

# SHEPHERD ENERGY PORTFOLIO

## MONTHLY REPORT January 2021. Performance: -1,62% (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%	-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%	-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%	-0,45%	-0,80%	-1,99%	-1,19%	0,16%	-2,30%
2021	-1,62%												-1,62%

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.

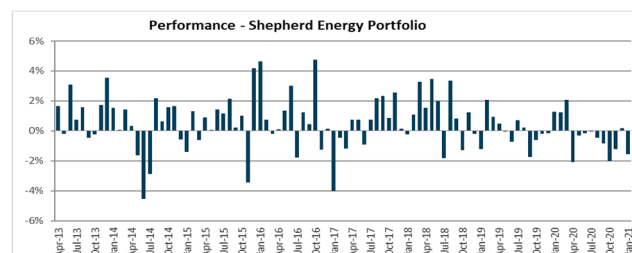
### 1 The Portfolio

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 January 2021	-1,62%
Return last 12 months	-5,07%
Net return since start-up	53,03%
Index value since start-up	153,03
Annulized Standard deviation	5,15%
Downside risk	2,48%
Average Margin to equity January	2,08%
Max Margin to equity January	3,66%
Min Margin to equity January	0,53%
Correlation MSCI World	-0,14
Yearly Rate of Return	5,58%
Sharpe Ratio	1,08
Sortino ratio	2,25
Sharpe ratio/Maximum draw down	0,64
Biggest monthly draw down	-4,50%
Longest draw down duration	15
Number of winning months	57
Number of losing months	37



### 3 Market comment

Persistent cold and dry high-pressure weather with a "Sudden Stratospheric Warming" was affecting the Nordic power market during the month of January. With gained control of power production and higher consumption, the Nordic physical price coupling against the German market increased with Nordic spot more than doubled from an average of 20.1 euro in December to 45.8 euro in January. At the same time as the market players were chasing after front quartal Q2-21 from 24 euro up to 33 euro in the end of the month, the market was still quite bearish on the long future curve, with front year Cal-22 going from 29.3 euro in the beginning of the month down to 24.0 euro at the lowest. This in sharp contrast to the German power market where Cal-22 was ending the month sideways at 49.5 euro weighed by spiking gas prices but supported by somewhat stronger carbon emission, with EUA-21 closing the month at 33.0 euro/tonne after bouncing back from a new record high level of 35.4 euro. With rapidly decreasing surplus in Nordic energy balance, the Nordic Cal-22 eyeing a high upside potential - if the market decides to close the enormous price gap to the German power market.

For European Gas the bull run that started mid-December, turned into a short squeeze with gas gaining and then falling 50% in the second week from a short capitulation on Jan 11/12. The original December move up was triggered by extreme cold in Asia and subsequent diversion of LNG which was relatively easily coped with by healthy storage, the further Jan impetus mainly came from a much heralded stratospheric warming event leading to a split in the polar vortex.

### 4 Contacts

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