

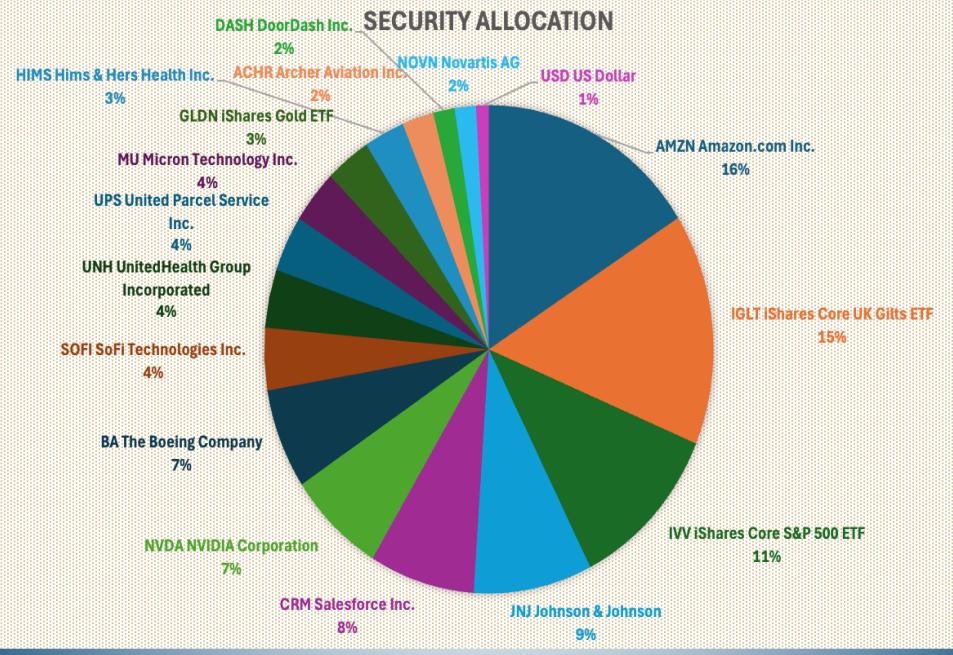


BARESTONE CAPITAL
Risk Built on Stone

Barestone Capital

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Financial Strategy



Allocation Framework:

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



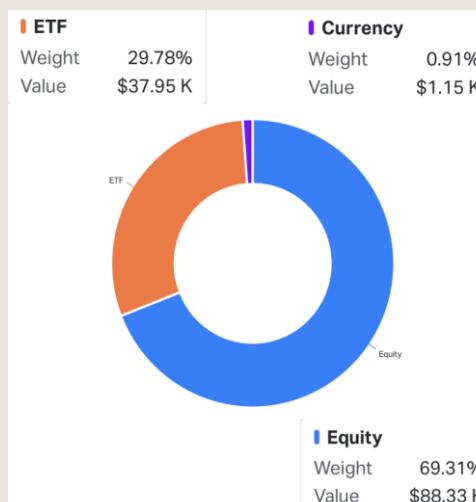
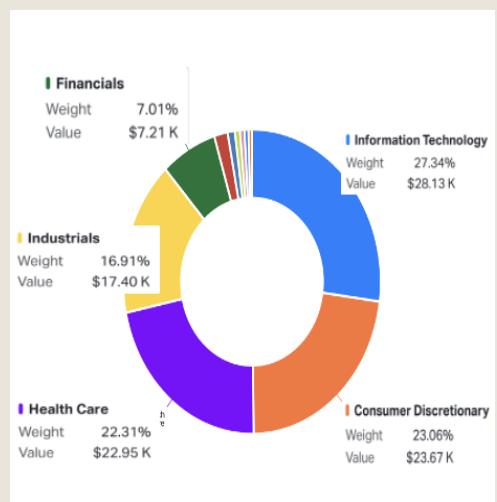
Portfolio Mechanics:

