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. Investment decisions are made on a discretionary basis but supported quantitively.

RETURN HISTORY

SEK A SHARE CLASS, NET OF FEES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	11.63%	-2.76%	0.57%	-6.11%	-6.50%	9.01%	-4.08%						**0.20%**
2020	2.37%	7.45%	-7.01%	4.63%	2.76%	5.70%	8.28%	4.74%	4.32%	8.08%	12.06%	9.79%	**82.88%**
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	**147.50%**
Return p.a.	**40.47%**
Volatility	**20.36%**
Sharpe	**1.99**
Max drawdown	**-14.15%**

Risk Figures

VaR (1-day, 95%)	**2.97%**
Net exposure	**93%**
Gross exposure	**141%**
Longest single stock	**7.99%**
Shortest single stock	**-1.97%**

Data as of 31 July 2021, Proxy P for SEK A share class. SEK A NAV 247.50

COMMENT BY THE PORTFOLIO MANAGER

Markets in general

Global equity markets maintained the positive trend in July supported by strong corporate results from the second quarter. Although there are some concerns regarding “peak growth, profits and stimulus” from the first half of this year, leading macro data are still indicating that we will have a strong global economy in the second half. Interest rates are also less of a concern after trending down for a couple of months due to muted inflation expectations. The Federal Reserve will withdraw its QE-program of USD 120 billion a month at some point, however the market does not seem to worry about that for the time being.

Global equity markets (exemplified by the MSCI World NTR *SEK*) gained 2.2% in July resulting in 20.3% YTD return.

Proxy performance

In July, the Proxy Renewable Long Short Energy fund (SEK class) generated a monthly net return of -**4.08%**, bringing the fund to **0.20%** YTD. Storage followed by solar PV were the biggest contractors to performance for the month followed by wind.

It has been a bumpy ride for our sectors this year. An initial rally from the beginning of the year until mid-February was replaced by a massive three-month correction. From mid-May until the end of June we witnessed some recovery. In July our sectors had a rough time, both in absolute terms but more importantly relative to markets in general. Most of our companies are reporting in August, but some published their results already in July. In general, they see strong demand from customers in terms of volumes and quantities. However, pricing power remain limited. We are not expecting prices on solar panels, batteries, Electric Vehicles (EVs) or wind turbines to go up. On the contrary, we believe in falling prices which should not be a problem as long as volumes are strong and compensate for lower prices. We expect economies of scale to lead to satisfying profitability over time. Unique for this quarter is that some companies face supply issues of certain components and materials. This is affecting EV producers and the solar PV sector in particular. Other sectors, such as wind turbine producers, face margin pressure because of high prices of basic materials. We believe these issues to be temporary and related to the Covid 19 pandemic situation. We seek investment opportunities if the market is punishing companies as a result of temporary weakness.

Our sectors have been trading flat on average for the last five months, yet still trade 25% lower than the peak in February. This can be compared with general markets, exemplified by MSCI World, which has been trading up some 13% in the same period. Such comparison is not interesting on a standalone basis but when we look at valuations, growth opportunities and the long-term outlook for our sub-sectors we feel comfortable in the mid-term perspective. Our concern is rather related to markets in general. Given the strong development, extended valuations and the risk of a policy shift from the Federal Reserve and other central banks, there is an obvious risk that general markets turn bearish when you least expect it. We believe that in such an environment our sub-sectors can outperform. But that does not mean they will perform from an absolute perspective. We are not market timers and acknowledge the fact that anything can happen in the short-term perspective. Meanwhile, we need to manage the downside risk. From a mid to long-term perspective the fundamentals of our sectors support a positive view. We are also excited about potential triggers ahead of us. The next climate meeting, COP26, in Glasgow in November will be the most important one since Paris in 2015. We believe this meeting can provide a turning point in terms of action and we are excited about next year in terms of order intake, revenues, and earnings revisions. We believe next year will have the potential to show how politics and policies affect corporate activity.

Transition in energy markets

After years of protests, lobbying, and negotiations, Europe’s transformative plan to eliminate greenhouse gas emissions and fight climate change is now in the hands of politicians and lawmakers. On July 14th the European Union’s executive body presented a mammoth package of measures known as **Fit for 55**. This is the first step down the very long path towards cutting emissions by 55% from 1990 levels by 2030. "We know that our current fossil economy has reached its limits", Commission President von der Leyen*. "This is really epic", Frans Timmermans (Executive Vice-President for the European Green Deal)**. It is clearly a very ambitious set of measures, including tightening of the current Emissions Trading Scheme. Extension of the scheme will include shipping and new policies including a new scheme for heat and transport and a Carbon Border Adjustment Mechanism. The next step will take years. Turning those headline-grabbing numbers into enforceable regulations require intricate negotiations among the EU’s 27 member states. Implementing the package will be ”bloody hard“, said Timmermans**.

