
ST. PETRI CAPITAL

MONTHLY REPORT

January 2023

Comments

During January, the fund delivered a return of -0.17%¹. There was a positive contribution of 9.59%-points² from long positions, a negative contribution of -8.37%-points² from short positions and cash had a negative contribution of -0.81%-points.

In January, we saw a continuation of the downward trend of inflation. Especially headline inflation is dropping significantly, but core inflation is still elevated. Nevertheless, this has sparked hope of a soft landing in equity markets resulting in a strong rally. Specifically, the areas that got hit the hardest in 2022 has bounced back the strongest in January, leaving Nasdaq up 12.2% for the month. The strongest January performance for the index since 2001.

The Low Volatility Exuberance theme (LVE) underperformed contributing with -2.86%-points. Performance was mainly driven by our short exposure to real estate and tech stocks, which many of them had fallen significantly in 2022, and as described above, rebounded the hardest on hopes on a soft landing and even rate decreases by the FED as early as end-2023. We believe inflation will be tougher to subdue back to reasonable levels and see an elevated rate-level for longer. As such, we still see further downside for our short positions within LVE.

Continuing the strong push from Q4 2022, Green Energy Wave was the best performing theme in January contributing 1.90%-points. Performance was mainly driven by our long exposure to positions within the materials sector. The focus on a tightening supply/demand situation for materials critical for the green transition is pushing prices of these commodities higher. The price of copper saw an almost 10% increase in January.

Statistical Summary

Return & Risk Statistics

Return/Risk	ST. PETRI L/S ⁴	INDEX ⁵
Return (January)	-0.17	6.79
YTD	-0.17	6.79
Since inception	98.47	37.73
Avg. Yearly Return (since inc.)	14.55	6.55
Standard Deviation (annualized)	9.24	11.63
VaR 95% (January)	1.01	
Correlation w. Index (since inc.)	0.20	

Thematic Exposure⁶

Long position	weight, %
Green Energy Wave	26.83
Sustainability Wave	20.99
Internet of Things	5.56
Short position	
Low Volatility Exuberance	-30.95
Real Income Destruction	-11.13
Digital Platform Dominance	-5.33

Fund in numbers

AUM	325 DKKm
Average # of positions	59
	<i>Short (#)</i> 27
	<i>Long (#)</i> 32
Net long (January)	15.42
Largest sector exposure (long)	Materials (22.94)
Largest sector exposure (short)	Real Estate (-18.36)

Thematic Contribution⁷



¹ Net of all costs
² Gross of all costs
³ Short and long positions of 60.29% and 75.71%, respectively
⁴ Returns net of all costs
⁵ MSCI Europe NDR
⁶ Top three net exposures as per 31 January 2023
⁷ Gross top and bottom contributors as per 31 January 2023

GEW: Green Energy Wave
 SW: Sustainability Wave
 ORT: Online Retail Transition
 RID: Real Income Destruction
 DPD: Digital Platform Dominance
 LVE: Low Volatility Exuberance