

acm ) ) ) ●

二刀流

# Ni-to-ryu

Investments in US stocks  
using the Long/Short approach



en



ru



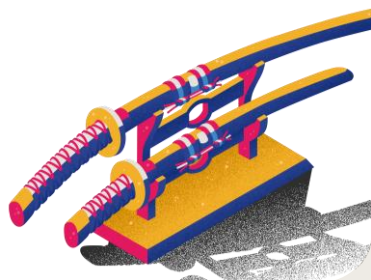
# Ni-to-ryu



Investments in US stocks  
using the Long/Short approach

Ni-to-ryu 'two sword school'  
is the Japanese martial art

Reflects the concept of the  
Long/Short strategy approach



Portfolio manager's expertise

high-growth US stock selection

---

Current market opportunities

the early 2000s scenario might play  
out again

---

Infrastructure

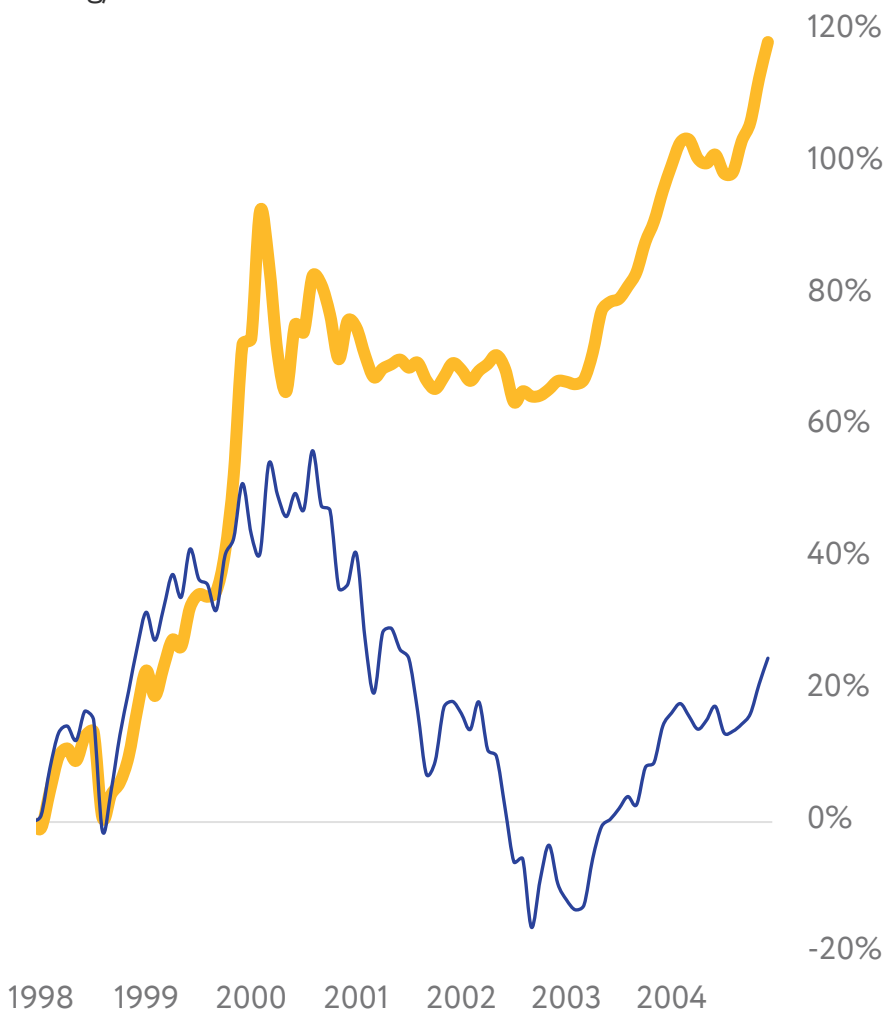
allows execution of Long/Short  
strategies

Investments in US stocks  
using the Long/Short approach

**The strategy designed  
to profit from both rising  
and falling US stock prices**

## Return of Long/Short hedge funds vs US equities

● Long/Short ● S&P 500



Source: Bloomberg

# Portfolio Manager



**Nikita  
Emelyanov**

Successfully managed portfolios of US and Chinese equities for 15 years, with assets up to \$140 million

