ST. PETRI CAPITAL

Q4 REPORT
2025

Comments

Throughout Q4, the fund returned -1.88%[1]. Long positions had a negative contribution of -0.41 percentage points[2], while short positions detracted -0.61 percentage points[2] from performance. Further, cash and equivalents had a negative contribution of -0.24 percentage points[2,3].

While Q3 was defined by a broad risk-on melt-up, the fourth quarter of 2025 was characterized by a more selective and volatile advance. Global equity markets ended the year higher; however, leadership broadened as mega-cap AI winners took a pause, giving way to a more diversified market advance. Risk appetite was temporarily subdued by a lack of macroeconomic data, driven by a prolonged 43-day US government shutdown, which reduced near-term visibility for investors and policymakers. Despite this, equities ultimately found support from continued monetary easing, as the Fed implemented another 25 bps cut to the base rate in mid-December.

October began with markets extending the late-summer rally, supported by continued earnings momentum and sustained enthusiasm around artificial intelligence. However, increased uncertainty around the Fed's policy outlook combined with increasingly demanding valuations in AI-related equities contributed to a deterioration in sentiment in November, during which most major equity markets corrected. Markets stabilized in December, supported by continued monetary easing and a broadening of equity market performance.

The main positive theme contributions came from *Artificial Intelligence* (AI), contributing +0.85 percentage points with a net long exposure of 11.37%, and Green Energy Wave (GEW), contributing +0.56 percentage points with a net long exposure of 17.86%. Performance within the AI theme was primarily driven by structural constraints on available energy supply during the ongoing buildout phase. Within the GEW theme, performance contributions were more evenly distributed; however, the position in SMA Solar stood out, increasing 56% during Q4 from historically depressed levels.

The primary negative theme contributions in Q4 came from the *Security Revolution* (SR) and *Digital Platform Dominance* (DPD) themes, which detracted 1.65 and 1.46 percentage points, respectively. The negative impact from the SR theme, where the fund had an average net long exposure of 6.61%, was driven by a pullback across several defense-related holdings following exceptionally strong performance YTD. Within the DPD theme, which had a net long exposure of 9.59%, underperformance was primarily driven by positions in HelloFresh, Trustpilot, and Trainline, two of which were materially affected by short reports during the quarter. At the portfolio level, the fund significantly reduced overall net long exposure during Q4, from 69.4% to 41.2%.

We enter 2026 with a cautiously constructive view on equities, supported by the improving market breadth and rotation that emerged toward the end of Q4. Several potential positive catalysts remain in place, including the prospect of additional rate cuts in the US and expectations of a strengthening earnings cycle across both the US and Europe. In Europe, a tangible acceleration in spending related to the German infrastructure and defense package could provide further support if translated into real economic activity and corporate earnings growth. At the same time, material risks remain. Geopolitical shocks continue to represent a key downside risk, while renewed pressure on the AI narrative could prove disruptive amid elevated valuations. We continue to favor European equities over US equities. For a more comprehensive overview of market developments and portfolio performance during 2025, we refer to the annual report.

Statistical summary

Return & Risk Statistics (%)

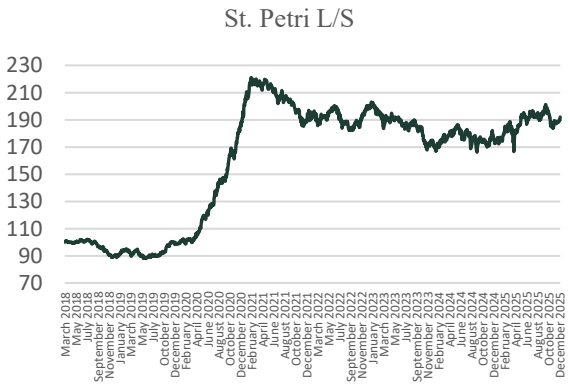
Return	ST. PETRI L/S[4]	INDEX[5]
Q4	-1.88	6.25
YTD	10.47	19.39
LTM	10.47	19.39
Since inception	91.97	91.86
Avg. Yearly Ret. (since inc.)	8.72	8.71
Risk		
Annualized Standard Deviation (since inc.)	12.16	15.89
VaR 95% (Q4)	1.38	
Maximum drawdown (Q4)	8.08	3.87
Maximum drawdown (since inc.)	19.79	35.48
Risk/Return		
Sharpe ratio (since inc.)	0.66	
Correlation w. Index (Q4)	0.68	
Correlation w. Index (since inc.)	0.35	
Fund in numbers		
AUM (end of Q4)	234 DKKm	
# of positions (end of Q4)	36	
Short (#)	*2*	
Long (#)	*34*	
Average net long (Q4)	41.19%	
Largest sector exposure (long)	Information Tech (20.96%)	
Largest sector exposure (short)	N/A (N/A)	

Thematic Exposure[6]

Long position	*weight (%)*
Green Energy Wave	17.86
AI	11.37
Digital Platform Dominance	9.59
Short position	
Risk Mitigation	-33.1

Thematic Contribution[7]

Top contributor	*contribution (%)*
AI	0.85
Green Energy Wave	0.56
Transition Essential Resources	0.43
Bottom contributor	
Security Revolution	-1.65
Digital Platform Dominance	-1.46
Risk Mitigation	-0.58



[1] Net of all costs
[2] Gross of all costs
[3] Short and long positions of 33.15% and 74.34%, respectively
[4] Returns net of all costs
[5] MSCI Europe NDR
[6] Top three net exposures as per 31 December 2025
[7] Top and bottom contributors as per 31 December 2025