January 2024 Monthly Report

Returns 31-Dec-12 to 31-Jan-24

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	335.78%	164.97%	170.81%	79.46%	256.32%
Inception per annum	14.19%	8.70%	5.50%	5.02%	9.17%
CY2024 (ytd)	2.91%	1.07%	1.84%	0.90%	2.01%
CY2023	17.73%	12.98%	4.75%	7.82%	9.90%
CY2022	-30.79%	-2.96%	-27.83%	-18.38%	-12.41%
CY2021	16.86%	17.74%	-0.88%	16.90%	-0.04%
CY2020	26.36%	3.64%	22.73%	9.21%	17.15%
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	2.91%	1.07%	1.84%	0.90%	2.01%
3m	19.55%	14.23%	5.32%	15.80%	3.75%
6m	11.43%	5.94%	5.50%	3.70%	7.74%
1y	19.17%	7.28%	11.90%	2.10%	17.08%
2y pa	-4.81%	8.90%	-13.71%	-1.22%	-3.58%
3y pa	-0.81%	9.16%	-9.96%	1.33%	-2.14%
5y pa	11.26%	10.03%	1.23%	5.44%	5.82%
7y pa	12.03%	9.05%	2.99%	6.42%	5.62%
10y pa	13.99%	8.57%	5.41%	6.40%	7.59%

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Sharpe Ratio	0.85	0.58	1.47x	0.30	2.90x
Sortino Ratio	1.40	0.82	1.71x	0.42	3.38x
Annualised standard deviation	14.91%	13.94%		17.08%	
Highest monthly return	11.91%	10.16%		14.27%	
Largest monthly loss	-10.61%	-20.94%		-22.38%	
Largest drawdown	-36.68%	-27.33%		-29.11%	
% positive months	68.42%	64.66%		57.89%	

Good to continue the positive trend into 2024 with our +2.9% return outpacing the All Ords +1.1% and Small Ords +0.9%, while in the US the S&P500 added +1.6% and the Nasdaq +1.0%.

Our biggest loss on the month came from the -32.3% drop in NAN. Not a big position these days (now at just over a 1% weighting) but that size drop was enough to knock -0.6% off our returns. Management provided the dreaded trading update which was a downgrade to expectations, citing increased timeframes for sales but with the typical caveat of expecting growth for H2 over H1. Customers seem to be holding on to their original Trophons for longer (instead of upgrading to Trophon 2s) so upgrades were down -22.5% and the new installed base was down -13.4%. So overall revenue is expected to be down -4.3% in cc. Despite a fortress balance sheet, NAN still trades at lofty multiples; some traction in their new products to justify their R&D spend would be helpful.

On the positive side of the ledger, our US enterprise software basket added +0.9% to the portfolio. The entire gain plus more was thanks to the +14.6% rise in CRWD, which has been on a recent tear, up >+70% since October. Despite trimming some at $286 and again at $299, CRWD is in our top 5 holdings. The other basket components returned from -4.9% for TTD to +6.4% for ZS.

Positive performance too from RMD, up +14.8% in January and representing a >+37% bounce from the anti-obesity drug fears lows back in September. Quarterly results were ahead of expectations with revenue +12% and non-GAAP EPS +13%. The positive results seem to have allayed the immediate-term fears about the effects of those drugs on demand for Resmed's CPAP machines; the longer-term impact (by definition) has yet to be determined.

A positive result too from PME, up +6% in January. The shares continued to push higher into early February and we trimmed some more at $109.50, the 100-bag level from our initial $1.095 purchase.

