March 2021 Monthly Report

Returns 31-Dec-12 to 31-Mar-21

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	370.83%	110.43%	260.39%	76.51%	294.32%
Inception per annum	20.65%	9.43%	11.22%	7.13%	13.53%
CY2021 (ytd)	5.87%	3.61%	2.26%	2.09%	3.78%
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	4.04%	1.84%	2.20%	0.79%	3.26%
3m	5.87%	3.61%	2.26%	2.09%	3.78%
6m	12.95%	18.56%	-5.60%	16.20%	-3.25%
1y	44.68%	41.14%	3.54%	52.15%	-7.47%
2y pa	26.12%	9.50%	16.62%	9.61%	16.51%
3y pa	27.08%	10.06%	17.02%	8.30%	18.78%
5y pa	21.99%	10.56%	11.43%	10.68%	11.31%
7y pa	21.71%	8.06%	13.66%	8.43%	13.28%
Sharpe Ratio	1.43	0.60	2.36x	0.40	3.55x
Sortino Ratio	2.80	0.84	3.35x	0.58	4.84x
Annualised standard deviation	12.64%	13.90%		16.53%	
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	73.74%	66.67%		58.59%	

We managed to close March up over +4%, similar to but just shy of the S&P 500's +4.2% but ahead of the Nasdaq at +0.4% and the All Ords coming in above +1.8% and the Small Ords near +0.8%. The equities story for the month continued on from February with the market looking to a reopening economy in the US thanks in large part to their encouraging vaccine rollout, leading to continued higher yields and a rotation out of technology/high growth stocks that had performed well during the pandemic, into more cyclically exposed companies. Of note, the 1 year returns of our portfolio and the market indices have now lapped the 2020 coronavirus lows, showing the big market rebounds since then.

As would be expected with technology equities out of favour, the biggest drag on performance this month came from our US-listed enterprise software basket which cost the portfolio approximately -3.2% with individual holdings dropping between -7% to -30% in March alone (and on the order of ~-40%+ for some of the holdings from their all-time highs). We had previously converted some of our stock holdings into long-term call options which helped on the way down but could have been quicker to convert more. Some significant share prices falls but not occasionally unexpected for such high growth/highly priced shares and almost a cost of admission to participate in the long-term thematic. The share price drops came despite several of the holdings reporting excellent and better than expected results. One standout was Crowdstrike becoming the 3rd fastest SaaS company to hit $1b in revenue (behind Salesforce and Zoom), with revenue up +74%, gross margins at 80% and FCF almost doubling amid positive guidance yet again exceeding expectations. Unable to resist, I added to our position a couple of times in the low $190s and low $180s. (As usual I was unable to pick the bottom, lacking the skillset of our compatriots at Hindsight Capital LLC).

On the positive side, our holding in RMP Global contributed almost +0.75% with the shares up +21.7% as they updated the TCV (Total Contracted Value) of their subscription software from $14.5m to $23.4m (which excludes an additional contracted $4.1m due to a termination clause in favour of the customer) and ARR from $15.8m to $18.4m.