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

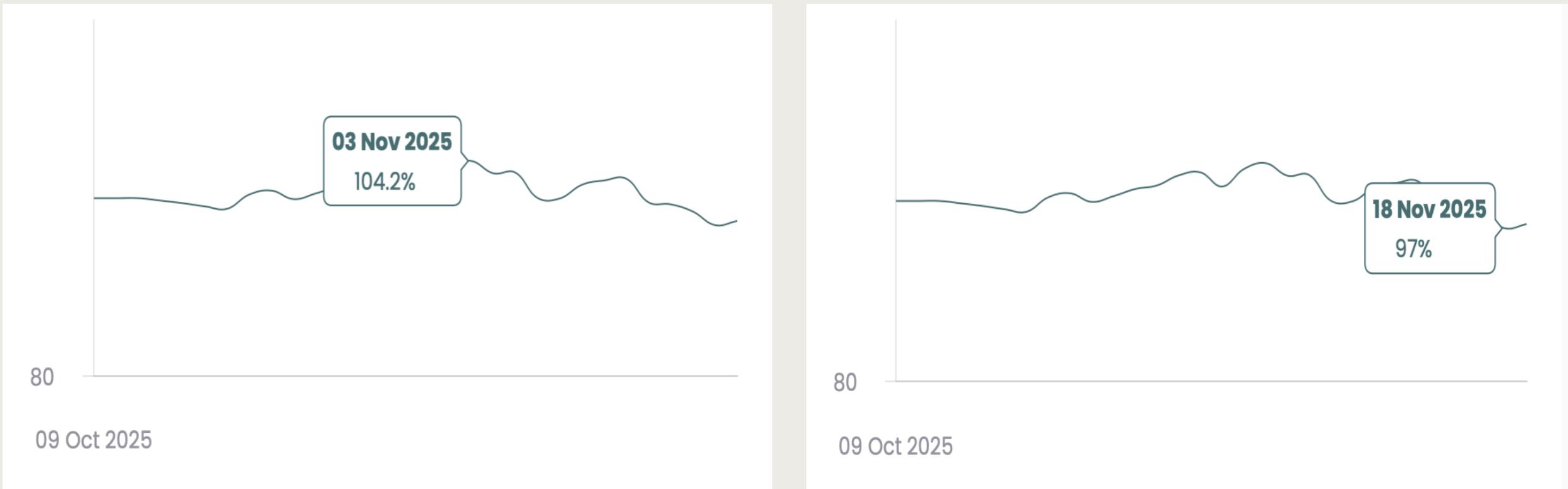


Market Regime Constraints:

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

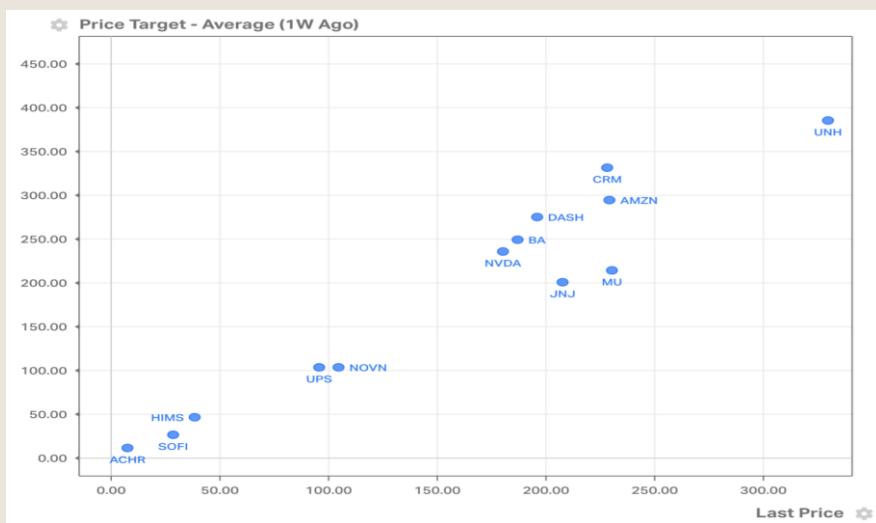
0.94%

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.

