
ST. PETRI CAPITAL

Q4 REPORT
2024

Comments

Throughout Q4, the fund returned -1.14%¹. Long positions contributed negatively with -0.59%-points², and short positions added further to the poor performance with a negative impact of -0.79%-points². Conversely, cash and equivalents made a positive contribution of 0.46%-points.^{2,3} The fourth quarter was characterized by global election uncertainties leading up to November 5th, followed by a risk-on sentiment in the U.S. after Donald Trump secured another term as president. However, European markets reacted negatively to the prospect of four more years under Trump’s leadership, further amplifying the trend of U.S. market outperformance relative to other indices in Q4.

Q4 began with a "wait-and-see" attitude in October across most equity markets, as both investors and industry participants took a cautious approach, holding back until the outcome of the U.S. presidential election was confirmed. The result in early November sparked a strong risk-on sentiment, driving demand for U.S. equities, cryptocurrencies, and other assets expected to benefit from Trump’s re-election. In contrast, European equity indices experienced declines both before and after the election, as the “Trump trade”. December started positive for global markets, continuing the momentum from November. However, the party was abruptly halted on December 18th, as the Federal Reserve scaled back its forecast for interest rate cuts in 2025, citing inflationary concerns stemming from several of Trump’s proposed political interventions. This shift in FED policy sentiment dampened the equity markets’ optimism and sent bond yields surging within the credit space

The main positive theme contributions came from *Digital Platform Dominance*, DPD (+1.89%-points), where the fund had a net long exposure of 18.51%, and *Security Revolution*, SR (+0.72%-points), with a net long exposure of 4.79%. The positive performance within the DPD theme was largely driven by our position in HelloFresh, despite a major drag from Better Collective within the same theme. Better Collective was down 40% in a single trading day due to a major profit warning and very poor communication around the event from IR/management, which was disappointing to say the least. Consequently, we exited the position. In the SR theme, contributions were primarily driven by a strong performance from Leonardo SpA, benefiting from the expected increase in defense spending across Europe after the reelection of Trump.

The primary negative theme contributions in Q3 came from the Green Energy Wave (GEW) and Sustainability Wave (SW) themes, which detracted -1.48%-points and -1.15%-points, respectively. The negative impact within the GEW theme, where the fund had a net long exposure of 10.55%, is primarily attributable to Fugro, contributing -0.67%-points, and to our short position in Tesla – a position we covered immediately after the election result. The sentiment regarding green transition related stocks was negative in the quarter, as many of these are directly or indirectly affected by a less favorable outlook, from a political standpoint in the US. In the SW theme, with a net long exposure of 8.07%, the negative contribution was roughly evenly split between constituents.

We entered the quarter with a constructive view on equities, starting with a net long exposure of 68.4%, and gradually increased our exposure to our highest level on record, finishing Q4 with a net long exposure of 76.70%. This net long increase is primarily attributable to a decrease in short exposure. For comments regarding 2024 performance and 2025 outlook, we refer to our 2024 annual report.

Statistical summary

Return & Risk Statistics (%)

Return	ST. PETRI L/S ⁴	INDEX ⁵
Q4	-1.14	-2.72
YTD	-0.48	8.59
LTM	-0.48	8.59
Since inception	73.35	60.71
Avg. Yearly Ret. (since inc.)	8.41	7.21
Risk		
Annualized Standard Deviation (since inc.)	11.47	16.16
VaR 95% (Q4)	1.16	
Maximum drawdown (Q4)	5.32	4.31
Maximum drawdown (since inc.)	19.79	35.48
Risk/Return		
Sharpe ratio (since inc.)	0.69	
Correlation w. Index (Q4)	0.71	
Correlation w. Index (since inc.)	0.29	

Fund in numbers

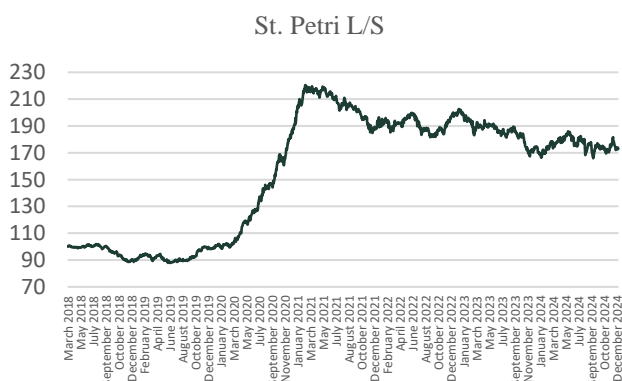
AUM (end of Q4)	246 DKKm
Average # of positions	42
Short (#)	4
Long (#)	38
Average net long (Q4)	68.24%
Largest sector exposure (long)	Materials (19.37%)
Largest sector exposure (short)	Cons. Disc. (-1.16%)

Thematic Exposure⁶

Long position	weight (%)
Digital Platform Dominance	18.51
Transition Essential Resources	13.49
Green Energy Wave	10.55
Short position	
Real Income Destruction	-6.49
Risk Mitigation	-1.72

Thematic Contribution⁷

Top contributor	return (%)
Digital Platform Dominance	1.89
Security Revolution	0.72
Real Income Destruction	0.61
Bottom contributor	
Green Energy Wave	-1.48
Sustainability Wave	-1.15
Artificial Intelligence	-0.82



¹ Net of all costs

² Gross of all costs

³ Short and long positions of 7.64% and 84.34%, respectively

⁴ Returns net of all costs

⁵ MSCI Europe NDR

⁶ Top three net exposures as per 31 December 2024

⁷ Top and bottom contributors as per 31 December 2024