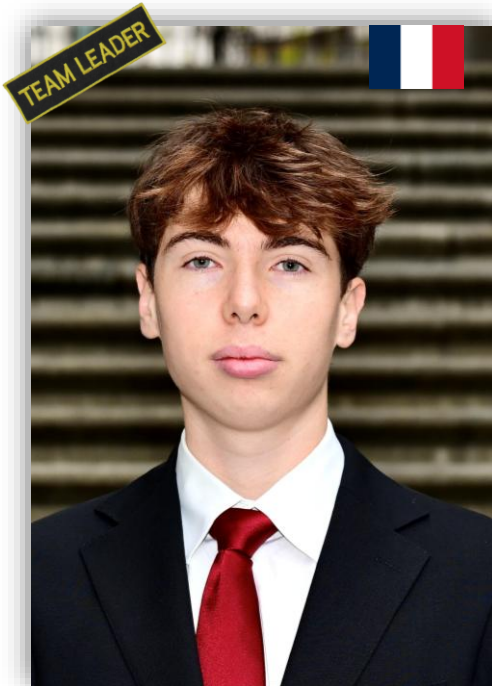




Meet The Team



Hugo Raffard

Bsc Accounting and Finance

Global Macro & Defensive Equities

"Clients rarely applaud you for making money, but they never hesitate to judge you when you lose it."



Murathan Berk Afacan

Bsc Accounting and Finance

Growth Equities & Event Driven

"Markets don't rise together, capital rotates, and outperformance belongs to those who move with the flow of money."



Can Berk Ican

Bsc Economics and Management

Growth Equities & Fixed Income

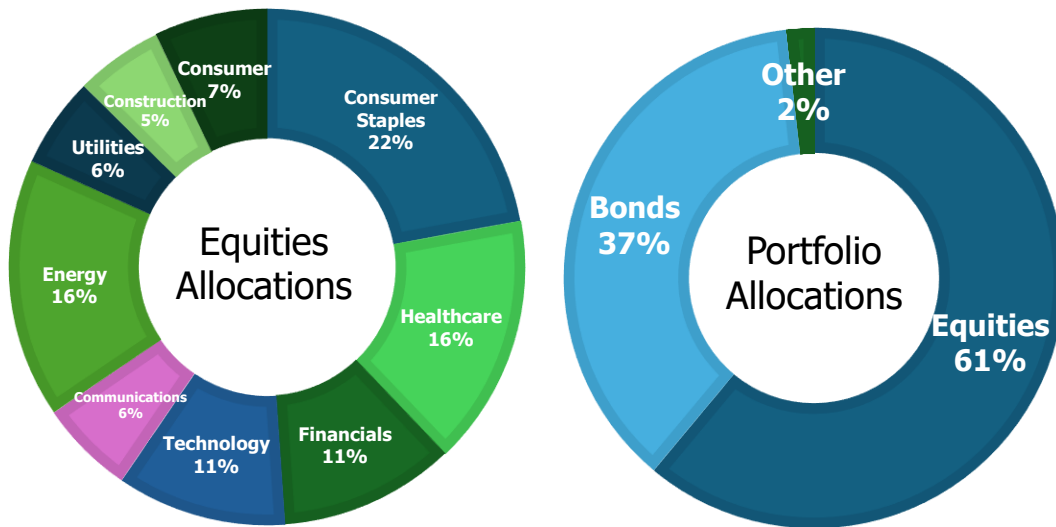
"Sustainable performance is built on small, repeated decisions done right."



