



## February 2025 Monthly Report

Returns 31-Dec-12 to 28-Feb-25

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	491.54%	192.91%	298.63%	95.94%	395.60%
Inception per annum	15.73%	9.23%	6.49%	5.68%	10.04%
CY2025 (ytd)	-3.81%	0.25%	-4.06%	1.66%	-5.47%
CY2024	45.23%	11.44%	33.78%	8.36%	36.87%
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	-6.51%	-3.96%	-2.55%	-2.80%	-3.72%
3m	-4.01%	-2.83%	-1.18%	-1.46%	-2.55%
6m	16.60%	2.82%	13.78%	5.73%	10.87%
1y	27.50%	9.27%	18.24%	7.33%	20.17%
2y pa	27.45%	10.26%	17.18%	7.58%	19.87%
3y pa	9.30%	8.81%	0.49%	2.13%	7.17%
5y pa	11.14%	9.20%	1.94%	5.56%	5.58%
7y pa	13.91%	8.68%	5.24%	4.69%	9.22%
10y pa	15.24%	7.77%	7.47%	6.49%	8.75%
12y pa	15.56%	8.46%	7.11%	5.32%	10.24%
Sharpe Ratio	0.93	0.58	1.61x	0.30	3.10x
Sortino Ratio	1.55	0.82	1.90x	0.42	3.67x
Annualised standard deviation	14.91%	13.60%		16.58%	
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	69.18%	65.07%		57.53%	

The positive euphoria following Trump's election win seems to have well and truly dissipated with markets in the negative since his inauguration.

February kicked off to the downside following the announcement of 25% tariffs on Canada and Mexico albeit they were postponed for a month to bring some temporary relief in February. Our portfolio took a -6.5% hit, worse than the All Ords at -4% and the Small Ords at -2.8% while in the US the S&P 500 was only down -1.4% and the Nasdaq -4%. (Since month-end, the chaos in March has made much of February's market considerations moot).

Our biggest loss on the month came from our enterprise software basket which accounted for -3.2% of negative performance, the vast bulk of that from our TTD holding which dropped -40.7% on the month following disappointing results with still +26% revenue growth for the year but missing guidance. TTD has been a stellar performer for us over 5+ years with our initial purchase under \$11 and selling ~ a third of the position from ~\$80 up to ~\$135. That stellar performance was driven by exceeding guidance in every quarter as a listed company until now (33 quarters). The question becomes whether that performance is now in the rear-view mirror and should we exit? (A question that will most likely come to most high-growth/high-stock performance companies). I have decided to keep the faith in TTD, in large part thanks to commentary from their exemplary CEO Jeff Green. Unlike many others, he did not gloss over the results, instead acknowledging that they fell short and going through those shortcomings in detail and how they will address them going forwards. Time will tell whether that decision is correct.

PME dropped ~-9% on the month for the next biggest drag on performance. This despite good half year results with revenue +31% and NPAT +42% following a slew of contract wins and implementations. The share price has had a stonking year; arguably results are swimming against the current to catch up with a soaring share price. I sold another small parcel above \$291. (For the first time in the history of the universe, my last few PME sales are actually in the money). The position remains as our highest weighting, now just under ~15% of the portfolio.

An interesting report from RUL (down -1.4% on the month) where they announced the sale of their Advisory Division for \$63m or 8.1x FY24 profit contribution (or potentially even 13x including unallocated corporate costs). It seems like a very good sale of that division to leave a cleaner, software-focused RUL which should make "understanding and appreciating the business a lot easier". Perhaps also making it easier for a sale too?

I added just under +10% to our TLX position around \$30, unfortunately just prior to the announcement of the CEO selling a portion of shares for his divorce settlement. Perfect timing as usual.

Shorts and hedges added +0.13% while the Aud-Usd cost us -0.27%.

### **Portfolio Holdings:**

Cash:	17.8% (AUD and USD)
AUD-USD currency exposure:	31.9%
Longs:	85.1%
Shorts:	-6.0%
Options delta:	-30.1%
Net exposure:	49.0%
Top 5 equities (alphabetical):	AAPL, CRWD, PME, RMD, RUL

CRWD has replaced TTD in the top 5 after the TTD fall, albeit 40% of the CRWD position is hedged below \$350, expiring in June. Our position has become drastically shorter in March. With the market dump in March thanks to the erratic Trump tariffs, our out-of-the money puts and put spreads are well and truly in the money. As a result, option deltas are now -30.1% from only -12.3% a month ago. This despite my taking profits on some of our shorts and puts when I should have left them alone. We are still short the IWM, QQQ and SPY etfs and have puts or put spreads on AAPL (on the entire position), CRWD, DDOG and NVDA (the entire position). Also puts and put spreads on HACK, IGV, QQQ and SPY.

