

UMUSHROOM 2025 UK INVESTMENT CHALLENGE

Cyclical Alpha + Strategic Core

A hybrid approach to navigating the technology hardware cycle.

INVESTMENT TEAM

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Investment Summary

Rank: #1 National | Return: +6.5%

STRATEGY PROFILE

A hybrid portfolio deploying a **58% passive core** (MSCI World) as a risk anchor, enabling **42% high-conviction satellite** positions in cyclical technology hardware inflections.

CORE (Passive)	58%
SATELLITE (Active)	42%

KEY DRIVERS (WHAT WORKED)

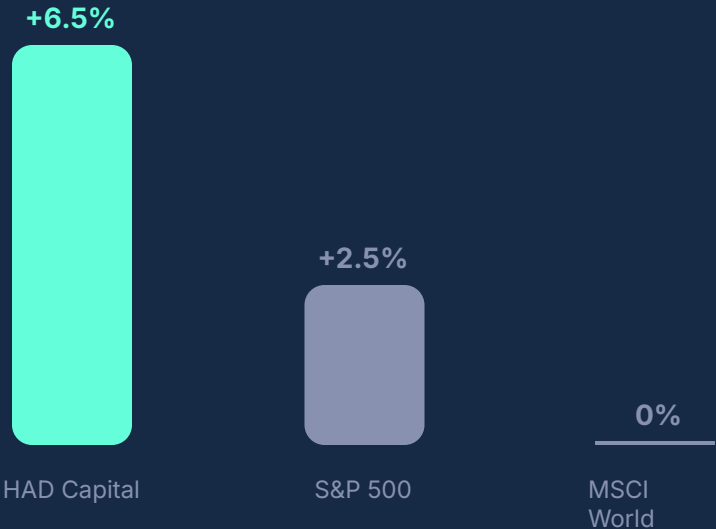
SK Hynix +22.2%
(\$3,366 profit - our largest winner)
HBM memory supply for AI accelerators.

Seagate (STX) +23.5%
(\$2,525 profit)
Cloud/AI storage demand recovery.

PERFORMANCE METRICS

Total Return	+6.50%
MSCI World	~0.00%
Alpha	+6.50%
Sharpe Ratio	1.18
Sortino Ratio	1.48
Info Ratio	2.32
Volatility (Ann.)	30.0%
Max Drawdown	-4.05%

RETURN VS INDICES



Macroeconomic Thesis

Focus: Technology Hardware Inflection Points



AI Infrastructure

Hyperscaler Capex is accelerating. Demand is shifting from pure compute (GPUs) to supporting infrastructure (Storage/Memory/Networking). This creates a lag effect we targeted.



Semiconductor Cycle

Memory pricing is stabilizing after a 2-year downturn. High Bandwidth Memory (HBM) shortages are driving margin expansion for leaders like SK Hynix.



Cloud Migration

Enterprise data storage demand is inflecting positive as legacy on-premise systems are upgraded for AI readiness, benefiting pure-play storage like Seagate.



US-China Decoupling

Supply chain bifurcation benefits US and Korea-domiciled suppliers, informing our geographic allocation (42% US/Korea).



Fed Rate Path

Stabilizing rates provide a floor for long-duration tech valuations, reducing the systemic risk of our active positions.

Our Edge & Process

Passive Core enables Active Aggression

The Rationale

Specialization > Diversification

We do not attempt to be generalists. We focus deep on hardware cycles where we have analytical capability.

Data > Narrative

We track supply chain data (pricing, inventory levels, export data) rather than consensus earnings estimates.

Risk Barbell

A 58% passive core (MSCI World) prevents catastrophic portfolio failure, allowing us to take concentrated, high-conviction bets with the remaining 42%.

INVESTMENT PROCESS

01. RESEARCH

Supply Chain & Macro Analysis

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02. TIMING

Technical Entry at Cyclical Lows

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03. SIZING

10-15% Position Cap (Conviction Weighted)

