

SHEPHERD ENERGY PORTFOLIO

MONTHLY REPORT March 2019. Performance: +0,91%

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%										1,78%

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 securities company licensed and supervised by the Swedish Financial Supervisory Authority (Finansinspektionen).

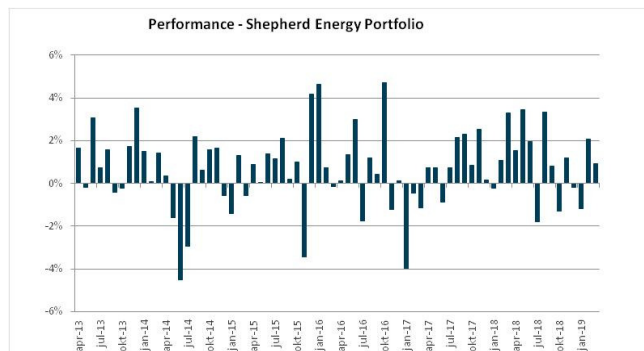
Shepherd Energy Portfolio is a managed futures portfolio in the Nordic Power Market. The Portfolio uses standardised futures, forwards and options, where all contracts are subject to clearing at Nasdaq OMX Commodities. The Portfolio can use leverage and establish long and short positions.

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.

Due to volatility higher than the average of the bond and stock market regarding the Nordic Power Market, the Portfolio Managers apply a well-structured management process, focusing on risk- and money management. All the strategies have predefined stop-losses and where profits are protected using dynamic trailing stops.

2 Performance

Shepherd Energy Portfolio	
Return March 2019	0,91%
Return last 12 months	11,19%
Net return since start-up	62,48%
Index value since start-up	162,48
Standard deviation	6,17%
Downside risk	3,63%
Average Margin to equity March	1,31%
Max Margin to equity March	3,70%
Min Margin to equity March	0,22%
Correlation MSCI World	0,07
Yearly Rate of Return	8,43%
Sharpe Ratio	1,36
Sortino ratio	2,32
Sharpe ratio/Maximum draw down	0,97
Biggest monthly draw down	-4,50%
Longest draw down duration	15
Number of winning months	50
Number of losing months	22



3 Market comment

During March the Nordic power market shown rapidly decreasing prices in the short term curve due to continuous extremely warm and wet weather with a high grade of wind power, helping the hydrological balance to improve a lot. Previously months deficit of energy around 15 TWh was decreasing towards only 5 TWh under normal level. An improvement of impressing 10 TWh which is a record gain for the month of March seen over the last 20 years. The front quarter Q3-19 lost its value from 40 euro level down to 33,5 euro. Cal-20 has lost its level from 37,5 euro down to 33,25 euro at the lowest. Besides a normalized hydrology we also saw weakness in the market for carbon emission and fuel prices where especially the European gas prices was plunging weighed of oversupply. Due to this weakness the German power contract Cal-20 had another visit back down to the February low of 44,5 euro. However, during the end of March the price of carbon emission shown a recoil by hope for a controlled Brexit rather than a hard one. At the same time the Nordic weather forecasts were pointing towards a high pressure scenario and the Nordic power market was running for short covering. Front quarter Q3-19 closed the month near 36 euro and the Cal-20 contract rapidly gained 2 euro to 35,25 level but closed the month at 34,5 euro. The nervousness regarding the Brexit decision was in a highly grade affecting the market and price of carbon emission. Hopefully this raffle will come to a decision during the month of April. Maybe we will see the end of "May" before the end of April for the first time in history...

4 Contacts

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