
ST. PETRI CAPITAL

MONTHLY REPORT

November 2022

Comments

During November, the fund delivered a return of 6.30%¹. There was a positive contribution of 8.51%-points from long positions and a negative contribution of 1.17%-points² from short positions.

In November, bond yields (10Y) contracted further both in Europe and the US. Inflation data in both regions sparked hopes that inflation could have peaked. US CPI came in below forecasts at 7.7% while Eurozone inflation eased to 10% in November - the first time since mid-2021. Both European and US stock markets ended November with a second consecutive month of gains. US stocks rallied after Fed Chairman Jerome Powell signalled a potential slowdown in interest-rate hikes, though still flagging US inflation remains too high.

The Low Volatility Exuberance theme underperformed contributing with -2.15%-points. Performance was mainly driven by our short exposure to construction and luxury stocks. Our real estate and construction stocks performed well in November due to being negatively correlated with interest rates. Luxury rebounded on China reopening while the recent unrest and outbreaks trigger uncertainty. The interest rate and macroeconomic environment is painting a gloomy outlook for both sectors and with no significant changes to our estimates we remain firm on our investment theses.

Green Energy Wave was the best performing theme in November contributing 3.64%-points mainly driven by our long positions in SMA Solar and Infineon - both key players within the green transition. The adoption of The Inflation Reduction Act has set in motion an international race concerning the adoption of clean technologies and Power-to-X. Combined with the current energy crisis we have seen a significant shift of capital towards renewables and associated technologies that can secure future renewable energy ecosystems. Going into 2023 we believe growth rates on renewable investments will be on a whole new level, globally. We see lots of opportunities in the value chains surrounding the green transition and have increased our exposure accordingly.

Statistical Summary

Return & Risk Statistics

Return/Risk	ST. PETRI L/S ⁴	INDEX ⁵
Return (November)	6.30	6.88
YTD	3.45	-6.20
Since inception	96.42	33.66
Avg. Yearly Return (since inc.)	15.34	6.33
Standard Deviation (annualized)	10.76	13.29
VaR 95% (November)	0.78	
Correlation w. Index (since inc.)	0.20	

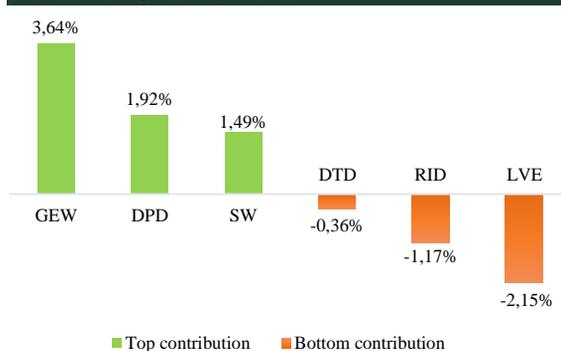
Fund in numbers

AUM	320 DKKm
Average # of positions	61
	<i>Short (#)</i> 28
	<i>Long (#)</i> 33
Net long (November)	7.42
Largest sector exposure (long)	Materials (19.91)
Largest sector exposure (short)	Real Estate (-19.10)

Thematic Exposure⁶

Long position	weight, %
Sustainability Wave	20.23
Green Energy Wave	18.32
Internet of Things	6.42
Short position	
Low Volatility Exuberance	-33.54
Real Income Destruction	-11.45
Digital Platform Dominance	-5.20

Thematic Contribution⁷



¹ Net all costs.

² Gross of all costs.

³ Short and long positions of 66.43% and 73.85%, respectively

⁴ Returns net of all costs

⁵ MSCI NDR Europe

⁶ Top three net exposures as per 30 November 2022

⁷ Gross top and bottom contributors as per 30 November 2022

- GEW: Green Energy Wave
- DPD: Digital Platform Dominance
- SW: Sustainability Wave
- DTD: Distribution to Decline
- RID: Real Income Destruction
- LVE: Low Volatility Exuberance