



SOMERSTON
ASSET MANAGEMENT

Somerston Asset Management

Returns reflected to end of August 2026

Somerston Asset Management Ltd. is regulated by the Jersey
Financial Services Commission to provide Fund Services Business.



EXECUTIVE TEAM



SOMERSTON
ASSET MANAGEMENT



Tracy Clarke
Director



Nick Wakefield
Chief Investment Officer



Tom Powell
Commercial Officer



Emily Brown
Group Chief Operations Officer



Arthur Castle
Investment Analyst



Vikki Stafford
Fund Accountant



SOMERSTON
ASSET MANAGEMENT

The Somerston suite of funds give full transparency.

The family invests their own balance sheet in same funds as our partners.

There is no lock up, and all underlying investments are extremely liquid.

Zero subscription or redemption fees. Monthly dealing.

OUR HISTORY

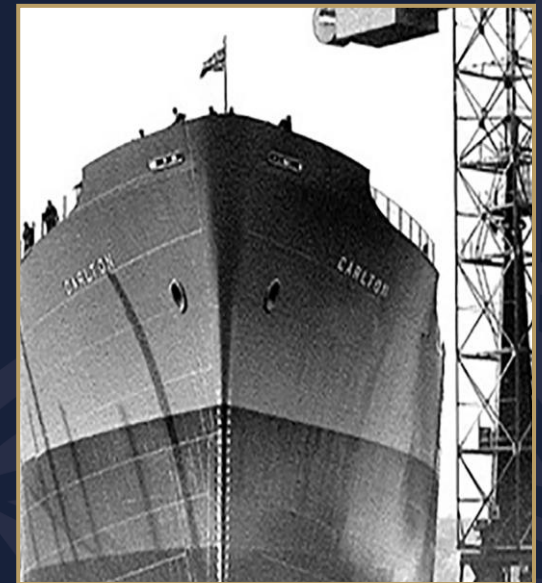


SOMERSTON
ASSET MANAGEMENT

Somerston is a multi-generation single-family office with origins dating back to 1854, when Ralph Chapman began as a ship's agent and manager, accepting partial ownership interests as payment.

By the late 1960s, after more than a century in the shipping industry, Somerston shifted its focus, deciding to diversify its interests. By 1975, the last of its shipping assets had been sold, and property development became the primary area of investment.

Today, Somerston manages a diversified portfolio encompassing real estate, technology infrastructure, and liquid assets, operating from offices in Jersey, London, the Cayman Islands, and San Francisco.



100 YEARS OF SHIPPING EXPERTISE

PRIOR TO PIVOTING TO PROPERTY IN THE LATE 1960S

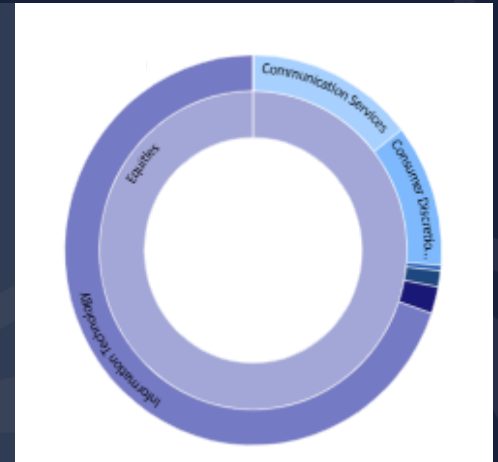


SOMERSTON TECHNOLOGY FUND

STF

Portfolio Objectives: To grow capital over the medium term by investing in a concentrated portfolio of high growth companies at the forefront of technological change.

Top 10 Holdings: [NVIDIA Corporation](#), [Amazon.com, Inc.](#), [Alphabet Inc.](#), [Meta Platforms, Inc.](#), [Microsoft Corporation](#), [Advanced Micro Devices, Inc.](#), [Broadcom Inc.](#), [Apple Inc.](#), [SK hynix Inc. \(HY9H GDR\)](#), [Snowflake Inc.](#)



MULTI ASSET FUNDS

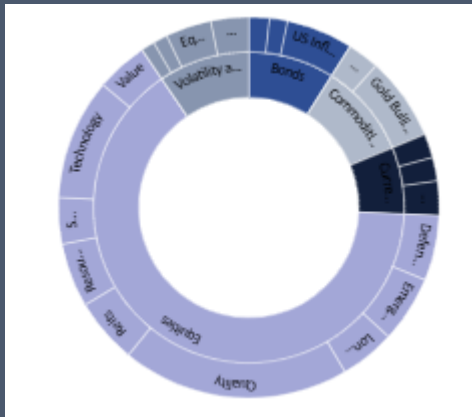


MULTI ASSET

SOMERSTON MULTI ASSET FUND

SMAF

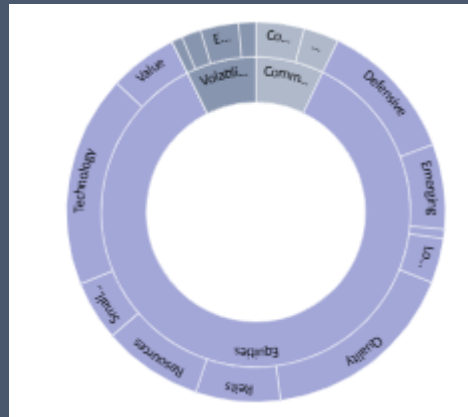
Portfolio Objectives: To maximise risk adjusted returns through a diversified portfolio across global equities, bonds, commodities and alternative strategies. Strategically adjusting asset class exposure to align with market cycles.



SOMERSTON MANAGED GROWTH FUND

SMGF

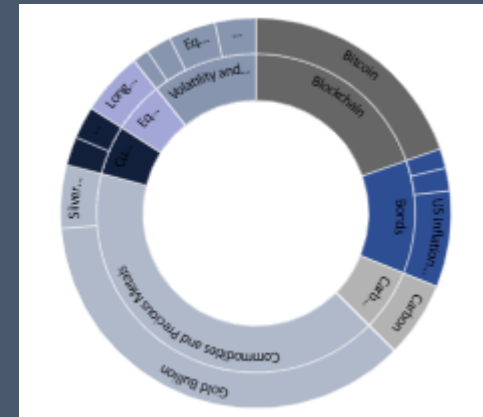
Portfolio Objectives: Delivering equity-like returns with reduced drawdowns, through dynamic allocation, exposure to our highest conviction strategies and portfolio construction. With quantitative and qualitative indicators used to inform the manager when to substantially reduce risk exposures.



SOMERSTON RAINY DAY FUND

SRDF

Portfolio Objectives: The fund seeks to provide readily realisable, positive returns, during most forms of financial market adversity, while maintaining good value in benign environments.





