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ST. PETRI CAPITAL

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MONTHLY REPORT

*August 2022*

**Comments**

During August, the fund had a return of -2.56%<sup>1</sup>. There was a negative contribution of -4.10% points from long positions and a positive contribution of 2.27% points<sup>2</sup> from short positions. The fund fared quite well during the first three weeks of August but lost some performance on long positions end month. Negative contributions to performance came from the themes Internet of Things, Digital Platform Dominance and Online Retail Transition. Shorts in consumer related companies in the Real Income Destruction theme were positive contributors and the best performing theme was the Low Volatility Exuberance.

Two new stocks were added to the portfolio during August. We bought the Dutch company Signify, formerly known as Philips Lighting. Signify is a global leader in the digital light industry and has a cutting-edge technology. St. Petri believes that digital light is a technological revolution that will have a large impact and role in the green transition and within cognitive computing. Signify has strong growth potential and an attractive valuation, and it fits well into our thematic approach and pursuit of finding exciting green transition enablers. We also bought the German company Medios, a personalized medicine provider operating in an unpenetrated niche segment of the market. Medios’ business is rather protected due to regulation, and they are consolidating the market leading to improved profitability. Medios is a very stable yet nicely growing business, and in our view the market underestimates its growth potential and hence the value of the company. St. Petri is generally not a big investor in defensive stocks, and we rely on our short positions to hedge our long portfolio. However, in this challenging and volatile market it feels right to include a relatively stable healthcare stock in the fund.

Fund positioning is still rather cautious albeit our average net long in August is the largest since April as we have been adding to our long positions while keeping shorts relatively stable. Although some inflation measures seem to be rolling over, such as gasoline and food prices in the US, we still have a hawkish FED governor committed to fight inflation. Add to that the numerous issues prevalent in Europe and China and we find it hard to make the case for a risk on environment. We will be bringing down risk in the portfolio and add more shorts during September.

**Statistical Summary**

Return & Risk Statistics (%)		
Return/Risk	ST. PETRI L/S <sup>3</sup>	INDEX <sup>4</sup>
Return (August)	-2.56	-5.16
YTD	-3.73	-13.83
Since inception	81.73	10.18
Annualized Return (since inc.)	14.14	2.17
Annualized Standard Deviation	12.71	18.02
VaR 95% (August)	1.02	
Correlation w. Index (since inc.)	0.21	

Fund in numbers	
AUM	300 DKKm
Average # of positions	63
	Short (#) 29
	Long (#) 34
Net long (August) <sup>6</sup>	8.63%
Largest sector exposure (long)	Materials (21.16%)
Largest sector exposure (short)	Real Estate (-17.49%)

<sup>1</sup> Net of all costs  
<sup>2</sup> Gross of all costs  
<sup>3</sup> Returns net of all costs  
<sup>4</sup> MSCI Europe  
<sup>5</sup> Top three net exposures as per August 31, 2022  
<sup>6</sup> Short and long positions of 65.33% and 73.96%, respectively  
<sup>7</sup> Gross top and bottom contributors as per August 31, 2022

Thematic Exposure <sup>5</sup>	
Long position	weight, %
Sustainability Wave	16.46
Green Energy Wave	15.44
Internet of Things	6.69
Short position	
Low Volatility Exuberance	-31.87
Real Income Destruction	-16.75
Digital Platform Dominance	-4.23

Thematic contribution <sup>7</sup>	
Top contributor	return, %
Low Volatility Exuberance	1.19
Real Income Destruction	1.07
Financial Disintermediation	0.18
Bottom contributor	
Internet of Things	-0.74
Digital Platform Dominance	-0.71
Online Retail Transition	-0.68

