



March 2022 Monthly Report

Returns 31-Dec-12 to 31-Mar-22

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	363.74%	143.01%	220.73%	93.59%	270.15%
Inception per annum	18.04%	10.07%	7.96%	7.40%	10.63%
CY2022 (ytd)	-10.77%	1.62%	-12.39%	-4.21%	-6.55%
CY2021	16.86%	17.74%	-0.88%	16.90%	-0.04%
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	2.40%	6.91%	-4.51%	5.26%	-2.86%
3m	-10.77%	1.62%	-12.39%	-4.21%	-6.55%
6m	-10.34%	4.14%	-14.48%	-2.27%	-8.07%
1y	-1.50%	15.48%	-16.99%	9.68%	-11.19%
2y pa	19.37%	27.67%	-8.29%	29.18%	-9.81%
3y pa	16.15%	11.46%	4.69%	9.63%	6.52%
5y pa	18.50%	9.81%	8.69%	9.89%	8.60%
7y pa	18.03%	8.36%	9.67%	9.51%	8.51%
Sharpe Ratio	1.13	0.67	1.68x	0.43	2.60x
Sortino Ratio	1.98	0.93	2.12x	0.62	3.18x
Annualised standard deviation	14.42%	13.61%		16.18%	
Highest monthly return	11.91%	10.16%		14.27%	
Largest monthly loss	-8.94%	-20.94%		-22.38%	
Largest drawdown	-20.27%	-27.33%		-29.11%	
% positive months	72.07%	67.57%		59.46%	

Finally, a reprieve from the last few months downturn with US equity markets staging a rebound in March with the S&P 500 up +3.6% and the Nasdaq +3.4%. Meanwhile the Small Ords was up +5.3% and the All Ords continued its stellar run higher, up +6.9% not far from all-time highs as commodities continued to rally in the wake of the Ukraine

conflict. We trailed all 4 indices but given recent history, happy to have a positive month at +2.4% after 3 negative months in a row. (Although early April has so far not been promising).

Our biggest equity loss (aside from our AUD-USD currency exposure) came from our US-listed enterprise software basket (currently just shy of a ~14% position) which cost the portfolio ~-0.8% in March. The individual basket holdings ranged from almost -19% for TTD (which had held up remarkably well in the previous month's high-growth carnage) to just over +16% for CRWD and MDB, both of which reported stellar results with reported revenue growth of +63% and +56% respectively with the latter turning FCF positive for the first time. Whether the rout in high-growth software stocks has finished or has more to go, so far the fundamentals for many of the ones we follow continue to improve with continuing beat and raise growth coupled with recent share price declines resulting in valuation compression. Whether the shares are currently "cheap" enough (and these names will probably never be classically cheap) is perhaps debatable but our long-term thesis is that the fundamental performance of our holdings in this space can continue to outrun the spectre of higher rates and/or declining multiples the market may be prepared to pay, albeit the journey will in all likelihood not be a smooth, comfortable ride. We reinitiated small positions in AYX and SNOW during the continued selloff in the early part of March, although paying higher than the (so-far) ultimate lows.

A small loss too from SDR in which we have established a "half" position with the shares in the hotel software platform down -20.7% in the month to cost the portfolio ~-0.3%.

Shorts and hedges cost a small ~-0.2% in March. We benefitted from some hedges which expired in the money and also paid a small premium to hedge out some of the hedges – i.e. bought back some topside call spreads against our in-the-money puts to protect some of our previously booked hedge profits. The biggest cost to the portfolio though came from the AUD with the previously mentioned rising commodity prices helping the currency jump over +3% in March to cost the portfolio ~-1.4%. Once again a double-whammy both on an absolute and relative basis.

On the positive side, our largest holding (just shy of 10%), the bitcoin miner MIGA, jumped over +21% in March with Bitcoin itself adding +7.6% and the release of earnings showing record revenue, gross profit and EBITDA as well as upgrading their exahash targets. We also added a small amount to our Solana exposure on the dip.

A positive performance too from EML with the shares up just shy of +25%. The previously hard-hit shares seem to be (hopefully) emerging from the shadow of the CBI issue and the company should in theory see additional tailwinds from the current inflationary environment with increasing interest rates to benefit the top and bottom lines going forwards.

Portfolio Holdings:

Cash:	26.5% (AUD and USD)
Non-AUD exposure:	43.8%
Longs:	74.3%
Shorts:	-6.7%
Options delta:	9.1%
Net exposure:	76.7%
Top 5 equities (alphabetical):	AAPL, MIGI, PME, RMD, RUL

The same top 5 positions. Positive gamma in our portfolio will naturally see our net exposure increase in months where equity indices rise, as is the case here, and decrease when they fall. Hence our net exposure rising by ~+13.3%. The increase in shorts and options delta turning positive are a result of exercising IGV (a US software ETF) puts into outright shorts which we have maintained in the portfolio.