---

The result was the creation of this Long/Short strategy, going long on mid-cap stocks and shorting the broad market

---

The new strategy enables earning in both rising and falling markets

# Long/Short Approach



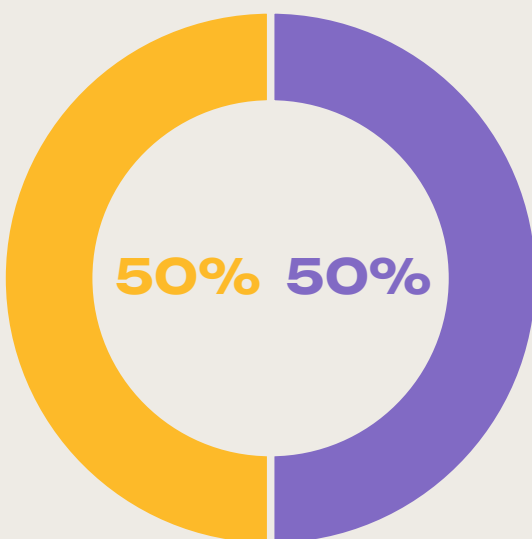
Long enables to profit from the increase of mid-cap growth companies

---

Short serves as protection and a way to profit from a potential decline in the US market

---

The combination of approaches enables to profit from current trends while hedging risks



- **Long**  
Buying equities
- **Short**  
Selling US equity indices

# Model Portfolio



Number of tickers      Share of assets      Expected market premium<sup>1</sup>

## Long

### Mid-caps

Block, DraftKings

15-20

40%

15%<sup>+</sup>

### Blue-chips

Microsoft, NVIDIA

5

35%

10%<sup>+</sup>

## Short

### Triple short of the broad market

Inverse ETFs NASDAQ-100, S&P 500

5

25%

## Ideas

### Equities with the potential for index inclusion

Uber, Dell

2-3

10-20%

15%<sup>+</sup>

10%<sup>+</sup>  
total

<sup>1</sup> Additional return exceeding the performance of the US market, according to estimations of the strategy's portfolio manager

# US Equity



High valuation of US blue-chip stocks exceeded a P/E ratio of 20

---

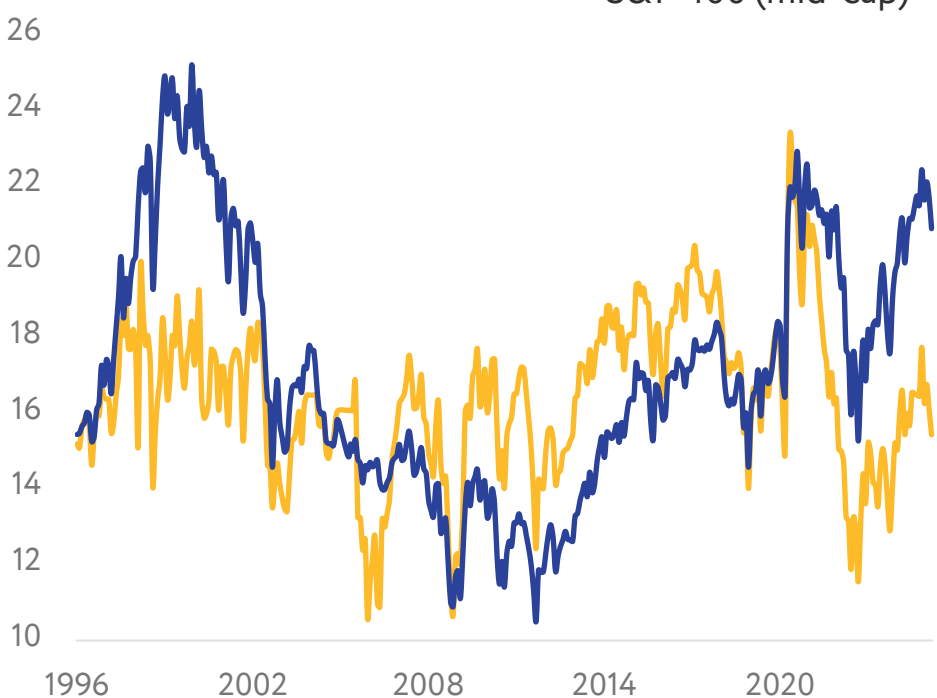
Significant valuation gap between blue-chip and mid-cap stocks

