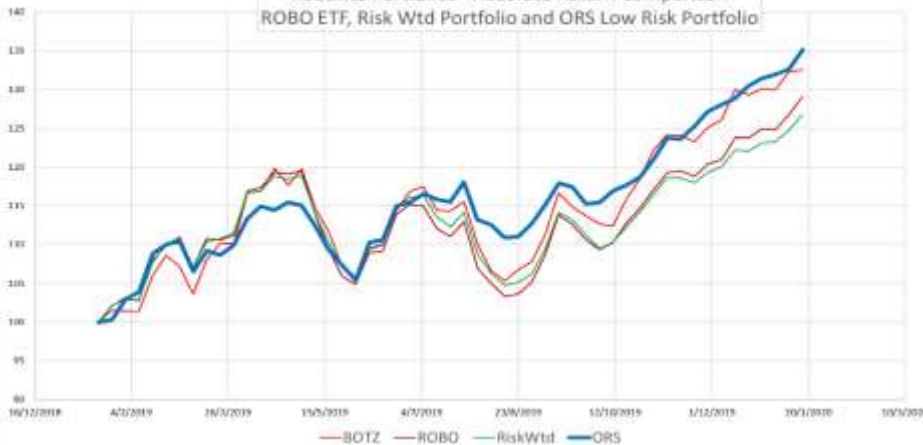


Description

- The ORS Systematic Robotics portfolio was constructed using Sherpa Funds Technology's Systematic Portfolio Construction Process and Optimal Risk Sizing (ORS) technology to provide a concentrated, risk-controlled systematic Robotics thematic portfolio
- The portfolio is designed to be executable in \$50mn USD size
- Below the ORS portfolio is compared to 2 popular Robotics ETFs, BOTZ and ROBO, and a Risk Weighted portfolio of the same names

Performance and Risk Comparison Backtest

Robotics Portfolios - Absolute Return Comparison
ROBO ETF, Risk Wtd Portfolio and ORS Low Risk Portfolio



Robotics Portfolio Comparisons

Stats	BOTZ	ROBO	Risk Wtd	ORS
Performance Statistics Comparison				
Return (p.a.)	32.57%	29.06%	26.73%	35.15%
Sharpe	1.86	1.73	1.74	2.69
Risk Statistics Comparison				
Vol	17.49%	16.82%	15.37%	13.05%
Drawdown	-12.09%	-13.56%	-11.89%	-8.69%

Risk Driver – Analyst Consensus Score Exposures

Robotics Portfolio Alpha Expression Comparison

Alpha Score Range		Alpha Score Exposure			
Min	Max	BOTZ	ROBO	Risk Wtd	ORS
0.00	1.00	0%	0%	0%	0%
1.00	2.00	0%	0%	0%	0%
2.00	3.00	16%	9%	9%	0%
3.00	4.00	35%	46%	45%	36%
4.00	5.00	50%	44%	46%	84%

ORS Systematic Thematic: Robotics

Theme	Robotics
BMK ETFs	BOTZ, ROBO
Comparison Date	Risk Weighting Jan 2020

Sherpa Systematic Portfolio Problem Definition Overview

(1) Generate Ideas

Selection

- Largest Robotics theme ETFs
- BOTZ and ROBO constituent stocks

Scores

- Bloomberg Analyst Consensus score

(2) Shape the Portfolio

Risk You Want

- Concentrated long-only portfolio
- Maximizing exposure to Scores

Risk You Don't

- Limit downside volatility
- Minimize drawdown

Objectives & Constraints

- Each posn. <10% stock ADTV
- County wts < +/- 7.5% of bmk
- Sector wts < +/- 7.5% of bmk

ORS Systematic Results

- More exposure to Alpha scores
- More risk-control (lower vol and drawdown)
- Better returns
- Substantially better Sharpe

To discuss methodology behind this ORS Systematic Thematic portfolio or learn more about Sherpa Funds Technology's process-driven approach to portfolio construction, [get in touch here](#) or sign up for [the SFT mailing list](#).

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