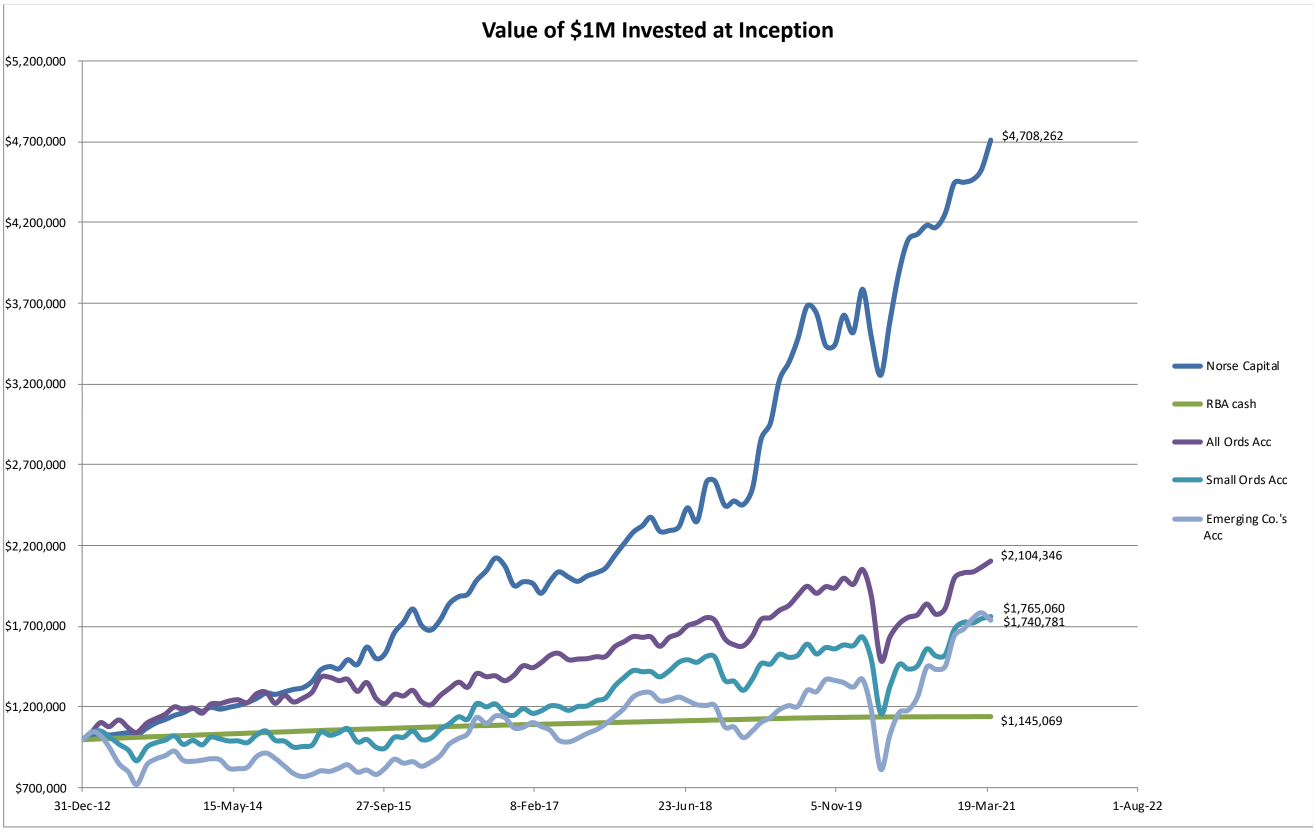
As with February, our biggest positive contribution in March came from our holding in Cosmos Capital, now listed as WIZP on the US OTC market (and to be renamed Mawson Infrastructure Group), a Bitcoin miner. As previously mentioned, we invested on the order of ~1% in Nov-19 (and a small follow on in Jun-20) and to date have marked that position at their latest capital raise price, standard practice for unlisted holdings. As forecast in our last monthly, the transition to a listed entity in March has resulted in a valuation uplift which has contributed ~+7% to the portfolio's monthly return (to rescue what would otherwise have been a poor performing month for the portfolio). As a significant proportion of the holding is escrowed for the remainder of the year, we have only ascribed value to the unrestricted portion for now. The valuation uplift has also catapulted Cosmos into our largest holding at just over 11.5% of the portfolio, overtaking Pro Medicus for top billing. Given the weighting and the volatility of Bitcoin itself, we can reasonably expect our portfolio returns to become more volatile going forwards.