---

History may mirror the early 2000s

## Valuation by P/E ratio

- S&P 500 (large-cap)
- S&P 400 (mid-cap)



# Current opportunities



The lack of growth in the S&P 500 index in the early 2000s

---

However, other opportunities emerged such as long positions in mid-cap stocks and short positions in the broad US market

---

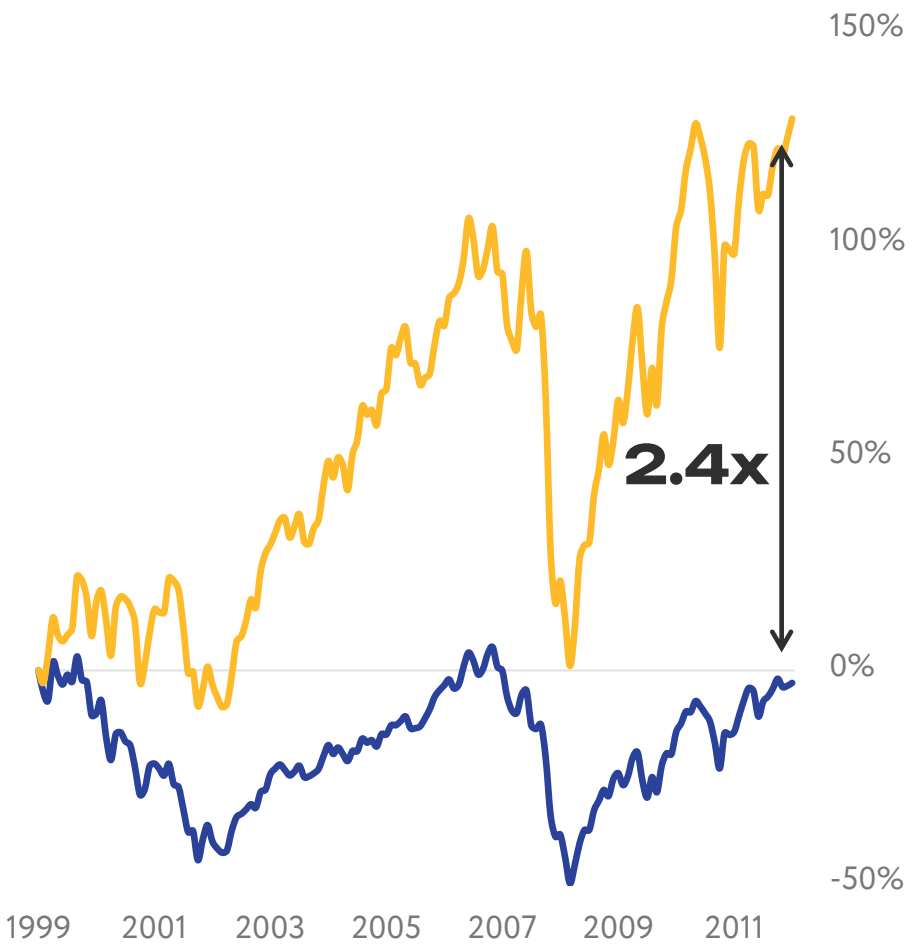
During this period, this Long/Short approach yielded an annual outperformance of the S&P 500 by 7.5%

# Current opportunities



## Performance of US equities in the early 2000s

- S&P 500 (large-cap)
- S&P 400 (mid-cap)



