

# SHEPHERD ENERGY PORTFOLIO

## MONTHLY REPORT August 2020. Performance: -0,49% (est.)

Shepherd Energy Portfolio	Jan	Feb	March	April	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Year end
2013				1,65%	-0,19%	3,06%	0,75%	1,57%	-0,43%	-0,22%	1,73%	3,54%	11,97%
2014	1,51%	0,07%	1,43%	0,33%	-1,60%	-4,50%	-2,87%	2,18%	0,61%	1,57%	1,65%	-0,57%	-0,42%
2015	-1,40%	1,30%	-0,58%	0,87%	0,06%	1,40%	1,16%	2,11%	0,20%	1,00%	-3,43%	4,18%	6,88%
2016	4,63%	0,75%	-0,16%	0,10%	1,34%	2,98%	-1,77%	1,21%	0,42%	4,72%	-1,23%	0,12%	13,67%
2017	-3,97%	-0,45%	-1,14%	0,73%	0,72%	-0,89%	0,72%	2,15%	2,30%	0,83%	2,55%	0,14%	3,57%
2018	-0,21%	1,06%	3,28%	1,54%	3,46%	1,97%	-1,81%	3,32%	0,80%	0,00%	1,21%	-0,19%	13,78%
2019	-1,18%	2,07%	0,91%	0,46%	-0,03%	-0,72%	0,70%	0,22%	-1,72%	-0,60%	-0,17%	-0,14%	-0,26%
2020	1,25%	1,21%	2,07%	-2,06%	-0,29%	-0,12%	-0,03%	-0,49%					1,49%

All figures based on existing Shepherd Energy Portfolio strategy. Return is from current investment strategy which has been in place since in April 2013. All figures net from fees. From January 2020 the return includes trading in European gas.

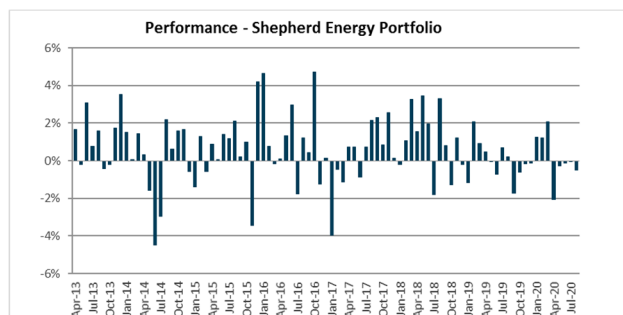
### 1 The Portfolio

Shepherd Energy Portfolio is managed by Shepherd Energy AB, a securities company licensed and supervised by the Swedish Financial Supervisory Authority (Finansinspektionen). Shepherd Energy Portfolio is a managed futures portfolio operating in European Energy Markets. The focus is on Nordic and German power as well as European gas. The Portfolio uses standardised futures, forwards and options, where all contracts are subject to clearing at Nasdaq OMX Commodities or ICE. The Portfolio can use leverage and establish long and short positions. The objective of the Portfolio is to achieve a high risk-adjusted return in combination with a low correlation to traditional stock and bond markets. The target is to generate an average yearly return of 10-15 percent with a Sharpe ratio > 1.

The Portfolio is based on Shepherd Energy's fundamental analysis and long in-depth knowledge of the European power and gas markets, where data is quantified to generate strategies to take position on. Of special interest is when the in-house analysis shows a price- and value divergence with a favourable risk/reward to build strategies on.

### 2 Performance

Shepherd Energy Portfolio	
Return August 2020	-0,49%
Return last 12 months	-1,17%
Net return since start-up	61,59%
Index value since start-up	161,59
Standard deviation	4,98%
Downside risk	2,40%
Average Margin to equity August	1,23%
Max Margin to equity August	1,64%
Min Margin to equity August	0,77%
Correlation MSCI World	-0,15
Yearly Rate of Return	6,76%
Sharpe Ratio	1,36
Sortino ratio	2,81
Sharpe ratio/Maximum draw down	0,78
Biggest monthly draw down	-4,50%
Longest draw down duration	15
Number of winning months	56
Number of losing months	33



### 3 Market comment

In August, the Nordic weather shifted to drier high pressure type preventing the lows from west hitting the coastline of Norway. With less precipitation than normal and decreasing inflow from snow melting, the Norwegian hydropower producers regained control of the stored water with high impact on the Nordic system price going from only a couple of euros up to EUR 25 level at the end of the month. With support from bullish European fuel market and a sharp lift in carbon emission rights almost hitting EUR 30 level, the Nordic Year-21 contract ended the month at the highest level since February at EUR 26.25. The German power market also gained a lot in the second part of August, with Year-21 traded at EUR 43.25 at the highest but ending the month at EUR 41.7 due to loss of momentum in carbon emission market.

The Gas market had been stuck against the broader bullish macro for several months due to oversupply issues with pandemic lows in late July after several false break outs. August though has been extraordinary with a 60% rise back to the levels of January pricing, fundamentals remain relatively unchanged with storages 91% full.

### 4 Contacts

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