
ST. PETRI CAPITAL

MONTHLY REPORT

JULY 2021

Comments

St. Petri Capital is a long-short thematic hedge fund. The investment process focuses on structural changes and their implications for companies' cash flows. The fund uses operational investment themes to identify disrupters (long) and disrupted companies (short). The investment process is unchanged since the mid-1990s.

During July, the fund delivered a negative return of 1.65%¹. The fund made a positive contribution of 1.54% on the long side and lost 3.26%² on short positions. The fund has had an average net-long exposure of 31.96%³. The main positive theme contributions came from Sustainability Wave (+0.75%) where the fund maintained a net-long exposure of 14.78% on average, as well as Artificial Intelligence theme (+0.61%) with an average net-long exposure of 11.38%.

Main negative contributors came from hedges within Low Volatility Exuberance (highly valued stocks, expected to be negatively correlated with increasing interest rates) (-2.17%) with an average net-short exposure of 27.77%, as well as the Online Retail Transitioning theme (-0.73%) with an average net-short exposure of 4.16%.

The main reason for the negative return is (against our expectations) continuously falling interest rates (approx. 25 bps) despite increasing inflation pressure.

Statistical Summary

Return & Risk Statistics⁴

Return/Risk	ST. PETRI L/S ⁵	INDEX ⁶
Return (July)	-1.65	1.25
YTD	5.28	14.19
Since inception	106.28	19.70
Avg. Yearly Return (since inception)	26.81	6.77
Standard Deviation (annualized)	10.92	17.87
VaR 95% (July)	1.43	1.37
Correlation w. Index (since inception)	0.25	

Fund in numbers

AUM	320 DKKm
Average # of positions	58
Net long (July)	31.96
Largest sector exposure (long)	Materials (31.10%)
Largest sector exposure (short)	Real Estate (-13.34)

Thematic Exposure⁷

Long position	weight, %
Inflation Wave	17.73
Sustainability Wave	14.78
Green Energy Wave	13.25
Short position	
Digital Platform Dominance	-3.46
Online Retail Transitioning	-4.16
Low Volatility Exuberance	-27.77

Thematic contribution⁸

Top contributor	return, %
Sustainability Wave	0.75
Artificial Intelligence	0.61
Green Energy Wave	0.44
Bottom contributor	
Inflation Wave	-0.49
Online Retail Transitioning	-0.73
Low Volatility Exuberance	-2.17

¹ After all costs.

² Before all costs.

³ Short and long positions of 63.88% and 95.84%, respectively.

⁴ All Returns in DKK.

⁵ Returns after all costs.

⁶ Index is Bloomberg European 500.

⁷ Top three net exposure as per 30 July 2021

⁸ Top and bottom contributors as per 30 July 2021

