September 2023 Monthly Report

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

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	278.84%	141.26%	137.58%	63.90%	214.94%
Inception per annum	13.19%	8.04%	5.15%	4.30%	8.88%
CY2023 (ytd)	5.33%	3.96%	1.36%	-0.64%	5.97%
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	-1.55%	-2.82%	1.28%	-4.04%	2.49%
3m	1.84%	-0.66%	2.50%	-1.94%	3.77%
6m	4.20%	0.34%	3.86%	-2.47%	6.67%
1y	-1.90%	13.09%	-14.99%	6.85%	-8.75%
2y pa	-14.42%	1.68%	-16.10%	-9.04%	-5.38%
3y pa	-3.14%	10.77%	-13.91%	2.57%	-5.70%
5y pa	7.82%	6.80%	1.02%	1.63%	6.19%
7y pa	8.62%	8.14%	0.48%	4.31%	4.31%
10y pa	12.91%	7.62%	5.29%	5.13%	7.78%
Sharpe Ratio	0.81	0.54	1.48x	0.26	3.10x
Sortino Ratio	1.30	0.76	1.72x	0.36	3.59x
Annualised standard deviation	14.71%	13.87%		17.01%	
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	68.22%	64.34%		57.36%	

Another negative month for equity indices in September, following on from August and aligning with our previous call going into the end of Q3/beginning of Q4 typical seasonal weakness. We shall see if seasonal strength going into year-end plays out in 2023. As it was, our portfolio turned in a -1.55% performance for the month; a negative return, but ahead of the indices with the All Ords down -2.8% and the Small Ords -4% while in the US the S&P dropped -4.9% and the Nasdaq -5.8%.

Our biggest loss on the month came from our largest holding AAPL which continued its prior month's decline from all-time highs with the shares dropping another -8.9% in September, unsurprising given the overall equity market tone. The month saw the release of the new iPhone 15, no real immediate impact on shares. Our specific AAPL put spread hedges expired previously for maximum gain but we have not replaced them yet as the shares drifted lower.

Our enterprise software basket detracted a small -0.35% with individual shares ranging from down -5.6% for DDOG to up +2.7% for CRWD as cybersecurity stocks bucked the negative September trend.

Some share prices losses from our other top 5 holdings RUL and RMD which dropped -8.8% and -7.4% respectively. No real news from the former and the latter continuing its GLP-1 (and similar) weight-loss drugs induced slide albeit off from intramonth lows. Hard to tell if more damage awaits the shares with upcoming trial results expected or if the market has taken enough pain. We continue to hold our shares at this point, not expecting any hits to shorter-term financial results for the next couple of years at least but cognisant of the potential loss of some percentage of TAM in the longer term.

ALU gave back some of last month's big earnings-induced jump with the shares off -10.7% in September.

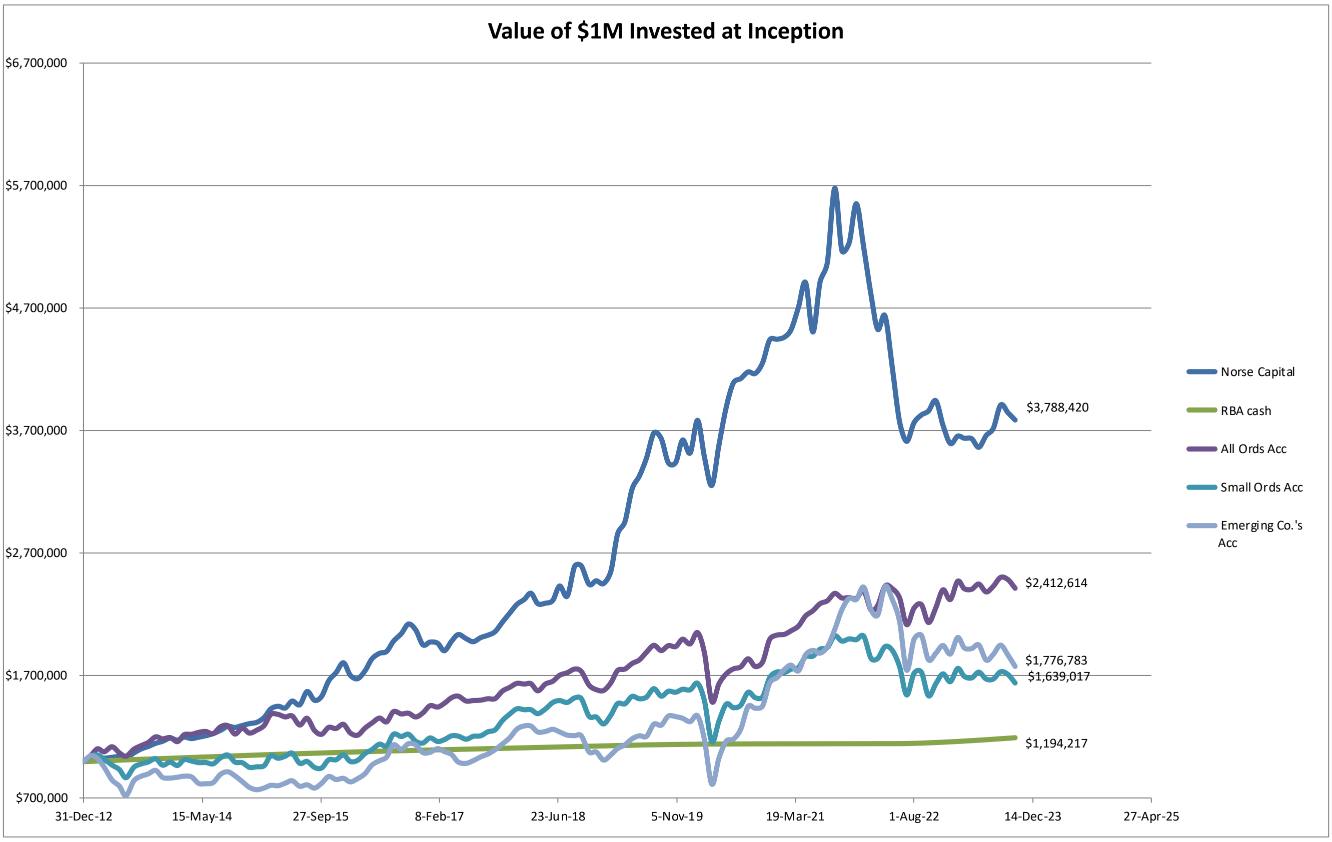
On the positive side of the ledger, the shining light was PME. The shares rose +13.7% on the announcement of their largest contract win in history: a $140m, 10-year deal with Baylor Scott & White Health, featuring the "full-stack" of Visage Viewer, Open Archive and Workflow (with the usual potential upside on transactions). The magnitude (and 10-year length) represents a step-change higher over previous contracts. (As a comparison, the 2 prior signed contracts were $24m and $20m, both for 7 years). With management commenting that their "…pipeline remains strong and spans all market segments", the market was well and truly impressed.

