



January 2020 Monthly Report

Returns 31-Dec-12 to 31-Jan-20

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	278.59%	105.17%	173.42%	63.66%	214.93%
Inception per annum	20.66%	10.67%	9.99%	7.20%	13.47%
CY2020 (ytd)	7.57%	4.69%	2.88%	3.37%	4.20%
CY2019	43.44%	24.06%	19.38%	21.36%	22.08%
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	7.57%	4.69%	2.88%	3.37%	4.20%
3m	10.00%	5.86%	4.14%	4.68%	5.31%
6m	2.82%	5.33%	-2.50%	2.76%	0.06%
1y	48.14%	24.88%	23.26%	18.84%	29.30%
2y pa	27.63%	12.12%	15.51%	7.34%	20.30%
3y pa	24.40%	12.40%	12.00%	12.12%	12.27%
5y pa	22.70%	9.64%	13.06%	11.18%	11.52%
7y pa	20.53%	10.03%	10.51%	6.66%	13.87%
Sharpe Ratio	1.49	0.83	1.81x	0.46	3.26x
Sortino Ratio	3.08	1.33	2.32x	0.70	4.38x
Annualised standard deviation	11.90%	10.76%		12.92%	
Highest monthly return	11.78%	7.00%		9.81%	
Largest monthly loss	-5.82%	-7.30%		-9.60%	
Largest drawdown	-10.28%	-12.23%		-17.69%	
% positive months	72.94%	64.71%		57.65%	

A late release this month with the office computer deciding to crash early last week. A reminder to back up frequently; even with on premise and cloud backups, it still took a few days to get back up and running, leaving us behind for the month. So will keep this report short and sharp.

A positive start to 2020 with the All Ords up ~+4.7% and the Small Ords up ~+3.4% while in the US the Nasdaq was up +2.0% although the S&P was down slightly (-0.2%) as coronavirus fears struck towards the end of January.

We had a nice positive start to the 2020s, up +7.57% in January with constructive performances across many of our holdings.

Our largest holding APX was also the largest contributor for the month, up +12.9% with a broker upgrade following their previous upgraded guidance. We await their upcoming annual report this month with interest, along with our other ASX holdings.

Our 2nd-largest holding EML was also the 2nd-largest contributor for January, up +15.9% with a 5+2 year GPR agreement with NSW Health and a European partnership with CleverCards to enable businesses to send digital Mastercards as noteworthy news items.

A positive performance also from AYX, up +39.4% and in which we increased our exposure during the month to our 6th largest individual position. And a good performance too from RUL, up +31% with subscription software Total Contract Value at \$17.7m and ARR now up at \$10m. We have added to our holdings with each positive announcement from the company since mid 2019 as the company seems to have crossed the difficult license to subscription period threshold successfully.

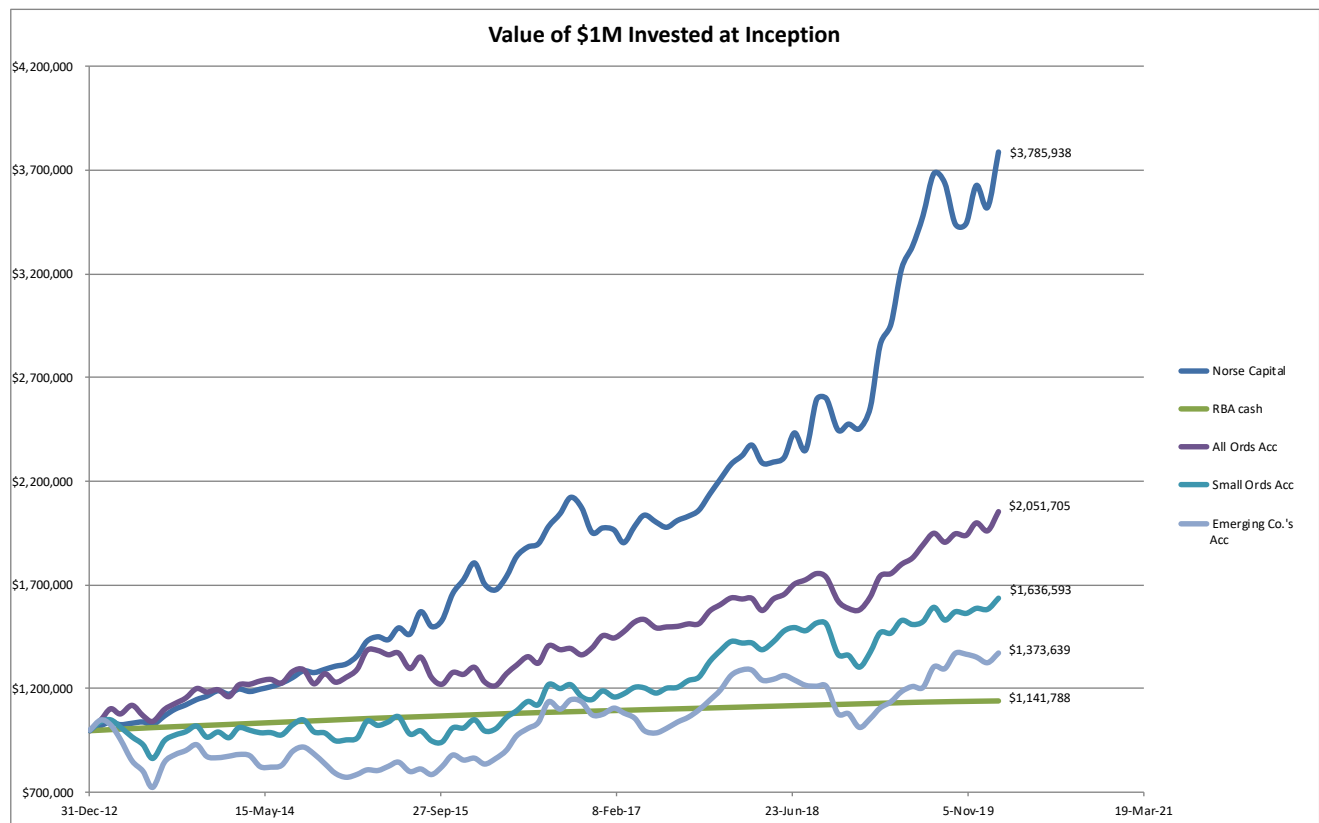
The biggest detractor for the month was our holding in KPT with shares suspended since early January following the horrific bushfires on Kangaroo Island. We have marked the shares down to what we consider a conservative value as we await further information from the company.

Our shorts and hedging cost us ~-0.75% for the month.

Portfolio Holdings:

Cash:	22.4% (AUD and USD)
Non-AUD exposure:	21.4%
Longs:	73.7%
Shorts:	-3.5%
Options delta:	+4.9%
Net exposure:	75.1%
Top 5 equities (alphabetical):	AAPL, APX, EML, PME, RMD

No change in our top 5 positions although as mentioned AYX is getting close following additions and positive performance. Our net exposure is ~5% longer following January's positive performance and as our hedge options continue to fall further away from market. Volatility has seemingly returned (for the moment at least) with coronavirus fears increasing implied volatilities; as a consequence, our latest hedge purchases have been put spreads instead of outright puts.



Performance/Risk Ratios