Two years after European Commission President von der Leyen first outlined the climate neutrality goal, "we know where we want to go, and what we need to do to get there," she said. Bloomberg highlighted seven important pillars of the program***.

1. Emission trading system (ETS)
EU's ETS is the most extensive in the world. It will aim to accelerate the pace at which emission caps shrink each year. This will force manufacturers, energy companies and airlines to improve the pace of their decarbonisation efforts.

2. Carbon Border Adjustment Mechanism
Essentially an import levy on steel, aluminium and cement that comes in from countries will less stringent carbon pricing regimes.

3. Shipping and Aviation
Shipping will be brought into the EU ETS and aviation will lose its exemptions.

4. Car Emission Standards
55% emissions reduction from new cars by 2030 and zero emissions by 2035.

5. Renewable Energy Targets
The target for the percentage of energy from renewable sources by the end of the decade is raised from 32% to 40%.

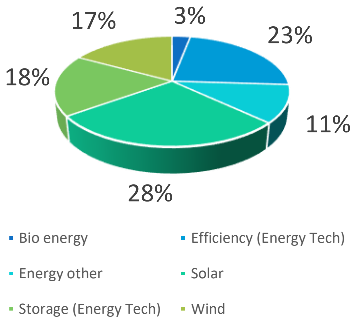
6. Energy Efficiency
The Commission wants to promote energy efficiency across multiple sectors, from construction and agriculture to transport and communications. It plans to mandate all public bodies to renovate their buildings so that they waste less energy.

7. Land Use and Forestry
The EU wants to increase the amount of carbon dioxide absorbed by "sinks" such as forests and grasslands to 310 million tons a year by 2030 from around 270 million tons currently.

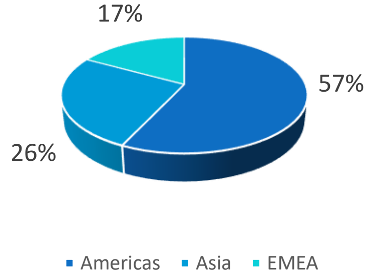
From an investment perspective this does not change anything in the short-term, however from a long-term perspective it will have huge impact on companies in our universe, and it makes the Energy Transition theme even more solid and trustworthy.

**EU Kicks Off Biggest Push Yet on Climate, Braces for a Fight – Bloomberg, July 2021*
***Five Takeaways From the EU's Big Climate Overhaul Plan – Bloomberg, July 2021*
****The Seven Elements of the EU Green Deal You Should Care About – Bloomberg, July 2021*

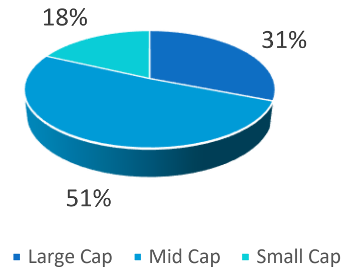
SECTOR EXPOSURE



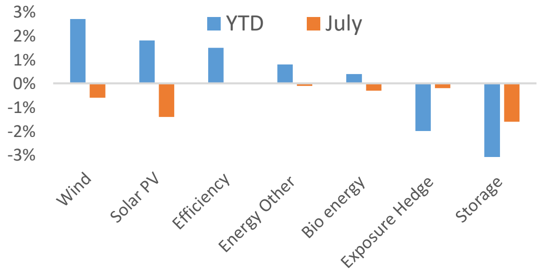
GEOGRAPHIC EXPOSURE



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 INFORMATON

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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Past performance is no guarantee for future returns. Investments involve varying degrees of risk and there can be no assurance that an investment will be profitable. Market capitalisation and geographical exposure are represented by net figures. Sector exposure is represented by gross figures.

NAV & HISTORIC RETURNS

EUR A	NAV	161.49											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	10.98%	-3.30%	0.19%	-5.52%	-6.12%	8.96%	-4.65%						**-0.92%**
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	127.26											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	10.32%	-3.43%	-2.44%	-3.25%	-4.70%	5.64%	-4.70%						**-3.53%**
2020											15.78%	13.93%	**31.91%**

EUR B	NAV	110.07											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	10.94%	-3.35%	0.16%	-5.56%	-6.17%	8.91%	-4.69%						**-1.21%**
2020												11.42%	**11.42%**

GBP B	NAV	105.74											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	9.92%	-4.85%	-1.41%	-3.60%	-7.17%	8.70%	-5.31%						**-5.02%**
2020												11.33%	**11.33%**

CHF B	NAV	108.87											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	10.88%	-2.01%	0.72%	-6.26%	-6.03%	8.58%	-6.57%						**-2.19%**
2020												11.31%	**11.31%**

SEK B	NAV	99.96											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	11.60%	-2.79%	0.53%	-6.15%	-6.52%	8.96%	-4.12%						**-0.04%**

USD S	NAV	95.33											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021							-4.67%						**-4.67%**

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