SOMERSTON
ASSET MANAGEMENT

SOMERSTON MULTI ASSET FUND ("SMAF")

OVERVIEW



WHAT IS SMAF?

Fund Type:

Open-ended Expert Fund, offering flexibility and access to diverse markets.

Investment Strategy:

Dynamic and unconstrained, investing across global equities, bonds, commodities, and alternative strategies, using listed derivatives for additional flexibility.

Asset Allocation:

Broad thresholds enable diversification and adaptability to capture market opportunities effectively.



HOW ARE INVESTMENTS MANAGED?

Codified Process:

Structured approach ensures diligent data collection and consistent decision-making.

Asset Allocation:

Tactical and strategic adjustments leverage distinct attributes of each asset class to navigate varying market conditions.

High Conviction:

Focused portfolio of thoroughly researched, high-conviction ideas designed for substantial returns.



OBJECTIVES

Performance Benchmark:

Achieve long-term returns relative to a composite benchmark of 70% World Equities and 30% Government Bonds.

Drawdown Recovery:

Recovery periods targeted within 12-18 months to mitigate market shocks.

Volatility:

Managed at an average annualised range of 10-12% for optimal risk-adjusted performance.



DIFFERENTIATORS

Judicious Use of Leverage:

Capitalise on opportunities across bull and bear markets while maintaining discipline.

Tactical Asset Allocation (TAA):

Slow, evidence-based evolution of strategies aligned with market conditions.

High Conviction Portfolio:

15-25 investments focused on delivering attractive risk-adjusted returns.



RISK MANAGEMENT

Cycle Adjustment:

Dynamic asset mix adjustments tailored to economic cycles.

Highly Liquid Investments:

Prioritisation of liquidity to ensure flexibility in volatile markets

True Diversification:

Investment in opportunities with low correlations to achieve genuine diversification benefits.

MULTI ASSET FUND

RETURNS SINCE INCEPTION



SOMERSTON
ASSET MANAGEMENT

2018	4.8%	-3.7%	-1.0%	-1.0%	0.8%	-0.2%	0.9%	0.3%	0.0%	-2.3%	1.8%	-0.4%	-0.2%
2019	1.1%	-0.6%	2.8%	1.3%	-1.8%	5.6%	0.7%	0.6%	-0.6%	2.1%	2.8%	3.3%	18.5%
2020	-0.3%	-5.9%	-8.5%	6.9%	2.4%	1.8%	7.4%	3.1%	-2.2%	-1.0%	5.2%	5.2%	13.6%
2021	-0.3%	0.8%	-0.1%	2.3%	2.5%	-0.2%	2.2%	0.5%	-5.1%	5.2%	-1.7%	3.2%	9.3%
2022	-5.9%	-1.1%	2.6%	-3.5%	-1.4%	-4.1%	4.3%	-3.8%	-4.9%	1.3%	3.7%	-1.5%	-14.0%
2023	2.5%	-4.0%	2.9%	1.1%	-1.3%	2.0%	2.5%	-1.2%	-2.5%	-0.6%	6.3%	4.7%	12.6%
2024	0.0%	1.2%	3.2%	-1.9%	3.6%	0.4%	0.8%	2.0%	1.3%	-3.7%	0.9%	-2.3%	5.4%
2025	3.7%	-0.1%	-1.1%	2.2%	2.6%	2.0%	-0.6%	1.6%	1.3%	1.9%	-1.3%	-1.0%	11.6%
2026	1.5%	0.6%	-4.0%	2.0%	-0.1%	-2.5%	0.6%	1.6%					-0.4%

