June 2021 Monthly Report

Returns 31-Dec-12 to 30-Jun-21

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	391.30%	128.66%	262.64%	91.50%	299.80%
Inception per annum	20.59%	10.22%	10.38%	7.94%	12.65%
CY2021 (ytd)	10.47%	12.58%	-2.10%	10.76%	-0.29%
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	9.01%	2.56%	6.45%	3.08%	5.93%
3m	4.35%	8.66%	-4.31%	8.50%	-4.15%
6m	10.47%	12.58%	-2.10%	10.76%	-0.29%
1y	20.09%	30.24%	-10.15%	33.23%	-13.14%
2y pa	18.81%	9.92%	8.89%	12.09%	6.73%
3y pa	26.33%	10.28%	16.05%	8.59%	17.75%
5y pa	20.92%	11.53%	9.38%	11.23%	9.69%
7y pa	21.87%	9.27%	12.60%	10.06%	11.81%
Sharpe Ratio	1.37	0.67	2.06x	0.45	3.03x
Sortino Ratio	2.61	0.92	2.82x	0.66	3.98x
Annualised standard deviation	13.19%	13.75%		16.37%	
Highest monthly return	11.78%	10.16%		14.27%	
Largest monthly loss	-8.22%	-20.94%		-22.38%	
Largest drawdown	-14.04%	-27.33%		-29.11%	
% positive months	73.53%	67.65%		59.80%	

Continuing last month’s theme of volatility in returns, June proved another big return month, thankfully this time to the upside with our portfolio’s >+9% return capturing back last month’s downside and outperforming both the Australian indices we follow (with the All Ords +2.5% and the Small Ords +3%) and the US indices with the S&P500

+2.2% and the Nasdaq +5.5%. Surprisingly our positive return was despite our largest holding, the bitcoin miner Mawson Infrastructure, dropping -3.2% in June. Rather the performance came as our investments typically classified as "growth" rebounded from previous selloffs. From a macro point of view, part of the change in sentiment came as some US Federal Reserve governors started talking more hawkishly about tapering/rate rises which the market took as staying on top of inflation and resulted in a flattening of the yield curve. i.e., longer-dated interest rates declined relative to shorter-dated rates which helped longer-dated assets like companies with future growth/long-dated cashflows.

As a consequence, the biggest contribution to positive performance in June came from our US-listed enterprise software basket which added >+3.5% to performance. More than a third of that came from The Trade Desk which rose >46% (after last month's ~20% drop); some of that outperformance due to Google pressing pause on removing cookies from Chrome until late in 2023 at least, giving some kudos to TTD's CEO Jeff Green's opinion late last year evincing doubt as to whether Google will eventually get rid of third-party cookies. Other notable individual stock performances from the basket include MDB up almost +24%, SHOP +17.5% and TWLO +17.3%.

Next in line in terms of positive contribution came from our 2nd largest holding Pro Medicus (which would have grown into our largest holding had we not trimmed a little more of the position above $57). The shares rose +27.3% in June. Some news in early June that PME had signed a multi-year research collaboration with Mayo Clinic to leverage the capabilities of the Visage AI Accelerator platform. No immediate revenue implications but a positive slant towards future implementation of AI providing potential new revenue streams for Pro Medicus.

