



April 2023 Monthly Report

Returns 31-Dec-12 to 30-Apr-23

	Norse Capital All Ords Accum Outperformance			Small Ords Accum Outperformance	
Inception	256.57%	144.68%	111.89%	72.72%	183.85%
Inception per annum	13.09%	8.52%	4.57%	5.01%	8.08%
CY2023 (ytd)	-0.87%	5.44%	-6.30%	4.71%	-5.57%
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	-1.93%	1.76%	-3.69%	2.78%	-4.71%
3m	-2.49%	-0.94%	-1.55%	-1.74%	-0.75%
6m	-9.64%	8.52%	-18.16%	5.77%	-15.40%
1y	-15.60%	1.51%	-17.11%	-9.43%	-6.17%
2y pa	-14.79%	5.78%	-20.56%	-3.45%	-11.33%
3y pa	-0.16%	14.42%	-14.58%	9.22%	-9.38%
5y pa	9.22%	8.43%	0.80%	3.89%	5.33%
7y pa	9.92%	9.27%	0.64%	6.73%	3.19%
10y pa	13.15%	8.11%	5.04%	5.95%	7.20%
Sharpe Ratio	0.80	0.58	1.38x	0.31	2.62x
Sortino Ratio	1.29	0.81	1.59x	0.43	3.01x
Annualised standard deviation	14.90%	14.04%		17.22%	
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	68.55%	65.32%		58.06%	

Another disappointing month with our negative -1.9% performance not comparing favourably vs the positive All Ords +1.8% and Small Ords +2.8% and in the US the S&P500 +1.5% with the Nasdaq flat. Calendar

2023 has so far been a trying time especially on a relative basis with our hedged portfolio showing a small negative year-to-date but lagging behind so far positive equity indices. In fact, it feels like the portfolio has been too-well hedged where the hedging component and effort has taken on more prominence than our outright long positions.

The biggest drag in March came from our US-listed enterprise software basket which cost the portfolio -1.4%. Every position bar the Trade Desk had a negative month (despite a flat Nasdaq) with drops of up to -30% for AYY (despite in-line revenue, an EPS beat and reaffirmed FY guidance but due to a flat 2Q revenue guide) and almost -23% for ZS on no news. Earnings from the major hyperscalers showed a continued slide in revenue growth as customers continued to optimize their cloud spend and this spilled over negatively into cloud stocks, especially those who charge on a consumption basis. However, management commentary on the Azure and AWS earnings calls sounded positive with upcoming results soon to lap the headwinds from when optimisations/pullback on post-Covid over-provisioned cloud spend started, and with enterprises continuing to pivot to the cloud.

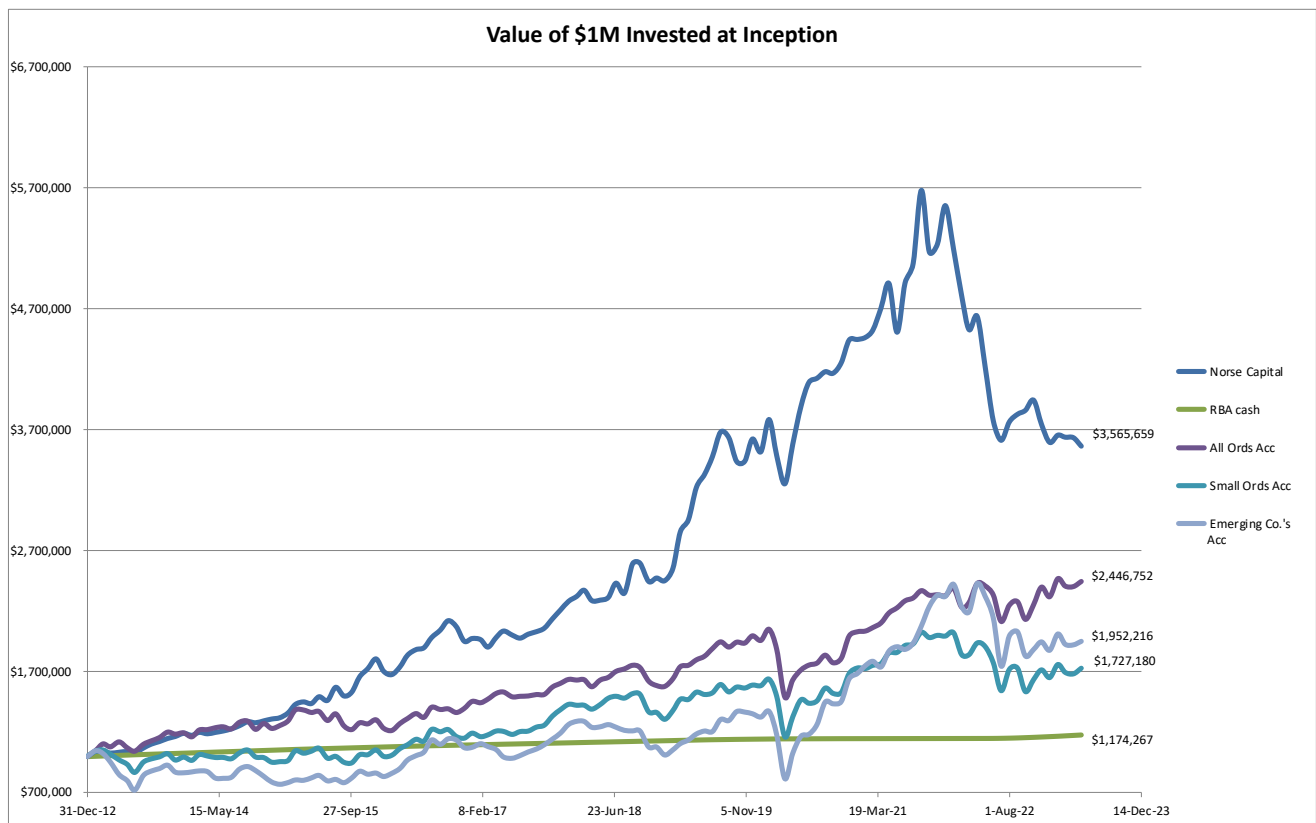
The other big drag in March came from writing off the value of one of our unlisted holdings which cost the portfolio -1.3%. The business is still generating revenue but also still burning cash (albeit now improving as they cut costs) but in this macro environment I took the conservative approach to write off the investment. The portfolio has a small exposure of ~2.6% to unlisted companies.

Shorts and hedges cost the portfolio -0.2%, actually a good result considering our hedges are short the S&P 500 and the Nasdaq 100 etfs. The recent rally in the indices has been propelled by investors moving into the safety of a narrow cohort of high weight mega-cap tech companies whose large market caps result in an outsize impact on the indices. We were bailed out by our “just-in-case” call spreads which were exercised in-the-money. The ~-1% drop in the AUD added ~+0.4% to the portfolio.

Portfolio Holdings:

Cash:	29.0% (AUD and USD)
Non-AUD exposure:	31.3%
Longs:	86.4%
Shorts:	-28.0%
Options delta:	-0.70%
Net exposure:	57.7%
Top 5 equities (alphabetical):	AAPL, PME, RMD, RUL, TTD

Not much change in our net exposure, just a redistribution as our long options delta was exercised (the previously mentioned long call spreads on SPY and QQQ) to reduce our outright shorts. We stopped out of our META short near the highs but have just recently put on new SPY put spreads and also bought outright puts on half our AAPL position as the shares approached \$170.



Performance/Risk Ratios

