

## 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 growth-oriented approach.

## RETURN HISTORY

SEK A SHARE CLASS, NET OF FEES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2020</b>	2.37%	7.45%	-7.01%	4.63%	2.76%	5.70%	8.28%	4.74%	4.32%	8.08%	12.06%	9.79%	<b>82.88%</b>
<b>2019</b>	14.31%	5.35%	-0.73%	6.93%	-3.62%	5.79%	2.41%	1.82%	-0.03%	-2.07%	1.97%	7.50%	<b>45.86%</b>
<b>2018</b>												-7.40%	<b>-7.40%</b>

### Performance Figures

Return since inception	<b>147.01%</b>
Return p.a.	<b>54.35%</b>
Volatility	<b>18.45%</b>
Sharpe	<b>2.95</b>
Max drawdown	<b>-7.40%</b>

### Risk Figures

VaR (1-day, 95%)	<b>2.16%</b>
Net exposure	<b>85%</b>
Gross exposure	<b>137%</b>
Longest single stock	<b>6.45%</b>
Shortest single stock	<b>-1.51%</b>

Data as of 31 December 2020, Proxy P for SEK A share class. NAV 247.01

## COMMENT BY THE PORTFOLIO MANAGER

2020 was an exceptional year for the fund. In December, the Proxy Renewable Long Short Energy fund generated a monthly net return of **9.8%**, which resulted in an annual return of **82.9%** in 2020. The fund concluded its second year of trading and has annualised at **54.4%** over the two years (net returns for SEK A share class).

The strong returns delivered are a result of the portfolio which is made up of two parts: a long growth book and a relative / pairs trading book. The growth book aims to drive returns when the market climate is favourable. The relative book aims to protect the portfolio during challenging market conditions.

The growth book is focusing on successfully investing in companies demonstrating growth related to the Energy Transition theme. This process has many layers. Our ambition is to offer the best exposure to the Energy Transition Theme globally.

To accomplish this, we invest in what we believe to be the most attractive companies in our investment universe which is divided into **Renewable Energy** and **Energy Technology**. Furthermore, we analyse associated sub-sectors, ranging from renewable energy (such as solar and wind power), to batteries, hydrogen technologies and technologies aiming to improve energy efficiency and save energy usage.

During the year, our sub-sector positioning has been advantageous. We aim to find the optimal balance in the portfolio between Renewable Energy and Energy Technology exposure. Moreover, it is equally important to determine how much exposure the portfolio should have towards associated sub-sectors such as solar and wind power. In 2020, we were consistently overweight the solar power sector which proved to be rewarding. We believe that if the world's ambition is to phase out coal power, replace internal combustion engines in transports and if green hydrogen will play a prominent role in the future, the expansion of solar power will be significant.

Within each sub-sector it is also essential to pick the right thematic focus, such as geographic exposure, where to be in the value chain and which technology to back. For solar power, we realised early on that the American market is likely the most favourable in the world for many reasons including affordability and cost structure, political support and incentives and structure of the power sector. For each theme, we have identified companies that fit the desired thematic exposure. Among such companies we have succeeded in understanding who are best positioned to turn this tailwind into growth. Both in terms of volumes, sales and earnings. Furthermore, we have invested in these companies at the right price (i.e., valuation) without taking too much risk (i.e., analysing operating cash flow, ESG profile, indebtedness etc.). There are many layers of the investment process which ultimately generate the portfolio we have had during the year and which created strong returns when the market was favourable.

However, the market environment was not always strong in 2020, but was rather depressed during February and March and relatively weak in September and October. During such challenging environments our relative book, consisting of highly correlated relative trades and strategical hedges, was supportive. As a result, the fund significantly outperformed generic equity markets during these difficult months. In the end, this resilient portfolio construction added to the overall performance of the fund.

The first argument for investing in our fund is that it is focusing on Energy Transition globally and the investment opportunities that comes with it. What makes us truly different is the portfolio composition and how we navigate periods of challenging markets. Strong periods and supportive markets are the foundation for satisfying returns. However, the fund's return over time is equally supported by how resilient we are during weaker and challenging periods. It is the combination of all parts of the portfolio that creates, in our opinion, the attractive return profile. The combination of the growth and relative book has had a decisive effect on the portfolio's risk-adjusted development during the year.