Overview

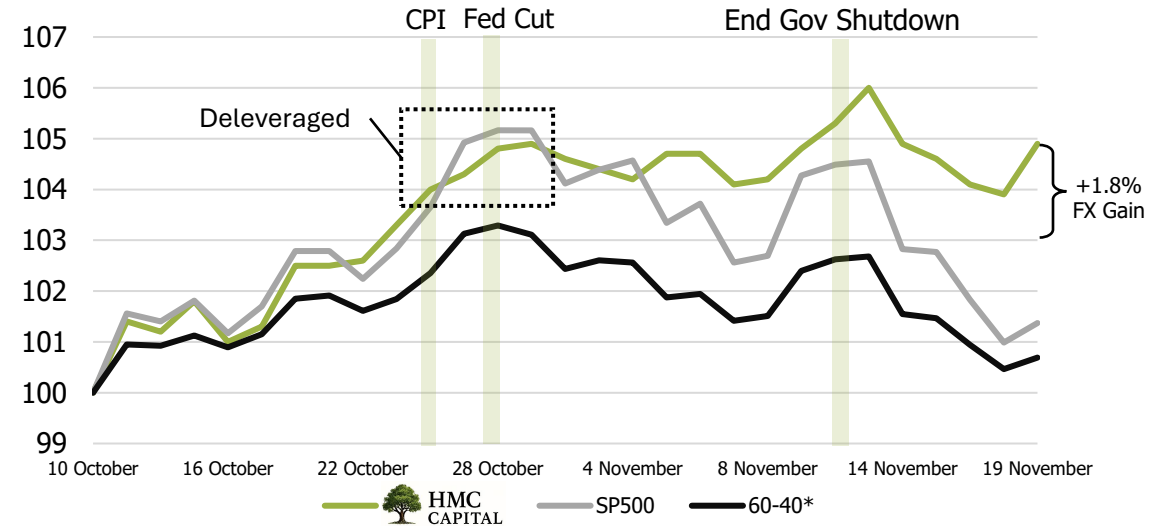
At HMC Capital, our portfolio is aligned with our **macroeconomic outlook** of the market, predominantly U.S. focused.

Our strategy is to find **equities** which are either **undervalued** or going to have **future growth** driven by medium-term events (earnings, macro, announcements). All whilst aligning to the sectors which we are overweight depending on our macroeconomic outlook.



*60% of S&P 500 & 40% of U.S. GOVT ETF

HMC Capital VS Benchmarks



Key Portfolio Benchmarks

Total Return	+4.86%
Benchmark Return	+0.69%
Volatility	9.14%
Sharpe Ratio	4.3**
Sortino Ratio	4.9**
Beta	0.58
Max Daily Drawdown	-1.04%

**Sharpe and Sortino calculated using daily ratios and multiplying them by $\sqrt{252}$ to annualise them.



Macroeconomic Outlook

- We believe that the U.S. has entered a **late cycle phase** of the business cycle.



GDP Growth Decreasing

Unemployment Rising

High CPI

Domestic Consumption Weakening

AI Crowding out Jobs

- The **tariffs** have caused cost push inflation whilst firms **compressing their margins** have kept official figures stable



Limiting CPI Upwards Trend

25 bps rate cut in October

Bellow expectation September CPI

- The Fed is in a **dilemma** between cutting rates to support growth whilst inflation has potential to soar.



Limiting Interest Rates Cuts

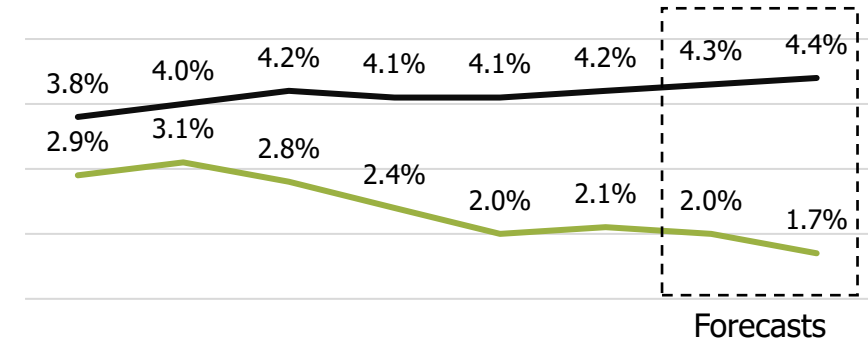
Stagflation ?

