



February 2026 Monthly Report

Returns 31-Dec-12 to 28-Feb-26

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	486.97%	239.21%	247.75%	141.09%	345.87%
Inception per annum	14.38%	9.72%	4.66%	6.91%	7.47%
CY2026 (ytd)	-8.34%	5.01%	-13.34%	0.11%	-8.44%
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	-5.34%	3.34%	-8.67%	-2.57%	-2.77%
3m	-12.91%	6.33%	-19.24%	1.53%	-14.43%
6m	-9.47%	3.60%	-13.07%	5.42%	-14.89%
1y	-0.77%	15.81%	-16.58%	23.05%	-23.82%
2y pa	12.48%	12.49%	-0.01%	14.92%	-2.44%
3y pa	17.25%	12.08%	5.18%	12.50%	4.75%
5y pa	5.34%	10.42%	-5.08%	6.60%	-1.26%
7y pa	10.83%	9.98%	0.85%	7.31%	3.51%
10y pa	13.33%	10.80%	2.53%	9.11%	4.22%
12y pa	14.13%	8.89%	5.24%	7.49%	6.64%
Sharpe Ratio	0.84	0.61	1.37x	0.37	2.29x
Sortino Ratio	1.38	0.87	1.59x	0.52	2.64x
Annualised standard deviation	14.95%	13.26%		16.27%	
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	67.72%	65.82%		58.86%	

A fourth negative month in a row for our portfolio, down -5.3% vs the All Ords +3.3% and the Small Ords -2.6%. In the US, the S&P 500 posted a -0.9% month while the Nasdaq dropped -3.4%. So not only a negative month but continued underperformance vs the general equity market indices. Highlighting that our portfolio has not been immune to the “SaaSocalypse” that has seen fears that AI agents could pose a serious threat to the software and adjacent sectors. Reflecting this, the IGV software etf in the US fell -10.6% in February while the ASX XTX All Technology accumulation index fell -8.6%. Over the last 6 months, those indices have given up -29.1% and -33.4% respectively. We have been relatively fortunate (-9.5% the last 6 months) to have had some hedging in specific software names and the IGV itself as well as the good fortune of having our then largest position (RUL) get taken out before the AI-SaaS sh*t hit the fan.

Once again, the biggest loss for the month came from PME, down an additional -29.4% in February. Results showed revenue +28.4% and underlying profit (ex the mark-to-market uplift from their investment in 4DX) +29.7%. Largely in line but also slower growth (albeit their second half historically outperforms) and with a combination of high expectations multiple and AI vibe-coding fears, the shares plunged almost -24% on the day. Despite selling almost half the position of our formerly largest holding in the \$200s and \$300s, it was still a painful experience. At current levels, I am not inclined to sell more; if anything would consider potentially adding should the shares drop further.

