



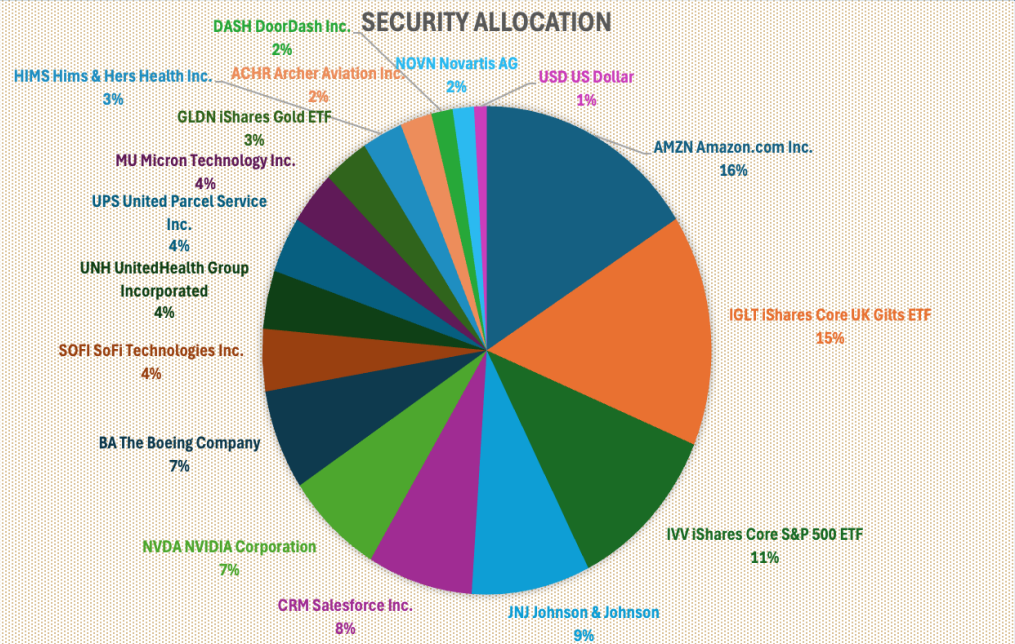
BARESTONE CAPITAL  
Risk Built on Stone

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# Barestone Capital

Presented by  
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SEO London

# Financial Strategy



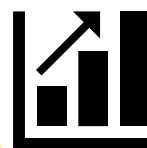
## Allocation Framework:

Balanced mix of sectors, asset classes, and position sizes  
16% AMZN, 15% UK Gilts



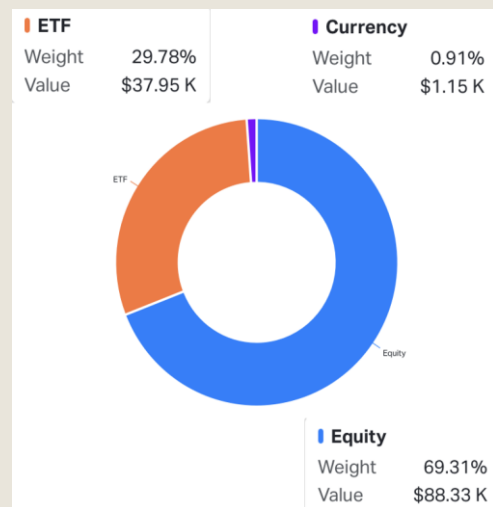
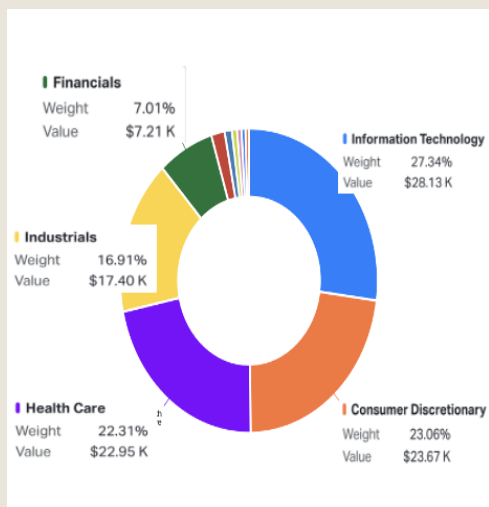
## Portfolio Mechanics:

Constructed through diversified risk segments  
Combining defensives with selective high-conviction positions

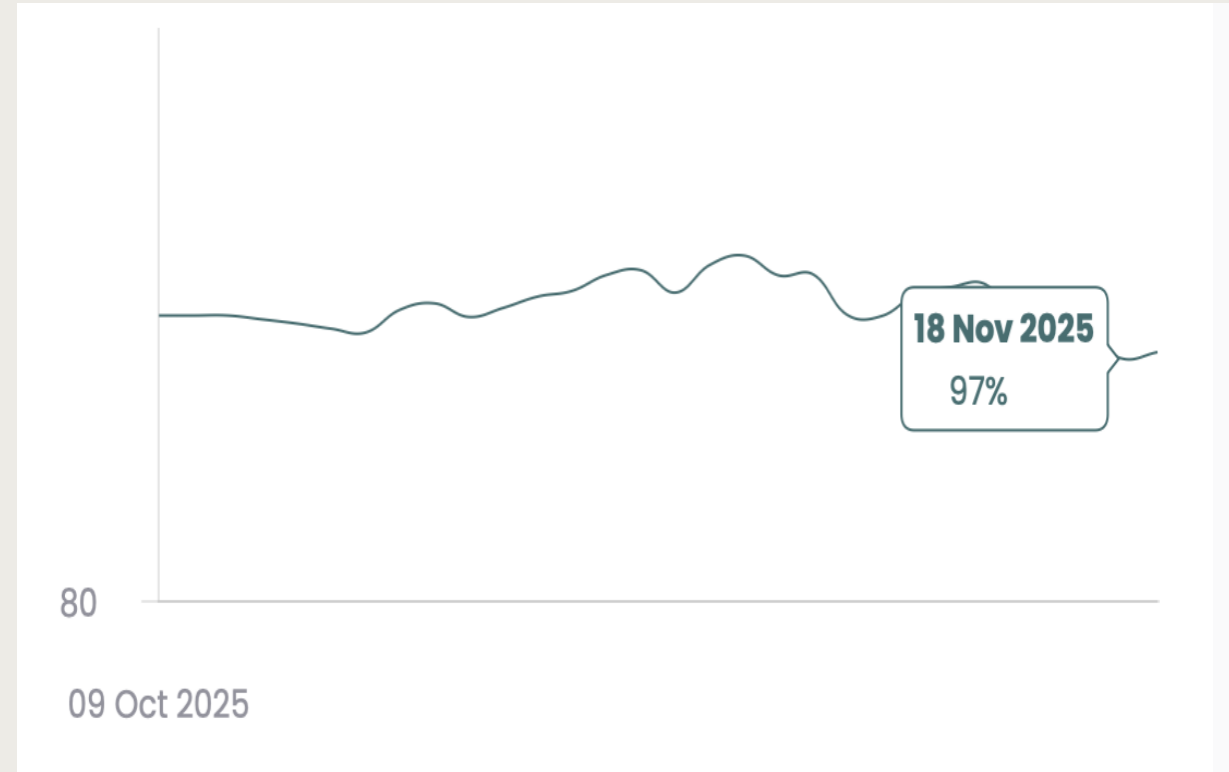
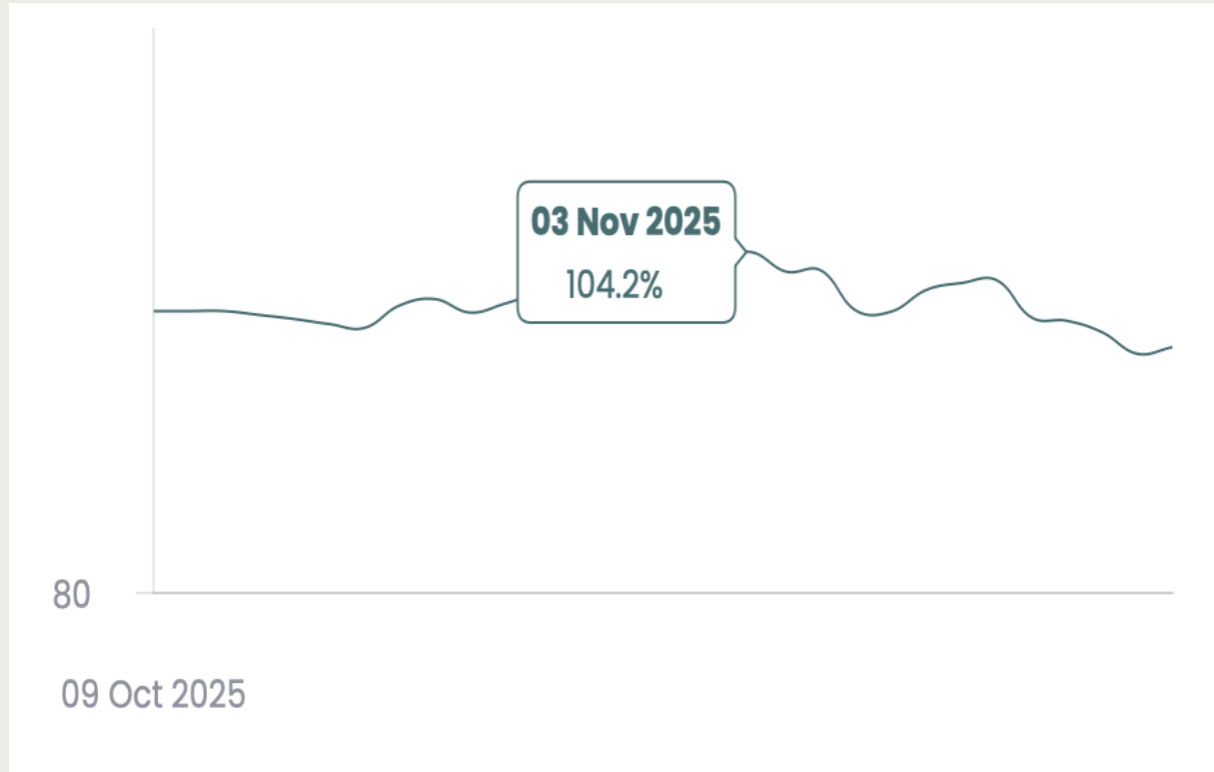