Cumulative return since Inception 62.80%

Rolling 12 month return 0.6%

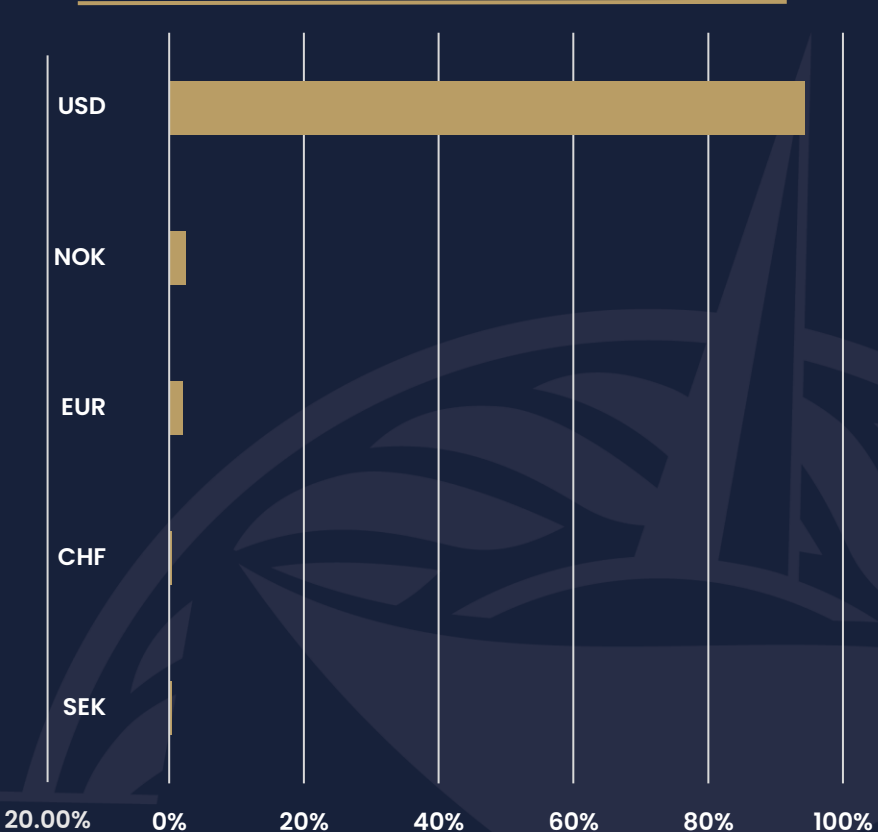
Annualised volatility 9.6%



Top Ten Holdings



Currency Allocation % Fund

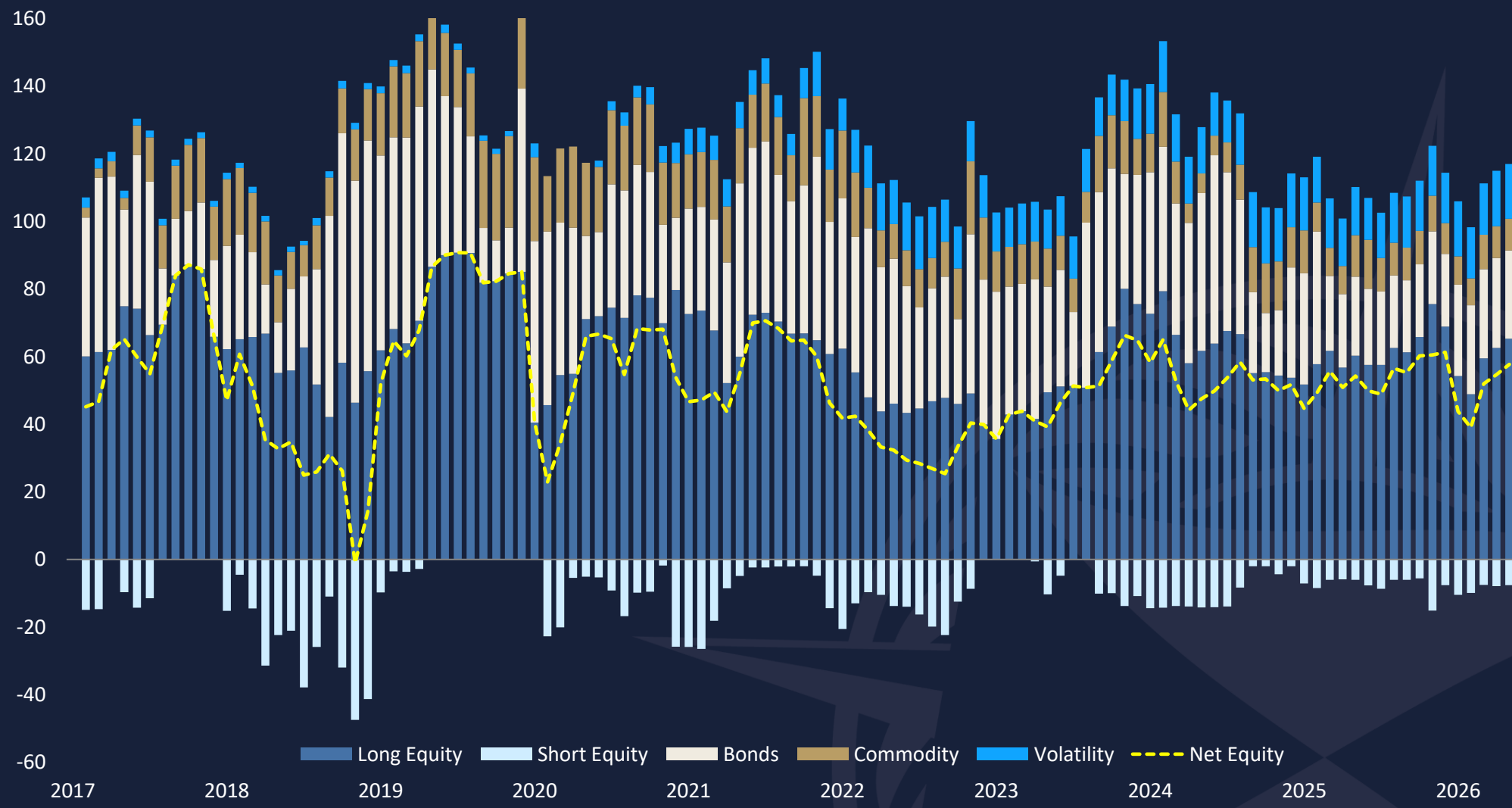




SOMERSTON
ASSET MANAGEMENT

MULTI ASSET FUND

ASSET ALLOCATION HISTORY





SOMERSTON
ASSET MANAGEMENT

SOMERSTON MANAGED GROWTH FUND (“SMGF”)

OVERVIEW

MANAGED GROWTH FUND



SOMERSTON
ASSET MANAGEMENT



PURPOSE

Delivering equity-like returns with reduced drawdowns, through dynamic allocation, exposure to our highest conviction strategies and portfolio construction.



OBJECTIVE

Grow the real value of capital over the medium term.



STRATEGY

Dynamically allocating to our best growth ideas. However, where the manager judges risks likely to manifest, they will substantially reduce risk exposures.

Somerston Managed Growth Fund gives exposure to our best growth ideas, while substantially reducing risk when, in the managers opinion, risks are likely to manifest.

Four process overview



SOMERSTON
ASSET MANAGEMENT

VALUATION REGULATION	CYCLE MODELS	<h3>Real Time Leading Indicator</h3> <p>Leading Indicators are reported with a lag and they are subject to revision. Moreover, the economy is not the financial market.</p> <p>Our 'Real Time Leading Indicator' is a composite of 15 daily traded/reported indicators from Equities, Credit, Volatility, FX carry, Commodity carry etc.</p> <p>This 'Cycle' model provides a strong compass for assessing risk on/off environment.</p>	<h3>Master Model</h3> <p>A Model designed over 20 years ago by our CIO Nick Wakefield. It uses data from all corners of the financial universe and is 40% driven by Macro indicators and 60% from Technical/trend indicators.</p> <p>TWO is better than one</p> <p>Using the Real Time Leading Indicator and the Master model provides confirmation and reduces signal noise.</p>
	MONETARY	<h3>Global Money Supply</h3> <p>The Global Money Supply Index is a global USD money supply composite showing the momentum above trend. Changes in money supply often lead the cycle.</p>	<h3>Accumulation</h3> <p>The Accumulation component measures whether there is evidence of investors putting fresh money to work and accumulating equities. Notable periods of accumulation generally persist for 6 + months and lead the most vigorous part of a new bull market</p>



