
ST. PETRI CAPITAL

MONTHLY REPORT

MARCH 2022

Comments

During March the fund delivered a return of 0.26%¹. There was a positive contribution of 3.15% points from long positions and a negative contribution of -1.92% points² from short positions. The largest positive contribution to performance came from the new theme implemented last month, the Security Revolution theme, which contributed 2.72% points. Companies expected to benefit from increases in defense spending, such as Rheinmetall, Saab and Invisio saw large increases in their stock prices, and YTD Rheinmetall and Saab have appreciated approx. 150% and 50%, and Invisio has risen 45% the last month. The second largest contribution to performance came from the Inflation Wave theme, where our investments in mining stocks performed well. In terms of the Green Energy Wave, short positions highly valued non profitable EV makers contributed 0.70% points, and although the stocks have come down approx. 50% YTD, we still expect further downside. Our short in Tesla on the other hand did not work out in March as the stock rose considerably after falling 30% in the beginning of the year.

The Online Retail Transition theme was a large drag to the performance in March due to investments in HelloFresh, Westwing and Home24. The market's dislike for high P/E growth stocks has hit this segment, and there has also been signs of weakened earnings and growth prospects fueling the selloff. We have confidence that the lower earnings primarily due to increased investments will pay off longer term. Last month's second-best performing theme, the Low Volatility Exuberance, was also a negative contributor in March, as many of our shorts in highly priced, interest rate sensitive bond proxy stocks rebounded in March. However, due to our views on inflation we believe this rebound is short-lived as investors will soon focus on rising interest rates again.

During March, the most significant change in the portfolio was that we started building up a large short in consumer related companies, as we expect meaningful demand destruction in 2022 due to rising prices on practically everything.

Statistical Summary

Return & Risk Statistics (%)		
Return/Risk	ST. PETRI L/S ³	INDEX ⁴
Return (March)	0.26	0.71
YTD	1.22	-6.06
Since inception	91.08	17.86
Annualized Return (since inc.)	17.3	4.13
Annualized Standard Deviation	16.82	27.70
VaR 95% (March)	-1.09	
Correlation w. Index (since inc.)	0.22	

Fund in numbers		
AUM	290 DKKm	
Average # of positions	61	
	Short (#)	29
	Long (#)	32
Net long (March) ⁶	18.70%	
Largest sector exposure (long)	Materials (23.43%)	
Largest sector exposure (short)	Real Estate (-13.17%)	

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 31 March 2022
⁶ Short and long positions of 58.38% and 77.08%, respectively
⁷ Gross top and bottom contributors as per 31 March 2022

Thematic Exposure ⁵	
Long position	weight, %
Security Revolution	12.49
Sustainability Wave	11.13
Inflation Wave	8.23
Short position	
Low Volatility Exuberance	-28.89
Distribution to Decline	-4.10
Digital Platform Dominance	-2.48

Thematic contribution ⁷	
Top contributor	return, %
Security Revolution	2.72
Inflation Wave	1.03
Green Energy Wave	0.52
Bottom contributor	
Online Retail Transition	-1.48
Low Volatility Exuberance	-1.25
Digital Platform Dominance	-0.38

