

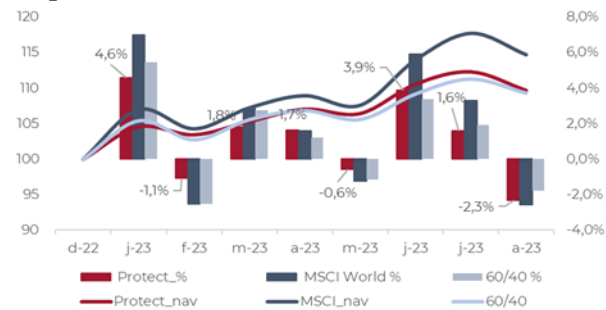
**PROTECT**

*Crescit Protect is a defensive equity allocation fund. It has exposure to the equity market and uses put options to protect its exposure and reduce volatility compared to a traditional equity fund. The goal is to create MSCI World-like returns over an economic cycle but with substantially lower volatility. In addition to the put buying program the fund owns a capital protection on its equity market exposure secured by a major global bank. As of August, the capital protection level is -4.1% from current NAV.*

**Performance**

The monthly return was -2.32 % in August, compared to the benchmark, MSCI World index, of -2.55 %. The dispersion in development between the worlds equity indices was large for the second month in a row. Europe underperformed US and Japan. The indices Protect actively has trading programs on decreased between -3.9 % (EuroStoxx) and -1.8 % (S&P 500) and the average development based on Protects geographical allocation decreased by -2.25 %. The index allocation had thus a positive effect on relative performance compared to MSCI World. Trading-wise the month was strong on the european indices but S&P 500 underperformed not only its delta one index but also expectations given its defensive nature. The strong second part of the month was somewhat hindered by the ongoing call-selling program.

**Graph 1**



**Monthly observations**

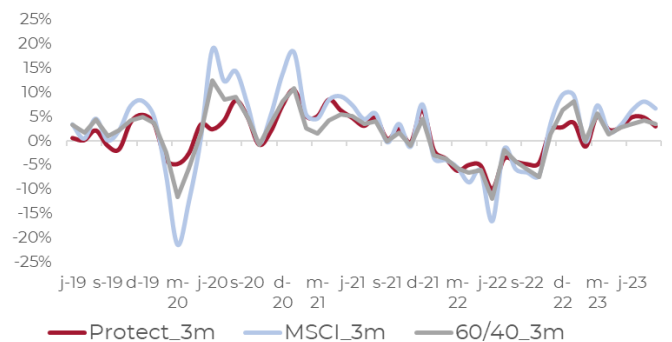
Protect aims to create index-like return over a market cycle, which was evident after the market downturn following covid-19. The fund also aims to have equivalent return to equity indices but at substantially lower volatility, with a more shallow drawdown. By plotting annual performance and risk and comparing to index, Protects risk levels are stable over the years, whilst MSCI-World risk varies quite substantially. See graph 2 for reference. At this point in the economic cycle performance is expected to lag over index. The relatively strong performance is expected to be shown in weaker climates.

**Graph 2**



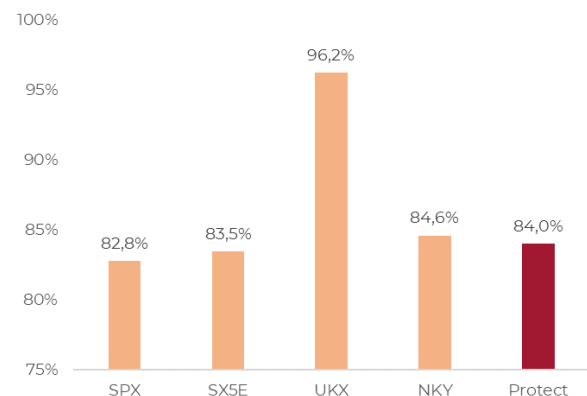
Return expectations are can be described by calculating rolling three-month return (on a monthly basis). The correlation is high in all markets with strong outperformance during volatile periods, whilst strong periods are expected to be weaker on a relative performance basis.

**Graph 3**



**Current portfolio**

**Graph 4**



**PROTECT**

Average portfolio sensitivity, measured as portfolio delta, is 73.6 %. Decomposing the protection -11.9 % stems from the put book with an average strike -16 % from current market levels, see graph 3 for reference. The call book has a negative delta of -8.9 % with an average strike distance of 3.8 % away from current levels. Maturities in September are not set to affect the funds underlying sensitivity towards index in an impactful way. Puts maturing are far out of the money

with barely any delta nor any market value. The 15<sup>th</sup> of September maturities holds a few call strikes that could pick up delta if the index starts the month on the strong note, strikes are 1.8 – 2.5 % otm still though.

Finally we would like to inform you that as of last of august **Protect C is now an active SEK share class**, more information on [www.crescit.se](http://www.crescit.se) .

| 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% | -2,32% |        |        |        |        | 9,69%   |