SOMERSTON
ASSET MANAGEMENT

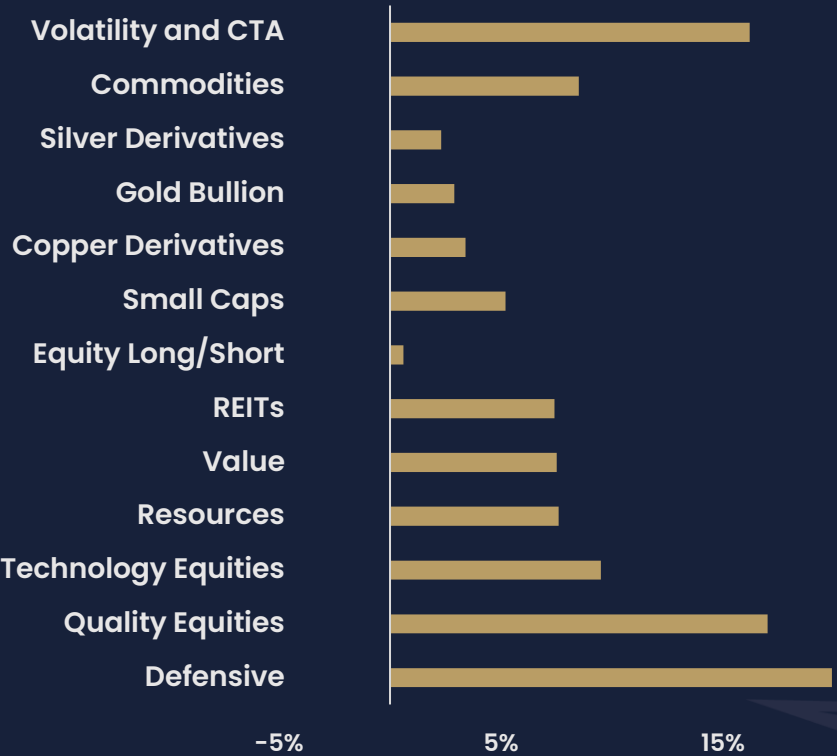
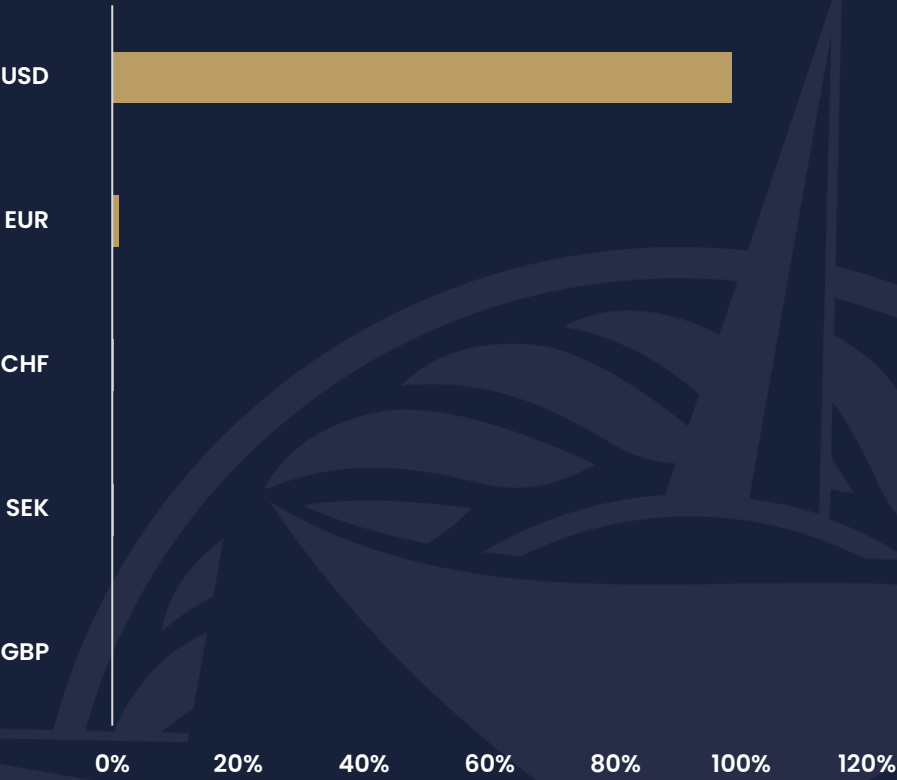
MANAGED GROWTH FUND RETURNS SINCE INCEPTION

SMGF Performance (%) US\$ Class													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2025												-1.3%	-1.3%
2026	1.5%	-1.4%	-5.2%	4.6%	2.6%	-1.8%	0.4%	1.4%					1.7%
Cumulative returns since Inception					0.4%								
Rolling 12 month return													
Annualised volatility													



Net Asset Allocation %

Currency Allocation % Fund





SOMERSTON TECHNOLOGY FUND ("STF")

OVERVIEW



WHAT IS STF?

Fund Type:

Open-ended, actively managed, long only equity.

Investment Strategy:

Investing in innovation leaders within transformative technology, through a fundamental, bottom-up approach and a five-year investment horizon. Aiming to grow capital over the medium term via a concentrated portfolio of high-growth companies



IMPLEMENTATION

Investment Process:

Rigorous fundamental analysis to uncover undervalued opportunities, leveraging deep market insights and sector expertise.

High Conviction:

Strategic focus on a select number of well-researched companies, maximising potential for outsized returns while mitigating unnecessary diversification



PERFORMANCE METRICS

Measures success over the long term against established growth and technology benchmarks.

Prove resilience and consistency, delivering strong returns across market cycles.



OBJECTIVES

Deliver long-term capital growth by investing in transformative technologies like AI, semiconductors, and digital commerce.

Outperform reference index through a fundamental, bottom-up investment strategy.



DIFFERENTIATORS

Proven track record:
+33% in 2024, delivering a 495% total return since inception in 2017

Geographic leadership:
Predominantly North American (88.1%) with diversification into Asia, South America and Europe.



RISK MANAGEMENT

Resilient through market cycles, leveraging disciplined risk management to deliver consistent medium-term growth.

Focused portfolio of 20–30 high-growth companies, ensuring targeted exposure and mitigated diversification.

Jersey-based management providing strong regulatory oversight and a stable, globally connected environment

TECHNOLOGY FUND

A Fully Funded, Long-Term Investment Philosophy



SOMERSTON
ASSET MANAGEMENT

WHAT SETS US APART?

SUSTAINED INDEPENDENCE

Fully funded and self-reliant, enabling complete freedom to invest for the long term, with or without external capital.

BENCHMARK AGNOSTIC

We operate without the constraints of conventional benchmarks, allowing flexibility to pursue opportunities where they arise.

HIGH-CONVICTION PORTFOLIOS

Concentrated investments focused on deeply researched, transformative ideas to deliver substantial returns.

DYNAMIC ASSET ALLOCATION

Unconstrained strategies that adapt seamlessly to evolving market conditions, prioritising growth and resilience.

PROPRIETARY INSIGHTS

Decades of expertise leveraged to identify opportunities, with a deep focus on US West Coast and European equities.

INVESTOR-DRIVEN DESIGN

Built for ourselves, our model aligns directly with long-term goals, free from external time pressures or financial constraints



PHILOSOPHY



Unprecedented Speed

Rapid development cycles are unlocking vast new market opportunities, redefining how value is created in technology.



Efficient Capital Usage

Modern innovators achieve more with less, leveraging advanced tools and technologies to minimise capital requirements and shorten time-to-market.



Swift Market Entry

Companies are moving from concept to market introduction faster than ever, enabling them to capitalise on emerging trends and respond dynamically to market needs.



Compelling Investment Opportunity

The growth segment of the technology sector continues to offer exceptional potential, attracting diverse investor interest and driving consistent returns.