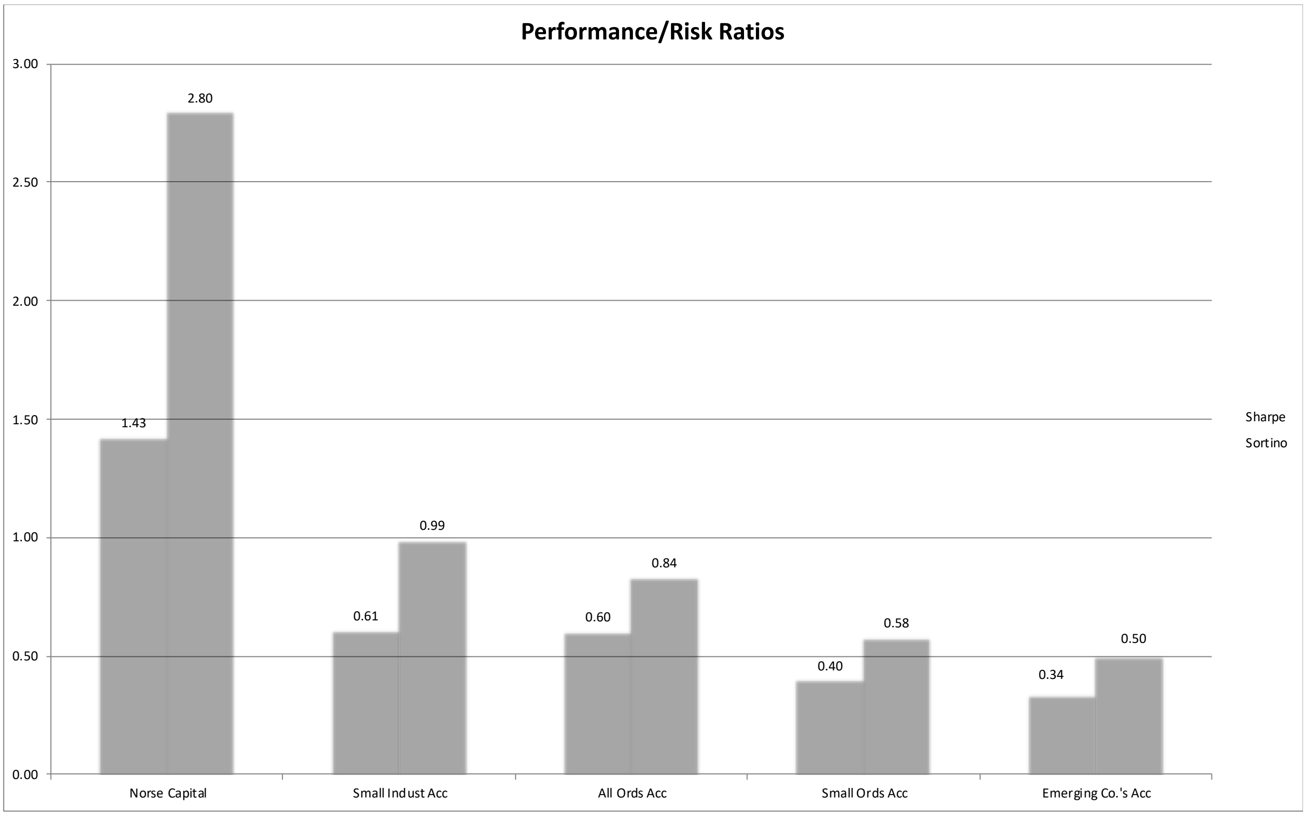
Our shorts and hedges detracted approximately -0.3% for March with the AUD-USD drop of just over 1c adding back ~+0.55% to performance.

<u>Portfolio Holdings:</u>

Cash:	26.7% (AUD and USD)
Non-AUD exposure:	37.2%
Longs:	68.0%
Shorts:	-2.7%
Options delta:	10.1%
Net exposure:	75.4%
Top 5 equities (alphabetical):	AAPL, APX, Cosmos, EML, PME

As mentioned previously, Cosmos Capital is now our top weighted individual position although our US-listed enterprise software basket which now sits at an ~13% weighting would qualify for top spot if calculated as one single position. The Cosmos valuation uplift net of our enterprise software basket losses has increased our long position by ~+2.5% vs February and taken our outright exposure up above 75%. As well our non-AUD exposure has jumped ~+8% (even after converting some of our USD exposure back to AUD a couple of times during the month) as Cosmos' AUD denominated capital raisings are now reflected as a USD listed exposure.


Value of $1M Invested at Inception
$5,200,000
$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
$4,708,262
$2,104,346
$1,765,060
$1,740,781
$1,145,069
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
1.43
2.80
0.61
0.99
0.60
0.84
0.40
0.58
0.34
0.50
Norse Capital
Small Indust Acc
All Ords Acc
Small Ords Acc
Emerging Co.'s Acc
Sharpe
Sortino