



March 2023 Monthly Report

Returns 31-Dec-12 to 31-Mar-23

	Norse Capital All Ords Accum Outperformance			Small Ords Accum Outperformance	
Inception	263.58%	140.45%	123.13%	68.05%	195.53%
Inception per annum	13.42%	8.41%	5.01%	4.77%	8.65%
CY2023 (ytd)	1.08%	3.61%	-2.53%	1.88%	-0.79%
CY2022	-30.79%	-2.96%	-27.83%	-18.38%	-12.41%
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	-0.10%	-0.17%	0.07%	-0.72%	0.62%
3m	1.08%	3.61%	-2.53%	1.88%	-0.79%
6m	-5.85%	12.70%	-18.56%	9.55%	-15.41%
1y	-21.60%	-1.06%	-20.54%	-13.19%	-8.40%
2y pa	-12.12%	6.89%	-19.02%	-2.43%	-9.70%
3y pa	3.76%	17.27%	-13.50%	13.15%	-9.38%
5y pa	9.67%	8.78%	0.89%	3.88%	5.79%
7y pa	11.08%	9.50%	1.58%	6.77%	4.31%
10y pa	13.43%	8.32%	5.12%	5.15%	8.28%
Sharpe Ratio	0.82	0.57	1.43x	0.29	2.80x
Sortino Ratio	1.32	0.80	1.65x	0.41	3.22x
Annualised standard deviation	14.93%	14.09%		17.27%	
Highest monthly return	11.91%	10.16%		14.27%	
Largest monthly loss	-10.61%	-20.94%		-22.38%	
Largest drawdown	-36.68%	-27.33%		-29.11%	
% positive months	69.11%	65.04%		57.72%	

A small negative -0.1% month, slightly outpacing the All Ords at -0.2% and the Small Ords at -0.7% but lagging behind the S&P500's +3.5% and Nasdaq's +6.7% performance. Our sizable cash weighting (just shy of

40%) and hedges are obviously a drag on performance in a rising equity market environment. (The hedges are predominantly against US equity indices). This defensive posture has so far cost us in 2023, so food for thought as to how long we maintain it; no doubt if/when we capitulate, that will mark the calendar year high.

As you would expect given the above introduction, our biggest loss this month came from our short hedges which cost the portfolio \sim -2.3%. That and the 34% drop in JAN responsible for just about all the month's losses. With PISA growth seemingly taking longer to show up (and a number of recent acquisitions), the drop caused me to finally lose patience with what was previously a \sim 2% position. (No doubt near the lows). The cash from the sale was used to start a position in a new small-cap opportunity (will divulge if/when it becomes a full position) as well as adding to our SDR position below \$3 (in fact not far off the recent low, surprisingly), the gains from which managed to mitigate some of SDR's negative affect on the portfolio's performance due to its -16.3% drop in March.

On the positive side, the biggest contribution came from our largest holding AAPL with the shares up +11.9%. In the wake of the SVB collapse and subsequent drop in long-term interest rates, the largest capitalised technology companies with rock-solid balance sheets (the likes of Apple and Microsoft) took on a safe-haven status which drove performance of the S&P500 and Nasdaq in which by definition they hold the biggest weightings.