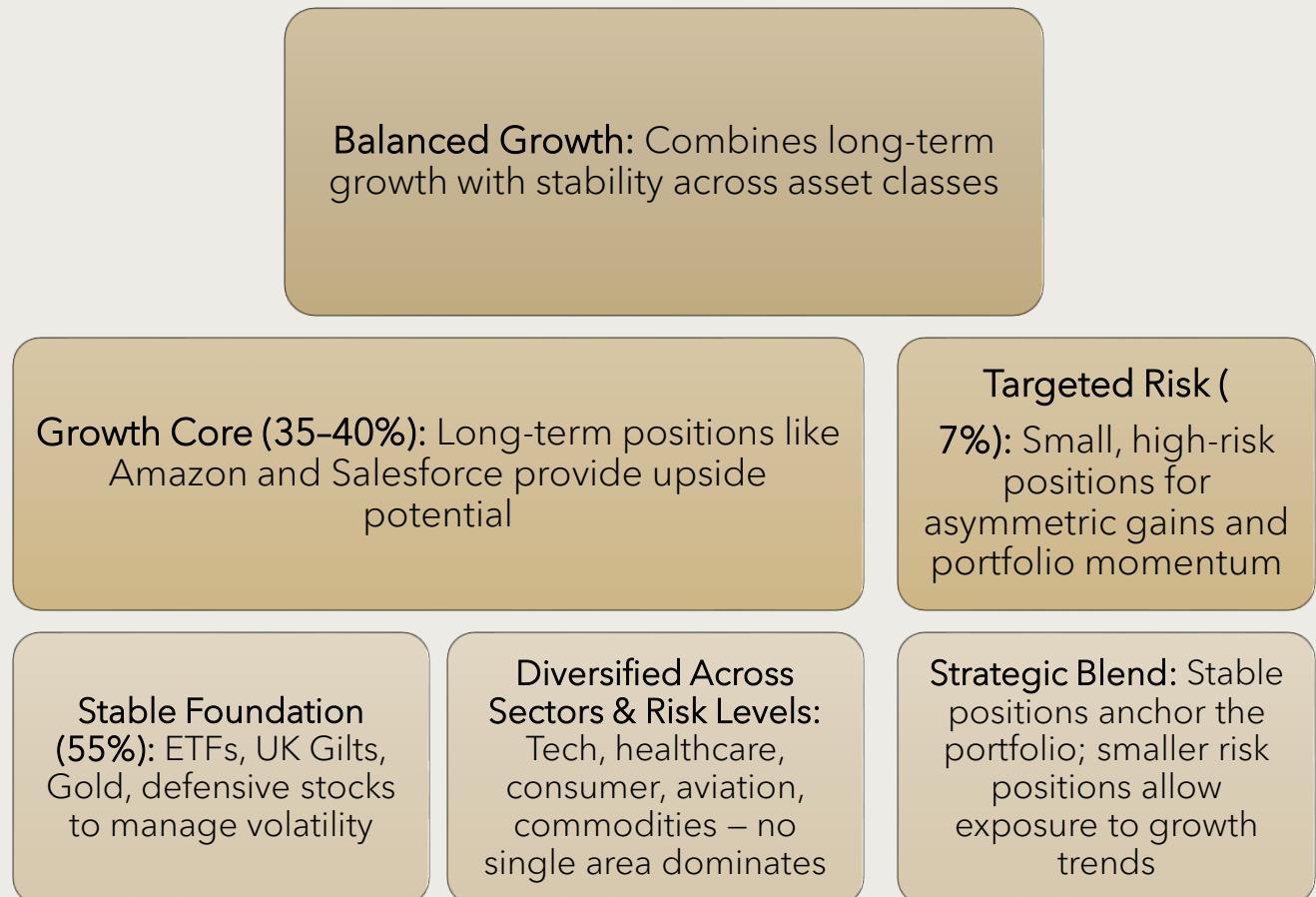
Global Economic Trends:
Inflation, expected reduction in interest rates, and GDP growth

Market 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



Key Investments

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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QUESTS NO HIGHLIGHT
JATTAQ ANOTSEARA

Thank you

Q&A