

Seeking Singularity

Performance

January 2020





SINGULARITY PERFORMANCE - JANUARY 2020

Nasdaq Singularity Index NSI (NQ 2045) vs. benchmarks:

January was off to a good start with global equities continuing on their strong return path until about mid-month when fears around the spread of the novel coronavirus (2019-nCoV) led to a correction in stock prices. **Despite this headwind, the NSI managed to finish the month with a performance of +0.7%, outperforming the MSCI AC World Index (MSCI ACWI) which posted its worst January since 2016 with a negative return of -1.1%.** Other regional equity indices finished in flat to negative territory: SMI +0.1%, S&P 500 -0.1%, MSCI Europe -1.3%, MSCI AC Asia Pacific -2.8%.

Chart 1: Performance January NSI vs. MSCI ACWI per end January 2020

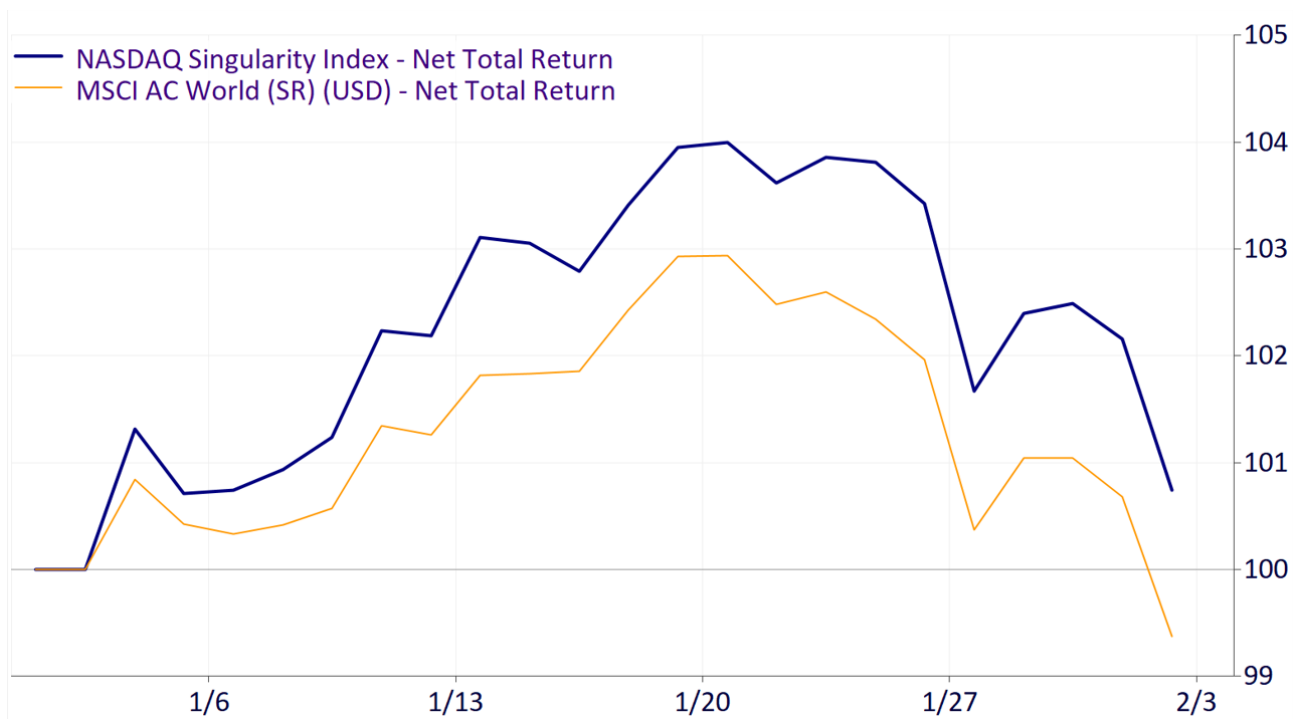
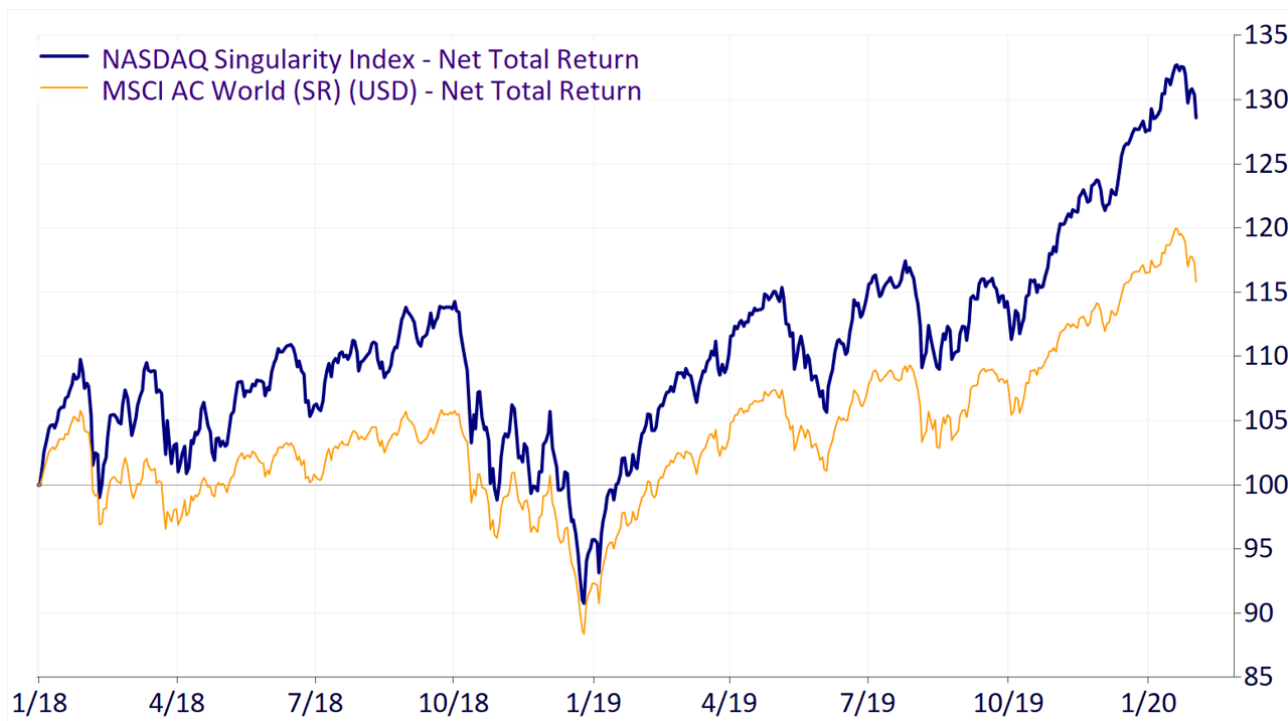




