ST. PETRI CAPITAL

Q1 REPORT
2025

QUARTERLY REPORT– Q1 2025

ST. PETRI CAPITAL

Comments

Throughout Q1, the fund returned 3.32%[1]. Long positions contributed positively with 2.14%-points[2], and short positions added an additional 2.57%-points[2] to performance. In contrast, cash and equivalents made a substantial negative contribution of -0.94%-points,´- primarily due to a weaker USD in the quarter.2,3. The first quarter of 2025 was marked by a flurry of headlines surrounding the newly inaugurated U.S. president and the early policy signals from the new administration. U.S. security and trade policies, in particular, took center stage and were key drivers of elevated market volatility. For the first time in many years, we observed notable fractures in the U.S. exceptionalism narrative, accompanied by substantial capital flows out of U.S. equities and into European markets. As a result, European equities significantly outperformed their U.S. counterparts over the quarter.

Q1 began with European equity indices surging out of the gate with benchmarks such as the MDAX gaining more than 10% in January alone. Investor sentiment was also upbeat in the U.S., as the Trump rally from late Q4 extended into the new year. However, that momentum was disrupted in early February by the Deepseek moment, which significantly rattled tech sentiment — particularly around AI. The announcement highlighted looming concerns over AI capacity overspending and inefficiencies in LLM training methods, triggering a sharp correction in U.S. tech stocks, which peaked on February 7th. In March, equity markets grew increasingly unsettled due to stagflation fears, tariff-related uncertainties and the early realization of Trump's policy agenda. This drove a broader decline across global equities.
During Q1, confidence in the U.S. security umbrella — especially its NATO commitments — was shaken, prompting swift European pledges of higher defense spending and driving sharp gains in European defense stocks.

The main positive theme contributions came from *Security Revolution*, SR (+5.36%-points), where the fund had a net long exposure of 11.19%, and *Risk Mitigation*, RM (+2.49%-points), with a net short exposure of -18.48%. The positive performance within the SR theme was driven by the previously mentioned defense spending pledges across Europe, which boosted our defense-related holdings. In the Risk Mitigation theme, contributions came primarily from short positions in Nasdaq and S&P500, which we increased throughout the quarter as concerns grew over the economic repercussions from the new U.S. administration's policies, which we believe could plunge the US economy into a possible recession.

The primary negative theme contributions in Q1 came from the *Digital Platform Dominance* (DPD) and *Green Energy Wave* (GEW) themes, which detracted -4.37%-points and -1.65%-points, respectively. The negative impact within the DPD theme, where the fund had a net long exposure of 14.84%, is primarily attributable to HelloFresh, contributing -2.48%-points, and to Trainline, contributing -0.99%-points. In the GEW theme, (net long exposure of 12.25%), losses were more broadly spread, with negative sentiment toward green transition equities continuing from Q4.

We entered the year with a constructive equity view and a record-high net long exposure of 76.70%, which we gradually reduced to 44.49% by quarter-end amid growing concerns about the global economic outlook. This reduction was driven primarily by increased short exposure to US equities. The fund's current positioning—long Europe, short US—reflects our belief that the narrative of US exceptionalism is beginning to unravel.

Statistical summary

Return & Risk Statistics (%)

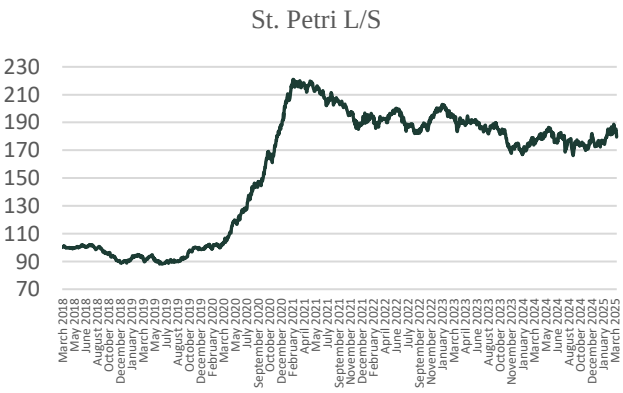
Return	ST. PETRI L/S[4]	INDEX[5]
Q1	3.32	5.91
YTD	3.32	5.91
LTM	0.49	6.85
Since inception	79.54	70.20
Avg. Yearly Ret. (since inc.)	8.65	7.83
Risk		
Annualized Standard Deviation (since inc.)	11.6	16.02
VaR 95% (Q1)	1.51	
Maximum drawdown (Q1)	4.77	4.90
Maximum drawdown (since inc.)	19.79	35.48
Risk/Return		
Sharpe ratio (since inc.)	0.69	
Correlation w. Index (Q1)	0.73	
Correlation w. Index (since inc.)	0.30	
Fund in numbers		
AUM (end of Q1)	248 DKKm	
Average # of positions	46	
Short (#)	*6*	
Long (#)	*40*	
Average net long (Q1)	57.23%	
Largest sector exposure (long)	Industrials (21.20%)	
Largest sector exposure (short)	Cons. Disc. (-1.33%)	

Thematic Exposure[6]

Long position	*weight (%)*
Digital Platform Dominance	14.84
Green Energy Wave	12.25
Security Revolution	11.19
Short position	
Risk Mitigation	-18.48
Real Income Destruction	-4.45

Thematic Contribution[7]

Top contributor	*return (%)*
Security Revolution	5.36
Risk Mitigation	2.49
Financial Disintermediation	1.24
Bottom contributor	
Digital Platform Dominance	-4.37
Green Energy Wave	-1.65
Personal Healthcare	-0.84



[1] Net of all costs
[2] Gross of all costs
[3] Short and long positions of 24.40% and 81.63%, respectively
[4] Returns net of all costs
[5] MSCI Europe NDR
[6] Top three net exposures as per 31 March 2025
[7] Top and bottom contributors as per 31 March 2025