).

Targeting Fallen companies (Lululemon, Crocs) to capture mean-reversion upside.

Gold & Cash (~10.4%): Strategic Hedge

Top Holdings

Top Equity Holdings	%
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FND	10.59
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LULU	5.47
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MELI	4.66
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SE	4.17
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AMZN	4.06
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Top Fund Holdings	%
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Fundsmith Equity Fund	10.34
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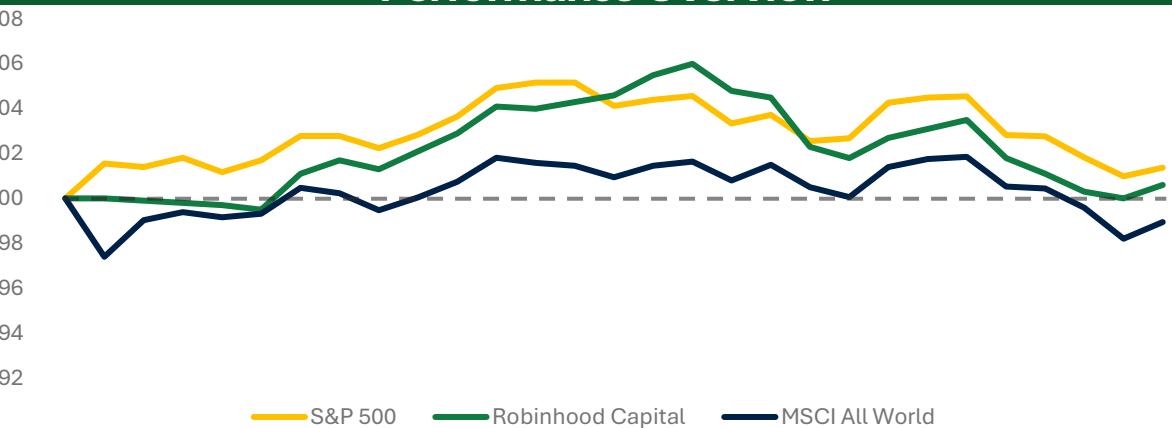
Smithson Investment Trust	9.29
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Orbis OEIC Global Equity	8.84
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Baillie Gifford US Growth Trust	4.03
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Scottish Mortgage Investment Trust	3.81
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Performance Overview



Portfolio	P/E	ROIC	Sharpe Ratio
Robin Hood Capital	25.43	18%	1.53
S&P 500	30.79	16%	4.88
MSCI All World	24.90	13%	-4.89

Macroeconomic Deep Dive

Identifying structural Dislocations & Secular Tailwinds



Riding digital payments wave

The Blueprint:

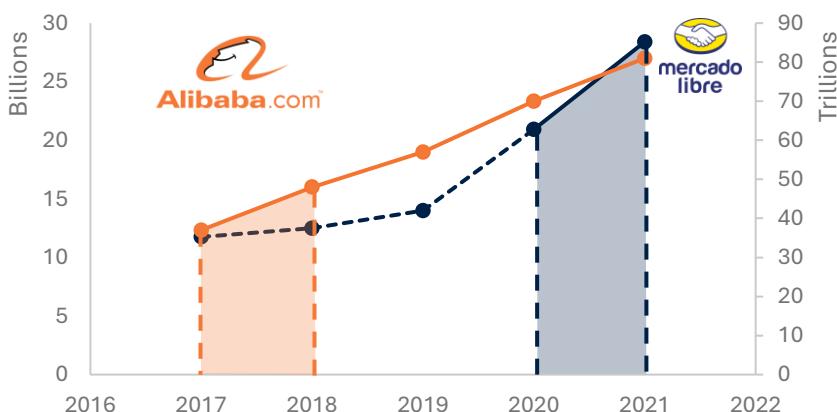
- We utilise Alibaba and Alipay in China as the historical benchmark for how digital ecosystems evolve.
- Our Emerging Market holdings are currently at the early stages of this same proven trajectory.

The Runway:

- China has achieved **39%** e-commerce penetration of total GMV, while SEA and LATAM are currently only at **15%**. We see these markets following our blueprint.
- This represents a significant growth runway for our portfolio.