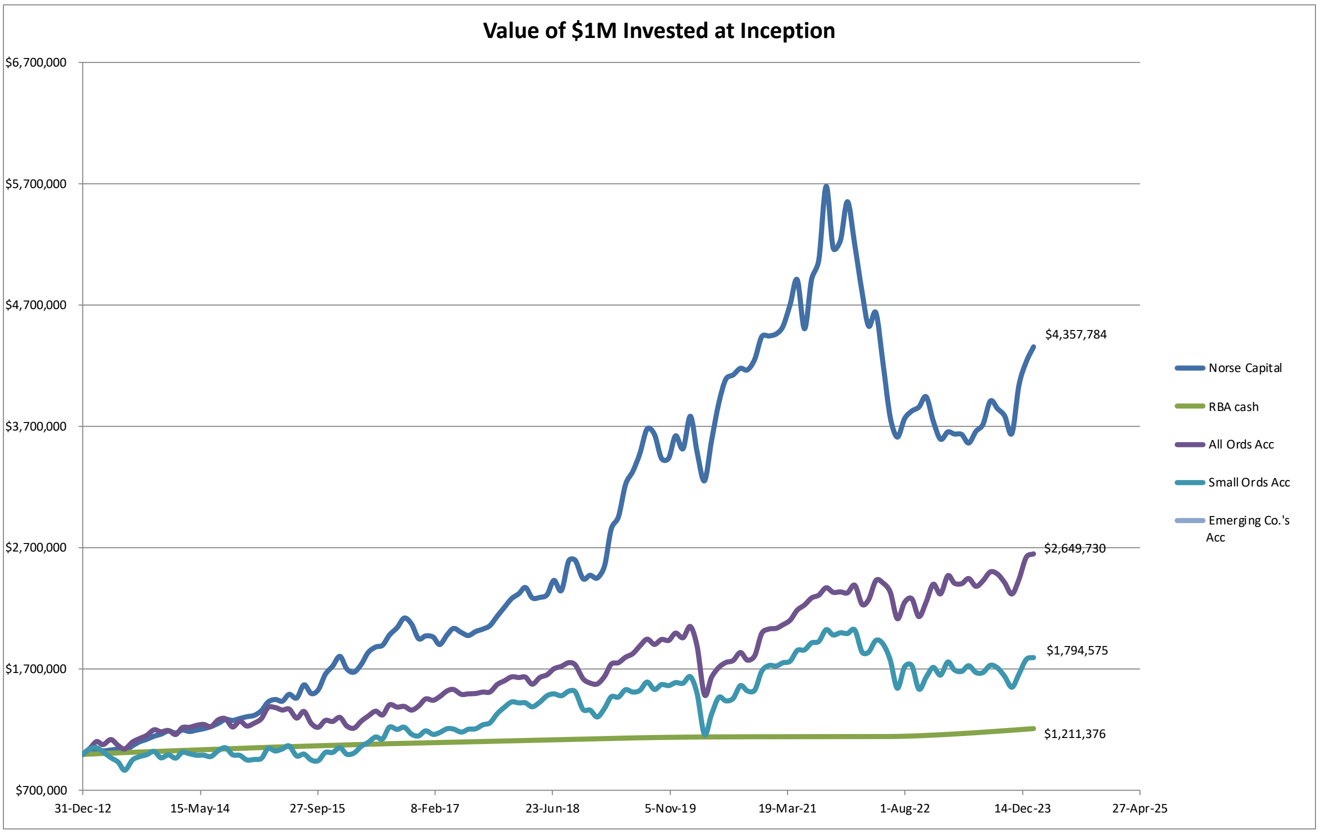
Shorts and hedges cost the portfolio -0.16% while the -3.6% drop in the AUD added +1.4% to performance.