## Market Regime Constraints:

Overvalued large-cap tech and AI stocks combined with macro-political uncertainty



# Performance



Maximum upside of 4.2% & Maximum downside of 3% across the 8 weeks

# Benchmark

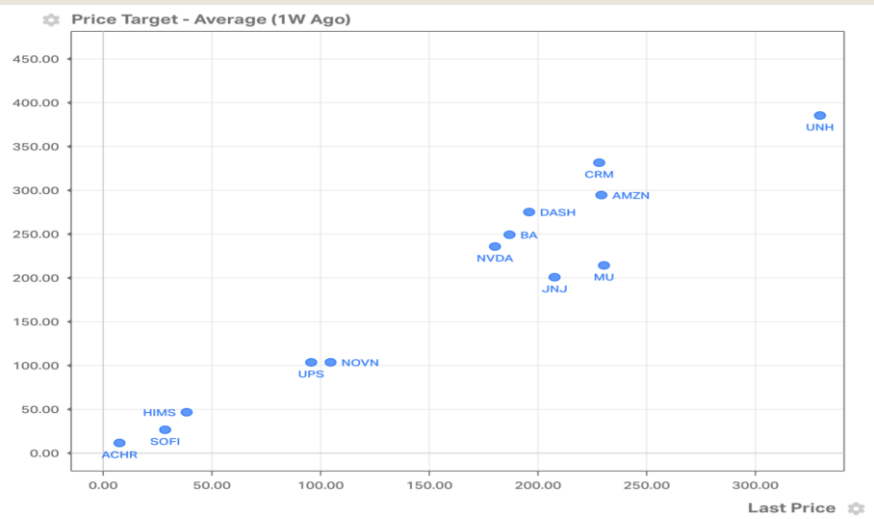
## Trailing Returns

26.11.25

| Period        | 1 Day |
|---------------|-------|
| My Portfolio  | 1.08% |
| SPY           | 0.94% |
| Vs. Benchmark | 0.14% |