TECHNOLOGY FUND

RETURNS SINCE INCEPTION



SOMERSTON
ASSET MANAGEMENT

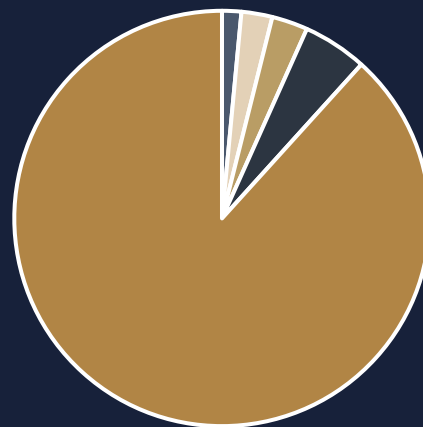
STF Performance (%) US\$ Class

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2017	6.1%	3.9%	4.2%	4.5%	7.7%	-1.5%	5.8%	3.2%	-0.1%	8.5%	3.8%	-0.8%	55.1%
2018	12.3%	-1.4%	-4.1%	1.0%	8.0%	-0.1%	0.0%	8.9%	-1.8%	-12.3%	1.3%	-7.5%	1.7%
2019	12.0%	2.9%	5.6%	6.3%	-8.0%	8.2%	4.1%	-3.8%	-1.8%	3.1%	6.1%	3.8%	43.6%
2020	6.2%	-3.8%	-6.6%	18.2%	9.6%	10.0%	9.1%	8.5%	-6.2%	-0.7%	9.6%	5.5%	73.4%
2021	-0.2%	1.6%	-6.5%	8.8%	-3.6%	11.6%	1.0%	5.7%	-7.9%	6.2%	-1.5%	-5.0%	8.5%
2022	-13.8%	-5.5%	2.2%	-20.2%	-6.1%	-11.2%	13.8%	-6.9%	-13.0%	2.1%	4.9%	-10.0%	-50.8%
2023	16.7%	0.3%	11.9%	-1.1%	13.2%	4.6%	6.5%	-3.3%	-6.3%	-2.0%	16.1%	4.8%	76.6%
2024	6.0%	7.8%	0.8%	-5.0%	6.8%	8.5%	-5.3%	3.4%	2.6%	0.0%	6.3%	-1.8%	33.0%
2025	6.3%	-5.4%	-9.9%	3.9%	14.4%	8.0%	3.3%	-2.8%	3.3%	8.3%	-8.5%	-3.7%	15.1%
2026	-0.2%	-10.3%	-3.9%	22.0%	18.7%	-0.6%	-4.6%	4.8%					23.6%
Cumulative returns since Inception					601.2%								
Rolling 12 month return					22.0%								

Geographical Allocation % Fund

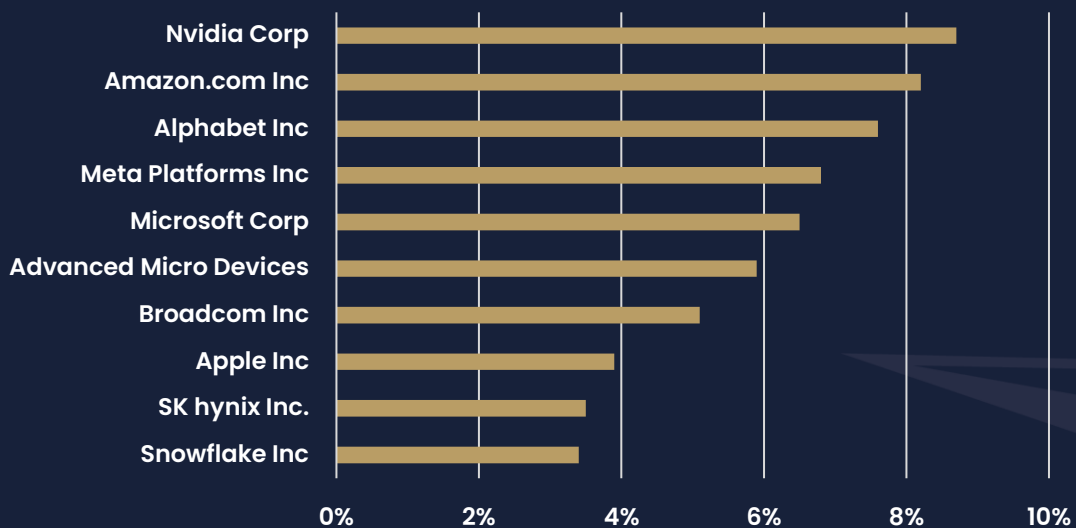


SOMERSTON
ASSET MANAGEMENT

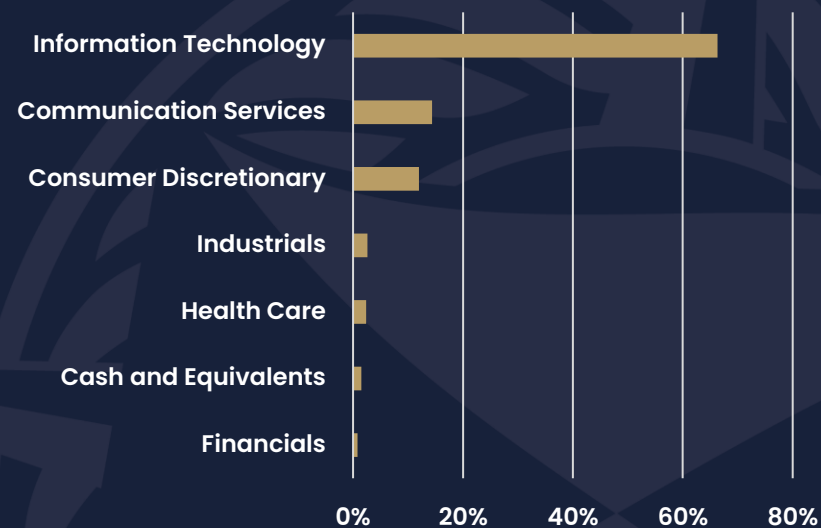


- Cash and Equivalents
- South America
- Europe
- Asia ex Japan
- North America

Top Ten Holdings as % of Fund



Sector Allocation % Fund





SOMERSTON RAINY DAY FUND ("SRDF")

OVERVIEW

RAINY DAY FUND

Differentiators



SOMERSTON
ASSET MANAGEMENT

TRUE TAIL-RISK HEDGE

Designed for markets that challenge traditional equity portfolios.

DIVERSIFIED APPROACH

Investments include gold bullion, royalties, long volatility strategies, and alternative hedges like Bitcoin and carbon credits.

MARKET NEUTRALITY

Built to thrive in financial stress while limiting drawdowns in normal conditions.

PROVEN PROCESS

Guided by a multi-decade understanding of risk, aiming for stable returns and realisable liquidity in uncertain times.



What is SRDF?

Fund Type:

Open-ended, actively managed, tail-risk strategy aimed at providing positive, realisable returns during periods of financial market adversity.

