

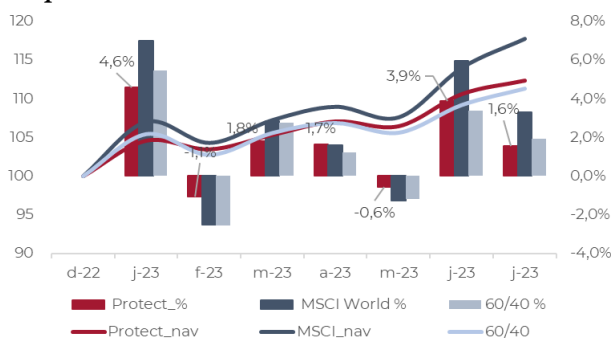
## PROTECT

*Crescit Protect is a defensive equity allocation fund. It has a constant exposure to the equity market but uses put options to protect its capital and lower the funds volatility. The goal is to create MSCI World-like returns over an economic cycle with substantially lower volatility. In addition to the put buying program, the fund has a capital protection on its equity market exposure secured by a major global bank. As of July, the capital protection level is -6.3% from current NAV.*

### Performance

The monthly return was +1.57 % in July, compared to the benchmark return, MSCI World index, of +3.29 %. The dispersion in development between the worlds equity indices was remarkable. The indices Protect actively has trading programs on increased between 0% (Nikkei) and +3.1% (S&P500). The average return for markets which Protect is invested in was only +2,6 %. The index allocation thus had a negative effect on relative performance compared to MSCI World. Trading-wise the month was strong, particularly in S&P500 where Protect managed to realize 85% of the index return. A strong number given the constructive development for the index. Over the two summer months that has passed, MSCI World is up +9.4%. During the same period Protect managed to increase by +5.5% somewhat stronger than expected given its defensive nature. Relative outperformance is expected in volatile market environments.

Graph 1

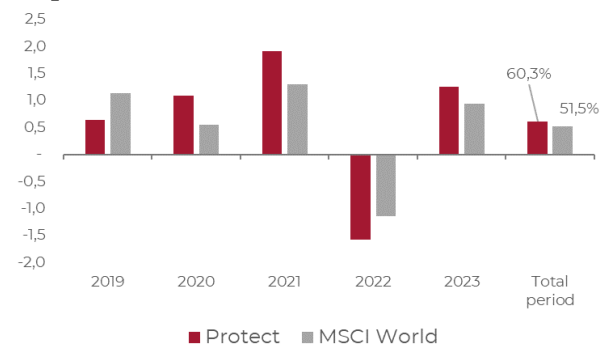


### Monthly observations

Protects aims to create index-like return over the full market cycle, which was evident in the market downturn following covid-volatility. The fund also aims to have an equivalent return to the equity market but at substantially lower volatility and with a smaller drawdown. By comparing annualized performance over

volatility you get a measure of risk utilisation quite similar to the sharpe ratio. **Graph 2** pictures yearly as well as total period risk utilization. On average Protect has only 54% of MSCI worlds realised risk, and only a third of the realised risks in the most volatile markets but with a strong absolute return for the total period. In a return/risk comparison Protect comes out on top despite the lower total return.

Graph 2



During the month we utilized the increased market rates and rolled the bond allocation together with the interest rate hedges in USA. Protect also increased the capital protection level on the equity market exposure to -5% from the NAV at the time of trading.

### Current portfolio

31-Jul-23									
		Weight	vol	delta	put delta	put moneyness	call delta	call moneyness	
SPX	SPX_105x	69,1%	11,0%	89,8%	-8,2%	80,3%	-2,0%	103,9%	
SX5E	SX5E_105x	17,3%	11,0%	64,2%	-9,4%	78,7%	-26,9%	102,2%	
UKX	UKX_105x	7,6%	8,8%	63,1%	-16,7%	93,7%	-20,3%	102,4%	
NKY	NKY_105x	6,0%	10,7%	69,3%	-7,8%	80,9%	-23,3%	103,6%	
Protect	Protect	100,0%	9,6%	76,6%	-9,1%	81,1%	-8,9%	103,5%	

Average portfolio sensitivity, measured as portfolio delta, is 76.6%. Decomposing the protection -9.1% stems from the put book with an average strike of -18.9% from current market levels. The call book has a negative delta of -8.9% with an average strike distance of 3.5% away from current levels. Worth noticing is that the strong performance during the last trading days of the month, european calls has a higher negative delta as well as higher negative mark-to-market. Should August start negative this valuation will increase Protects NAV.

Lastly we would like to highlight that Protect is now listed on Morningstar and in the category capital protected funds, Protect comes out on top for 2023 year to date performance.

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%
2021	-0,06%	2,68%	2,46%	3,23%	0,57%	0,96%	1,61%	2,18%	-3,26%	3,77%	-0,64%	3,30%	17,91%
2022	-4,44%	-2,31%	0,62%	-3,23%	-2,46%	-4,50%	3,42%	-3,03%	-5,02%	3,67%	3,82%	-4,39%	-17,01%
2023	4,57%	-1,07%	1,80%	1,65%	-0,58%	3,88%	1,57%						12,29%