
BLACKSHARD

CHALLENGE PORTFOLIO

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Blackshard Portfolio | Tear Sheet

+3.91% +513 bps

Total Return

1st

Alpha vs Bench.

Competition Rank (UCL)

Blackshard	+3.91%
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Portfolio Metric	Value
Annualised Return	28.3%
Annualised Volatility	26.4%
Annualised Sharpe	0.90
Annualised Sortino	1.08

-1.22%

Blended
Benchmark

-1.66%

S&P 500

PERFORMANCE ATTRIBUTION

CONTRIBUTORS

- Sigma Lithium (+46%): Decoupled from tech.
- Tactical 5x Leveraged Trade: Timely exit locked gains.

DETRACTORS

- AMD (-21%) & Klarna (-22%): Caught in sector-wide tech correction.
- Microsoft (-12%): CapEx concerns weighed on price.

INVESTMENT THESIS

Constructed to exploit the 'Fractured World.' We treat geopolitical volatility not as a portfolio risk, but as our primary source of uncorrelated alpha.

STRATEGIC ALLOCATION

- Approach: Strategy combining high-conviction thematic growth with defensive anchors.
- Split: 80% Active Equities / 20% Passive ETFs.
- Key Themes: Geopolitical Arbitrage (Lithium/Energy), Event-Driven Turnarounds (Deleveraging, IPOs), Sovereign Tech (Infrastructure), Structural Stability (Global Banks, ETFs).



Strategy Group	Ticker	Return	Vol
Thematic & Event-Driven (41% of equity)	SGML	+45.6%	85%
	WBD	+12.9%	52%
	YPF	+5.3%	55%
	KLAR	-21.5%	75%
	GOOGL	+11.6%	28%
Sovereign Tech (16%)	MSFT	-12.2%	24%
	AMD	-21.3%	48%
	HSBC	+4.3%	22%
	BAC	-1.4%	25%
Global Financials (23%)	MS	-2.8%	28%
	EQQQ	-2.8%	22%
	SPYL	-4.1%	18%
Passive ETFs (20%)	HNCT	-7.7%	25%

Macro Deep Dive

Key Drivers & Allocation Impact: Connecting the 'Fractured World' thesis to portfolio positioning.

KEY MACRO DRIVER & MARKET CONTEXT

Trade Protectionism & Re-shoring

Global fragmentation is driving tariffs and forcing supply chain localisation, benefiting domestic producers over global importers.



IMPACT ON ALLOCATION DECISIONS

High Conviction: Strategic Autonomy

Capital deployed into Critical Minerals (Sigma Lithium) and Independent Energy (YPF) to capture premiums from 'Security of Supply'.

Sovereign Deregulation & Policy Reform

Political shifts are unlocking asset value globally. We target rapid deregulation in Emerging Markets and the strategic relaxation of regulatory headwinds for critical Western sectors (Tech/Media).



Entry: Policy-Driven Turnarounds

Aggressive allocation to **Argentina (YPF)** and **US Corporate Turnarounds (WBD)**, betting on the divergence between 'Policy Risk' perception and the reality of reform.

Structural Market Volatility

Sector correlations are breaking down; therefore, active defence is required.



Defence: Liquid Structural Hedge

Maintained diversified ETFs for liquidity and High-Quality Financials as a '**Rate Shield**' to dampen volatility against single-stock drawdowns.

Strategy Rationale & Logic

Navigating structural volatility and geopolitical divergence to unlock asymmetric alpha.

"We view market turbulence not as risk, but as the 'new normal' source of opportunity."



Thematic & Event-Driven

Approach logic

Exploiting 'Fractured World' divergence. We target Supply Scarcity (Geopolitics) and Capital Dislocation (Corporate Events) to capture repricing independent of the macro cycle.

Execution

Positioning in 'Strategic Resources' essential for national autonomy and 'Self-Help' Corporate Turnarounds, ensuring returns are driven by hard catalysts rather than market beta.