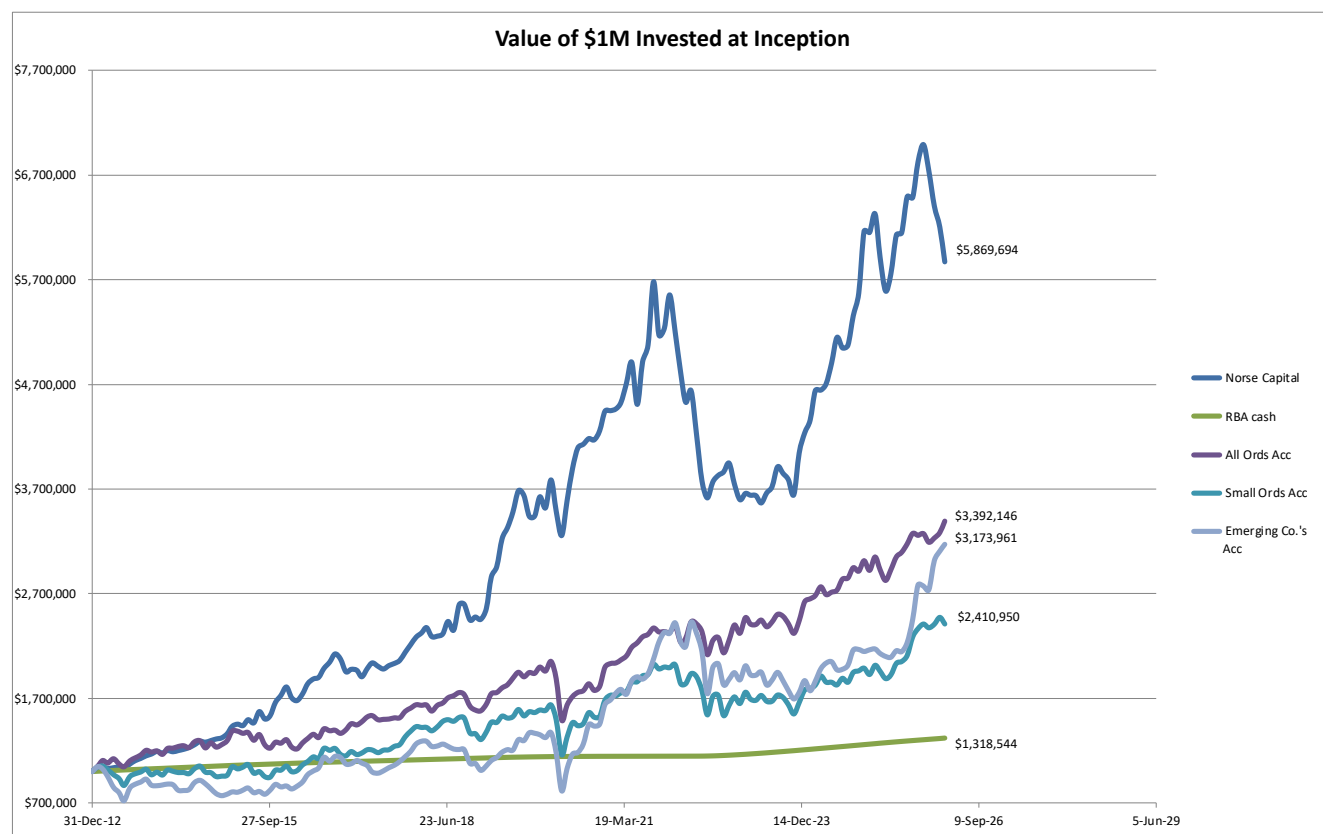
Another loss also from our US enterprise software basket which cost the portfolio -1.8%, with CRWD down -15.7%, DDOG -13.4%, and ZS down -26.5%. All smashed on AI fears – the cybersecurity names hit on the news of Anthropic releasing Claude Code Security, an AI application that analyses source code for potential vulnerabilities and proposes remediation for human review. It’s arguable whether vibe-coded AI will really replace cyber security platforms but no doubt uncertainty has risen and consequently discount rates and terminal values have fallen in what was once viewed as reliable, growing subscription cash flows across the SaaS environment.

The +2.2% rise in the Aud-Usd cost the portfolio another -0.4% (would have been -0.9% without our currency hedge). Shorts and hedges added +0.4%, the majority thanks to our IGV puts expiring near the lows at ~\$80.

Portfolio Holdings:

Cash: 37.0% (AUD and USD)
AUD-USD currency exposure: 15.6%
Longs: 63.7%
Shorts: -3.2%
Options delta: -4.7%
Net exposure: 55.8%
Top 5 equities (alphabetical): AAPL, CRWD, GOOG, PME, RMD

Quite a bit shorter as we bid farewell to our largest holding RUL, taken out at \$5 by Caterpillar. (We had owned the shares since 2016 at just over 40c and continued buying on the way up into 2020). That dropped our exposure on the order of ~17%. We have added to our ZS position on the dip as well as continuing to build a new ASX position. Both have been hit lower by the AI scare but are in sectors that in my opinion present high hurdles to AI vibe-coding replacing them and/or also do not rely on per seat charging models. Option deltas not as short as we took profit on our IGV puts; have added some AAPL, QQQ and SPY put spreads recently.



Performance/Risk Ratios