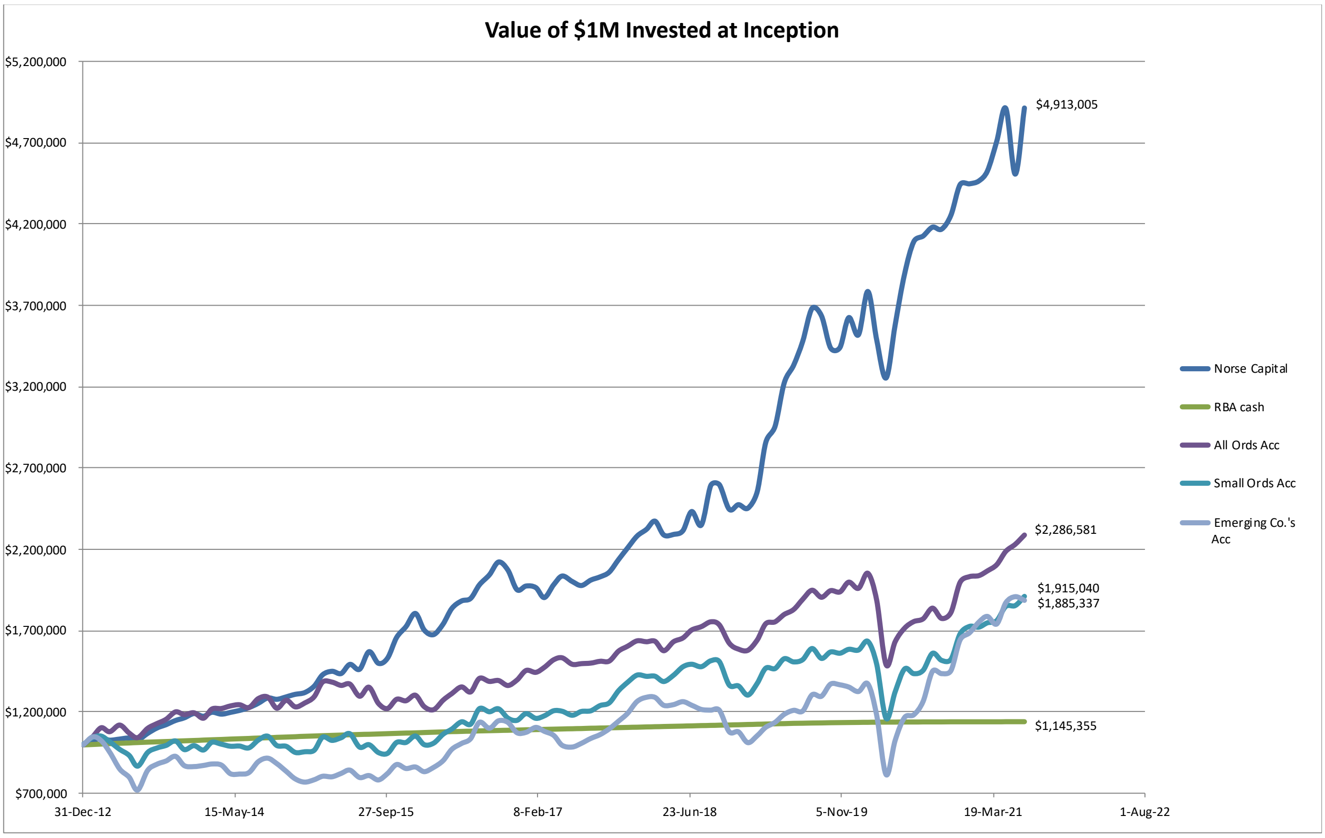
Some further notable positive contributions came from RMD +20.8%, RUL +16.7% and AAPL +9.9% amongst others.