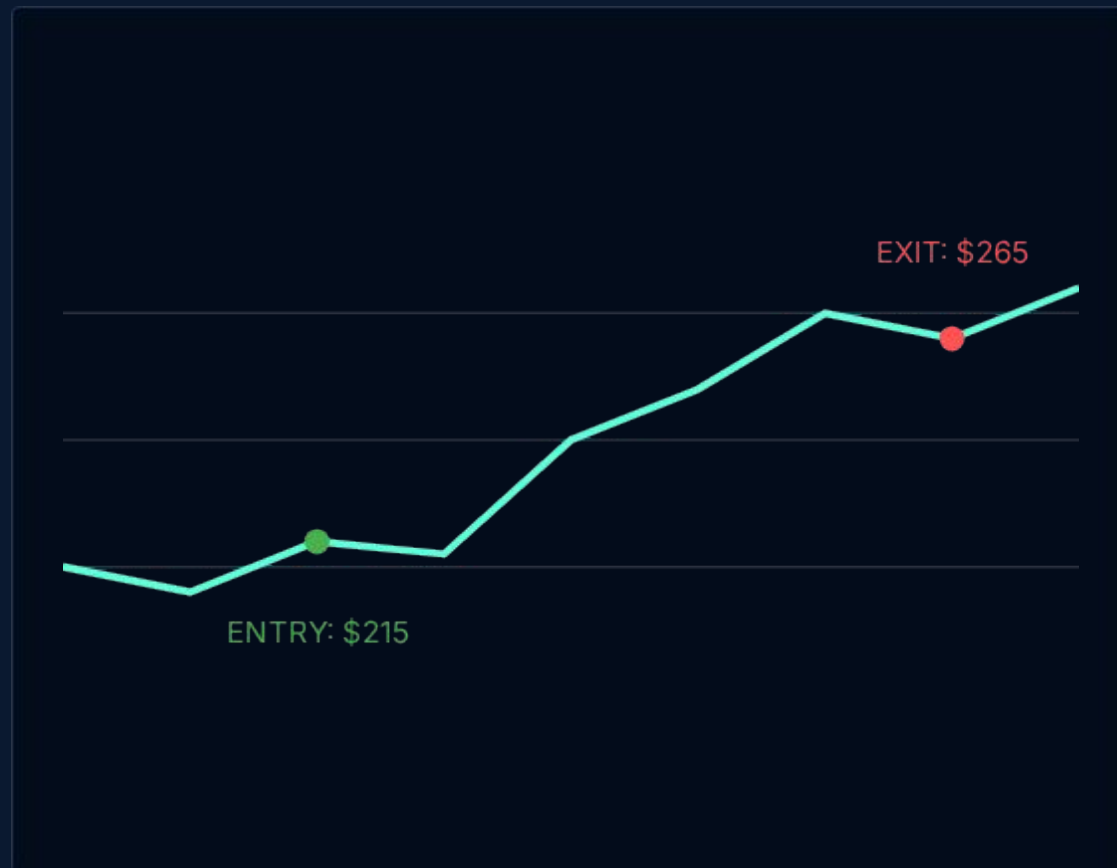
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04. EXECUTION

Strict Stop Loss (-5%) vs. Trend Following

Case Study: Seagate (STX)

Return: +23.5% in 12 Days



THE THESIS

- ✓ **Cloud Capex Inflection:** Hyperscalers signaled increased spend on mass capacity storage.
- ✓ **Valuation Dislocation:** Stock had sold off on short-term margin concerns, ignoring the volume recovery.
- ✓ **Technical Setup:** Price consolidated at key support with oversold RSI.

EXECUTION

ENTRY DATE
Oct 22, 2025

HOLDING PERIOD
12 Days

EXIT DATE
Nov 3, 2025

ANNUALIZED
+716%

"This trade exemplifies our process: identify the macro inflection, enter on valuation weakness, and exit on technical extension."

Case Study: Goldman Sachs (GS)

ENTRY EXCELLENCE, EXIT LESSON: -£409

✓ THE SETUP

ENTRY DATE

November 11, 2025

ENTRY PRICE

\$801.25

POSITION

45 Shares (£27,367)

RATIONALE: Systematic screen identified optimal entry 3.4% below ATH (\$825). Financial sector rotation confirmed. P/E 16x (cheapest quality).

⚠ THE PEAK

DATE

November 13, 2025

PRICE

\$838.97 (ATH)

POSITION STATUS

+4.71%

DECISION: Stock hit New All-Time High after extended run. **Failed to take profit (50%)** due to greed, expecting further upside.

