November 2020 Monthly Report

Returns 31-Dec-12 to 30-Nov-20

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	344.24%	99.61%	244.64%	68.26%	275.98%
Inception per annum	20.72%	9.12%	11.60%	6.79%	13.93%
CY2020 (ytd)	26.22%	1.85%	24.38%	6.28%	19.94%
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	4.40%	10.16%	-5.76%	10.27%	-5.87%
3m	6.26%	8.60%	-2.34%	7.66%	-1.40%
6m	14.09%	16.35%	-2.26%	14.78%	-0.69%
1y	22.55%	-0.08%	22.64%	5.98%	16.58%
2y pa	33.90%	12.13%	21.76%	11.15%	22.74%
3y pa	26.16%	7.53%	18.63%	6.72%	19.44%
5y pa	20.78%	9.44%	11.33%	10.69%	10.09%
7y pa	21.03%	7.72%	13.31%	8.21%	12.81%
Sharpe Ratio	1.40	0.57	2.46x	0.38	3.74x
Sortino Ratio	2.75	0.79	3.48x	0.54	5.10x
Annualised standard deviation	12.86%	14.18%		16.85%	
Highest monthly return	11.78%	10.16%		14.27%	
Largest monthly loss	-7.88%	-20.94%		-22.38%	
Largest drawdown	-14.04%	-27.33%		-29.11%	
% positive months	72.63%	65.26%		57.89%	

A big month for equity market indices with the good news of effective covid vaccine data from Pfizer/BioNTech and Moderna sparking optimism of a return to normal on the horizon. All of the indices we usually mention showed double digit returns for November: the All Ords at +10.16%, the Small Ords +10.27%, the S&P 500 +10.8% and the

Nasdaq +11.8%. Meanwhile our portfolio recorded +4.4% for the month, so a substantial underperformance in November although perhaps to be expected given the rotation out of 2020's high performing work-from-home and technology stocks and into more cyclical names whose shares had been beaten down in the pandemic. We do not have much exposure to cyclicals, especially to the likes of cruise ships, airlines or cinema chains for example, but we are satisfied to have posted a smaller positive return and to let those cyclicals enjoy their day in the sun while we stick to our knitting.

Our biggest detractor on the month was the AUD-USD which rose just shy of +4.5% to cost the portfolio ~-1.4%. Shorts and hedges were the next biggest detractor, subtracting another ~-0.8% for the month. So roughly down ~-2.2% for equity hedging and currency which is not surprising given the aforementioned outstanding equity index returns posted with the good vaccine news leading to a risk-on environment.

Pro Medicus was the other single detractor of note with the shares down ~-8.8%. News of a 5 year $8.5m contract renewal with Zwanger-Pesiri and positive pipeline comments at the AGM was countered by guidance that most of next financial year's growth would come in the second half, which was enough to see the shares give back some of last month's near +20% upside move.

The largest positive contribution for the month came from our US-listed enterprise software basket which added almost +3.5% to November's portfolio returns with individual elements of the basket returning anywhere from a small negative to up ~+30%. The outstanding individual performance though came from TTD which jumped over +59% in November to contribute just over half of the returns from our enterprise basket and to bring TTD to our 3rd largest potfolio holding, despite converting more of our exposure from shares into long-dated calls. TTD reported quarterly results with revenue up +32% yoy on the top-line and non-GAAP EPS up +69% yoy (GAAP EPS was up +110% yoy), showing leverage from revenue dropping into bottom-line profit. Guidance for next quarter was for a minimum of +33% **sequentially** for revenue and +49% **sequentially** for adjusted EBITA. TTD's share price had been hit hard back in March with the logic that the economically sensitive ad spend market would drop significantly in a pandemic induced recession. What the pandemic did do was crush the old school upfront TV ad market (amongst others) and drive advertisers to the digital and connected TV (streaming) markets: "…we've seen several years of advertising disruption and innovation compressed into a few months. As a result, advertisers have become more deliberate and data-driven with every advertising dollar".

