

# SHEPHERD ENERGY FUND

## MONTHLY REPORT Apr 2012: NAV 1005,32 PERFORMANCE -1,71%

Shepherd Energy Fund													
Year/Month	Jan	Feb	March	April	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Year
2004			-2.20%	0.23%	-0.76%	0.84%	-3.61%	0.90%	0.62%	7.31%	0.88%	2.83%	6.86%
2005	0.75%	-3.74%	-1.28%	-3.27%	0.91%	2.82%	4.82%	-1.34%	0.30%	-2.86%	-3.83%	0.39%	-6.53%
2006	1.68%	2.21%	-1.43%	11.37%	4.95%	1.10%	4.45%	-9.88%	-3.28%	-5.76%	2.39%	1.95%	8.42%
2007	-3.99%	-2.71%	1.62%	0.27%	-0.07%	0.25%	-0.51%	5.07%	-0.75%	2.56%	0.65%	0.89%	3.03%
2008	0.75%	2.13%	-0.42%	-0.24%	2.14%	0.41%	1.43%	1.18%	2.60%	1.36%	0.51%	0.31%	12.81%
2009	-0.08%	1.40%	-0.11%	0.24%	-0.03%	-0.35%	0.12%	-0.31%	0.36%	-0.69%	-0.70%	0.86%	0.69%
2010	1.09%	-3.33%	-0.01%	0.13%	0.58%	-0.32%	-0.25%	-0.49%	-0.83%	-0.20%	0.00%	1.18%	-2.50%
2011	-0.30%	0.11%	1.32%	0.45%	-1.54%	-2.62%	0.02%	-2.49%	-0.35%	2.17%	-0.97%	-3.98%	-8.04%
2012	1.13%	1.19%	-1.64%	-1.71%									-1.07%

### 1 The Fund

Shepherd Energy Fund is a hedge fund regulated by the Swedish law, "lagen (2004:46) om investeringssonder". The Fund is managed by Shepherd Energy. The Fund is able to invest more freely than traditional mutual funds. The Fund can use leverage and establish long and short positions. The Fund is a sector fund active on the global energy market. A sector fund is not as broadly diversified as a traditional balanced fund. This leads to a higher level of risk as well as higher expectations on return.

The Fund is managed by Shepherd Energy AB, a securities company that is licensed and supervised by the Swedish Financial Supervisory Authority (Finansinspektionen).

The objective of the Fund is to achieve a high risk-adjusted return in combination with a low correlation with the traditional stock and bond markets. The target is to generate an average yearly return of 12-15 percent with a Sharpe ratio > 1.

The Fund will focus on investing in derivatives in the Scandinavian and European Power Market as well in the European emission trading scheme.

The strategies in the Fund are based on Shepherd Energy's fundamental analysis and in-dept knowledge of the Power Markets. Due to volatility higher than the average of the bond and stock market Shepherd Energy is applying a well-structured management process that includes a sharp focus on risk management.

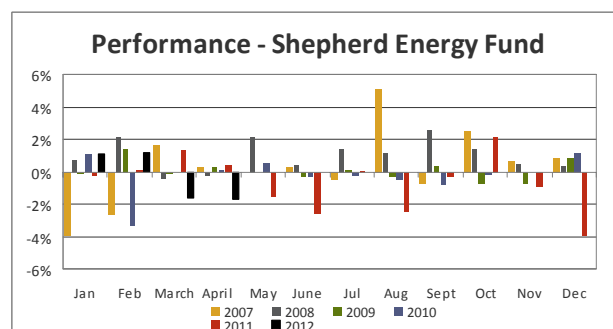
### 2 Performance

Shepherd Energy Fund	
NAV Mar 2012	1022.85
NAV Apr 2012	1005.32
Return Apr 2012	-1.71%
Return since inception	34.10%
Return last 12 month	-10.43%
Standard deviation	4.55%
Downside risk	3.95%
Sharpe Ratio	0.09
Average VaR during month	0.79%
Max VaR during month	1.46%
Min VaR during month	0.29%
MSCI World Index correlation	0.30
S&P 500 correlation	0.25
OMX Sweden correlation	0.41

### 3 Market comment

In April, the temperatures in Scandinavia dropped to levels under seasonal normal and the wind power production was still kept at rather low levels due to highs in the south and lows on rather northerly tracks for most of the month. This in turn delayed the spring thaw and the Nordic spot price could be kept at around 30 euro. The energy situation in the Nordic region however continued showing a great surplus of snow + water and the expectation of lower spot prices put further pressure on the future curve. The most traded front quarter contract on the Nordic power curve was range bound during April and traded between 31-33 euro.

The marginal cost for coal fired production dropped around 2 euro during April when the coal price tanked due to global oversupply and low European demand. The downward movement in the first was yet to some extent subdued from the carbon emissions, where most the most traded EUA-12 gained around 1.5 euro during the month to 7.50 area on renewed hopes for at set aside of EUA supply from 2013 and onwards to underpin the market price. The Nordic cal-13 price however traded in a narrow range between 39-40 euro most of the month.



### 4 Contacts

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