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ST. PETRI CAPITAL

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Q1 REPORT  
2023

**Comments**

During Q1, the fund delivered a negative return of -2.48%<sup>1</sup>. Long positions had a positive contribution of 6.93%-points, short positions contributed negatively -7.82%-points and cash had a negative contribution of -0.52%-points<sup>2,3</sup>. The fund was roughly flat in January, despite a strong rally by equity markets on hopes of a soft landing fueled by downward trending inflation. Stickier than expected inflation numbers and an unwavering approach from the central banks saw equities muted in February. March marked one of the most volatile months we have seen in a while, with the aftermath of the SVB collapse and fears of a more widespread banking crisis rippling through markets, followed by a steep recovery as investor sentiment was eased by governments quickly ‘bailing out’ depositors.

The main positive theme contributions came from *Online Retail Transition*, ORT (+1.72%), where the fund maintained a net long exposure of 0.96% and *Personal Health Care*, PHC (+1.31%), where the fund had a net long exposure of 3.76%. Performance in the two themes came primarily from two positions respectively; HelloFresh in ORT and Vivoryon Therapeutics in PHC.

Main negative contribution came from *Digital Platform Dominance* (-3.18%) primarily driven by our short exposure to crypto-currency related positions.

The poor performance in Q1 was dissatisfactory. Several factors worked as head-winds for performance in the first quarter; The ‘mini’ banking crisis sparked a ‘flight to safety’ that triggered an outflow of capital from small cap, cyclical, higher beta stocks into large cap stocks. Furthermore, our short exposure towards real estate and luxury are perceived as ‘safe havens’ and saw inflow throughout the quarter. Crypto-currencies was also boosted by the anxiety surrounding ‘traditional’ financial markets. Finally, the market is now pricing in lower growth as a result of further liquidity tightening, which specially affects companies within materials, technology and industrials, where many of our positions within or core themes *Green Energy Wave* and *Sustainability Wave* are located. In relation to this, we have proactively decided not to make any significant changes, except lowering our gross exposure while increasing our net-long exposure back towards our long-term average level of 20%.

**Statistical summary**

**Return & Risk Statistics (%)**

Return	ST. PETRI L/S <sup>4</sup>	INDEX <sup>5</sup>
Q1	-2.48	8.61
YTD	-2.48	8.61
LTM	0.91	3.82
Since inception	93.87	40.07
Avg. Yearly Ret. (since inc.)	13.53	6.67
<b>Risk</b>		
Annualized Standard Deviation	12.85	14.10
VaR 95%	-1.30	
Maximum drawdown (Q1)	9.09	6.16
Maximum drawdown (since inc.)	16.41	35.48
<b>Risk/Return</b>		
Sharpe ratio (Q1)	-0.19	
Sharpe ratio (since inc.)	1.09	
Correlation w. Index (Q1)	0.52	
Correlation w. Index (since inc.)	0.21	

**Fund in numbers**

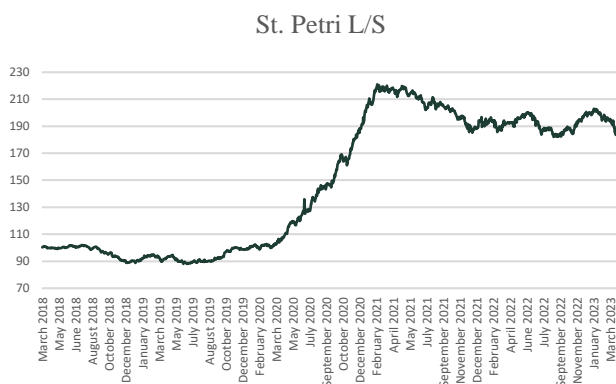
AUM	310 DKKm
Average # of positions	51
	<i>Short (#)</i> 22
	<i>Long (#)</i> 29
Net long (Q1)	17.16%
Largest sector exposure (long)	Materials (21.35%)
Largest sector exposure (short)	Real Estate (18.47%)

**Thematic Exposure<sup>6</sup>**

Long position	weight (%)
Green Energy Wave	25.37
Sustainability Wave	21.04
Internet of Things	5.60
<b>Short position</b>	
Low Volatility Exuberance	-29.23
Real Income Destruction	-10.54
Digital Platform Dominance	-5.27

**Thematic Contribution<sup>7</sup>**

Top contributor	return (%)
Online Retail Transition	1.72
Personal Healthcare	1.31
Internet of Things	1.08
<b>Bottom contributor</b>	
Digital Platform Dominance	-3.18
Real Income Destruction	-1.18
Low Volatility Exuberance	-0.69



<sup>1</sup> Net of all costs

<sup>2</sup> Gross of all costs

<sup>3</sup> Short and long positions of 60.53% and 77.69%, respectively

<sup>4</sup> Returns net of all costs

<sup>5</sup> MSCI Europe NDR

<sup>6</sup> Top three net exposures as per 31 March 2023

<sup>7</sup> Top and bottom contributors as per 31 March 2023