✗ THE REALITY

EXIT DATE

November 17, 2025

EXIT PRICE

\$788.17

REALIZED LOSS

-£409

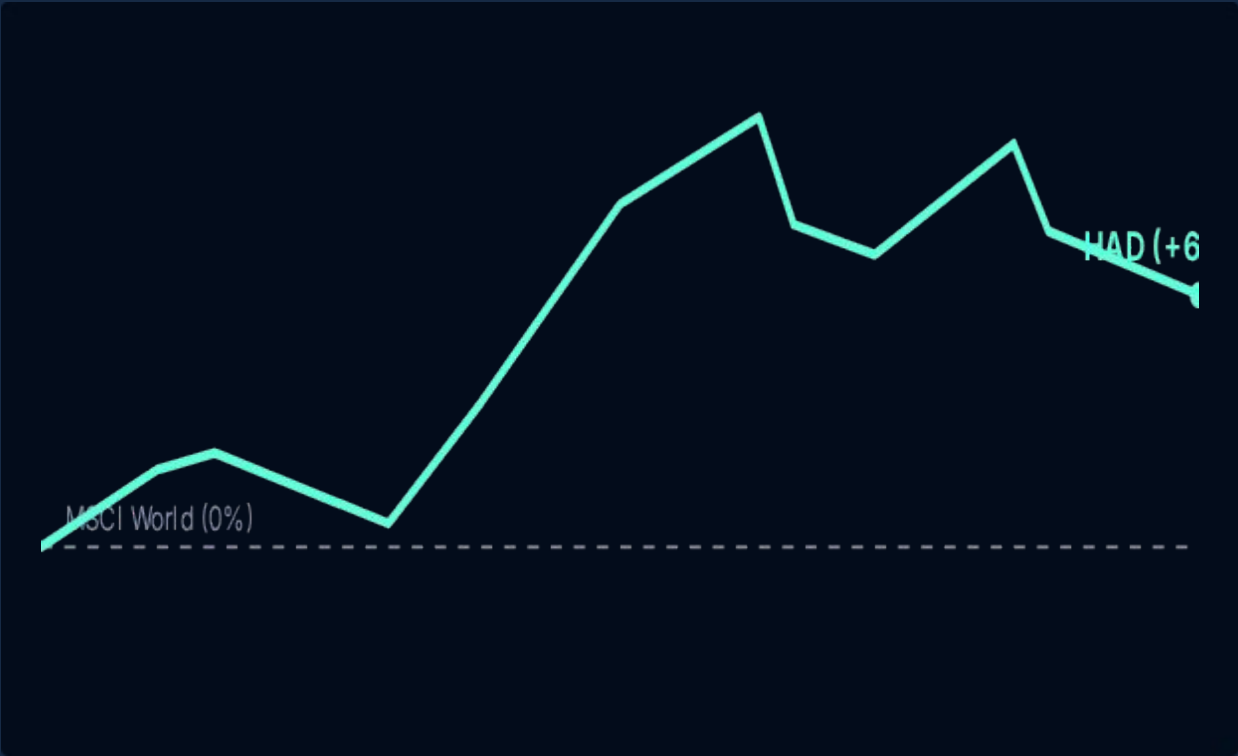
LESSON: Broad market selloff triggered reversal. Profit-taking is risk management. **New Rule: Sell 50% at New ATHs.**

"Entry excellence means nothing without exit discipline."

Performance vs Benchmark

Elite Information Ratio: 2.32

EQUITY CURVE (OCT 9 - NOV 19)



Consistent divergence from benchmark driven by specific active catalysts.

COMPARATIVE STATISTICS

Metric	HAD Capital	MSCI World
Return	+6.5%	0.0%
Alpha	+6.5%	-
Win Rate	71%	N/A

EFFICIENCY METRICS

2.32

INFO RATIO

2.12

PROFIT FACTOR

Insight: We generated elite risk-adjusted returns through sector specialization and supply chain analysis, not consensus estimates or market timing.

Forward Strategy

Process is Repeatable. Edge is Defensible.

Key Lessons

1. Specialization Wins

Generalist diversification dilutes alpha. Deep hardware focus generated our 7% outperformance.

2. Risk Mgmt is Alpha

Cutting Goldman Sachs at -1.6% prevented drag. Quick stops are as vital as big winners.

Future Adjustments

- ↑ **Increase Active Weight:** Scale from 42% to 50-55% now that the process is validated.
- 🔲 **Expand Sectors:** Move into adjacent AI software and Cloud Infrastructure.
- 🤖 **Systematize:** Implement screening for cyclical setups to remove behavioral bias.

Current Outlook

Datacenter Networking
Broadcom, Marvell

On-Device AI Storage
Micron, Western Digital

Fab Equipment
ASML, Applied Materials

"Our risk management is institutional-grade. Our edge is data-driven. Our results are #1."