

## ABOUT THE FUND

Proxy Renewable Long / Short Energy is a thematic ESG fund focusing on the Energy Transition theme. It is an actively managed AIF fund that invests globally in public equities. 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 quantitatively.

## RETURN HISTORY

### SEK A SHARE CLASS, NET OF FEES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-4.82%	14.25%	0.29%	-4.56%	13.77%	3.41%							<b>22.46%</b>
<b>2021</b>	11.63%	-2.76%	0.57%	-6.11%	-6.50%	9.01%	-4.08%	0.66%	-1.79%	14.53%	-3.30%	-12.11%	<b>-3.59%</b>
<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>191.64%</b>
Return p.a.	<b>34.8%</b>
Volatility	<b>23.1%</b>
Upside volatility	<b>27.4%</b>
Downside volatility	<b>18.6%</b>
Sharpe	<b>1.51</b>

### Risk Figures

VaR (1-day, 95%)	<b>2.32%</b>
Net exposure	<b>52%</b>
Gross exposure	<b>178%</b>
Longest single stock	<b>7.74%</b>
Shortest single stock	<b>-1.83%</b>
Max drawdown	<b>-19.1%</b>

### Correlation Figures

Correlation	S&P500	MSCI World
Since inception	<b>0.28</b>	<b>0.30</b>
Last 12 months	<b>-0.05</b>	<b>-0.07</b>

Data as of 30 June 2022, Proxy P for SEK A share class. SEK A NAV 291.64. The fund is denominated in EUR. Please note that the various share classes are unhedged from a currency perspective.

## COMMENT BY THE PORTFOLIO MANAGER

### *Markets in general*

Markets were turbulent and weak in June. US inflation data came in a lot higher than expected which triggered the US Federal Reserve to hike their policy rate by 75bp to 1.5% in an effort to fight inflation. As interest rates increased, this put a burden on equity valuation. The war in Ukraine and Chinese Covid-19 restrictions are two important forces behind the current inflationary pressure, but probably the most important factor is strong consumer demand. Central banks do not have control of supply factors, but have the ability to affect demand through rates and the cost of debt. Leading economic indicators are getting softer, guiding towards a weaker economic outlook, while consumer confidence indicators are at depressed levels as a result of high prices. The big question is how sticky inflation is and how aggressive policy must be to get inflation to proper levels. The Federal Reserve said that they cannot rule out that the economy will eventually end up in a recession. Having said this, preventing a wage-inflation spiral which will only sustain high inflation levels is a higher priority than avoiding a recession.

Global equity markets (exemplified by the MSCI World NTR SEK) lost 4.2% in June resulting in negative -10.1% YTD return.

### *Proxy performance*

In June, the Proxy Renewable Long Short Energy fund (SEK class) generated a monthly net return of **3.41%**, bringing the fund to **22.46%** YTD.

The Renewable and Clean Tech sector was quite weak during the month, just like general markets. The primary reason for this was higher rates and a hawkish policy message from central banks like the US Federal Reserve. Our sector has a long duration character by nature and is therefore sensitive to fluctuations in long term interest rates, in turn making it sensitive to inflation expectations.

We are not too concerned about current inflation pressure. We acknowledge it is a result of tight supply in many commodities, freight rates etc, but we also think that tight supply is a function of strong demand and given the hawkish central banks demand, it will deteriorate in the second half of this year. Eventually this will pull back inflation and lead to rates which would be highly beneficial for our sector from a relative perspective. We do believe that the risk of a global recession next year is very high, which will also affect our sector. Consumer related sectors such as EVs, battery production and residential solar will probably be affected negatively, while infrastructure, wind and grid solar power will benefit since they are less cyclical and more driven by decarbonisation policies. Additionally, they will also benefit from lower commodity prices and lower rates.

