
ST. PETRI CAPITAL

MONTHLY REPORT

FEBRUARY 2022

Comments

During February the fund delivered a return of -0.03%¹. The fund had a positive contribution of +3.81% points from short positions and a negative contribution of -3.67% points² from long positions. The largest positive contribution to performance came from hedging positions in the Risk Mitigation theme which contributed 1.41% points. Our strategy is in general to hedge the portfolio by shorting single stocks, however the fund has from time-to-time mitigated risk in the long portfolio by shorting indices. This gives us more time to analyze and find the right stocks to short, while still having downside protection. We have usually been short in US indices, however mid-January we reallocated some of that short position to the German index to achieve a more balanced hedge in terms of how we perceived risk at the time. As a way of hedging against the increasing risk of Putin’s Invasion into Ukraine, the fund had a 20% short position in the DAX and 7% in Nasdaq around mid-February. Those positions have since been reduced, and as of the end of February the fund does not have a short in Nasdaq.

On a thematic basis the Low Volatility Exuberance theme was a significant contributor, as the short positions in interest rate sensitive, highly priced stocks underperformed significantly. On a country basis the largest positive contributor was the net short of 15.2% in Sweden which has contributed 3.69% points YTD. During February we implemented a new theme Security Revolution, which contributed 0.83% points. The Security Revolution theme was established in the fund because we expect Putin’s actions in Ukraine will have large implications for economies and markets going forward. There is a new agenda in Europe where investments in defense, security of supply chains and energy supply security will lead to new priorities and speed up some existing structural trends and create new investment opportunities. The largest negative contribution came from the Online Retail Transition theme, from stocks such as HelloFresh, Westwing and Home24.

Statistical Summary

Return & Risk Statistics (%)		
Return/Risk	ST. PETRI L/S ³	INDEX ⁴
Return (February)	-0.03	-3.64
YTD	0.96	-6.73
Since inception	90.59	17.03
Annualized Return (since inc.)	17.64	4.04
Annualized Standard Deviation	12.82	17.71
VaR 95% (February)	-1.94	
Correlation w. Index (since inc.)	0.23	

Fund in numbers

AUM	300 DKKm
Average # of positions	58
	Short (#) 28
	Long (#) 31
Net long (February) ⁶	11.06%
Largest sector exposure (long)	Materials (26.49%)
Largest sector exposure (short)	Real Estate (-12.26%)

¹ Net of all costs
² Gross of all costs
³ Returns net of all costs
⁴ Bloomberg European 500
⁵ Top three net exposures as per 28 February 2022
⁶ Short and long positions of 74.06% and 63.00%, respectively
⁷ Gross top and bottom contributors as per 28 February 2022

Thematic Exposure ⁵	
Long position	weight, %
Inflation Wave	19.74
Sustainability Wave	13.82
Financial Disintermediation	6.88
Short position	
Low Volatility Exuberance	-27.64
Risk Mitigation	-13.18
Distribution to Decline	-4.28

Thematic contribution ⁷	
Top contributor	return, %
Risk Mitigation	1.41
Low Volatility Exuberance	1.23
Security Revolution	0.83
Bottom contributor	
Online Retail Transition	-0.87
Sustainability Wave	-0.80
Digital Experience	-0.62

