

PROTECT

Crescit Protect uses equity derivatives to expose investors to equity returns over an economic cycle. The goal is to create MSCI World-like returns with lower volatility. Currently, the fund has an allocation of 100%. Current protection level is 90, currently trading at 115.85.

The monthly return was 2.60 % in December. This gives a YTD number of 10.12 %, compared to benchmark, MSCI World index, return of 14.1 % YTD.

Graph 1 below shows the monthly returns for Crescit Protect and MSCI W respectively since inception. The dotted line represents 12 month rolling standard deviation. Return per unit of risk has been very strong during the year. The risk of the fund was inline with index during the beginning of the year and during the start of the pandemic, but as the realized risk in equities increased the protection of the fund increased.

Graph 1

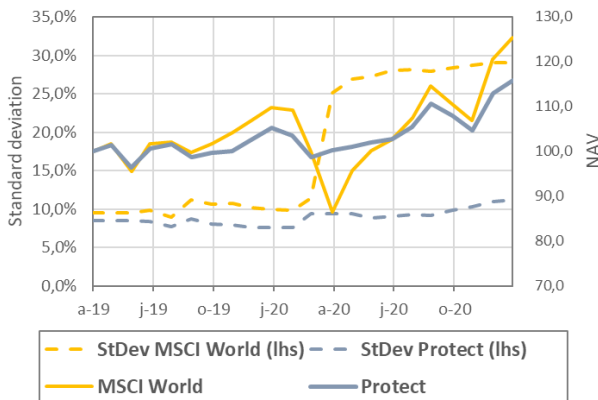


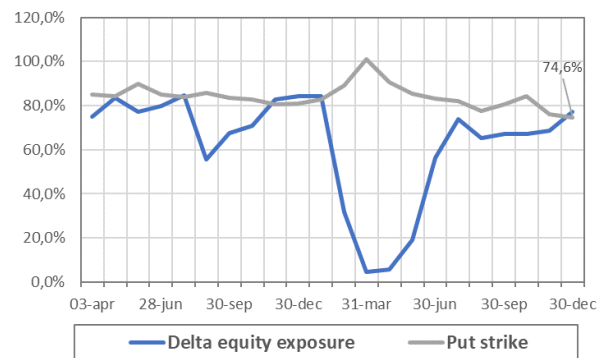
Table 1 is a summary of key statistics for year. As previously described, just as designed, the put buying program mitigated the risk during the spring, resulting in a maximum drawdown of only -8.5% (intra month) during a period where index returned -34.2%. Overall the risk return ratio is strong, and a yearly return above 10% during an extreme year is something we take great pride in.

Table 1

Key statistics	Protect	MSCI World
Return 2020	10,1%	14,1%
Standard deviation	9,3%	24,3%
Return/risk	108,4%	58,3%
Largest drawdown	-8,5%	-34,2%

Graph 2 plots the average put strike and equity delta since inception. Averaged put strike distance has widened in a continuously strong period for equities. Overall sensitivity is somewhat muted heading into December mainly driven by negative call delta in Europe and Japan.

Graph 2



Portfolio weightings has been relatively constant throughout December due to high correlation between the indices. The Delta is currently 74.6 %, negative delta is currently heavily tilted towards short calls.

Looking at Protects trading strategies YTD per index compared to the cash equity performance, only NKY underperformed. The positive relative performance in Europe and Sweden was expected (given its trading patterns throughout the year) but outperformance in SPX is positive despite the trading strategy being capped in the strong months of recover.

Table 2

	Protect	Index	Relative
SX5E	-0,1%	-0,1%	0,0%
SPX	16,8%	15,9%	1,0%
NKY	8,8%	16,0%	-7,2%
UKX	-1,3%	-13,6%	12,3%
OMX	10,1%	5,8%	4,3%

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-	-	-	1,48%	-4,92%	4,32%	1,03%	-3,01%	1,14%	0,25%	2,50%	2,62%	5,20%
2020	-1,51%	-4,75%	1,59%	0,83%	0,99%	0,63%	2,64%	4,97%	-2,48%	-3,00%	7,84%	2,60%	10,12%