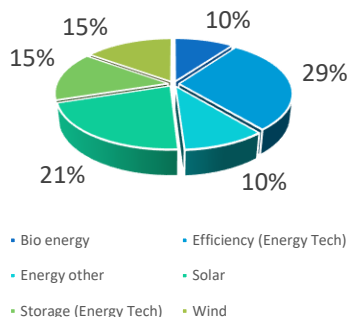
We are satisfied with the performance in June. The relative book and the hedge book had a small but positive contribution to the fund. The growth book was slightly positive during the month, which we are happy with given the weak market conditions. The largest contribution came from some of our Chinese investments. The stock-picking efforts paid off with Daqo Energy (a Chinese polysilicon producer), our wind related investments Goldwind and Titan Wind and BYD (a battery and EV producer). We have been trimming our positions in SQM, Daqo, BYD and Enphase as they grew too large in the portfolio and because valuations became slightly stretched after recent strong performance. That said, we are still very optimistic about these investments from a long-term perspective. We have also started to add protection because we still haven't seen any early signals that inflation is abating, and on top of this there is a real risk of negative earnings revisions if the market becomes more worried about a future recession. All these factors pose real downside risk to the market and our sector, which we will manage by reducing the beta component in the growth book through our hedge positions.

## *Transition in energy markets*

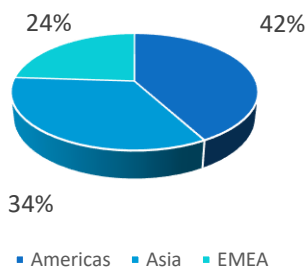
A report from BNEF (Bloomberg New Energy Finance) showed that in 2017, global new vehicles sales peaked at 87 million vehicles. All but 1.1 million had a combustion engine, or differently put, 1.1% represented electric or hybrid vehicles. In the years 2018-2022, total sales have declined but EVs and hybrids have managed to grow their market share, still resulting in strong growth at a low level. This year total vehicle sales are estimated to be around 78 million, with EVs and hybrids making up around 8 million of that, or c10% of total sales. Next year, BNEF expects total sales to grow and for EVs to continue growing their market share. We are not that optimistic; given the risk of recession for the next year or two, we wouldn't be surprised if total sales declined instead. Even in this scenario, we would still expect EVs to grow their market share even further and to surprise on the upside. UBS has stated that they predict that EVs will account for 25% of the market in 2025, but we think there is an upside risk to that target. It is likely that new models with better range and more attractive pricing will primarily drive this development and high gasoline prices will also help. For the time being, we have seen price hikes on vehicles as a result of strong commodity prices and on EVs as result of high battery prices. The effect of this will prove to be quite temporary if we are right regarding an economic slowdown. A faster growth of EVs and battery intensity (i.e. size) would support the demand growth for the raw materials needed, such as lithium. We are not too concerned about current high lithium prices - global lithium production will grow from 576mt in 2021 to 1,100mt in 2023 and then probably to around 1,600mt in 2025. From our perspective, this will reduce the pressure on prices that we see today. Even if we differ with BNEF quite materially on our view of the future, our conclusions are about the same. There are 1.2 billion vehicles with a combustion engine on the roads today and this is probably the peak number - in the years to come it will be on a falling trajectory. We believe that even if we do face an economic slowdown, the growth numbers of EVs will continue to be impressive. BNEF expects that EVs could increase global electricity demand by 4,700 terawatt-hours in 2040 - more than the total power consumption of the US today. By 2050 the increase could be more than 8,800 terawatt-hours, more than China's consumption last year. EVs are expected to account for between 10-13% of global electricity demand by 2040 and between 15-21% by 2050. In order to achieve this, we will be forced to invest in renewable power capacity, hydrogen production and storage solutions, but also in energy saving and efficiency technologies, charging and power infrastructure and other carbon free energy sources like nuclear power. If we don't, the EV trend we see today and expect to observe in the future will not materialise.

