



January 2019 Monthly Report

Returns 31-Dec-12 to 31-Jan-19

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	155.56%	64.29%	91.27%	37.71%	117.85%
Inception per annum	16.66%	8.50%	8.17%	5.40%	11.27%
CY2019 (ytd)	4.16%	3.99%	0.16%	5.56%	-1.41%
CY2018	7.46%	-3.53%	10.99%	-8.67%	16.13%
CY2017	15.55%	12.47%	3.08%	20.02%	-4.46%
CY2016	9.31%	11.65%	-2.33%	13.18%	-3.87%
CY2015	36.80%	3.78%	33.02%	10.16%	26.65%
CY2014	10.81%	5.02%	5.79%	-3.81%	14.62%
CY2013	19.24%	19.66%	-0.41%	-0.76%	20.00%
1m	4.16%	3.99%	0.16%	5.56%	-1.41%
3m	4.42%	1.20%	3.22%	0.78%	3.64%
6m	8.70%	-4.75%	13.45%	-6.95%	15.66%
1y	9.96%	0.65%	9.31%	-3.06%	13.02%
2y pa	13.99%	6.63%	7.36%	8.91%	5.08%
3y pa	14.39%	9.98%	4.41%	11.30%	3.09%
5y pa	16.79%	7.14%	9.65%	7.37%	9.42%
Sharpe Ratio	1.34	0.62	2.17x	0.31	4.29x
Sortino Ratio	2.49	0.95	2.61x	0.46	5.36x
Annualised standard deviation	10.54%	11.01%		13.24%	
Highest monthly return	10.32%	7.00%		9.81%	
Largest monthly loss	-5.82%	-7.30%		-9.60%	
Largest drawdown	-10.28%	-12.23%		-17.69%	
% positive months	72.60%	63.01%		57.53%	

A bit of a delayed report which we'll keep short due to unexpected travel demands during the past month.

Equity markets started off 2019 with a V-shaped rebound from the late 2018 plunge with US indices posting strong gains of 7.9% for the S&P 500 and 9.7% for the Nasdaq, while in Australia the All Ords bounced 3.99% and the Small Ords 5.56%. Given our high cash weighting and short and hedge positions, we are happy with our +4.16% result for the month, slightly outpacing the All Ords and behind the Small Ords by about 1.4%.

Again the bulk of the positive performance was driven by our 2 biggest holdings with Appen up 24.4% for the month and Pro Medicus adding 11.3%. No company specific news but a general optimistic mood for the growth sector with the market taking a positive view from the Fed's latest statements that further rate hikes (if any) have been pushed out, implying a lower discount rate for future cashflows. We trimmed a very small portion of our Appen holding at the time of writing as the position approached 18% of the portfolio.

On the negative side, our shorts and hedges cost the portfolio ~1.5% in performance for January, to be expected in a month where equities rose as strongly as they did. Our biggest loser was Resmed, down ~18% as they released quarterly results showing revenue and profit up ~8% but revenue was well shy of expectations, taking a chunk out of the share price which had been at all time highs prior to the release.

Portfolio Holdings:

Cash:	36.6% (AUD and USD)
Non-AUD exposure:	20.1%
Longs:	70.4%
Shorts:	-8.4%
Hedge delta:	-5.4%
Net exposure:	56.6%
Top 5 equities (alphabetical):	AAPL, AMZN, APX, PME, RMD

As the market rose, we took the opportunity to add to our short positions (too early unfortunately), to where we are now ~8.4% short versus last month's ~4.6%. Countering that, our hedge delta is less short (-5.4% vs -8.6% last month) as the market rose, leaving us net slightly longer by ~1% vs last month. Cash is higher with the increased short weighting and as we also sold some of our VHT position post guidance release, taking it out of our top 5 positions.