| Metric                          | My Portfolio | ACWI    |
|---------------------------------|--------------|---------|
| Annualized returns              | 9.97%        | 4.25%   |
| Annualized excess returns       | 5.81%        | 3.50%   |
| Standard deviation (annualized) | 12.74%       | 16.69%  |
| Downside deviation (annualized) | 8.00%        | 11.34%  |
| Maximum drawdown                | -40.16%      | -56.28% |
| Stock market correlation        | 0.86         | 0.96    |
| Beta                            | 0.68         | -       |
| Alpha                           | 2.95%        | -       |
| Sharpe Ratio                    | 0.44         | 0.41    |
| Sortino ratio                   | 0.70         | 0.60    |



Overall, the portfolio is slightly negative when benchmarked with S&P 500, underperforming in line with the strategy focusing on risk management



Quant Metrics show lower standard deviation and downside deviation than benchmark resulting in a smoother performance



**High Beta:** Portfolio tends to amplify market moves, outperforming ACWI on strong upswings.



Price target analysis signals portfolio is well-positioned to capture opportunities as the market evolves

# Macro Environment & Key Market Drivers

## Political Landscape:

Shifts in US policies and trade regulations influenced market sentiment.

## Global Economic Trends:

Inflation, expected reduction in interest rates, and GDP growth

## Marker Sentiment:

Current market sentiment is cautious and highly reactive shaping a defensive, risk aware allocation

## Sector Dynamics:

Tech and AI felt overheated, so exposure was limited until opportunities arose.



# Strategy Rationale

**Balanced Growth:** Combines long-term growth with stability across asset classes

**Growth Core (35-40%):** Long-term positions like Amazon and Salesforce provide upside potential

**Targeted Risk (7%):** Small, high-risk positions for asymmetric gains and portfolio momentum

**Stable Foundation (55%):** ETFs, UK Gilts, Gold, defensive stocks to manage volatility

**Diversified Across Sectors & Risk Levels:** Tech, healthcare, consumer, aviation, commodities – no single area dominates

**Strategic Blend:** Stable positions anchor the portfolio; smaller risk positions allow exposure to growth trends





# Key Investments



UK Gilts (IGLT)  
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## AMAZON (AMZN):

- ❖ Reason for inclusion: Long-term growth engine with multiple revenue streams, providing upside while reducing reliance on any single sector
- ❖ AWS controls 30% of global cloud market share → drives high-margin growth
- ❖ Strong free cash flow and diversified revenue streams (retail & advertising)
- ❖ Anchors the growth portion of the portfolio

## UK Gilts (IGLT):

- ❖ Reason for inclusion: Defensive, stable asset to balance higher-risk positions and protect against volatility
- ❖ Yield of 4.3% provides stable return
- ❖ Acts as a hedge against equity market corrections and macro risks
- ❖ Stabilises the portfolio when growth-oriented positions experience short-term declines

# Risk Strategy & Management

Position Weighting - largest positions are in stable companies whilst riskier experimental trades occur in small percentages to reduce drag on the portfolio

Diversification - spread of investments across tech, healthcare, consumer, aviation and commodities so no single sector controls portfolio returns

Portfolio sensitivity - portfolio is built to benefit in the long-term, so initial short-term downside is expected, especially due to market consolidation

Market Correction →  
defensive holdings  
help stabilise returns

Tech Rally → NVDA &  
AMZN capture upside

Key  
Scenarios

Macro Policy Shock →  
Diversification across  
sectors limits  
downside

Geopolitical  
uncertainty → Gold &  
Gilts protect downside





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# Thank you

# Q&A