[BNEF's 2022 Electric Vehicle Outlook | Bloomberg Professional Services](#)

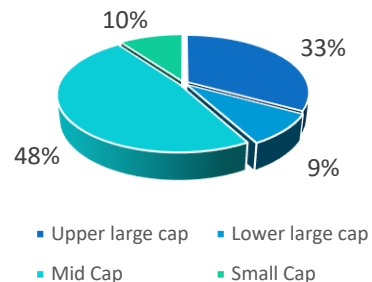
SECTOR EXPOSURE



GEOGRAPHIC EXPOSURE

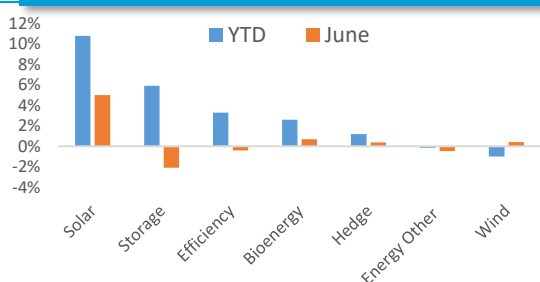


MARKET CAPITALISATION



Upper Large Cap is defined as >USD20bn market cap and Lower Large Cap USD10-20bn.

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 / subscription	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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Winner



# NAV & HISTORIC RETURNS

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

EUR A	NAV	181.95											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-6.34%	12.77%	2.53%	-4.21%	12.16%	1.55%							<b>18.13%</b>
<b>2021</b>	10.98%	-3.30%	0.19%	-5.52%	-6.12%	8.96%	-4.65%	0.71%	-1.23%	16.14%	-5.32%	-12.81%	<b>-5.50%</b>
<b>2020</b>							9.34%	4.92%	2.84%	9.15%	13.57%	11.44%	<b>62.99%</b>

A shares are closed for new investments.

USD B	NAV	125.80											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-7.72%	12.94%	1.53%	-9.22%	13.83%	-0.94%							<b>8.33%</b>
<b>2021</b>	10.32%	-3.43%	-2.44%	-3.25%	-4.70%	5.64%	-4.70%	0.22%	-3.07%	16.34%	-8.30%	-11.95%	<b>-11.96%</b>
<b>2020</b>											15.78%	13.93%	<b>31.91%</b>

EUR B	NAV	123.44											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-6.39%	12.73%	2.49%	-4.25%	12.09%	1.50%							<b>17.83%</b>
<b>2021</b>	10.94%	-3.35%	0.16%	-5.56%	-6.17%	8.91%	-4.69%	0.67%	-1.27%	16.16%	-5.41%	-12.85%	<b>-5.98%</b>
<b>2020</b>												11.42%	<b>11.42%</b>

GBP B	NAV	119.69											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-6.83%	12.94%	3.46%	-4.79%	13.40%	2.80%							<b>20.83%</b>
<b>2021</b>	9.92%	-4.85%	-1.41%	-3.60%	-7.17%	8.70%	-5.31%	1.24%	-1.06%	14.28%	-4.85%	-14.00%	<b>-11.02%</b>
<b>2020</b>												11.33%	<b>11.33%</b>

CHF B	NAV	113.66											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-5.71%	11.30%	1.83%	-4.24%	12.42%	-1.07%							<b>13.81%</b>
<b>2021</b>	10.88%	-2.01%	0.72%	-6.26%	-6.03%	8.58%	-6.57%	1.30%	-1.29%	14.49%	-7.57%	-13.30%	<b>-10.28%</b>
<b>2020</b>												11.31%	<b>11.31%</b>

SEK B	NAV	117.37											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-4.87%	14.20%	0.25%	-4.60%	13.73%	3.48%							<b>22.29%</b>
<b>2021</b>	11.60%	-2.79%	0.53%	-6.15%	-6.52%	8.96%	-4.12%	0.62%	-1.83%	14.54%	-3.40%	-12.15%	<b>-4.02%</b>

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

USD \$	NAV	94.68											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-7.68%	13.00%	1.57%	-9.18%	13.89%	-0.91%							<b>8.59%</b>
<b>2021</b>							-4.67%	0.26%	-3.02%	15.46%	-7.51%	-11.91%	<b>-12.81%</b>

EUR \$	NAV	96.69											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2022</b>	-6.34%	12.77%	2.53%	-4.22%	12.16%	1.54%							<b>18.13%</b>
<b>2021</b>											-6.13%	-12.80%	<b>-18.15%</b>

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The representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève. The Prospectus, the Articles of Association and annual financial statements can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland.

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