January 2026 Monthly Report

Returns 31-Dec-12 to 31-Jan-26

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	520.07%	228.27%	291.80%	147.44%	372.62%
Inception per annum	14.95%	9.50%	5.45%	7.16%	7.79%
CY2026 (ytd)	-3.17%	1.62%	-4.79%	2.74%	-5.91%
CY2025	4.13%	10.56%	-6.43%	24.96%	-20.83%
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	-3.17%	1.62%	-4.79%	2.74%	-5.91%
3m	-11.28%	0.31%	-11.60%	2.65%	-13.94%
6m	-4.49%	3.42%	-7.91%	17.30%	-21.79%
1y	-2.00%	7.63%	-9.64%	22.76%	-24.76%
2y pa	19.26%	11.29%	7.97%	17.40%	1.86%
3y pa	19.23%	9.94%	9.29%	12.06%	7.17%
5y pa	6.79%	10.01%	-3.22%	7.48%	-0.70%
7y pa	13.49%	10.39%	3.10%	8.72%	4.76%
10y pa	13.76%	10.26%	3.49%	9.49%	4.27%
12y pa	14.85%	9.02%	5.83%	8.16%	6.69%
Sharpe Ratio	0.88	0.60	1.47x	0.38	2.30x
Sortino Ratio	1.45	0.85	1.72x	0.54	2.67x
Annualised standard deviation	14.89%	13.28%		16.30%	
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	68.15%	65.61%		59.24%	

A late (and short) report as I return from a month away in the US and Canada. Skiing was a lot more enjoyable than witnessing the AI-induced

"SaaSpocalypse" creating carnage in software stocks. Despite the wreckage in specific sectors where the fear is that AI will eat entire business models, the general equity indices performed positively. For the month, the S&P 500 added +1.4% and the Nasdaq +0.9% while in Australia, the "old world" All Ords added +1.6% and the Small Ords +2.7%. Against that backdrop, our portfolio's -3.2% performance lagged dismally. (And February is looking worse so far…). In the misery loves company basket, the ASX All Tech index dropped -7.9%, down in the ballpark of ~-30% from its highs to the end of January.

The biggest loss for the month came from PME, down -16.6%. (Old news now with the shares down a lot more in February post results). No real news in January; PME's richly valued shares continued giving back more of its valuation premium.

A loss also from our US enterprise software basket which cost the portfolio ~-0.95%, with CRWD down -5.8%, DDOG -4.9%, TTD down -10.4% to where we sold out of our position and ZS down -11.1%. We exited our long-standing holding in TTD on news that their new CFO was departing after just 4 months on the job. This after the previous CFO only lasted 2 years. Too many cockroaches for me at the present time.

The +4.35% rise in the Aud-Usd cost the portfolio another -0.7%; absent our Aud-Usd currency futures hedge, the loss would have been around ~-1.75%. Shorts and hedges added +0.45%, our $500-$450 put spreads on CRWD capturing almost all of its value and our short deep in-the-money CRWD calls also contributing.

<u>Portfolio Holdings:</u>

Cash:	22.6% (AUD and USD)
AUD-USD currency exposure:	15.5%
Longs:	75.5%
Shorts:	0%
Options delta:	-10.8%
Net exposure:	64.7%
Top 5 equities (alphabetical):	AAPL, CRWD, PME, RMD, RUL

Slightly longer net exposure as we started dipping our toes into a new position. Of note, ~17% of that long exposure is in RUL which will convert to cash imminently as the last hurdles to its takeover by Caterpillar were surmounted. Our options delta includes ~-3.2% from now well in-the-money outright puts on the IGV software etf due to expire soon as well as some QQQ and SPY etf puts and put spreads. The latter index etf puts haven't been of much help so far in the current downturn in software stocks.