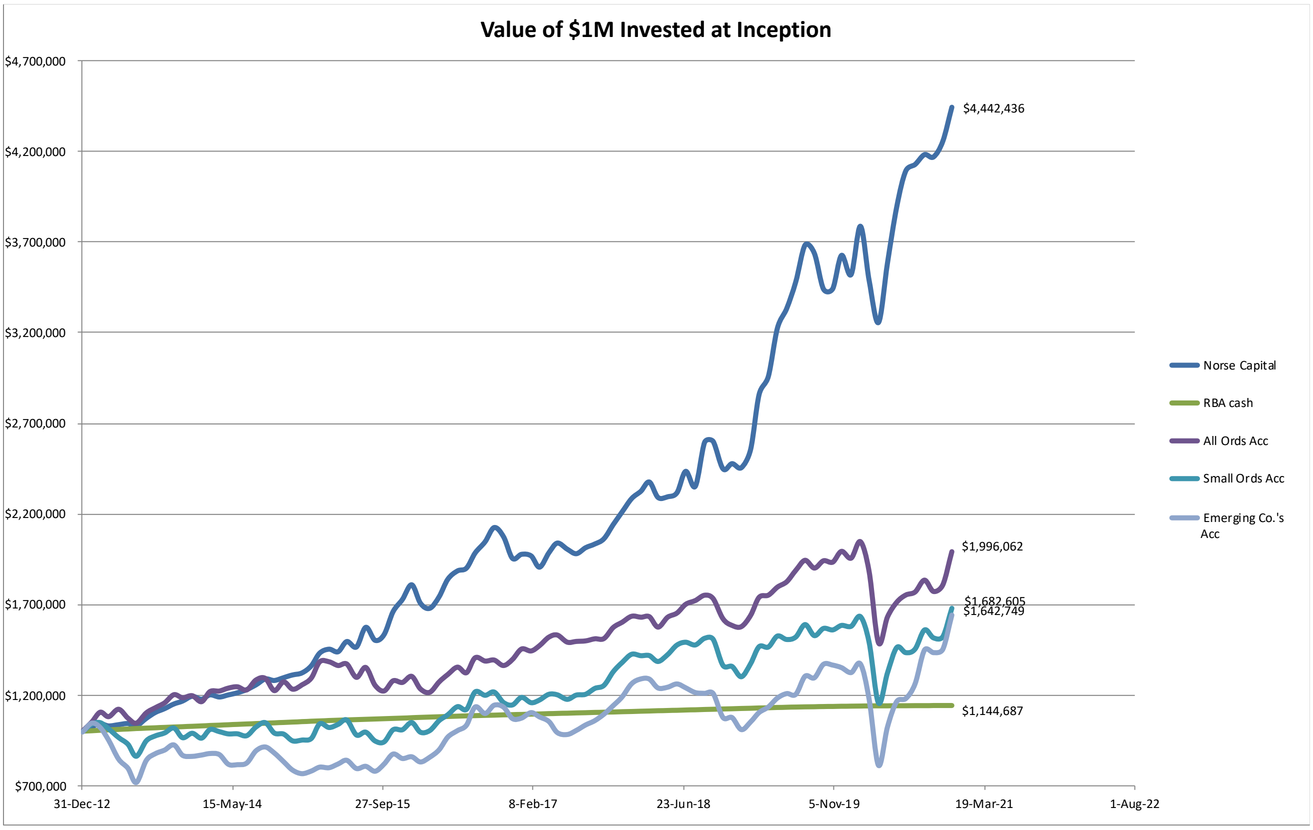
Also a positive contribution from EML this month with the shares up just shy of +24%. EML is one of our holdings that should be positively correlated with the vaccine positivity as the economy opening up should be positive for their mall-based gift card segment going forward (although potentially too late for 2020's Christmas season).