Chart 2: Performance Since Inception of NSI vs. MSCI ACWI per end of January 2020

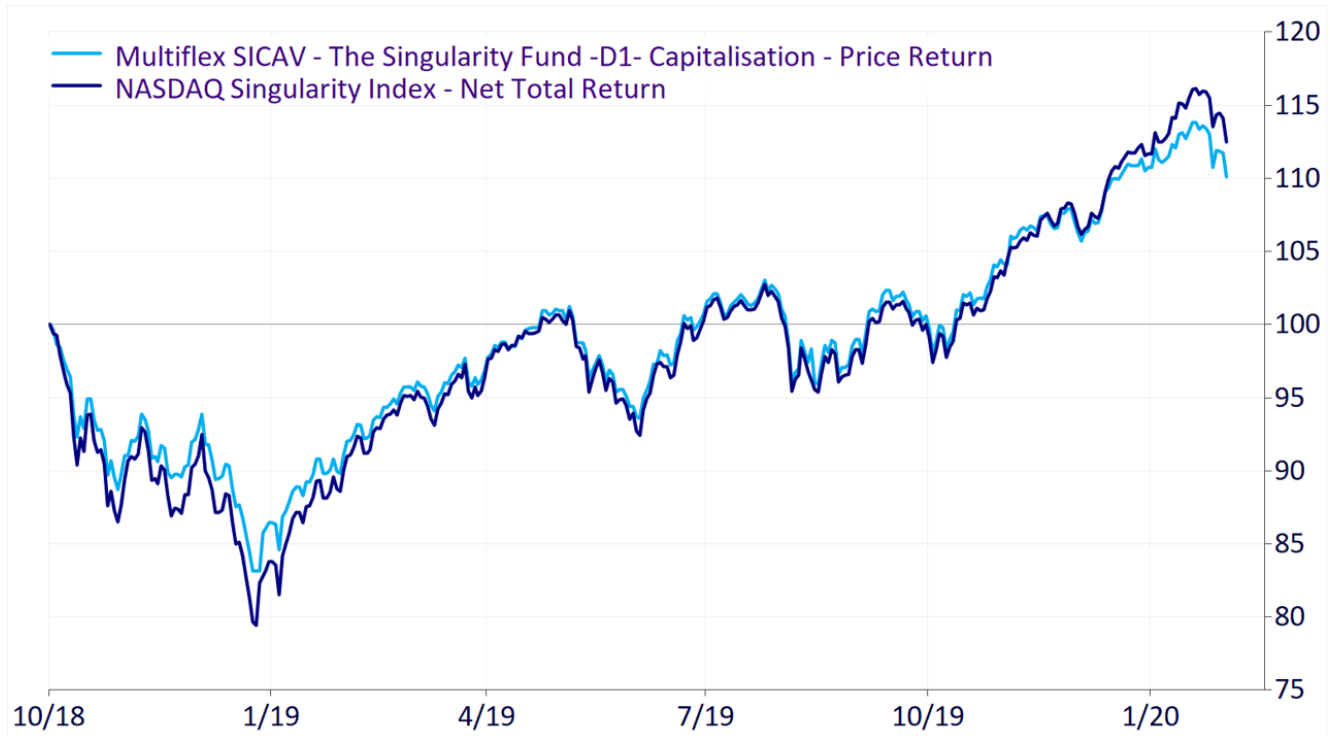


Compared to the MSCI ACWI, the NSI had both positive contributions from sector allocation and stock selection effects. The positive allocation effect can be largely attributed to NSI’s relative overweight in Information Technology and its underweights in Energy, Financials, and Materials. Meaningful contributors to the positive stock selection effect were relative overweights in Tesla, Microsoft, Adobe, General Electric, while negative contributors comprised a relative underweight in Apple and overweights in Taiwan Semiconductor and Ping An Insurance.

The **Singularity Fund** has exhibited a relative underperformance vs the NSI primarily over the last three months, driven by an underweight in mega cap tech names which have experienced particularly strong returns over that period. Going forward, the sampling method applied for stock selection will be adjusted to strictly minimize the fund’s tracking error. As of 21 January 2020 the ex-ante tracking error was 1.8%. At the end of the month this figure was brought down to 1.1%. We will continuously manage the tracking error downwards to below 1% over the coming weeks, using inflows to rebalance the portfolio closer to the index.



Chart 3: Performance Singularity Fund - since Launch per end January 2020



Source for all charts: FactSet

Singularity Sectors: Top performing Singularity Sector in January was **New Energy (+22.6%)**, mostly driven by **Tesla (TSLA, +55.5%)**, followed by **Big Data (+3.6%)**. Worst performing Singularity Sectors were **Blockchain (-3.3%)** and **Artificial Intelligence (-2.8%)**.

Singularity Stocks: Best performing stock for the month was **Tesla (TSLA, +55.5%)**, reporting strong quarterly results and handily beating consensus sales and earnings expectations. The second best performing name was **Twilio (TWLO, +26.5%)**. The company helps customers weave communication capabilities into its services seamlessly via APIs that plug into existing applications to add voice, text, and video communications as well as identify authentication (e.g. Uber uses Twilio to communicate with drivers while Nordstrom sales people use it to communicate with customers). **The biggest performance attributions came from Tesla (+0.5%), Microsoft (+0.3%), and Adobe (+0.2%). DuPont de Nemours (DD, -20.3%) and Haitong Securities (6837, -17.1%)** were the worst absolute performers for the month. The biggest relative performance detractors were Taiwan Semiconductor (-0.1%), last year's top contributor, and Petrobras (-0.1%).

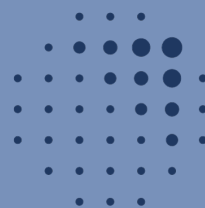


SINGULARITY INSIGHTS - WEF BLOG POST

Last November we introduced our Blog “Seeking Singularity” on Medium. **Our newest blog post wraps-up our take from this year’s WEF and suggests to stop the apocalyptic polemic, focus on facts, and fuel innovation.** We take a look at achievements, their relation to exponential technologies, explore reasons for the negative collective perception and suggest a radical shift towards constructive collective action: **innovation investing.**

Read on here: <https://medium.com/seekingsingularity>.





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