



June 2018 Monthly Report

Returns 31-Dec-12 to 29-Jun-18

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	143.36%	70.39%	72.98%	49.51%	93.86%
Inception per annum	17.57%	10.18%	7.38%	7.59%	9.97%
2018 (ytd)	6.59%	4.04%	2.54%	4.67%	1.91%
2017	15.55%	12.47%	3.08%	20.02%	-4.46%
2016	9.31%	11.65%	-2.33%	13.18%	-3.87%
2015	36.80%	3.78%	33.02%	10.16%	26.65%
2014	10.81%	5.02%	5.79%	-3.81%	14.62%
2013	19.24%	19.66%	-0.41%	-0.76%	20.00%
1m	5.09%	2.95%	2.14%	1.06%	4.03%
3m	6.29%	8.03%	-1.74%	7.67%	-1.38%
6m	6.59%	4.04%	2.54%	4.67%	1.91%
1y	22.96%	13.73%	9.23%	24.25%	-1.29%
2y pa	13.20%	13.44%	-0.24%	15.33%	-2.13%
3y pa	18.45%	9.48%	8.96%	15.01%	3.44%
5y pa	18.76%	10.27%	8.49%	11.55%	7.22%
Sharpe Ratio	1.53	0.76	2.03x	0.47	3.25x
Sortino Ratio	2.86	1.21	2.36x	0.74	3.84x
Annualised standard deviation	9.58%	10.95%		12.92%	
Highest monthly return	8.30%	7.00%		9.81%	
Largest monthly loss	-5.80%	-7.30%		-7.77%	
Largest drawdown	-10.28%	-12.23%		-17.69%	
% positive months	74.24%	65.15%		60.61%	

A good positive month for the portfolio, up near +5.1% and finally outpacing both the All Ords and the Small Ords for the first time in 3 months.

As to be expected our biggest positions were once again the biggest contributors to the portfolio with the two biggest weightings of APX and PME the top two contributors in that order.

APX rose almost 31% for the month, with some of the share price performance probably helped by the company being admitted to the S&P ASX200 index. We lightened the position very slightly purely for portfolio weighting reasons, selling the extras we had previously bought after the outstanding profit release to bring the position back towards a

15%+ portfolio weighting. As can be deduced from our weighting, we remain positive. At month-end close, we see APX trading on a CY2018 PE in the high 30s fully diluted using management guidance and not adjusting for a lower AUD. The PE is notionally high but we expect continued growth in a sector with strong tailwinds and we consider APX's multiple to be reasonable (and well below several well-known ASX-listed high flyers).

PME rallied 8.4% for the month with news of a \$15m, 7-year contract with the US Mercy health system for their Visage 7 Open Archive product. Pleasingly the announcement indicates PME's success at cross-selling new products and continuing to win contracts. Our thesis remains that PME still has a large US opportunity set ahead and will continue to perform over time and we are willing to outwait a sometimes impatient market.

Other notable positive performers for the month included our holding in NAN, up almost 19% in June.

No single position detracted more than 0.30% from the portfolio, a relatively benign month.

As can be seen from the portfolio holdings snapshot below, we have slowly started replenishing our option hedges, bringing our net exposure down a couple of percentage points.

Portfolio Holdings:

Cash:	24.1% (AUD and USD)
Non-AUD exposure:	20.8%
Longs:	75.0%
Shorts:	-0.0%
Hedge delta:	-4.2%
Net exposure:	70.8%
Top 5 equities (alphabetical):	AAPL, ADA, APX, PME, RMD

There are currently no outright (non-option) shorts in the portfolio but we hope to discover potential new candidates over time.