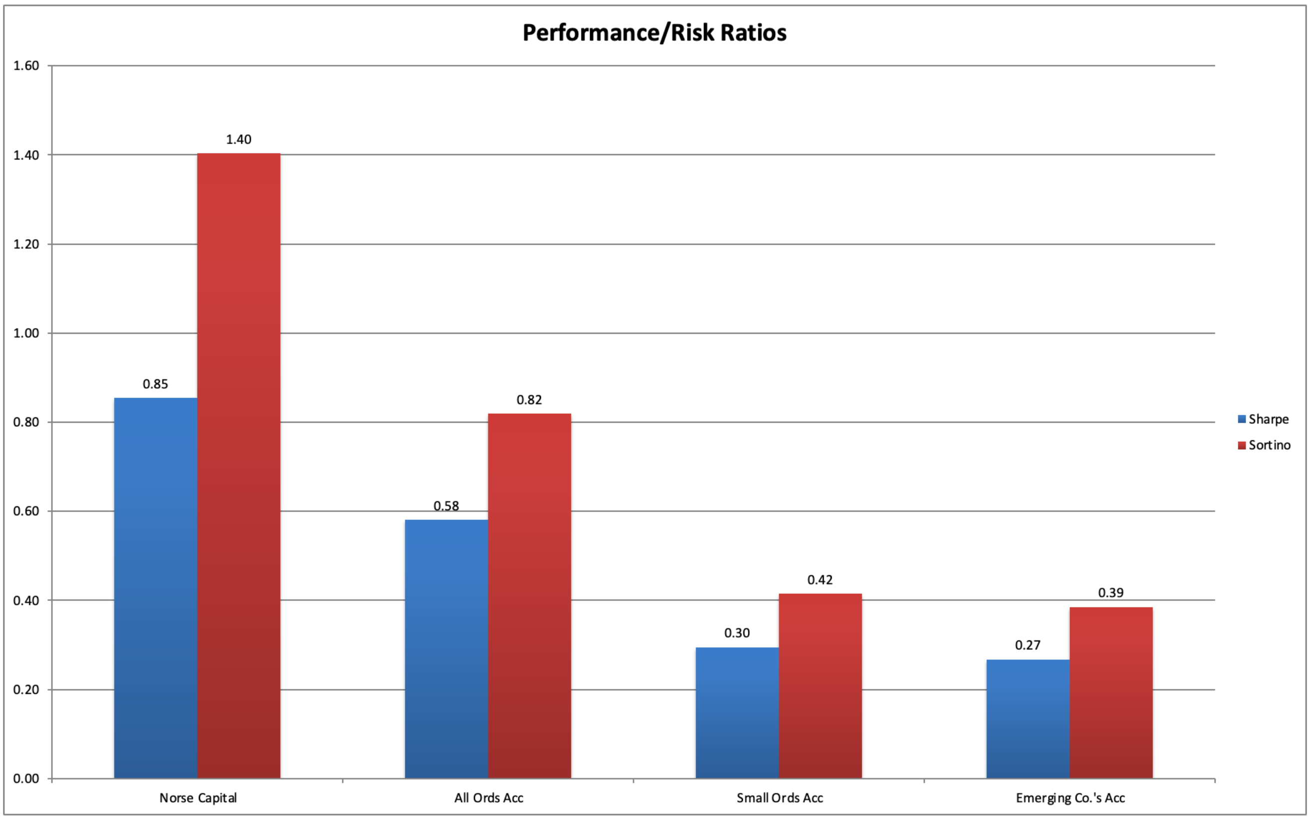
ASX earnings season on the way, meanwhile I go in for surgery to remove the screws from the neck of my femur. Fingers crossed on both.

Portfolio Holdings:

Cash:	16.1% (AUD and USD)
Non-AUD exposure:	23.3%
Longs:	87.6%
Shorts:	-7.1%
Options delta:	-2.7%
Net exposure:	77.9%
Top 5 equities (alphabetical):	AAPL, CRWD, PME, RMD, RUL

Net exposure is ~-2% lower than last month. I added a little more outright SPY shorts. As our hedges moved further out of the money, I have also rolled some out to March and just recently added more put spreads, continuing to pay more premium. Not as expensive as outright puts but still the premiums add up over time. However, given the market's continue positive performance (and what looks like more expensive valuation levels), it seems prudent at this time. With the drop in the AUD, our currency exposure is just a tad over 50% hedged via futures. Our 65c call option to cover an additional ~17% of the exposure is surprisingly now out of the money.





Performance/Risk Ratios
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
1.40
0.85
0.82
0.58
0.42
0.30
0.39
0.27
Norse Capital
All Ords Acc
Small Ords Acc
Emerging Co.'s Acc
Sharpe
Sortino