



July 2023 Monthly Report

Returns 31-Dec-12 to 31-Jul-23

	Norse Capital All Ords Accum Outperformance			Small Ords Accum Outperformance	
Inception	291.07%	150.12%	140.95%	73.06%	218.01%
Inception per annum	13.75%	8.54%	5.21%	4.91%	8.84%
CY2023 (ytd)	8.73%	7.78%	0.94%	4.91%	3.81%
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	5.12%	2.99%	2.13%	3.54%	1.58%
3m	9.68%	2.23%	7.45%	0.20%	9.48%
6m	6.95%	1.27%	5.68%	-1.54%	8.49%
1y	3.84%	11.14%	-7.29%	0.77%	3.08%
2y pa	-12.22%	4.04%	-16.26%	-5.26%	-6.96%
3y pa	-1.78%	12.17%	-13.94%	5.89%	-7.67%
5y pa	10.71%	7.71%	2.99%	3.18%	7.53%
7y pa	10.17%	8.55%	1.62%	5.11%	5.07%
10y pa	13.82%	8.54%	5.28%	6.18%	7.65%
Sharpe Ratio	0.84	0.58	1.45x	0.30	2.84x
Sortino Ratio	1.36	0.81	1.68x	0.41	3.27x
Annualised standard deviation	14.78%	13.93%		17.08%	
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	69.29%	65.35%		58.27%	

Nice to report another positive month, 3rd in a row, at +5.1% albeit some of that has been given back so far in August. A reflection of a positive equity environment in July with the All Ords +3% and Small Ords +3.5%

while in the US the S&P500 was up +3.1% and the Nasdaq +4%. So far 2023 has been equity market positive, especially in the US which has seen greater than the +20% from the lows bull-market definition surpassed. A lot driven by the “magnificent 7” biggest companies in the world and aided by the generative AI-hype introduced with the release of ChatGPT then confirmed by Nvidia’s blowout earnings release. Valuations in this area of the market do seem stretched, perhaps some consolidation is in order to coincide with seasonality. Then again my crystal ball needs some polishing. The upcoming earnings season should prove interesting.

Not too much of significant note on the negative side. Our hedges cost us -0.4% with the higher Aud taking away another -0.35%. Not too painful in a month where equity indices performed well; thanks to our previous decision to replace most of our outright index shorts with put spreads (but for a higher notional amount) which we continued early in July replacing more of our QQQ outright shorts.

Our enterprise software basket contributed +2.7% in July with most components positive. The highlight was TTD which rose +18.2%. We trimmed 12.5% of the position not too far from the highs when it grew to our 2nd largest portfolio weighting. Part of that rise thanks to inclusion in the Nasdaq 100. The basket currently comprises ~23.4% of the portfolio.

SDR rose +44.2% in July for the next biggest positive contribution outside of our enterprise software basket. They released a positive FY23 update showing ARR +33.5% (24.1% constant currency) and bringing forward positive EBITA and FCF guidance to 2HFY24. Our thesis had been that SiteMinder would show a return to pre-Covid growth levels and become FCF positive; the upcoming earnings report had the potential to make or break that thesis so it’s pleasing to see this positive pre-earnings update.