# High growth



We select US mid-cap companies exhibiting high growth rates

---

Large-cap can face slowing business growth and increased regulatory pressure

---

This may additionally drive mid-cap stock prices higher

## Growth rate

**↑ 18%**

mid-cap companies of our portfolio

VS

**↑ 13%**

Nasdaq

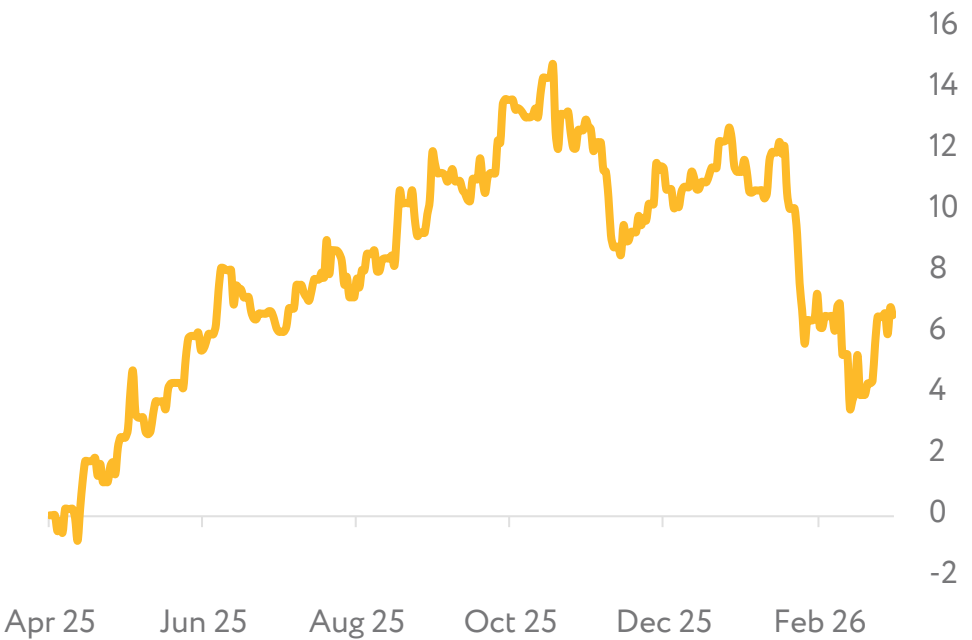
# Performance



↑ **6.6%**

return since the strategy's inception

Strategy Return, %



# Ni-to-ryu



Long/Short approach

# 10%<sup>+</sup>

net expected annual return<sup>1</sup>

# 1<sup>+</sup> years

recommended period

up to **10%**  
possible drawdown<sup>2</sup>

USD strategy currency

100 000 minimum amount

0.3% management fee

10% performance fee

<sup>1</sup> Assessment is performed by the portfolio manager based on analysis of the current market situation

<sup>2</sup> CVaR (a risk measure that evaluates the average loss in the worst 20% of cases) over a 1-year horizon.

# Long/Short approach



## Active management

spotting relevant trends and capitalizing on both market upturns and downturns

---

## Hedging risks

hedging as protection and a way to profit from declining equity prices

---

## Relevant investment ideas

capitalizing on opportunities arising from increasing uncertainty in the US economy



# Contact us

 +971 2 675 9222

 client@acmgroup.ae

[website](#)



## Al Maqam Tower

ADGM Square, Al Maryah Island,  
Abu Dhabi, UAE

[by taxi](#)

[by car](#)

# Disclaimer



The term ACM LIMITED (hereinafter referred to as the “Company”) and any grammatical form of the first person pronoun (“we”, “our”) refers to company whose registered office is Unit 1, Floor 9, Al Maqam Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates, registration number is 000002050.

The Company is regulated by the Abu Dhabi Global Market (“ADGM”) Financial Services Regulatory Authority, financial services permission number FSRA/180022.

The term “you”, “Client” refers to the reader of the material.

These materials are intended for professional clients and market counterparties only.

This material is compiled for informational purposes only and does not in any way (e.g. by way of an offer, suggestion, recommendation, coercion) encourage the purchase or sale of securities, financial instruments or to participate in any trading strategy. This material does not provide investment advice, recommendations for making or rejecting any investment decisions and is not subject to use for such purposes. The data provided in this material and their analysis should not be taken as an indication or a guarantee for further actions, analyses, forecasts.

This material should not be regarded as investment research, or an objective or independent analysis of the matters contained herein and shall not be construed as a report prepared by an independent investment research analyst. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. This document shall be considered to be solely a marketing communication and does not assure or guarantee any specific level of performance of any financial instruments and/or minimum or fixed or assured return.