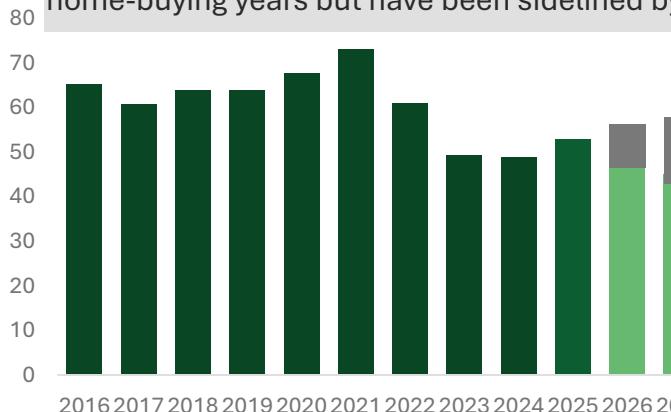
Financial Deepening:

- Just as China shifted from cash to mobile payments, we see an inevitable structural shift in our target markets .
- Cash usage declining and credit adoption expanding as the population gains access to the banking system.



Contrarian Housing Bet

- The US has a massive structural backlog of Millennial buyers, the largest generation in history, who are currently in their home-buying years but have been sidelined by affordability.



Key Beneficiary: FND is positioned to capture upside from this recovery.

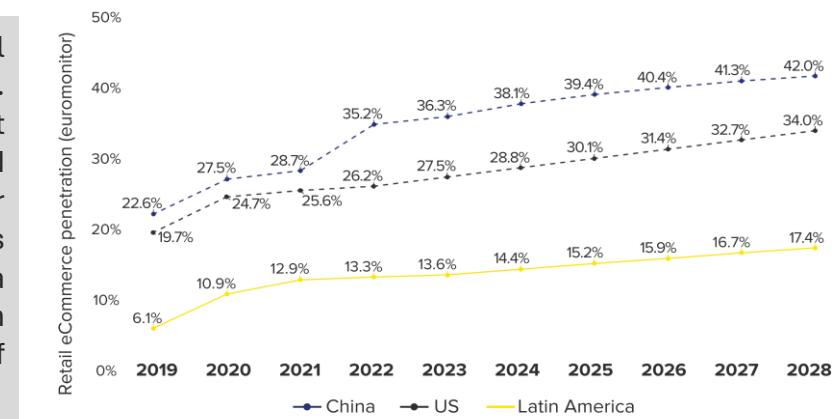
Our view:

- We anticipate a mean reversion driven by lower rates and price adjustments.
- Rate cuts serve as the catalyst for this pent-up demand. As mortgages become accessible, we expect a rapid conversion of this demand into actual transaction volume.

Street View

Macro Catalyst: The Penetration Gap

We identified a massive structural dislocation in e-commerce adoption. While China has achieved **~40%** market penetration, Latin America and Southeast Asia remain near **~15%**. Our portfolio is positioned to capture this inevitable '**catch-up**' growth, providing a multi-year runway for our platform leaders (MELI, Sea Ltd), independent of the broader economic cycle.