Investment Strategy:

Fundamental multi-asset approach to identify assets that perform well in adverse conditions while maintaining good value in stable markets.

Portfolio Objective:

To deliver a hedge against equity downturns, offering stability and liquidity when markets falter. Fundamentally protecting against the debasement of fiat currency.



HOW WE DO IT

Adversity-Resilient Allocation:

Focused on assets such as gold bullion, long-volatility instruments, inflation-linked bonds, and market-neutral strategies.

Dynamic Positioning:

Adjusts exposures to align with market risks, ensuring readiness for sudden shifts in financial conditions.

High Conviction:

Concentrated investments in assets designed to benefit during downturns, with a long-term focus.

RAINY DAY FUND



SOMERSTON
ASSET MANAGEMENT

SRD Performance (%) US\$ Class

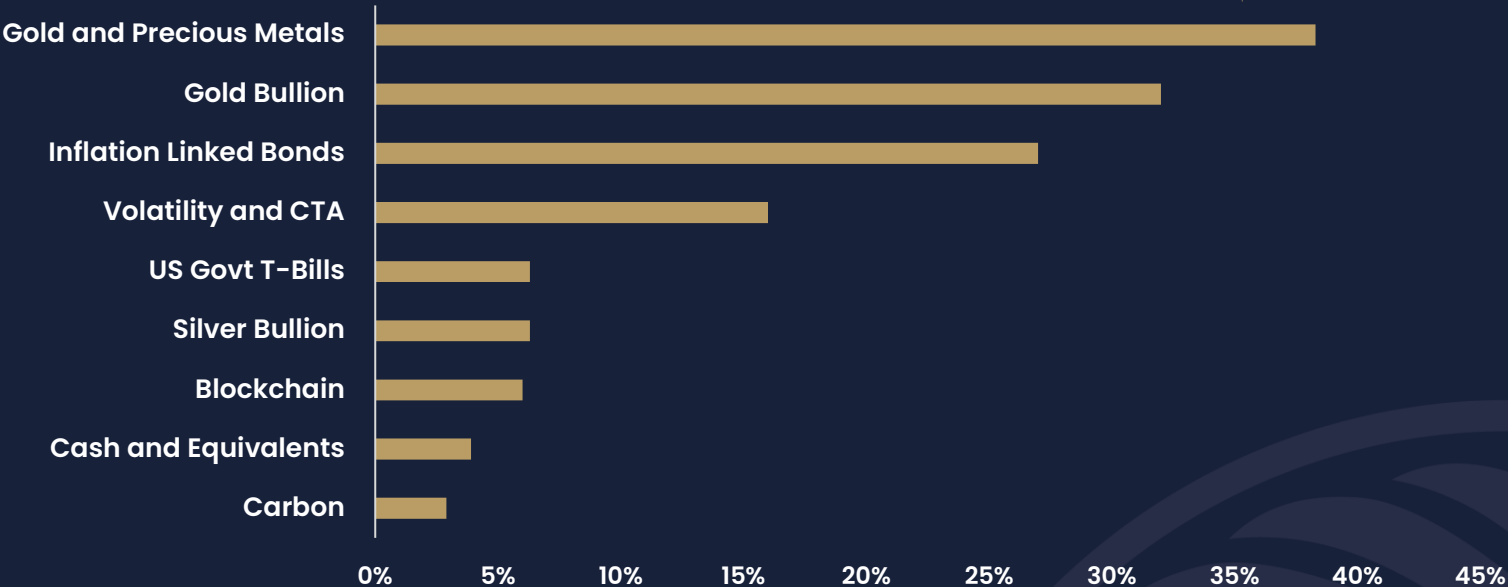
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2024						-1.1%	2.2%	0.5%	1.6%	0.8%	-1.0%	-1.2%	1.7%
2025	2.7%	0.6%	3.9%	2.8%	0.1%	0.2%	-0.2%	2.6%	5.1%	0.7%	2.0%	0.6%	23.1%
2026	4.7%	2.6%	-4.0%	-0.5%	-0.9%	-6.1%	0.6%	4.6%					0.5%
Cumulative return since Inception					25.9%								
Rolling 12 month return					9.3%								
Annualised volatility					8.5%								