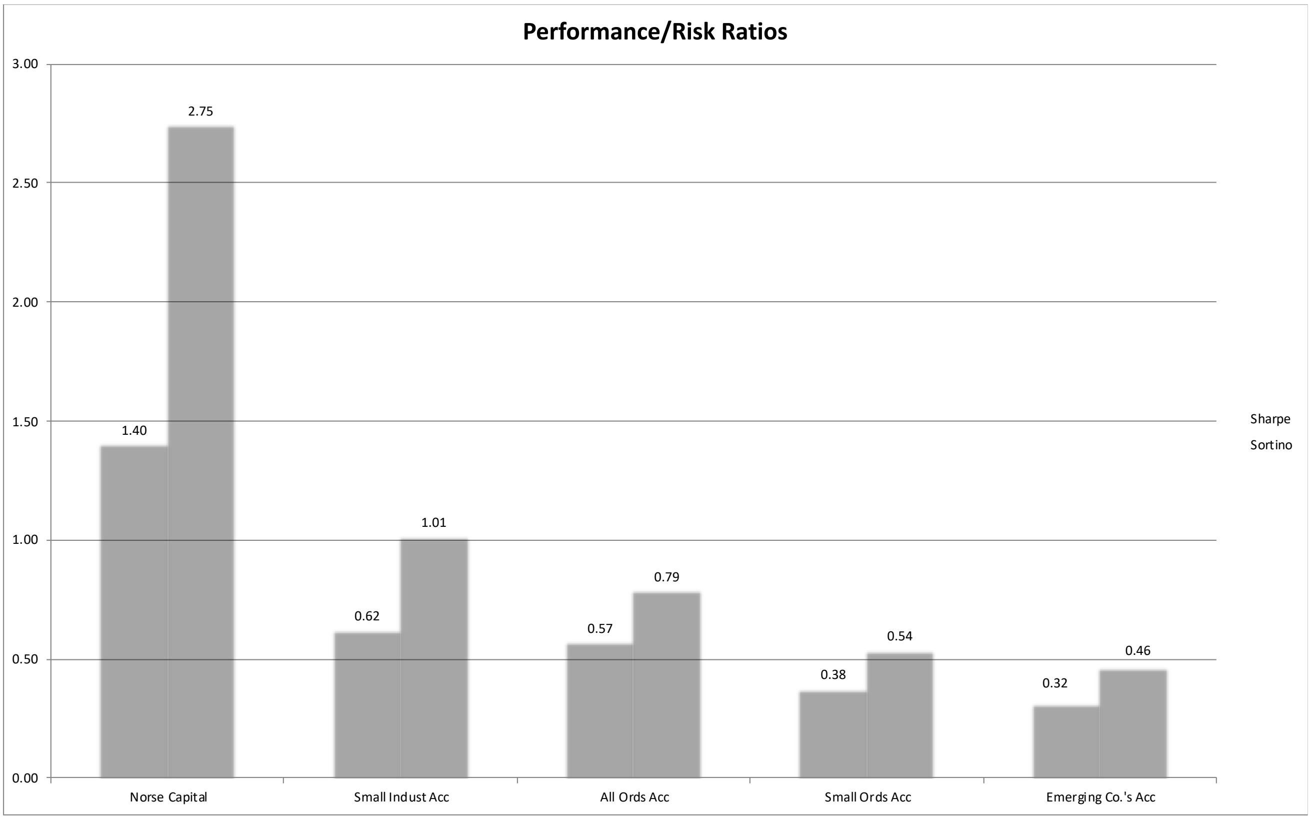
<u>Portfolio Holdings:</u>

Cash:	25.8% (AUD and USD)
Non-AUD exposure:	29.9%
Longs:	65.3%
Shorts:	-7.7%
Options delta:	21.3%
Net exposure:	78.9%
Top 5 equities (alphabetical):	AAPL, APX, EML, PME, TTD

Our net exposure continues to increase despite converting more shares into 2023 call options (as mentioned above re: TTD) and despite initiating puts (and adding more) on CLOU, the Global X Cloud Computing ETF. Plus our ASX, SPY and QQQ puts have basically deteriorated towards zero as the indices rallied hard in November away from our strikes.

As mentioned previously, the TTD is now our 3rd largest individual exposure and has replaced RMD in our top 5 holdings.


Value of $1M Invested at Inception
$4,700,000
$4,200,000
$3,700,000
$3,200,000
$2,700,000
$2,200,000
$1,700,000
$1,200,000
$700,000
31-Dec-12
15-May-14
27-Sep-15
8-Feb-17
23-Jun-18
5-Nov-19
19-Mar-21
1-Aug-22
$4,442,436
$1,996,062
$1,682,605
$1,642,749
$1,144,687
Norse Capital
RBA cash
All Ords Acc
Small Ords Acc
Emerging Co.'s Acc


Performance/Risk Ratios
3.00
2.50
2.00
1.50
1.00
0.50
0.00
1.40
2.75
0.62
1.01
0.57
0.79
0.38
0.54
0.32
0.46
Norse Capital
Small Indust Acc
All Ords Acc
Small Ords Acc
Emerging Co.'s Acc
Sharpe
Sortino