

PROTECT

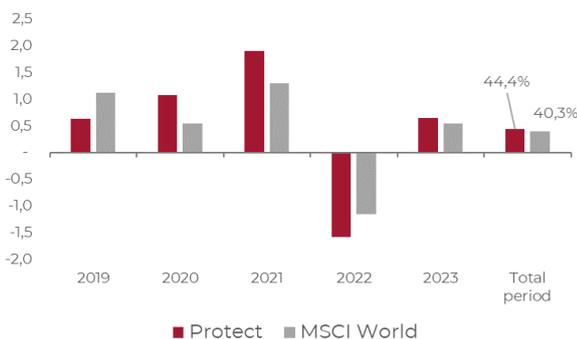
Crescit Protect is a defensive equity allocation fund, it has constant exposure to the equity market, but uses put options to protect its exposure and reduce volatility compared to a traditional equity fund. The goal is to create MSCI World-like returns over an economic cycle but with substantially lower 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 the last trading day of September the capital protection level is -1.03% from current NAV.

Performance

The monthly return was -3,39 % in September, compared to the benchmark return, MSCI World index, of -4.45 %. The indices Protect actively has trading programs on decreased between -4.8 % (S&P500) and +2.5 % (FTSE100), which is an unusually high degree of dispersion, and the average development based on Protects geographical allocation decreased by -3.71 %. The index allocation thus had a positive effect on relative performance compared to MSCI World by +0.74 %. In terms of trading, the month was really strong in Japan where Protect only realized 28 % of the NKY's move of -2,3 %. In total derivatives-trading attributed 0.32 % (measured compared to equivalent delta 1 exposure on the underlying markets) of the relative outperformance.

Comparing risk-adjusted returns for 2023, Protect shows strong performance. The defensive nature of the fund reduces volatility whilst capturing most of the returns. Since inception, Protects annualized risk over average standard deviation is 44.4% compared to index at 40.3%, see **Graph 1** below.

Graph 1



Monthly observations

During the sell-off since July, the portfolio sensitivity has gradually decreased due to increasing protection from the put options. As the market fell, the call option strikes are further and further away reducing their protection. The protection is increasingly robust as the strike levels of the put options comes closer. Average put strike is now 11 % away from current NAV, as shown in graph 2 below. The capital protection (valid until 2033) is currently -1,03 % from NAV. With average call strikes +6,7 % away from current index levels, a sharp reversal would not be detrimental for the fund performance as total portfolio delta is still 70,9 %.

Graph 2



Current portfolio

The protection is currently driven by -17,5 % from put options and -3,9 % from call options. Near-term maturities (October) are relatively mixed due to the dispersion in performance during the year. FTSE100 puts is only 2-9 % away from strike and could provide some protection during October. For other indices, the maturing put options are too far away to affect the fund sensitivity. At the same time, the call options are close to strike levels for FTSE100 as well due to strong performance during September whilst other indices remain far from their individual caps.

Lastly we would like to inform you that as of last of September Protect C is now an active SEK share class, more information on 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%	-3,39%				5,97%