RAINY DAY FUND

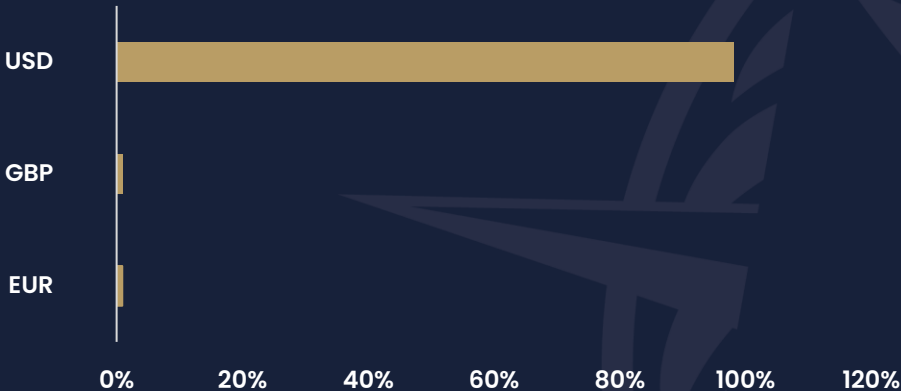


SOMERSTON
ASSET MANAGEMENT

Asset Allocation as % of Fund

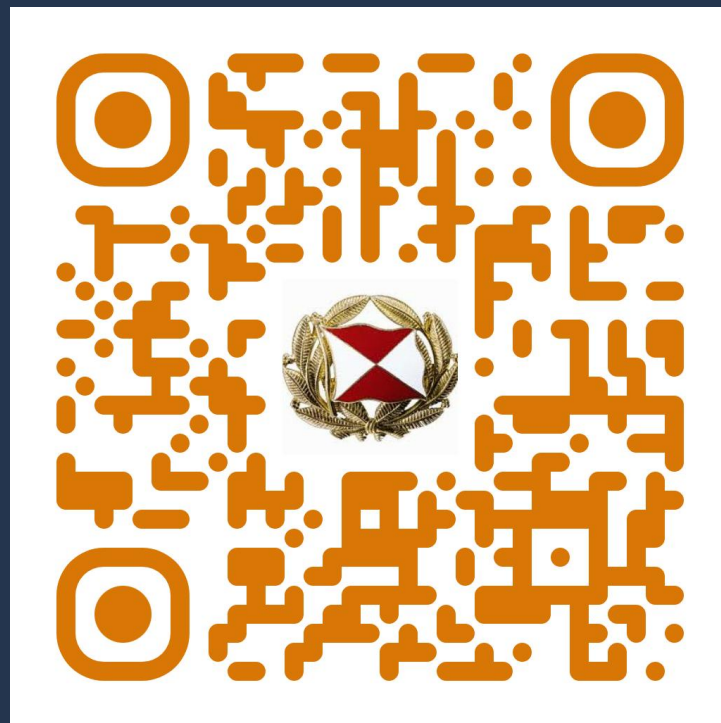


Currency Allocation % Fund





SOMERSTON
ASSET MANAGEMENT



SUBSCRIBE TO OUR SUBSTACK RESEARCH



APPENDICES

APPENDICES



SOMERSTON
ASSET MANAGEMENT

ATTRIBUTE	MULTI ASSET FUND	RAINY DAY FUND	TECHNOLOGY FUND	MANAGED GROWTH FUND
Investor Classification	Professional	Professional	Professional	Professional
Launch Date	03-Apr-17	01-Jun-24	01-Dec-20	01-Dec-2025
Income Distribution	No	No	No	No
Dealing fee in/out	No	No	No	No
Liquidity *	Monthly with two days' notice	Monthly with two days' notice	Monthly with two days' notice	Monthly with two days' notice
Management Fee	1%	1%	0.75%	1%
Performance fee	No (0%)	No (0%)	No (0%)	No (0%)
Borrowing	No	No	No	No
Custodian	UBS AG, Wealth Management	UBS AG, Wealth Management	UBS AG, Wealth Management	UBS AG, Wealth Management
Auditor	KPMG Channel Islands Limited	KPMG Channel Islands Limited	KPMG Channel Islands Limited	KPMG Channel Islands Limited
Sector Focus	Multi-Asset	Multi-Asset	Equity: Technology and Communications	Multi-Asset
Proximity to cash	High	High	High	High
Portfolio Size	20-25 holdings	20-25 holdings	15-25 holdings	15-25 holdings
Company Focus			Large and Mid-cap; average EV > \$15 billion	
Asset Class Allocation	100% Equity, 100% Bond, 30% Commodity	100% Equity, 100% Bond, 100% Commodity, 100% Currencies	Equity only	100% Equity, 100% Bond, 100% Commodity, 100% Currencies
Non G4 Exposure Limit	Max of 75% outside base, no more than 25% in non-G4 countries	Max of 75% outside base, no more than 25% in non-G4 countries		Max of 75% outside base, no more than 25% in non-G4 countries

*Extraordinary/intra month valuations possible at cost

APPENDICES



SOMERSTON
ASSET MANAGEMENT

ATTRIBUTE	MULTI ASSET FUND	RAINY DAY FUND	TECHNOLOGY FUND	MANAGED GROWTH FUND
Fund Type	Jersey Expert Fund, Open-ended Incorporated Cell Company	Jersey Private Fund, Open-ended limited company	Jersey Private Fund, Open-ended limited company	Jersey Private Fund, Open-ended limited company
Currency	\$US with £GBP hedged share class	\$US with £GBP hedged share class	\$US with £GBP hedged share class	\$US with £GBP hedged share class
Minimum Investment	£250,000 / \$300,000 (or at manager's discretion)	£250,000 / \$300,000 (or at manager's discretion)	£250,000 / \$300,000 (or at manager's discretion)	£250,000 / \$300,000 (or at manager's discretion)
Leverage	Max 200%	Max 200%	No	Max 200%
Investment Manager	Somerston Asset Management Limited	Somerston Asset Management Limited	Somerston Asset Management Limited	Somerston Asset Management Limited
Fund Administrator	GEN II Fund Services (Jersey) Ltd.	GEN II Fund Services (Jersey) Ltd.	GEN II Fund Services (Jersey) Ltd.	GEN II Fund Services (Jersey) Ltd.
Regulator/Supervisor	Jersey Financial Services Commission	Jersey Financial Services Commission	Jersey Financial Services Commission	Jersey Financial Services Commission
Investment Focus	Multi-Asset with Global Equity Bias	Multi-Asset Diversifiers	Equity – Technology Focused	Multi-Asset with Global Equity Bias
Risk Level	High	High	High	High
Geographical Bias	Global with Developed Market bias	Global with Developed Market bias	Global with Developed Market bias	Global with Developed Market bias
Investment Approach	Fundamental and quantitative	Fundamental and quantitative	Fundamental	Fundamental and quantitative
Volatility	Average 10%–12% annualised		Average 20%–25% annualised	
Diversification Range	-60% Equity, -60% Bond, -30% Commodity	-60% Equity, -60% Bond, -30% Commodity		

DISCLAIMER

Investment values may fall as well as rise, and investors may not get back the amount invested. Past performance is not a reliable indicator of future results. The views or opinions expressed are those of Somerston Asset Management at the date of publication and may change.

Any information in this Document may not be suitable for all investors. Investors must make their own investment decisions using their own independent advisors and reviewing relevant offering material (including the Final Offering Document). Any investment decisions must be based upon an investor's specific financial situation and investment objectives and should be based solely on the information in the relevant offering material.

The Fund's manager, Somerston Asset Management Limited (the "Manager") believes the information contained in this Document to be reliable but does not warrant its accuracy or completeness. The information contained herein is preliminary in nature and is not and does not purport to be complete. Any estimates contained herein may be subject to change without notice. No guarantee or representation is made that the investment program set out in this Document, including, without limitation, any investment objectives, diversification strategies, or risk monitoring goals, will be successful, and investment results may vary substantially over time. Investment losses may occur from time to time. Nothing herein is intended to imply that the Manager's investment methodology may be considered "conservative", "safe", "risk free" or "risk averse".

No person, including (without limitation) any of the members, shareholders, directors, officers, partners, employees or advisers of the Manager or its associates, accepts any liability whatsoever (whether direct, indirect, incidental, special, consequential, punitive or otherwise) for any loss arising from any use of the information, opinions or other statements contained herein or otherwise arising in connection therewith (including in the case of negligence, but excluding any liability for fraud) and, accordingly, liability is disclaimed by all such persons to the maximum extent permitted by applicable law or regulation.

NO INVESTMENT ADVICE

The information contained herein does not constitute advice and should not be relied upon for any purpose. No approvals have been given by the Jersey Financial Services Commission in respect of the contents of this Document or the circulation of any offering document in relation thereto.

The information contained herein is not intended to influence you in making any investment decisions and should not be considered as advice or a recommendation to invest. This Document is for information only and provision of this Document does not in itself constitute any kind of service provided by the Manager. Furthermore, this Document does not purport to describe all of the risks associated with investment or the other matters described herein. Income from or the price or value of any financial instruments may rise or fall.

Somerston Asset Management Limited is regulated by the Jersey Financial Services Commission.

