



## October 2021 Monthly Report

Returns 31-Dec-12 to 31-Oct-21

	Norse Capital All Ords Accum Outperformance			Small Ords Accum Outperformance	
Inception	423.55%	133.69%	289.86%	99.90%	323.65%
Inception per annum	20.60%	10.08%	10.52%	8.15%	12.45%
CY2021 (ytd)	17.73%	15.06%	2.67%	15.62%	2.11%
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	1.22%	0.15%	1.07%	0.92%	0.30%
3m	3.15%	1.13%	2.02%	3.68%	-0.53%
6m	6.62%	6.87%	-0.25%	7.88%	-1.27%
1y	23.04%	28.97%	-5.93%	31.01%	-7.97%
2y pa	23.30%	9.79%	13.51%	13.06%	10.24%
3y pa	28.82%	12.90%	15.92%	13.51%	15.31%
5y pa	20.34%	11.36%	8.98%	11.44%	8.89%
7y pa	22.06%	9.05%	13.01%	10.59%	11.48%
Sharpe Ratio	1.32	0.67	1.97x	0.47	2.78x
Sortino Ratio	2.45	0.93	2.64x	0.69	3.57x
Annualised standard deviation	13.87%	13.53%		16.15%	
Highest monthly return	11.91%	10.16%		14.27%	
Largest monthly loss	-8.94%	-20.94%		-22.38%	
Largest drawdown	-14.04%	-27.33%		-29.11%	
% positive months	73.58%	67.92%		60.38%	

A bit late on this month's report which I'll keep short and sharp. A relatively quiet portfolio month compared to the previous couple of months setting record high and record low returns. The portfolio rose +1.2% vs the All Ords at +0.15% and the Small Ords +0.9% while in the

US the S&P 500 rose +6.9% and the Nasdaq +7.3%. So a bit better than the Australian indices but a substantial lag vs the US.

Our biggest detractor for the month was our USD exposure as the AUD-USD rallied > 4% in October, costing the portfolio just shy of -2%. As a reminder, we tend to ride the currency swings and roundabouts, only taking potential action at what we perceive to be wide extremes.

On the equity side, our biggest detractor for the month was EML, down -24% after EML updated the market that their Central Bank of Ireland issue could materially impact the European operations of their acquired PFS business. Essentially EML and the CBI continue to correspond over PFS' growth ambitions vs limitations that the CBI may wish to impose. Submissions continue but the issue looks set to drag on longer and the market dislikes uncertainty. Our view remains that the market share price haircut has been excessive, but we will have to wait for the eventual result.

Our US enterprise software basket added ~+1.75% to October's returns and now represents ~23% of the portfolio. One positive driver was a flattening of the US yield curve where long-dated US yields remained relatively subdued despite jumps in shorter-dated yields; the market thinking the Fed will raise rates which could potentially curtail long lasting inflation. Highlights included DDOG adding +18% after we had added to our holding after their previous earnings release (and they have jumped further this month with their latest quarterly), CRWD +14.7% and ZS +21.6%.

Another positive contributor was our position in Janison Education, JAN, which rose over +18%, continuing previous positive performance. Not a lot of news; a strategic bolt-on acquisition plus a trading update presentation expanding on the growing opportunity set in the global EdTech market.

Our largest individual holding, MIGI, rose a small +1.9% in USD, less than the AUD currency rise so a net detractor on the month. This despite a +43.5% rise in Bitcoin itself. As mentioned last month, MIGI's Nasdaq listing gave the underwriters a greenshoe option which effectively kept a lid on the shares during October. Unsurprisingly, the shares have jumped higher as of this writing with that option now expired. Ethereum also jumped, with our ETF holding ETHE up +46.7% on the month. We have taken a small position in Solana, also via an ETF.

Shorts and hedges cost us ~-0.3%.

### **Portfolio Holdings:**

Cash:	17.5% (AUD and USD)
Non-AUD exposure:	49.4%
Longs:	74.2%
Shorts:	-2.3%
Options delta:	14.4%
Net exposure:	86.3%
Top 5 equities (alphabetical):	AAPL, MIGI, PME, RMD, RUL

Our net exposure continues to rise, especially with (so far) positive performance into November as at this writing. We have converted more of our US enterprise basket holdings into LEAPs and will look to continue that at a measured pace, especially if the shares continue to rise.