Sources: Bloomberg, Mercado Libre IR,
Seeking Alpha

Summary

Macro Outlook

Asset Allocation

Performance

Risk Analysis

Equity Breakdown

High Conviction Allocation to Quality & Growth



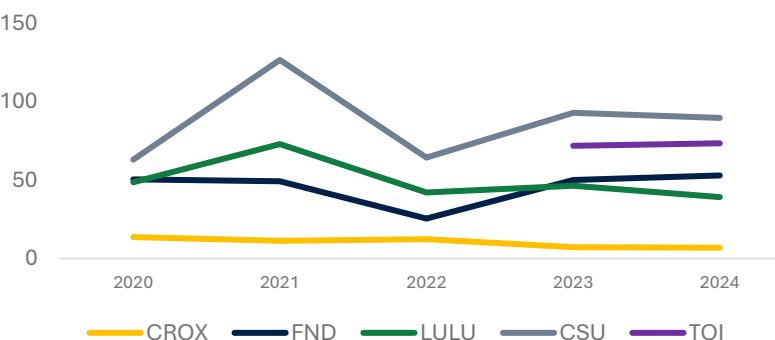
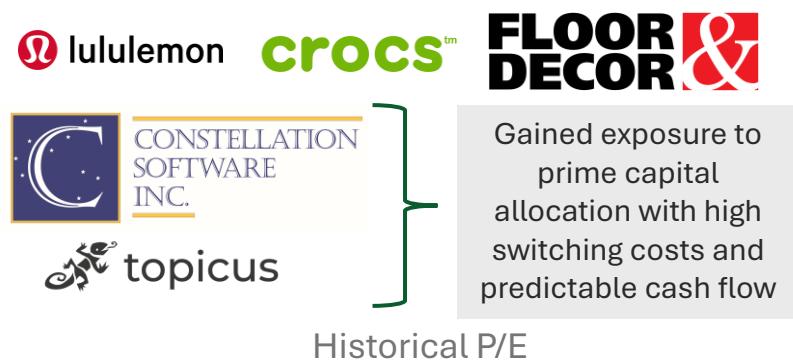
Robin Hood Capital

Contrarian Quality

22.07%

We took contrarian positions in dominant category leaders currently trading at dislocations to their intrinsic value due to short-term sentiment rather than broken fundamentals.

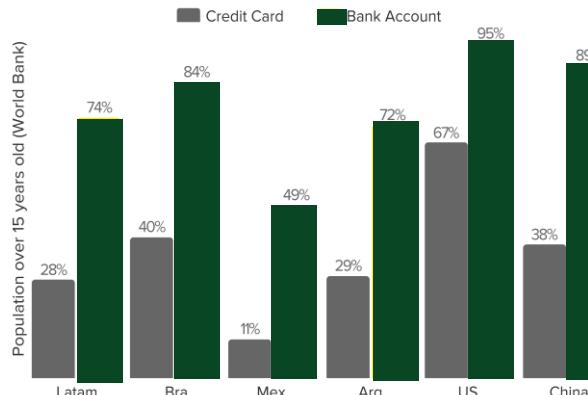
We believe the market has mispriced these names. As they continue to deliver strong earnings, we anticipate a significant valuation re-rating, acting as a catalyst.



Emerging Economies

11.18%

We targeted the structural 'Wealth Effect' in developing nations, capturing the shift of millions into the formal financial system. By allocating to dominant digital infrastructure leaders, we gained exposure to essential services. These businesses have proven non-discretionary, demonstrating the ability to protect margins and compound revenue even during local economic downturns.



Other Equities

10.89%

We anchored the portfolio with 'Core Compounds' that serve as the utility layer of the global digital economy. By allocating to dominant leaders in Cloud and AI (Amazon, Alphabet) alongside essential hard assets (Brookfield), we secured steady cash flows and inflation hedges. This was reinforced by mission-critical technologies (Axon, Corning) and precious metals, providing a diversified defense against currency debasement and market volatility.



Brookfield

Fund Breakdown

Tactical Beta & Thematic Diversification



Quality Funds Breakdown

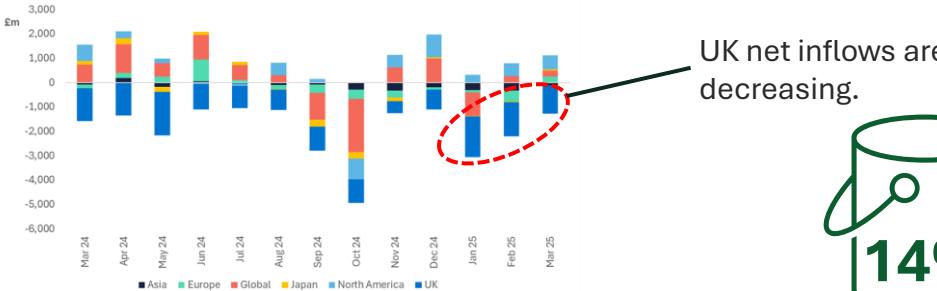
- Fundsmith & Smithson:** 19% allocation to high-quality companies with "fortress" balance sheets
- Designed to capture **secular tailwinds** while limiting drawdown participation during recessions.

