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ST. PETRI CAPITAL

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QUARTERLY REPORT  
Q4 2021

**Comments**

WEALTH INVEST AKL St. Petri L/S I is a long/short thematic equity fund managed by St. Petri Capital. The investment process is centred on identifying transformative forces of change that will have an impact on sectors on companies’ cash flows and reshape economies and industries over the long term. The fund is managed by pioneers of the thematic investment process with an unchanged process since the mid 1990s.

During Q4, the fund delivered a negative return of -7.45%<sup>1</sup>. The fund made a negative contribution of -1.84% on the long side and -5.76%<sup>2</sup> on short positions. The fund has had an average net-long exposure of 17.24%<sup>3</sup>.

The main positive theme contributions came from Sustainability Wave (+1.24%) where the fund maintained a net-long exposure of 14.98% on average, as well as the Inflation Wave theme (+0.45%) with an average net-long exposure of 21.59%. Main negative contributors came from long positions within the theme Artificial Intelligence (-3.62%) where the fund had an average net-long exposure of 7.79%. Furthermore, the theme Low Volatility Exuberance contributed negatively (-2.04%) with a net-short exposure of 29.70%.

The negative return is primarily driven by the downward trend of interest rates as well as our position in the health tech stock Sensyne Health plc. Despite improving economic conditions and increasing inflation levels, interest rates have followed their downward trend which has led to underperformance of our themes negatively correlated with rising interest rates. During Q4, Sensyne Health has suffered a significant decline driven by investor concerns about delivery of the company’s revenue target. St. Petri Capital is still convinced about the company’s potential and exploited the share price decline to increase its position in the stock. Despite, no new information the stock has continued to depreciate and is the primary driver of the underperformance of the Artificial Intelligence theme.

**Statistical summary**

**Return & Risk Statistics (%)**

Return	ST. PETRI L/S <sup>4</sup>	INDEX <sup>5</sup>
Q4	-7.45	3.21
YTD	-3.69	19.69
LTM	-3.69	19.69
Since inception	88.78	21.61
Avg. Yearly Ret. (since inc.)	17.63	5.13
<b>Risk</b>		
Annualized Standard Deviation	12.39	17.31
VaR 95%	-1.01	
Maximum drawdown (Q4)	13.28	3.19
Maximum drawdown (since inc.)	13.28	23.30
<b>Risk/Return</b>		
Sharpe ratio (Q4)	-0.56	0.23
Sharpe ratio (since inc.)	7.22	1.28
Correlation w. Index (Q4)	0.42	
Correlation w. Index (since inc.)	0.22	

**Fund in numbers**

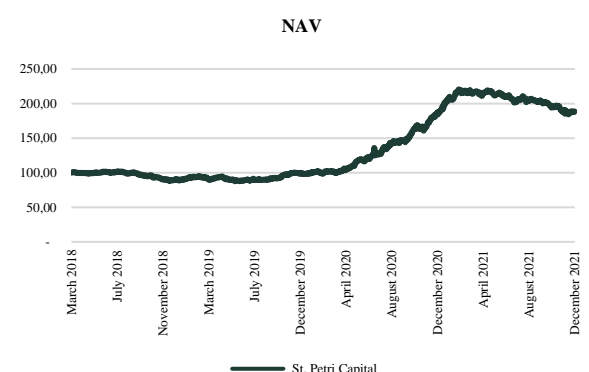
AUM	320 DKKm
Average # of positions	53
	<i>Short (#)</i> 24
	<i>Long (#)</i> 29
Net long (Q4)	17.24%
Largest sector exposure (long)	Materials (25.96%)
Largest sector exposure (short)	Real Estate (13.19)

**Thematic Exposure<sup>6</sup>**

Long position	weight (%)
Inflation Wave	21.59
Sustainability Wave	14.98
Digital Experience	9.66
<b>Short position</b>	
Low Volatility Exuberance	-29.70
Digital Platform Dominance	-7.17
Distribution to Decline	-3.18

**Thematic Contribution<sup>7</sup>**

Top contributor	return (%)
Sustainability Wave	1.24
Inflation Wave	0.45
Digital Experience	0.43
<b>Bottom contributor</b>	
Artificial Intelligence	-3.62
Low Volatility Exuberance	-2.04
Online Retail Transition	-1.36



<sup>1</sup> Net of all costs.

<sup>2</sup> Gross of all costs.

<sup>3</sup> Short and long positions of 68.98% and 86.22%, respectively.

<sup>4</sup> Returns net of all costs

<sup>5</sup> Index is Bloomberg European 500.

<sup>6</sup> Top three net exposures as per 31 December 2021

<sup>7</sup> Top and bottom contributors as per 31 December 2021