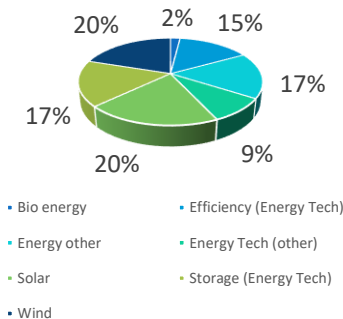
While analysing returns, there are additional aspects worth mentioning. We want to highlight all our portfolio companies that make it possible for other businesses and households to choose a more sustainable path in their energy consumption. A development that aims to result in a fossil-free energy system, free from carbon dioxide emissions and greenhouse gases. These companies have employees, who through hard work and innovative capacity make it possible to produce efficient technologies at the right price. This is the foundation the world depends on in its effort to switch to a fossil-free energy system.

We would also like to emphasise the politicians who have implemented policies and incentive programs that, in addition to technological and economic advances, are accelerating this transition.

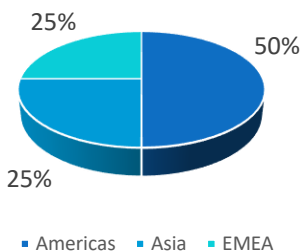
And finally, we would like to lift forward the end consumers who have actively chosen sustainable alternatives, such as fossil-free transportation and renewable energy sources. They are all heroes in this context.

The journey does not lack challenges, but the important thing is that more and more people share the same vision and are working towards the same goal. From that backdrop, we expect 2021 to be equally exceptional.

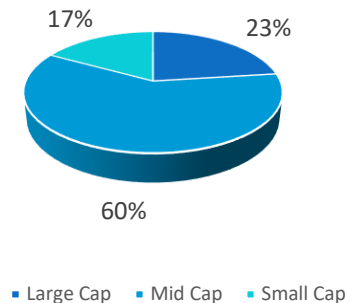
SECTOR EXPOSURE



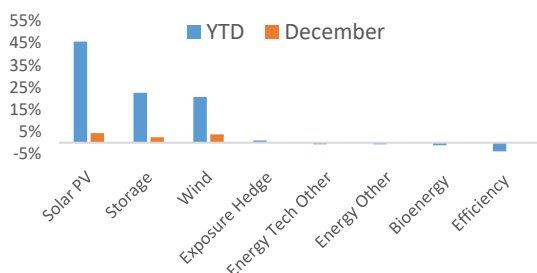
GEOGRAPHIC EXPOSURE



MARKET CAPITALISATION



SECTOR CONTRIBUTION



SHARE CLASSES

Share class	ISIN	Share class	ISIN
EUR B	LU1925475391	EUR S	LU2226981897
USD B	LU2226981624	USD S	LU2226982192
GBP B	LU2247536597	GBP S	LU2247536753
CHF B	LU2247536324	CHF S	LU2247536670
SEK B	LU2247906600	SEK S	LU2226981970

Minimum investment: B shares EUR125,000 and S shares EUR5m (USD, GBP, CHF, SEK equivalent).

OTHER INFORMATION

Fund Facts

Portfolio Manager	Jonas Dahlqvist
Inception	14 December 2018
Liquidity	Monthly
Management Fee	B shares: 1.25% p.a S shares: 0.75% p.a
Performance Fee	20% with 5% hurdle rate
Lock in	None
Bloomberg ticker	PRRLSEA LX Equity

Fund Facts

Prime Brokers	Morgan Stanley SEB
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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## NAV & HISTORIC RETURNS

EUR A	NAV	162.99											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020							9.34%	4.92%	2.84%	9.15%	13.57%	11.44%	62.99%

A shares are closed for new investments.

USD B	NAV	131.91											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020											15.78%	13.93%	31.91%

EUR B	NAV	111.42											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020												11.42%	11.42%

GBP B	NAV	111.33											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020												11.33%	11.33%

CHF B	NAV	111.31											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020												11.31%	11.31%

The fund is denominated in EUR. Please note that the various share classes are unhedged from a currency perspective.

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