Fundsmith

Smithson

Other Funds Breakdown

The Contrarian Value Bucket (14%): allocation of capital to **Orbis** and the **UK Market**.



- The UK Opportunity:** The UK market is currently priced for **pessimism** compared to global markets. We believe the outflows provide a valuation opportunity.
- Role in Portfolio:** This allocation acts as a **counter-balance** to our high-growth holdings, ensuring we perform even when growth factors stall.



Orbis:
Offers us
contrarian
exposure.

Baillie Gifford Funds Allocation

The Baillie Gifford Arbitrage

10%

Weight.

Strategic Allocation:

The basket trades at an average **10%** discount to Net Asset Value (NAV).

The Opportunity:

We anticipate this discount window closing due to active share buybacks, activist pressure, and mean reversion in growth stock performance.

The Catalyst:

Jun Jul Aug Sep Oct Nov Dec

-5.00%
-10.00%
-15.00%

NAV Discount

USA SMT China

Alternative Asset Allocation (10.4%)

1 Gold ETF

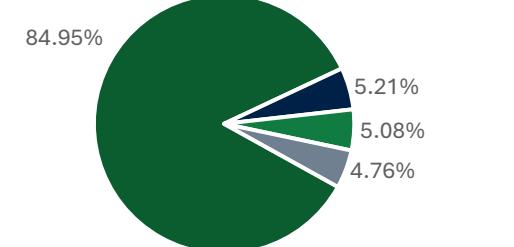
Strength in momentum and asset class diversification provide stability to our portfolio.

2 Real Assets

Small exposure to Real Assets provides access to uncorrelated returns.

3 Cash

Small amount of cash in case of discovering new opportunities or rebalancing investments.



Sources: The Investment Association,
Hargreaves Lansdown

Summary

Macro Outlook

Asset Allocation

Performance

Risk Analysis

Performance Analysis

Quantifying Alpha: Attribution & Benchmark Relative Return



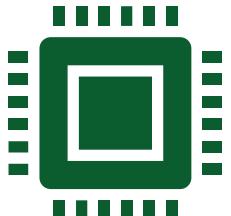
Performance Breakdown

Headwinds



Early volatility due to poor entry in some holdings such as Constellation Software and Mercado Libre, creating an initial drag on returns.

Tailwinds



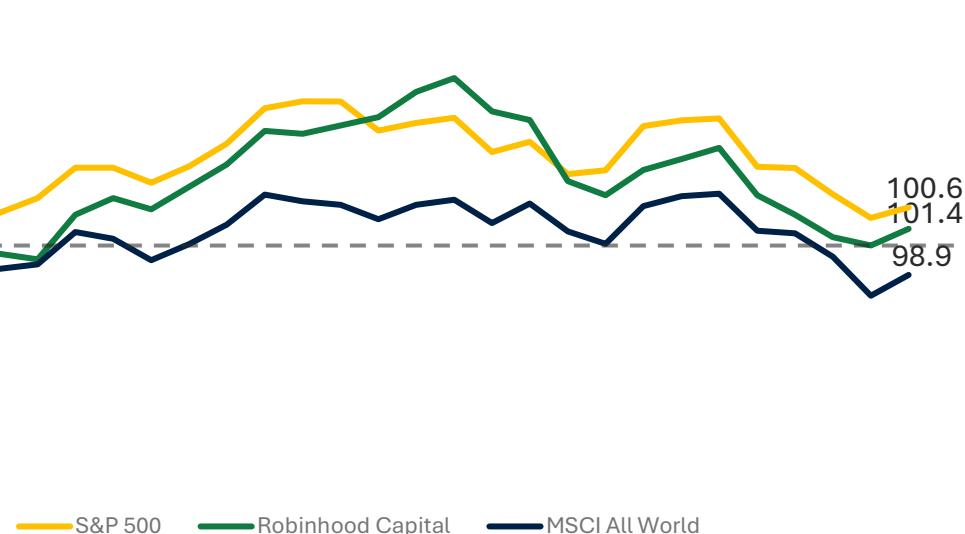
We successfully captured the AI upside through Alphabet and diversifiers like the Korean ETF, outperforming the benchmark mid challenge.