WARNING

Past performance is not indicative of or a guarantee of future results. No assurance can be made that profits will be achieved or that substantial losses will not be incurred

Somerston Asset Management Limited
47 Esplanade
St Helier
Jersey
JE2 3QB
Channel Islands
Tel: (+44) 2081 424 065
Email: ir@somerston.com



AMBERTON

Secured Real Estate Backed Income

Secured Lending:

Loans secured against real estate with a blended average loan to value across the portfolio of 70% or below.

Capital Preservation:

A 20% first-loss guarantee offering enhanced investor protection.

Proven Expertise and Track Record:

Carefully structured loans providing secure income backed by UK, Guernsey and Jersey residential markets.

Designed for high-net-worth individuals and family offices.

Minimum investment of £100,000

APPENDICES



SOMERSTON
ASSET MANAGEMENT

Fundamental research drives quality stock selection



We have been adding NVIDIA since mid 2018. While its state of the art chips affords NVidia the utmost respect, a few years ago, many doubted how sustainable its growth would be.

Pivotal:

Nvidia is at the centre of the AI investment cycle due to the mission critical GPUs that the company designs.

Data centre dominance:

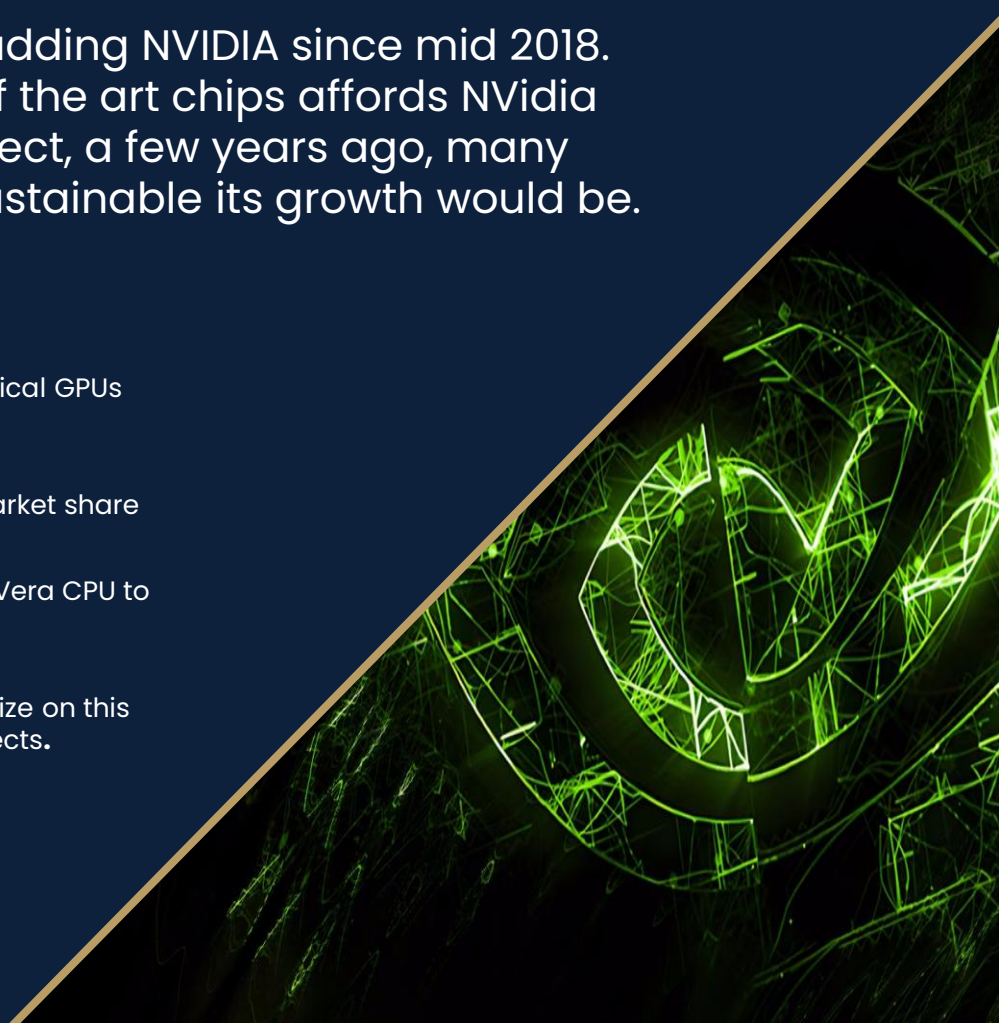
Nvidia holds the dominant position in the GPU market with an c.85% market share

CPU Boom:

Management believe the CPU opportunity to be worth \$200bn and for Vera CPU to achieve revenue of \$20bn this year

Nvidia's advantage:

As the undisputed AI market leader, Nvidia is well-positioned to capitalize on this growth, potentially leading to another period of superior growth prospects.



APPENDICES



SOMERSTON
ASSET MANAGEMENT

Fundamental research drives quality stock selection



AMD designs and develops CPUs, GPUs, FPGAs, SoCs, and high-performance compute solutions.

Advanced Micro Devices. The company's 'one up-man-ship' with Intel over the years, with repeated price wars, caused AMD's credit to become unstable. Dr Lisa Su took the helm in 2014 and developed an entirely new vision to produce the best products for its client in the highest growth areas of the markets.

In 2017, AMD leapfrogged Intel by launching Computer Processor Unit (CPU) chips that were at least two generations ahead of Intel. In close succession AMD launched leading chip solutions to serve gaming, artificial intelligence, and High-Performance computing (HPC).

Under Dr Lisa Su's leadership the company has gone from being financially levered to having a significant net cash position. Revenues have grown 266% in the past five years – even better than Nvidia (+232%). But whereas Nvidia is valued at \$511 Billion, AMD is valued at \$123 Billion for similar levels of revenue. Nvidia is a clear leader in the GPU chip market and deserves a premium valuation but even after the stellar return AMD has delivered, it remains relatively attractively valued. There are obviously fears that Intel comes back at AMD – and that is certainly likely – but 'Moore's law', which states that the number of transistors in a dense integrated circuit doubles about every two years [and its price halves], is starting to look unfounded at such density. Now we are down to 5nm chips the ability to double every two years is proving very challenging. Chip demand and specifications are growing exponentially in an age of artificial intelligence, machine learning, Automation etc. So at a time when chip demand has never been so high, the rate of processing improvements appears to be waning, yet chip specification is climbing exponentially, there is hope that significant deflation incumbent in this industry is abating.



SOMERSTON
ASSET MANAGEMENT

CONTACT

Email

tom.powell@somerston.com

Telephone:

+44 (0) 1534 822392

Address:

Somerston Group, Windward House,

La Route de la Libération, St Helier, Jersey, JE2
3BQ
