ST. PETRI CAPITAL

Q3 REPORT
2026

QUARTERLY REPORT– Q3 2026

ST. PETRI CAPITAL

Comments

Throughout Q3, the fund returned -3.73%[1], against -0.57% for the STOXX Europe 600 Net Return. Year-to-date the fund is up 5.36% versus 9.59% for the index. Based on price attribution, long positions contributed -1.05 percentage points and short positions -0.54 percentage points[2], with the remainder attributable to currency and cash[2,3].

Q3 was a quarter of rotation rather than direction. The AI and semiconductor rally that had dominated Q2 reversed sharply in July, with momentum stocks suffering their worst month since 2008 and memory names entering a bear market, as markets questioned the returns on roughly USD 900bn of hyperscaler capex. At the same time, renewed US-Iran hostilities and Houthi attacks in the Red Sea pushed Brent back above USD 100, while bond yields rose to multi-decade highs. The S&P 500 still gained around 2% in the quarter, whereas European equities ended slightly lower.

July saw the fund decline 1.97% as the unwind in memory and semiconductors (SK Hynix, PVA TePla, Infineon) outweighed the gains from our index hedges. August was a recovery month (+3.00%), as earnings upgrades lifted European equities to new highs (TKH, Lectra, Metlen, Vestas). September (-4.66%) was dominated by the bond sell-off: the ECB and the Fed both hiked rates, and the US 10-year yield rose more than 50 bps to above 5.25%.

The main positive theme contributions came from *Digital Experience* (DE), contributing +1.08 percentage points, *Automation* (AUT), contributing +0.93 percentage points, and *Security Revolution* (SR), contributing +0.83 percentage points. Within AUT, performance was driven by TKH Group, while SR benefited from a strong quarter for Secunet, supported by the focus on European digital sovereignty. Within DE, TeamViewer and ams-OSRAM were the main contributors.

The primary negative contributions came from *Green Energy Wave & Electrification* (GEW), *Risk Mitigation* (RM) and *Digital Platform Dominance* (DPD), which detracted 1.19, 1.04 and 1.02 percentage points, respectively. GEW was hit by the semiconductor sell-off through PVA TePla and Infineon, partly offset by Metlen. Despite falling markets in July and September, our US index shorts detracted over the quarter, as US large-cap tech recovered in August and September. During the quarter we reduced GEW exposure from 28% to 13% and lowered net exposure to around 22% at quarter-end, while adding a position in gold.

Looking ahead, the key question is whether bond yields are close to a peak. The pace of the rise is a warning sign, but the level is not yet high enough to end the expansion: manufacturing PMIs are at four-year highs and earnings revisions remain positive. In our view, a peak in yields is likely close, which would be supportive for equities. We expect market leadership to continue shifting from the beneficiaries of AI capex towards AI adopters, physical AI, electrification and European defence and security. We enter Q4 with a cautious net exposure and retain our index hedges until yields stabilise.

Statistical summary

Return & Risk Statistics (%)

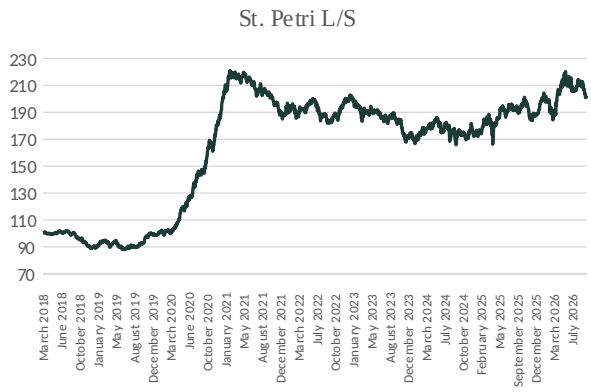
Return	**ST. PETRI L/S[4]**	**INDEX[5]**
Q3	-3.73	-0.57
YTD	5.36	9.59
LTM	3.43	16.57
Since inception	102.36	140.17
Avg. Yearly Ret. (since inc.)	8.57	10.77
Risk		
Annualized Standard Deviation (since inc.)	12.05	18.74
VaR 95% (Q3)	1.42	
Maximum drawdown (Q3)	6.80	4.86
Maximum drawdown (since inc.)	24.91	38.51
Risk/Return		
Sharpe ratio (since inc.)	0.71	
Correlation w. Index (Q3)	0.53	
Correlation w. Index (since inc.)	0.37	
Fund in numbers		
AUM (end of Q3)	199 DKKm	
# of positions (end of Q3)	36	
Short (#)	*3*	
Long (#)	*32*	
Average net long (Q3)	33.74%	
Largest sector exposure (long)	Information Tech (17.09%)	
Largest sector exposure (short)	Funds/ETF (-13.07%)	

Thematic Exposure[6]

Long position	*weight (%)*
Green Energy Wave & Electrification	12.86
Not Classified	10.88
European Renaissance	9.36
Short position	
Risk Mitigation	-39.31

Thematic Contribution[7]

Top contributor	*contribution (%)*
Digital Experience	1.08
Automation	0.93
Security Revolution	0.83
Bottom contributor	
Green Energy Wave & Electrification	-1.19
Risk Mitigation	-1.04
Digital Platform Dominance	-1.02



[1] Net of all costs
[2] Gross of all costs
[3] Short and long positions of 40.92% and 62.67%, respectively
[4] Returns net of all costs
[5] STOXX Europe 600 Net Return (XESC.DE)
[6] Top three net exposures as per 30 September 2026
[7] Top and bottom contributors as per 30 September 2026