
ST. PETRI CAPITAL

MONTHLY REPORT

APRIL 2022

Comments

During April the fund delivered a return of 1.32%¹. There was a positive contribution of 5.29% points from short positions and a negative contribution of -4.14% points² from long positions. The largest positive contribution to performance came from the Low Volatility Exuberance theme where short positions in Swedish companies performed particularly well during the month. In Sweden we are short companies we perceive to have flawed business models reliant on cheap and easily accessible leverage. This is the case for our shorts in non-residential real estate stocks and for the group of highly acquisitive growth stocks. Higher bond yields and changes in investor sentiment towards more viable and robust business models caused many of these stocks to fall significantly during most of 2022. This was also the story for many of our shorts in the US, where shorts in overvalued EV makers, bitcoin exchanges and the likes continued to contribute positively due to the market's dislike for non profitable growth stocks. Our defense stocks continued to perform after an already stellar performance this year.

Detractors to performance were largely positions in small high beta companies, that followed the market down during April. Long positions in mining stocks were also negative contributors during the month, as recession fears gained traction. Although we believe that the underlying story for commodities and miners is more structural than cyclical longer term, we will be cautious about this exposure as we also see an increased likelihood of a recession during the second half of the year. Our latest build up of shorts in consumer related companies, the Real Income Destruction theme, were not supported by recent earnings reports as most of these came out with good results. On a macro level consumer related figures are however showing signs of weakness, and we are quite confident that certain consumer stocks will face more headwinds in coming quarters as inflation hurts consumer spending.

In terms of changes to the portfolio we have been bringing down our net exposure, and during April we added to our shorts in non-residential real estate by shorting some large European operators and developers of shopping malls.

Statistical Summary**Return & Risk Statistics (%)**

Return/Risk	ST. PETRI L/S ³	INDEX ⁴
Return (April)	1.32	-1.11
YTD	2.56	-7.10
Since inception	93.61	16.56
Annualized Return (since inc.)	17.31	3.77
Annualized Standard Deviation	12.82	18.24
VaR 95% (April)	0.74	
Correlation w. Index (since inc.)	0.22	

Fund in numbers

AUM	295 DKKm
Average # of positions	66
	<i>Short (#)</i> 34
	<i>Long (#)</i> 32
Net long (April) ⁶	8.17%
Largest sector exposure (long)	Materials (21.17%)
Largest sector exposure (short)	Real Estate (-16.18%)

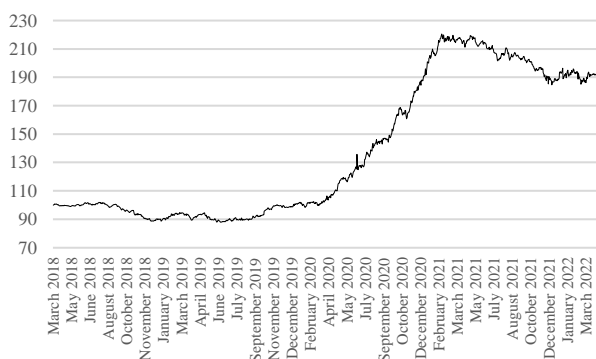
Thematic Exposure⁵

Long position	weight, %
Security Revolution	13.00
Inflation Wave	11.68
Sustainability Wave	11.37
Short position	
Low Volatility Exuberance	-28.89
Distribution to Decline	-4.10
Digital Platform Dominance	-2.48

Thematic contribution⁷

Top contributor	return, %
Low Volatility Exuberance	2.53
Green Energy Wave	1.69
Security Revolution	1.00
Bottom contributor	
Inflation Wave	-2.04
Internet of Things	-1.12
Artificial Intelligence	-1.02

St. Petri L/S

¹ Net of all costs² Gross of all costs³ Returns net of all costs⁴ Bloomberg European 500⁵ Top three net exposures as per 29 April 2022⁶ Short and long positions of 66.76% and 74.93%, respectively⁷ Gross top and bottom contributors as per 29 April 2022