ST. PETRI CAPITAL

Q3 REPORT
2025

QUARTERLY REPORT– Q3 2025

ST. PETRI CAPITAL

Comments

Throughout Q3, the fund returned 2.13%[1]. Long positions contributed positively with 5.36%-points[2], while short positions detracted 2.53%-points[2] from performance. Additionally, cash and equivalents made a slight negative contribution of -0.20%-points[2,3]. Whereas volatility defined Q2, the third quarter of 2025 was best characterized as "*risk-on*", with global equity indices setting new record highs alongside gains in crypto, gold, and other commodities. The equity rally was driven by the usual suspects in Big Tech and AI-related areas, although broader markets also posted a positive Q3. The macroeconomic backdrop was supportive on the inflation front but more uncertain in terms of the US labor market, which led the Fed to implement a 25 bps cut to the base rate in early September.

Q3 kicked off with a rather quiet month as trading slowed over the summer. However, impressive Q2 reporting — especially in the US market — with positive EPS surprises, helped push markets higher. As we moved into August, the focus shifted from geopolitics to macroeconomic data, with signs of a slowing US job market increasing the likelihood of a September rate cut. Trump continued challenging Fed independence, notably by firing Lisa Cook, but markets remained largely unfazed. The anticipated 25 bps cut was ultimately delivered in September, and the market has entered a melt-up phase, driven by various announcements in the AI space.

The main positive theme contributions came from *Security Revolution* (SR) (+3.00%-points), where the fund had a net long exposure of 17.90%, and *Transition Essential Resources* (TER) (+1.38%-points), with a net long exposure of 7.01%. The strong performance within the SR theme was primarily driven by our position in Avio, which was up 126.35% in Q3. In the TER theme, performance was attributable to both our positions within the theme: Ivanhoe Mining and Sigmaroc.

The primary negative theme contribution in Q3 came from the *Risk Mitigation* (RM) and *Personal Healthcare* (PHC) themes, which detracted -2.08%-points and -0.94%-points, respectively. The negative impact from the RM theme - where the fund had an average net short exposure of -20.30% - was driven by our short positions in US indices. We scaled these back throughout the quarter, as we believe the market may continue to inflate in the coming months and quarters. However, we are monitoring the situation closely, as certain segments of the market are beginning to exhibit bubble-like characteristics. In the PHC theme, with a net long exposure of 5.43%, underperformance was primarily driven by our position in Novo Nordisk, which fell over 20% in late July following a major profit warning. In Q3, we have had the highest average net long exposure to date of 69.4%. We further scaled back our short positions in major US indices by roughly 18%-points, while increasing gross long exposure 7%-points, compared with Q2 2025.

There is no doubt that the recent market rally has further stressed the valuation of global and especially US equities, that are quite elevated from a historical perspective. The market is, in some areas, beginning to look frothy, however we currently do not see an end to this run in the near term, and have positioned the fund accordingly. There are increasing signs of an AI bubble, as return on investment on the massive infrastructure build-out is in question, however, with increasing liquidity and a potential rate cutting cycle there is plenty of ammunition for a continued bull run in global equities.

Statistical summary

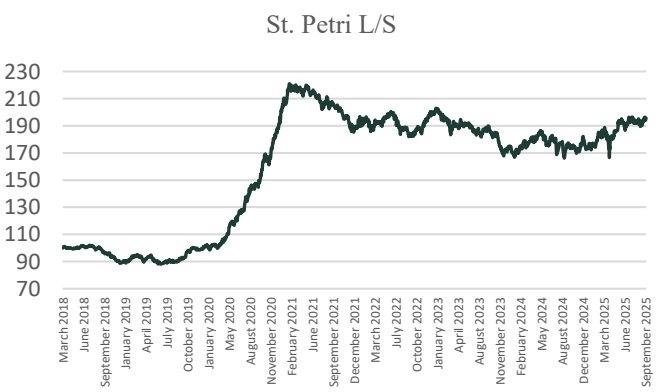
Return & Risk Statistics (%)

Return	**ST. PETRI L/S[4]**	**INDEX[5]**
Q3	2.13	3.15
YTD	12.59	12.36
LTM	11.31	9.31
Since inception	95.65	80.58
Avg. Yearly Ret. (since inc.)	9.28	8.13
Risk		
Annualized Standard Deviation (since inc.)	12.17	16.04
VaR 95% (Q3)	1.19	
Maximum drawdown (Q3)	3.37	3.22
Maximum drawdown (since inc.)	19.79	35.48
Risk/Return		
Sharpe ratio (since inc.)	0.71	
Correlation w. Index (Q3)	0.60	
Correlation w. Index (since inc.)	0.34	
Fund in numbers		
AUM (end of Q3)	268 DKKm	
Average # of positions	50	
Short (#)	*4*	
Long (#)	*46*	
Average net long (Q3)	69.38%	
Largest sector exposure (long)	Industrials (26.99%)	
Largest sector exposure (short)	N/A (N/A)	

[1] Net of all costs
[2] Gross of all costs
[3] Short and long positions of 21.71% and 91.09%, respectively
[4] Returns net of all costs
[5] MSCI Europe NDR
[6] Top three net exposures as per 30 September 2025
[7] Top and bottom contributors as per 30 September 2025

Thematic Exposure[6]

Long position	*weight (%)*
Green Energy Wave	20.08
Security Revolution	17.90
Digital Platform Dominance	10.20
Short position	
Risk Mitigation	-20.30

Thematic Contribution[7]

Top contributor	*return (%)*
Security Revolution	3.00
Transition Essential Resources	1.25
Green Energy Wave	0.97
Bottom contributor	
Risk Mitigation	-2.08
Personal Healthcare	-0.94
Digital Platform Dominance	-0.52