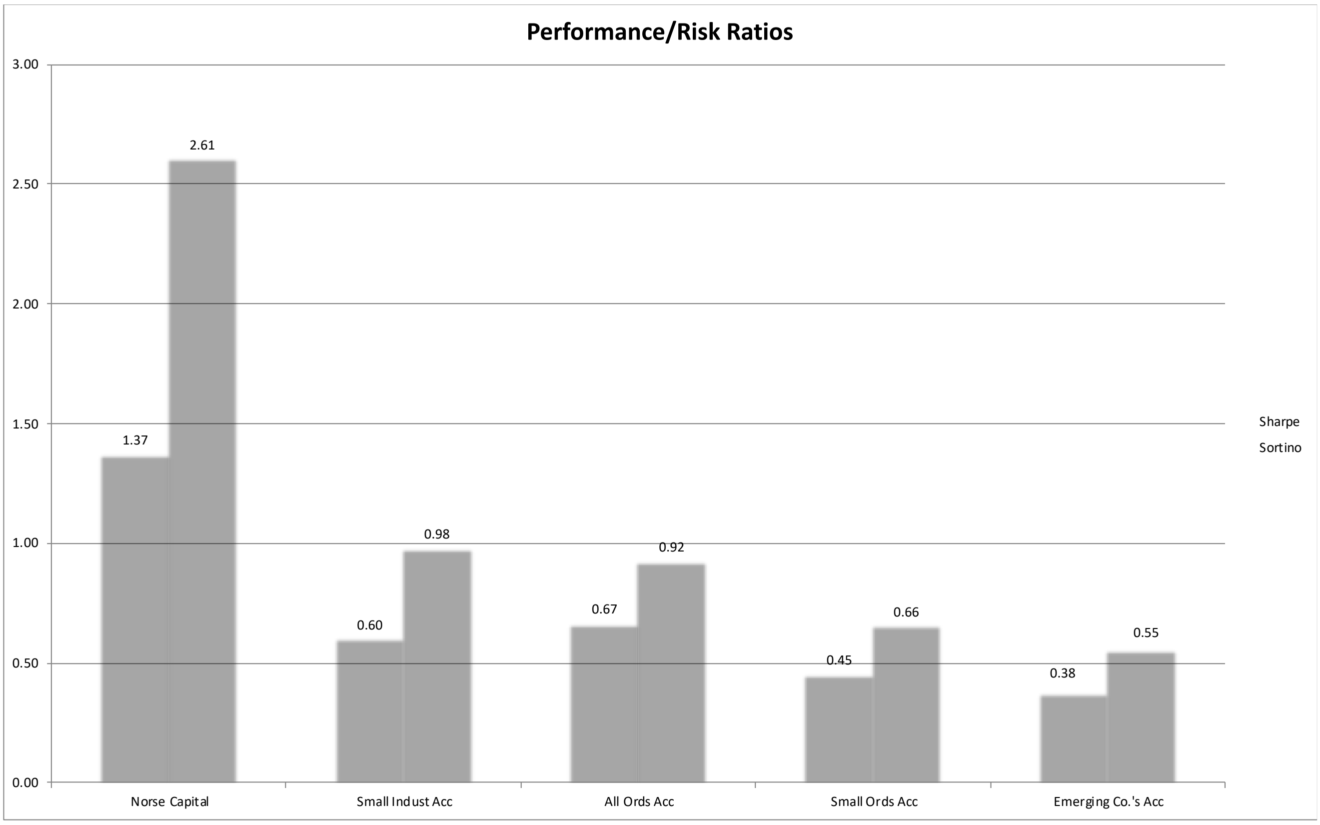
As would be expected in an overall positive month, our shorts and hedges were the biggest detractor to performance, taking off just over -0.5% from performance. An ~3% drop in the AUD added ~+1.25% to the portfolio.

Portfolio Holdings:

Cash:	20.8% (AUD and USD)
Non-AUD exposure:	38.9%
Longs:	72.1%
Shorts:	-2.5%
Options delta:	12.2%
Net exposure:	81.8%
Top 5 equities (alphabetical):	AAPL, MIGI, PME, RMD, RUL

Positive performance from RMD sees it replace APX in the top 5. The month's positive performance coupled with more option hedge expiries sees our net exposure now up to over 80% long from last month's ~75%. We will look to trim some of our longs and with the VIX measure of implied volatility continuing to decline will also look to opportunistically add more hedging to the portfolio.





Performance/Risk Ratios
3.00
2.50
2.00
1.50
1.00
0.50
0.00
2.61
1.37
0.98
0.60
0.92
0.67
0.66
0.45
0.55
0.38
Norse Capital
Small Indust Acc
All Ords Acc
Small Ords Acc
Emerging Co.'s Acc
Sharpe
Sortino