No October CPI

Trump pressuring to cut rates

US Debt/GDP +120%

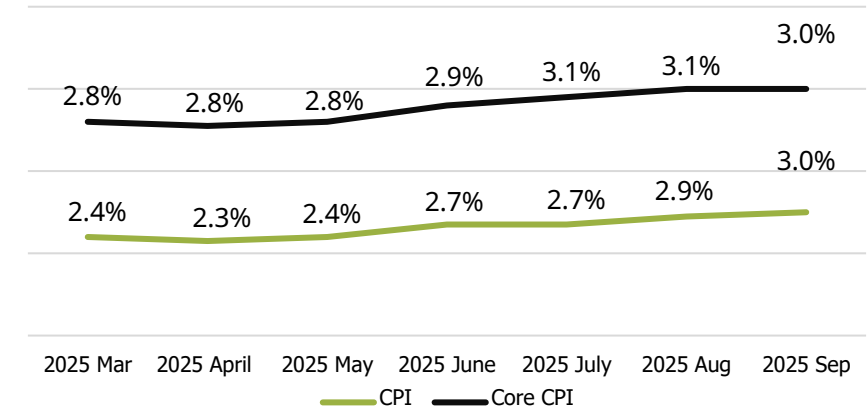
Real U.S. GDP Growth & Unemployment (%)



Q1 2024 Q2 2024 Q3 2024 Q4 2024 Q1 2025 Q2 2025 Q3 2025 Q4 2025

— Real GDP Growth — Unemployment Rate

U.S. CPI & Core CPI (%)

Source: Bloomberg 2025
Source: Trading Economics 2025



Macroeconomic Allocations

- During a late-cycle/recessionary phase of the business cycle investors may redistribute their portfolios toward **defensive sectors**.

Consumer Staples

Healthcare

Utilities

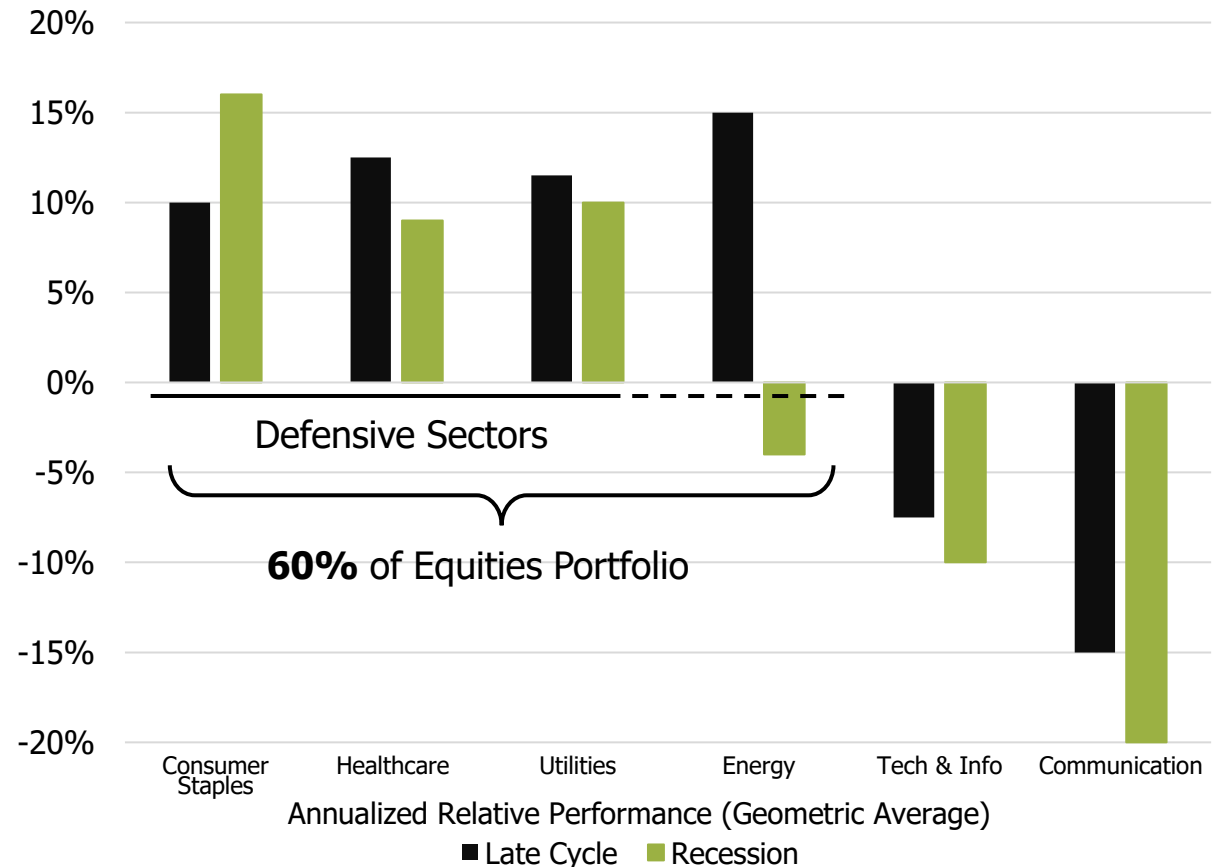
- Defensive sectors are industries whose products or services are **non-discretionary**.

