ABOUT THE FUND

Proxy Renewable Long / Short Energy is an actively managed AIF fund that invests globally in public equities related to the Energy Transition Theme. The fund is directional, utilises both long and short positions and invests in renewable energy and energy technology sectors.
The investment strategy is based on a combination of top down thematic and bottom up fundamental value-oriented approach.

RETURN HISTORY

SEK A SHARE CLASS, NET OF FEES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	2.37%	7.45%	-7.01%	4.63%	2.76%	5.70%	8.28%	4.74%					**31.83%**
2019	14.31%	5.35%	-0.73%	6.93%	-3.62%	5.79%	2.41%	1.82%	-0.03%	-2.07%	1.97%	7.50%	**45.86%**
2018												-7.40%	**-7.40%**

Performance Figures

Return since inception	**78.06%**
Return p.a.	**39.05%**
Volatility	**18.02%**
Sharpe	**2.17**
Max drawdown	**-7.40%**

Data as of 31 August 2020, Proxy P for SEK A share class

Risk Figures

VaR (1-day, 95%)	**1.72%**
Net exposure	**53%**
Gross exposure	**179%**
Longest single stock	**7.25%**
Shortest single stock	**-2.17%**

COMMENT BY THE PORTFOLIO MANAGER

Markets in general

Markets continued trending upwards in August, the fifth consecutive month in a row, making the post-recession recovery this year the best performing period in history. Daily Covid-19 cases continue to remain high around the world, but the development is twofold. Many countries have witnessed a significant decline in cases and as a result, have been able to phase out restrictions. Others, like the US are still struggling with high infection numbers and have not been able to ease restrictions. Given the market strength, it seems that the market expects a full recovery next year which will support growth and normalise the global economy.

Global equity markets (exemplified by the MSCI World NTR *SEK*) gained 5.2% in August resulting in –2.7% YTD return.

Proxy performance

In August, the Proxy Renewable Long Short Energy fund generated a monthly net return of **4.74%**, bringing the fund to **31.83%** YTD.

Energy Transition sectors continued the strong trend from previous months and delivered robust returns also in August. The market displayed a consensus view that the disruptive force of Energy Transition is likely to further intensify regardless of how Covid-19 develops. The rationale behind this view can be argued on the back of increased subsidies and stimulus packages supporting investments in renewable energy.

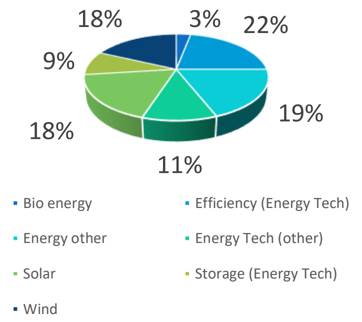
In August, the outperforming sectors in July continued to deliver strong returns. Long term disruptive growth stories such as solar PV and Electric Vehicle (EV) manufacturers were the best performing sectors. The fund had a significant exposure of roughly 37% towards these sectors which contributed positively over the month. The market experienced some profit taking in our Chinese wind-related investments on the back of the strong performance earlier this summer. A depreciating USD detracted from further upside given our 41% exposure to USD denominated stocks.

In late July, we started to reduce the fund's net exposure and continued to do so in August. The decision was based on elevated short-term valuation, our individual investments together with a more cautious view of the market in general. We apply various hedging strategies to reduce market risk depending on the exposure level we want to achieve. In the current market environment, we prioritise eliminating tail risk events by buying option protection. The strategy is less protective in a more sluggish and consolidating market while it should continue to deliver strong returns if the bull market continues.

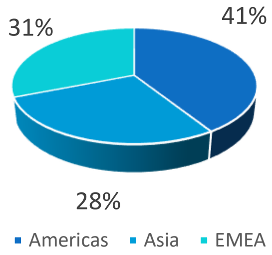
Transition in energy markets

The 2020 US presidential election is scheduled for 3rd of November. The election outcome will have various impacts on our sector and Energy Transition in general in the US. Electrification and renewable energy sources are currently developing fast in the US under sitting President Trump. No other country is scrapping as much coal-based energy capacity as the US. This is primarily a result of cost and technology competitiveness of our sector compared to the more traditional fossil dependant ones. But it is also positively affected by supportive regulations in individual states, public awareness and demand. This positive trend is expected to continue if President Trump was to be re-elected. However, if the democrat candidate Joe Biden would be elected the trend is expected to intensify even further. Biden has announced that growth must be supported but without increasing climate risk. Biden calls for a Green New Deal which implies 100% clean electricity by 2035, making the nation carbon neutral by 2050. This involves a USD 2 trillion plan to combat climate change and environmental issues. We realise there are uncertainties in this plan and the populistic aspects of such an announcement. However, we are sure about the positive effects of such a program on our sector from a long-term perspective. That said, the underlying fundamental drivers of Energy Transition in the US are well in place regardless who wins the election.

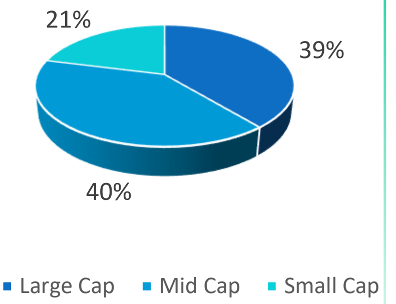
SECTOR EXPOSURE



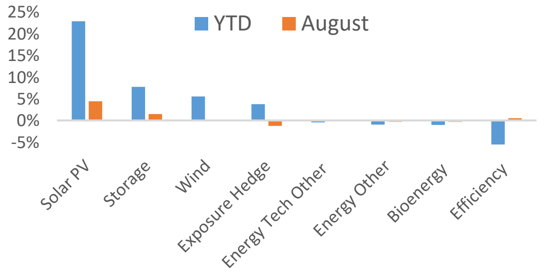
GEOGRAPHIC EXPOSURE



MARKET CAPITALISATION



SECTOR CONTRIBUTION



SHARE CLASSES – PRICES

SHARE CLASSES	*ISIN*	*PRICE*
SEK A	LU1925475474	178.06
EUR A	LU1925475128	114.72

OTHER INFORMATON

Fund Facts

Portfolio Manager	Jonas Dahlqvist
Inception	14 December 2018
Liquidity	Monthly
Management Fee	0.75% p.a
Performance Fee	20%
Hurdle Rate	5% p.a.
Lock in	None

Fund Facts

Depository	SEB S.A
Administrator	European Fund Administration S.A
Auditor	Deloitte Audit
Fund Jurisdiction	Luxembourg
Fund Company	Proxy P SICAV-SIF
Investment Manager	Proxy P Management AB

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