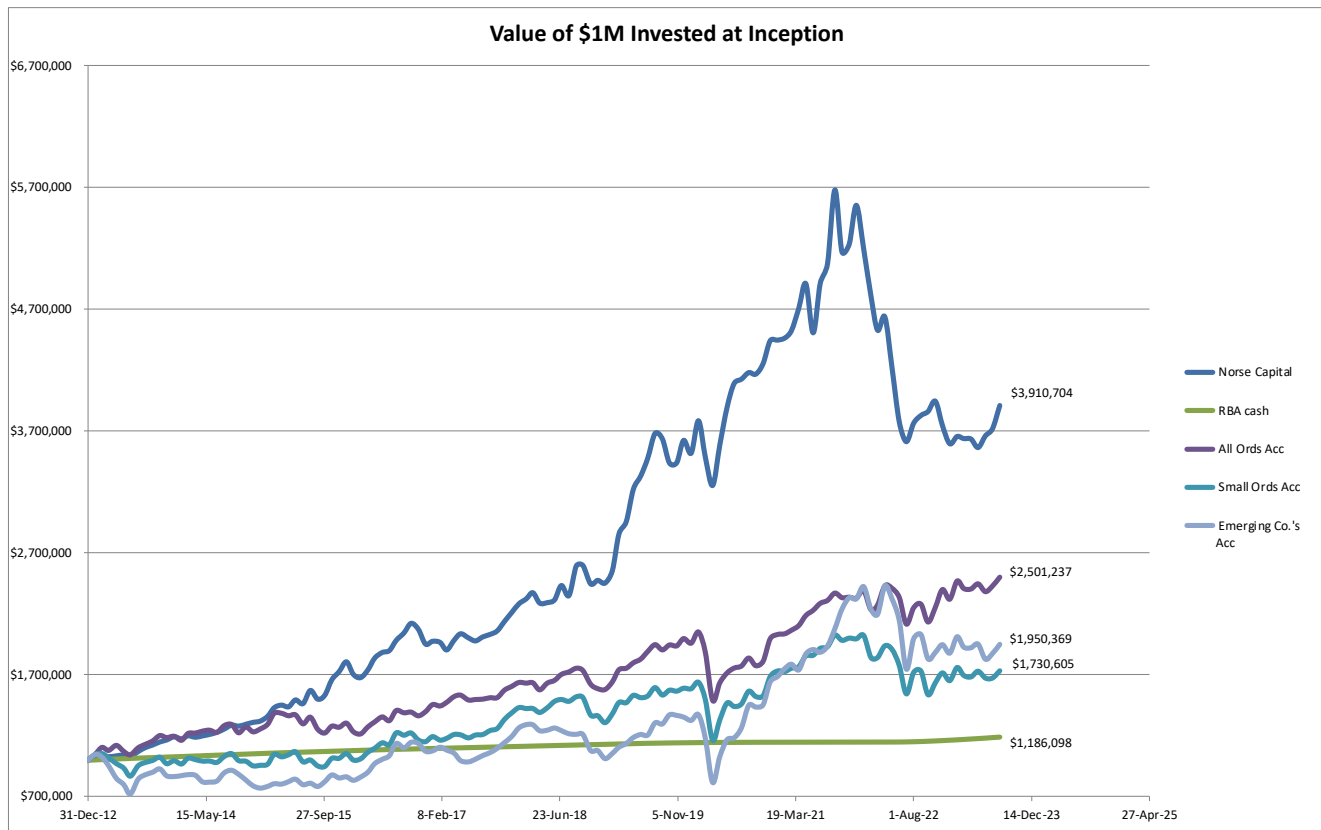
A positive update too from RUL with FY23 Total Contracted Value from software sales up +25.4% and \$126m of contracted backlog to be recognised in future years. The shares were up +10.5% in July.

Yet another contract win for PME, this time a \$24m 7-year deal with Memorial Sloan Kettering, comprising the “full stack” of PME offerings, namely the Viewer, Archive and Workflow products. The +4.8% share price increase in July plus more in August taking the shares over \$70, PME is once again our 2nd largest holding (behind AAPL) despite trimming some of the position at \$70 in June.

Portfolio Holdings:

Cash: 20.0% (AUD and USD)
Non-AUD exposure: 26.0%
Longs: 86.2%
Shorts: -7.9%
Options delta: -2.3%
Net exposure: 76.0%
Top 5 equities (alphabetical): AAPL, PME, RMD, RUL, TTD

Net exposure has dropped ~3.5% to +76% despite covering more of our QQQ shorts as mentioned above. A result of the (so far) August drops in AAPL, QQQ and SPY taking us closer to the top side puts in our spreads.



Performance/Risk Ratios