Strategic Context

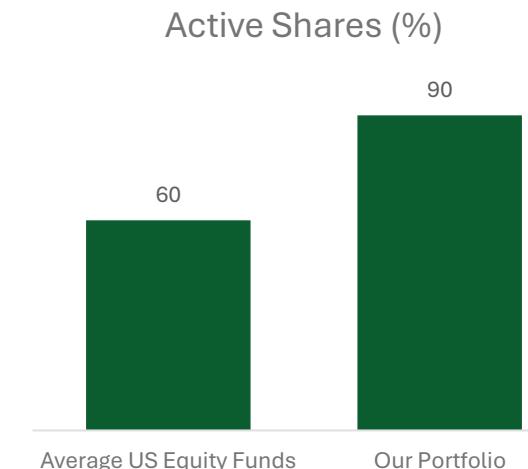


We generated alpha by deploying a long-term quality strategy within a tactical 8-week window. We targeted high-conviction structural winners, accepting higher volatility to capture superior returns.

Performance



Key Insight



Sources: Umushroom, Bloomberg

Summary

Macro Outlook

Asset Allocation

Performance

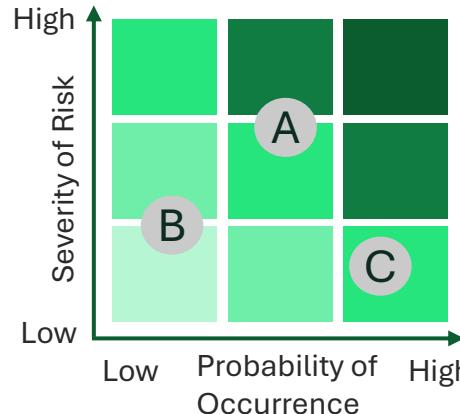
Risk Analysis

Risk Management and Capital Preservation

Balancing Upside Capture with Downside Protection



Risk and Scenario Matrix



Risk Description Mitigant Our Strength

Equity-Based: Our portfolio could struggle if there are several years of consistent AI dominance (similar to **1990s tech bubble**).

Although our portfolio *may* underperform in the short-run, our portfolio *should* rejoice over a longer time horizon.

- Balance Sheet Strength:** Focus on **high-quality** companies with low leverage capable of weathering volatility.

Funds-Based: If the discount for the **NAV** doesn't close, then our funds will continue to trade at a discount.

We believe increased activism reduces the risk of the discount not closing and managers can move allocations.

- Resilience:** Selected businesses with structural growth drivers (**MELI, NU**) that can outperform even during economic contraction.
- Valuation:** Maintained a **margin of safety** by entering positions at attractive valuations relative to the benchmark.

Alternatives-Based: Gold could lose its momentum.

We have an adaptable mindset with hedging.

- Thematic Capture:** Deployed sector and **style-specific funds** to capture secular tailwinds while eliminating single-stock idiosyncratic risk.
- Beta Management:** Accepted higher beta in specific funds to capture upside volatility, balanced by **broader diversification**.
- Market Cap Spread:** Mitigated concentration risk by balancing large-cap exposure with Small-Cap funds.

- Flexibility:** We have a small allocation of **cash** which can be used to change our diversification method if required.

