



## Corona Fighters - Report 57: Asset managers who delivered during the meltdown



B. G., Opalesque Geneva:

This is our regular report on hedge funds and alternative asset managers who are successfully protecting assets and outperforming the markets during the first months of 2020.

Based in the U.S. Virgin Islands, with offices in Houston, Skylar Capital Management L.P. is the trading manager for the energy fund **Skylar Capital Energy Global Master Fund L.P.**, and it has done very well with its natural gas trading so far this year.

The founder, William O Perkins III, has more than 20 years of experience in trading and risk management. He launched Skylar after a successful 10-year tenure as a senior portfolio manager at Centaurus Energy, a multibillion-dollar hedge fund, where he generated over \$1bn in profit.

The Fund is a Cayman-based fund investing in energy with an emphasis on natural gas and power. Skylar employs a fundamental, discretionary and analytical approach to trading the liquid energy markets with a focus on North American and European natural gas.

Since its inception in September 2012, Skylar has generated over 350% cumulative returns for investors. It is up +17.5% YTD (to end-June) after a positive Q1, according to documentation seen by Opalesque.

“Skylar employs a fundamentals-based strategy with a specific focus on natural gas and power,” explains William O. Perkins III to Opalesque. “At the beginning of 2020, that strategy led the fund to hold a net short position across the natural gas curve in both the U.S. and Europe. Market balances were loose (i.e. oversupplied) even after accounting for warmer than normal temperatures across the northern hemisphere. The strategy worked well but underlying market conditions became quite uncertain as threats of COVID-19 and a global slowdown took hold.”

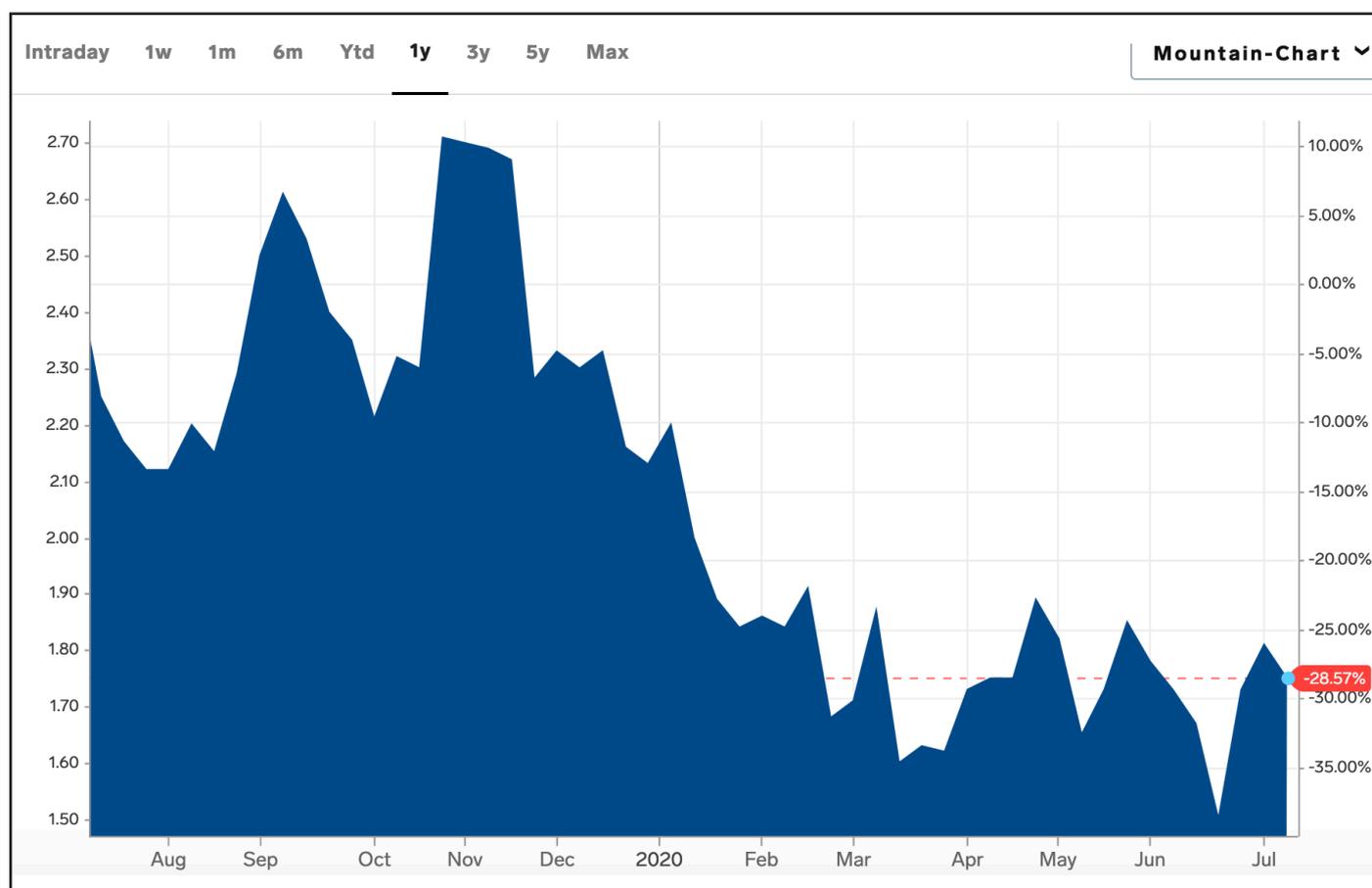
By mid-February, Perkins positioned the portfolio to anticipate dramatic declines in energy demand due to the pandemic. However, by mid-March a unique factor began to emerge from Skylar’s research: an equal, if not greater, decline in supply.

Price drops for energy also came with rapid decreases in supply as energy producers of oil and gas were forced to pull back production volumes. After years of general oversupply, the global gas market looks to be much tighter in 2021 than in a number of years. Pandemic-induced demand declines have also led to a 10% decline in U.S. natural gas production. However, a combination of tightening credit for producers, reduced associated gas from oil plays, and natural declines from gas shale production will see a tighter (i.e. undersupplied) market emerge into next year.

“Domestic and European natural gas prices may have to adjust upward to incent enough new supplies,” he adds.

William O. Perkins III will present his fund in our upcoming webinar, [Corona Fighters Episode 4](#), on Tuesday, July 21st at 10 am EST.

Natural Gas (Henry Hub)



Source: [Business Insider](#)

## New eBook: The Corona Fighters COLLECTION - A Handbook for Investors

200+ funds that were up or protected assets in Q1 2020: A Compendium of Opalesque Corona Fighters Report #1 to Report #52

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