Nothing herein is to be considered as creating a lawyer-client, advisor-client or indeed any contractual relationship between the Client and the Company and/or ACM Limited parties (as defined below). In addition, nothing herein shall constitute an offer, an acceptance, or a legally binding obligation of any of the ACM Limited parties to provide any services under the conditions described in this material.

Any services offered by ACM Limited are not intended for, and must not be accessed or used by, any U.S. Person.

The Company does not offer, market, or provide any form of asset management, investment advisory, or other wealth management services to U.S. Persons, individuals or entities resident in the United States, or any person legally residing in the United States.

Nothing in this material or communication shall be construed as an offer to sell, a solicitation to buy, or the provision of investment advice regarding any financial product or service within the United States or to any U.S. Person.

You undertake the obligation to disclose to the Company fully and accurately whether you, directly or indirectly hold or have ever held any U.S. identification documents.

## **INTELLECTUAL PROPERTY**

This material, including but not limited to text, content, photographs and graphics (including all such information provided by the Company in response to any request) is protected by copyrights, trademarks, service marks, international treaties and/or other proprietary rights and laws of UAE and/or ADGM and/or other countries, and is also protected as a collective work or compilation under UAE and/or ADGM and/or other applicable laws and treaties. The trademarks, service marks, trade names, trade dress, logos, designs, and sounds associated with this material are owned by ACM Limited, or third-parties who have authorized their use.

## **RESTRICTIONS ON USE**

You may not use this material for any illegal purpose or in any manner inconsistent with the terms described herein (the “Terms”). You agree to use this material solely for your personal use and benefit or that of your organization, and not for resale or other transfer to, or use by or for the benefit of, any other person or entity. You agree not to use, transfer, distribute or dispose of any information contained in this material in any manner that could compete with the business of the Company. You acquire no rights or licenses in or to the material.

# Disclaimer



## **DISCLAIMER AND LIMITATION OF LIABILITY**

Although the Company shall obtain information and data available in the material (the “information”) from sources that the Company considers reliable, the information is provided on an “as is” basis and neither the Company, its affiliates, any of its or their direct or indirect information providers nor any other third-party involved in, or related to, compiling, computing or creating any of the information (collectively, the “ACM Limited parties”) warrants or guarantees the originality, accuracy and/or the completeness of any of the information or the results to be obtained by any use thereof and none of the ACM Limited parties shall have any liability to any person or entity for any errors, omissions or interruptions of or in connection with the information.

Further, none of the ACM Limited parties makes any express or implied warranties of any kind and the ACM Limited parties hereby expressly disclaim all warranties (including, without limitation and for purposes of example only, all warranties of title, sequence, availability, originality, accuracy, completeness, timeliness, non- infringement, merchantability and fitness for a particular purpose and all implied warranties arising from trade usage, course of dealing and course of performance) with respect to the information, without limiting the generality of any of the foregoing, in no event shall any of the ACM Limited parties have any liability to any person or entity for any damages, whether direct, indirect, special, incidental, punitive, consequential (including, without limitation, loss of use, lost profits or revenues or any other economic loss), even if it might have anticipated, or was advised or notified of, the possibility of such damages.

## **INDEMNIFICATION**

You agree, at your own expense, to indemnify, defend and hold harmless the Company and its employees, representatives, the Company’s affiliates and their employees and representatives, suppliers and agents, against any claim, suit, action or other proceeding, to the extent based on or arising in connection with your use of this material. You agree to pay any and all costs, damages and expenses (including reasonable attorney’s fees) and costs awarded against or incurred by or in connection with or arising from any such claim, suit, action or proceeding.

## **GOVERNING LAW**

These Terms shall be governed and construed in accordance with the laws of ADGM, without regard to its conflicts of laws principles. You agree to submit to the personal jurisdiction of the courts of the ADGM with respect to any legal proceedings arising out of these Terms and waive any objection to the propriety or convenience of venue in such courts. If any provision of the Terms is found by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be enforced to the maximum extent permissible and the other provisions of the Terms shall remain in full force and effect.

## **OFFICIAL CORRESPONDENCE**

Official Correspondence must be sent via postal mail to:

### **ACM LIMITED**

Unit 1, Floor 9, Al Maqam Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates

Phone: +971 2 675 9200