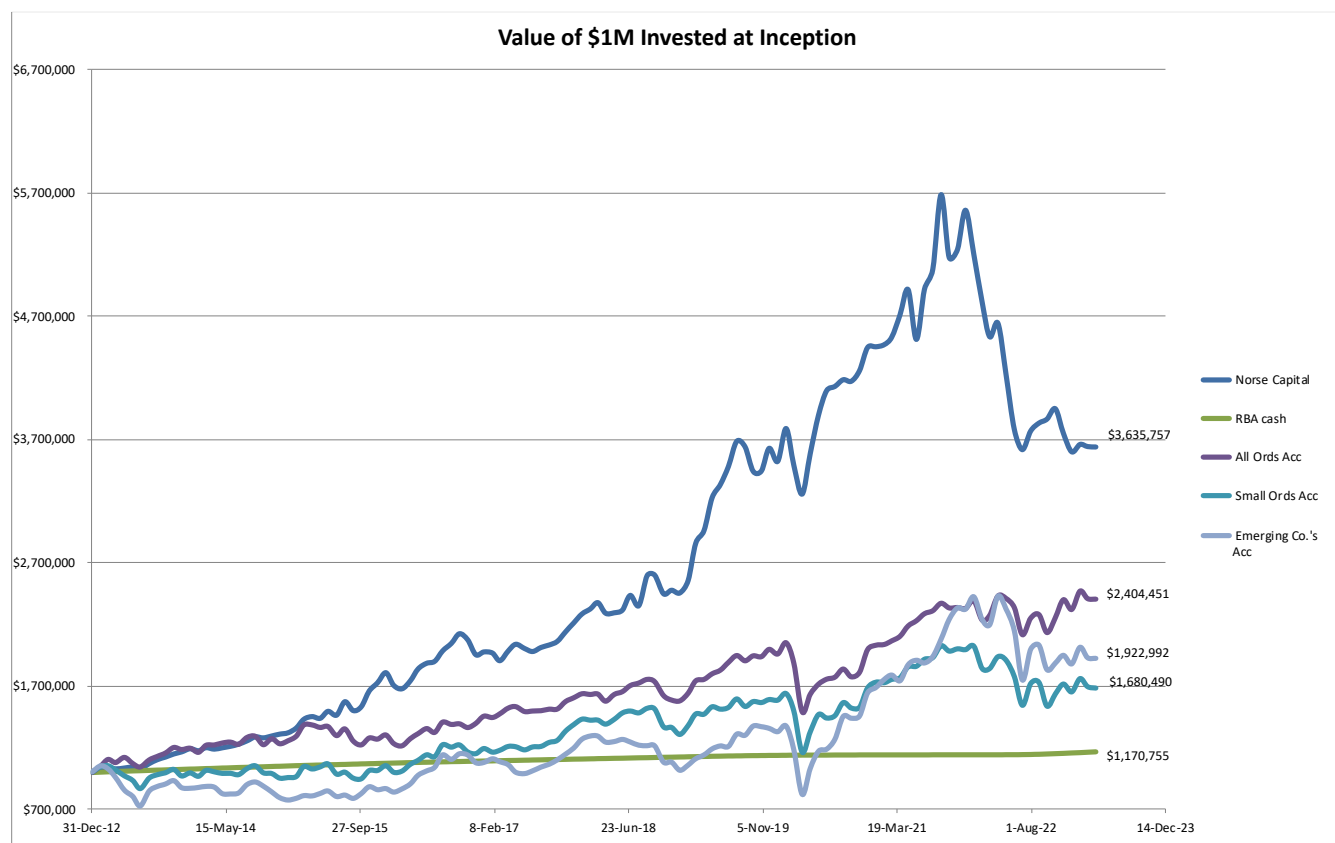
A positive contribution too from our enterprise software basket which added just shy of +0.5% to performance. Individual components within the basket performed between -10.9% for ZS to +13.7% for CRWD. A surprising divergence in performance given both are cyber security companies. Especially so considering ZS's earnings beat on the top line, bottom line and cashflows with revenue +52%, FCF > +100% and raised full-year guidance. Unfortunately though, the market didn't like reported billings at only +34% (vs +59% pcp). However, understandable in this macro environment with customers signing up for shorter duration commitments, meaning less up-front but not necessarily implying less over time.

The -0.65% drop in the AUD added \sim +0.3% to the portfolio. We covered a bit more of our AUD exposure via currency futures, to where we now have \sim 25% of our currency exposure hedged.

Portfolio Holdings:

Cash:	38.2% (AUD and USD)
Non-AUD exposure:	32.4%
Longs:	86.0%
Shorts:	-36.7%
Options delta:	9.3%
Net exposure:	58.6%
Top 5 equities (alphabetical):	AAPL, PME, RMD, RUL, TTD

A bit longer than last month by ~+7% in net exposure with our “just-in-case” call spreads now partially in the money following the rally in the S&P500 and Nasdaq. We stopped out of our INTC short for a small loss but have reinstated our previously successful META short just in the last few days following the big rally back in the shares from last year’s lows. Otherwise, most of our shorts are in SPY and QQQ ETFs.



Performance/Risk Ratios

