

SHEPHERD ENERGY PORTFOLIO

MONTHLY REPORT August 2019. Performance: +0,22%

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%	-1,28%	1,21%	-0,19%	13,78%
2019	-1,18%	2,07%	0,91%	0,46%	-0,03%	-0,72%	0,70%	0,22%					2,42%

Return is from current investment strategy which has been in place since in April 2013. The Shepherd Energy Portfolio was named Shepherd Energy Fund until September 2013. All figures net from fees.

1 The Portfolio

Shepherd Energy Portfolio is managed by Shepherd Energy AB, a investment firm licensed and supervised by the Swedish Financial Supervisory Authority (Finansinspektionen).

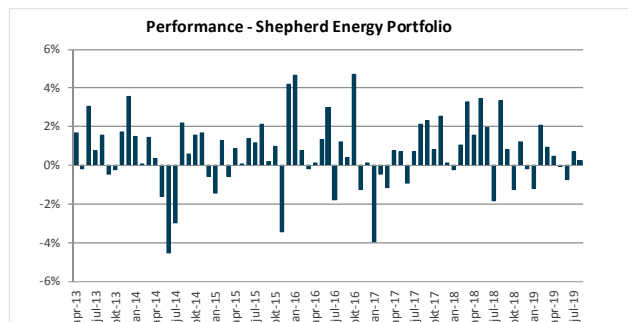
Shepherd Energy Portfolio is a managed futures portfolio in the Nordic Power Market. The Portfolio uses standardised futures, forwards and options, where all contracts are subject to clearing at Nasdaq Commodities. The Portfolio can use leverage and establish long and short positions.

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 Power 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 2019	0,22%
Return last 12 months	6,37%
Net return since start-up	63,50%
Index value since start-up	163,50
Standard deviation	5,83%
Downside risk	3,64%
Average Margin to equity August	1,11%
Max Margin to equity August	3,30%
Min Margin to equity August	0,00%
Correlation MSCI World	0,08
Yearly Rate of Return	7,96%
Sharpe Ratio	1,37
Sortino ratio	2,19
Sharpe ratio/Maximum draw down	0,91
Biggest monthly draw down	-4,50%
Longest draw down duration	15
Number of winning months	53
Number of losing months	24



3 Market comment

August was generally a weak month for Nordic power prices. Large rainfall meant that the hydrological situation in the Norwegian and Swedish water reservoirs improved significantly and the energy deficit that had existed since the winter of 2018 was almost neutralized. As a result, hydropower producers lowered their price and the Nordic spot price fell from EUR 35-40 to EUR 30-35. The short end Nordic power curve fell correspondingly with the Q4-19 contract down from EUR 42.30 to EUR 38.25. At the same time, gas prices continued to be weak on a solid European supply situation and CO2 prices fell back in the wake of concerns about Brexit and weak European economic signals. Coal prices were also weak. This together made the cost of gas and coal power generation cheaper and the power contracts further out on the forward curve in both Germany and the Nordic countries fell back. The Nordic Cal-20 contract dropped from EUR 37.70 to EUR 35.10 during the month.

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