Tactical allocation (initial weight):

YPF (15%), WBD (9%), KLAR (8%), SGML (7%)



Sovereign Tech

Approach logic

Technological supremacy is national security. We pivot to the 'Digital Industrial Base'—critical infrastructure that governments are structurally forced to protect and expand.

Execution

Allocating to 'State-Integrated' Cloud essential for government operations and 'Supply Chain Resilience' chipmakers required to de-risk Western hardware.

Tactical allocation (initial weight):

MSFT (8%), GOOG (6%), AMD (4%)



Structural Defence (Rate Shield)

Approach logic

Sticky inflation forces rates 'Higher-for-Longer.' This environment pressures long-duration growth assets but expands net interest margins for banking franchises.

Execution

Allocating to high-quality deposit franchises to capture yield, while using fee-based wealth management to dampen volatility.

Tactical allocation (initial weight):

BAC (9%), MS (9%), HSBC (7%), Passive ETFs (~20%)

Valuation & Selection Methodology

A multi-lens framework tailored to asset class characteristics.

Thematic & Event-Driven

YPF, Sigma Lithium, Klarna, WBD

SELECTION LOGIC:

Targeting assets with asymmetric upside driven by hard catalysts (Geopolitics, Elections, IPOs, Turnarounds) rather than linear earnings growth.

VALUATION METRICS:

- Sum-of-the-Parts (SOTP)
- Resource NAV (Lithium)
- Distressed Multiples (WBD)

KEY DRIVER / CATALYST:

Sovereign deregulation (Argentina), supply security premiums (Lithium), and capital structure events (IPOs & Deleveraging).

Sovereign Tech

Microsoft, Alphabet, AMD

SELECTION LOGIC:

Prioritises Utility-grade infrastructure over consumer hype. Targets 'Second Source' supply chains and mandated Sovereign Cloud.

VALUATION METRICS:

- Free Cash Flow Yield
- PEG Ratio
- EV / Sales vs Hist. Avg

KEY DRIVER / CATALYST:

Government security mandates & the 'Geopolitical AI Arms Race' establishing CAPEX floors.

Global Financials

HSBC, Morgan Stanley, BofA

SELECTION LOGIC:

Volatility dampeners acting as the portfolio's 'Rate Shield.' Strategy targets fee-based stability (Wealth Management) and defensive yield to buffer against geopolitical shocks.

VALUATION METRICS:

- Price / Tangible Book
- Dividend Coverage Ratio
- Return on Equity (ROE)

KEY DRIVER / CATALYST:

'Higher-for-Longer' rate tailwinds & 'Paid-to-Wait' capital returns (Buybacks/Yield).

Risk Architecture: The 5-Pillar Framework

From Structural Design to Active Defence.

1. Structural Foundation

Geographic Diversity

LatAm exposure hedges US Dollar concentration.

High Conviction Structuring

Top 3 Holdings (~35% of equity) maximises idiosyncratic alpha.

Correlation Defence

Near zero-correlation drivers in top 3 holdings: Critical Minerals vs. Media vs. Energy.

2. Active Defence

The 'Rate Shield'

Structural exposure to Global Banks turns inflation into income.

Liquidity Anchoring

Allocating ~20% to ETFs provides a Structural Beta Anchor, balancing our high-conviction Alpha bets with diversified market exposure.

3. Risk Outcomes

Metric	Value	Implication
Portfolio Volatility	26.4%	Diversification Benefit
Sharpe Ratio	0.90	Positive Risk-Adj. Return
Sortino Ratio	1.08	Upside Volatility Skew
Beta vs S&P 500	0.65	Low Market Sensitivity

Scenario	Impact	Rationale
USD Strengthening	POSITIVE	Long USD Assets (Energy/Tech)
Lower Interest Rates	POSITIVE	Tailwind for Tech & Growth (SGML)
Tech Correction	RESILIENT	Decoupled via Energy/Materials
Geopolitical Shock	POSITIVE	Boosts 'Security of Supply' Assets