Non-discretionary implies that consumers buy them regardless of economic conditions

- Fidelity research published a study that analysed past performance from **1962 to 2020** in each stage of the business cycle.

Empirical data supports our portfolio allocation

Relative Sector Performance Comparison



Source Fidelity 2021



Methodology

Value/Defensive – Macro Driven

Growth – Event Driven

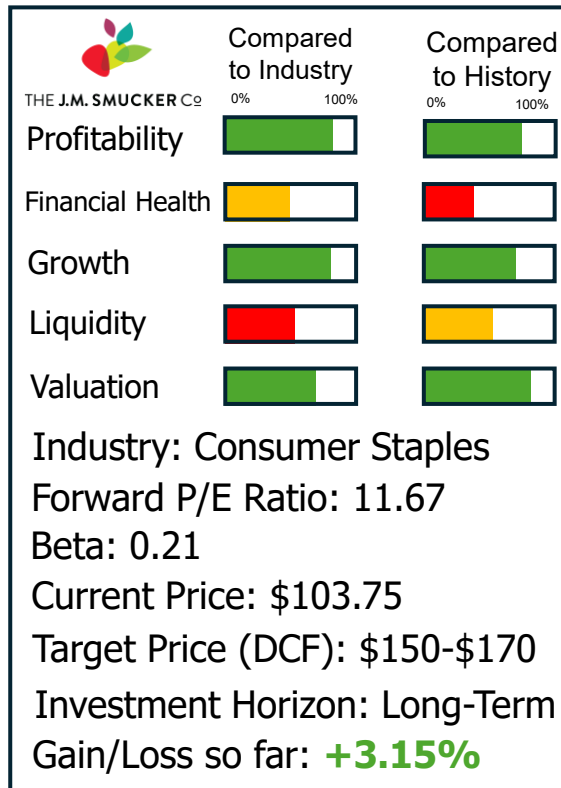
Top-down Macro Alignment

Industry research and Opportunities

Company Fundamentals *

Intrinsic Valuation

e.g. Short Financial Overview *



Macro News

Earnings

Announcements

Market Expectation

Top-Down Allocation

Analysis and Expectations

Growth Forecast

Event Driven Positioning

Event Driven Positioning

Event Driven Positioning

Source: GuruFocus 2025

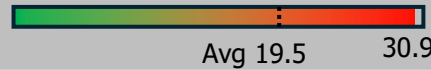


Risk Management

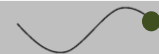
Risks Identified

Market Risk

S&P 500 PE:



Macroeconomic: Late Cycle



Fear and Greed Index:



28/100

Idiosyncratic Risk

Revenue Concentration (Revenue Streams)

Balance-Sheet Resilience (Debt/Equity)

Earnings Stability (Earnings Volatility)

Portfolio Construction Risk

Portfolio Correlation (Multi-Asset Correlation)

Portfolio Concentration (Weight Exposure)

Key Risks Indicators

Risk Management

Reduced us Market Exposure (Beta 0.58)