Quantitative Risk Analysis

Portfolio

Robin Hood Capital

Sharpe Ratio

1.53

S&P 500

4.88

MSCI All World

-4.89

	FND	LULU	MELI	SE	AMZN	CROX	NU	CSU	AXON	GOOG	GLW	SVM	TOI	SMITH	BG USG	ScotMort	BG CG	Amundi	
FND	1.00	-0.06	0.11	0.26	-0.04	0.39	0.24	0.12	0.05	0.02	0.32	-0.08	0.10	0.03	0.07	-0.02	-0.06	-0.04	
LULU		1.00	0.04	-0.09	0.41	-0.07	0.02	0.01	0.08	0.06	-0.12	-0.11	0.00	-0.06	-0.04	-0.03	-0.08	-0.02	
MELI			1.00	0.02	0.12	0.09	0.21	0.13	0.38	0.28	0.05	0.06	0.11	0.05	0.16	0.09	0.10	0.05	
SE				1.00	-0.08	0.20	0.37	0.02	-0.07	0.08	0.38	-0.08	-0.02	0.11	0.12	0.08	0.07	0.00	
AMZN					1.00	-0.03	0.05	-0.05	0.17	0.15	-0.02	-0.09	0.06	-0.09	-0.04	0.04	-0.03	0.00	
CROX						1.00	0.17	-0.02	-0.03	0.08	0.21	-0.12	0.05	0.08	0.03	0.03	-0.03	0.01	
NU							1.00	-0.05	0.03	0.07	0.33	-0.03	-0.04	-0.02	0.02	0.04	-0.02	-0.02	
CSU								1.00	0.01	-0.03	-0.06	0.06	0.19	0.26	0.21	0.23	0.03	0.26	
AXON									1.00	0.16	0.02	0.01	0.03	-0.02	0.02	-0.04	-0.01	0.01	
GOOG										1.00	0.05	-0.04	-0.04	0.06	0.11	0.06	0.03	-0.03	
GLW											1.00	0.01	0.01	-0.01	-0.07	-0.02	0.05	-0.04	
SVM												1.00	-0.01	0.03	0.11	0.07	0.06	0.13	0.15
TOI													1.00	-0.07	-0.03	-0.03	-0.06	0.03	
SMITH														1.00	0.58	0.62	0.39	0.62	
BG USG															1.00	0.75	0.28	0.49	
ScotMort																1.00	0.42	0.51	
BG CG																	1.00	0.41	
Amundi																		1.00	

The portfolio's low internal correlation combined with consistently high ROIC across our equity holdings supports our view that returns will be driven by idiosyncratic growth, not macro-beta.

Our funds exhibit strong internal correlation. This is expected because they share similar mandates and hold overlapping underlying exposures.

This cluster behaves as a, amplifying conviction without materially increasing cross-portfolio correlation due to the independence of the equity's single quality-growth sleeve

Sources: Capital IQ Pro

Summary

Macro Outlook

Asset Allocation

Performance

Risk Analysis

Performance Drivers

Defensive Stability: Positions in defensive equities and asset classes successfully anchored the portfolio, reducing overall volatility.

High-Beta Contribution: Strategic exposure to high-beta assets drove significant upside capture.

Areas for Improvement

Timing Execution: Experienced poor entries into assets trending down

Strategic Adjustment: Future capital allocation will shift toward earlier-stage deployment to capture value sooner, as capital was deployed at a later stage.

Valuation & Quality

Portfolio	P/E
Robin Hood Capital	25.43
S&P 500	30.79

Portfolio	ROIC
Robin Hood Capital	18%
S&P 500	16%

Key Trade: Korean ETF

Macro Driver: Leveraged structural governance reforms to capture re-rating opportunities.

Thematic Driver: Exposure to the AI supply chain via key hardware manufacturers.

Outcome: Successfully exited position to lock in significant gains.

Appendix

Equity Allocation (43.9%)

Equity Strategy:

- Strategy consists of identifying high-quality equities that are unloved by the market. They have been beaten up by the market or have faced a challenge.
- We bought companies that we believe can navigate challenges and have a strong moat – MELI, SE & FND.



Alternative Asset Allocation (10.4%)

Alternative Assets Strategy:

- Exposure to Gold ETF due to momentum in Gold and asset class diversification.
- Small exposure to Real Assets for uncorrelated returns.
- Small amount of cash in case of discovering new opportunities, or rebalancing investments.



Fund Allocation (45.7%)

Fund Strategy:

- Strategy consists of buying funds exposed to the quality growth style.
- Diversified set of funds with exposure to small, mid and Large caps.
- Fund holdings also included funds that held high beta stocks, with additional exposure to the private markets.



Scottish Mortgage Beta

- Traded in and out of a Korean ETF due to the political climate of Korea and the Chip war.