Low Market Exposure Equities



Deleveraging into Fixed Income

Reduce Idiosyncratic Risk (Diversification)

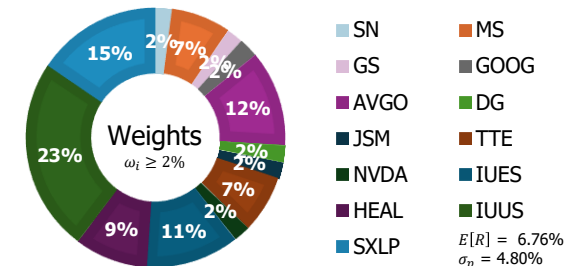


10 Equities + 7 ETFs



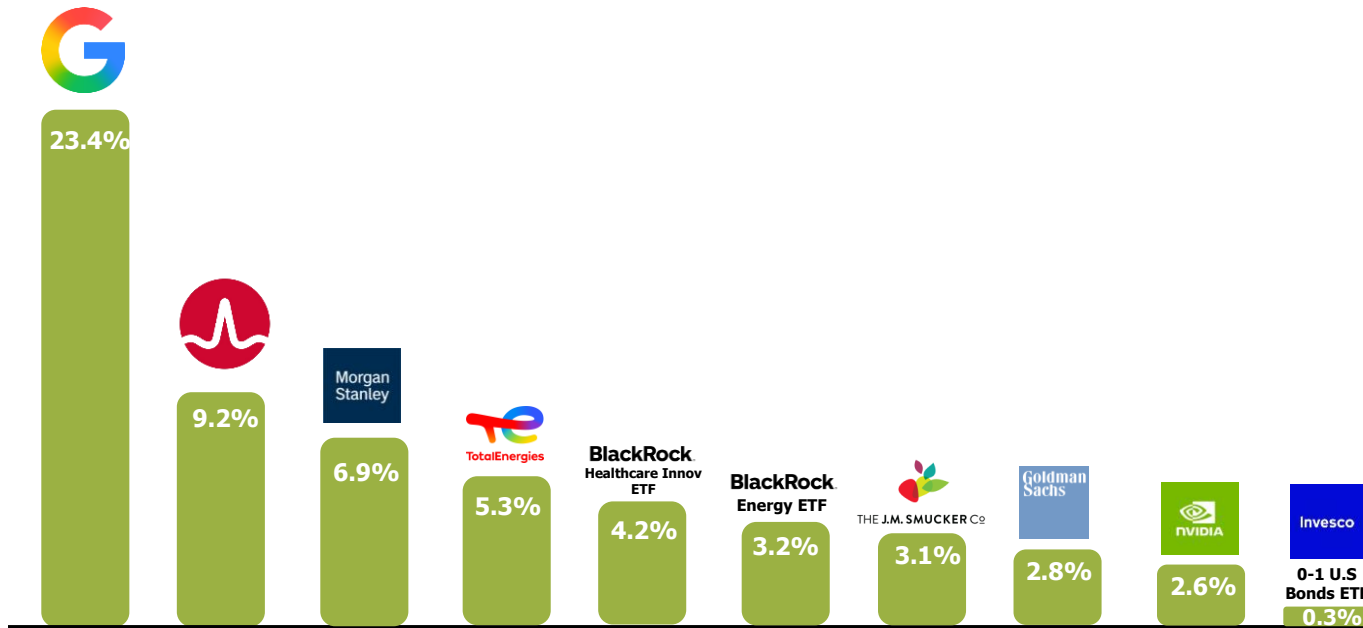
Large Cap (Financial Health)

Simple Mean-Variance Optimisation





We are happy to take any questions



Key Portfolio Benchmarks

Total Return	+4.86%
Benchmark Return	+0.69%
Volatility	9.14%
Sharpe Ratio	4.3**
Sortino Ratio	4.9**
Best Performance	Alphabet (+23.4%)
Worst Performance	United Health (-12.8%)
Beta	0.58
Max Daily Drawdown	-1.04%



HMC
CAPITAL



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