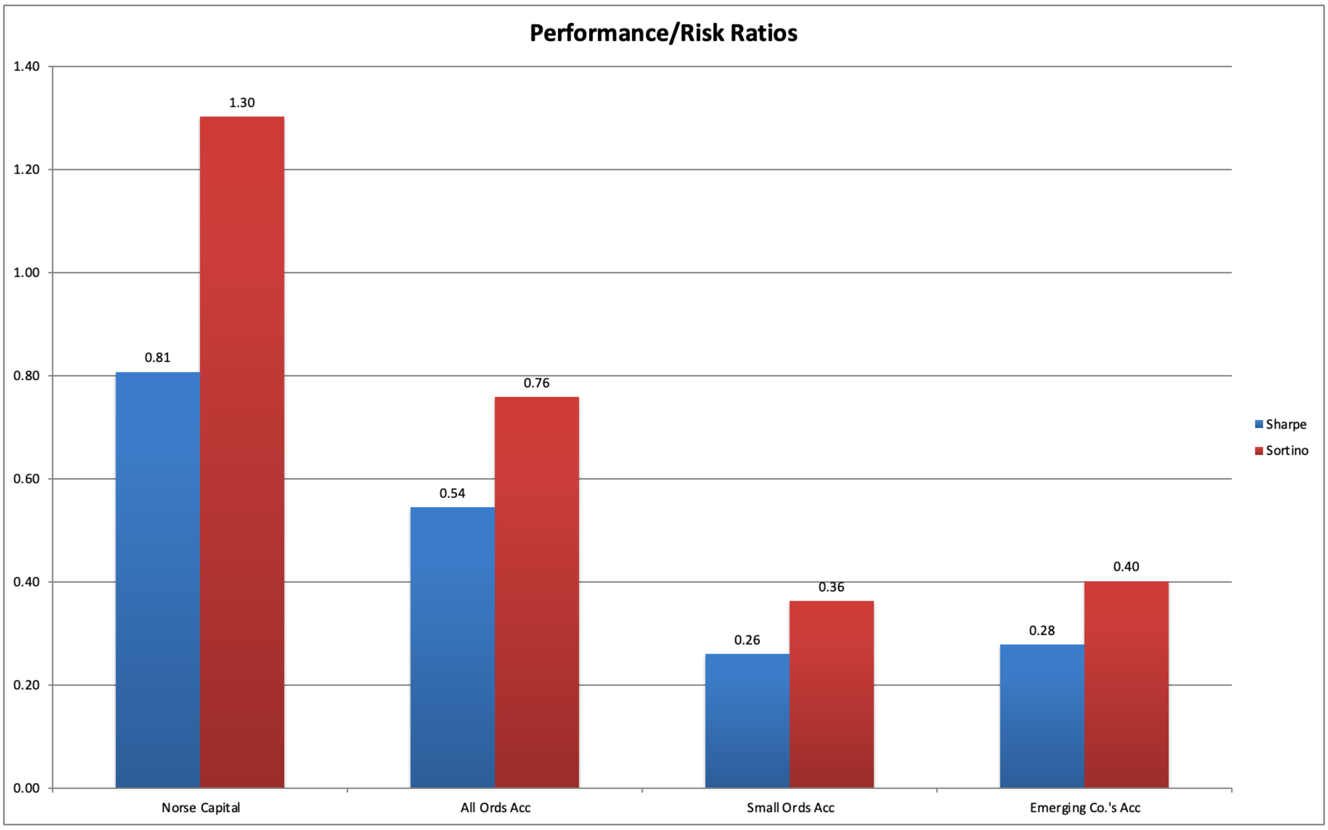
Our shorts added just shy of ~+0.6% to the portfolio while the -0.7% drop in the Aud added another +0.3%.

Portfolio Holdings:

Cash:	17.5% (AUD and USD)
Non-AUD exposure:	19.9%
Longs:	88.4%
Shorts:	-8.6%
Options delta:	4.2%
Net exposure:	84.0%
Top 5 equities (alphabetical):	AAPL, PME, RMD, RUL, TTD

Our option hedges unfortunately expired mid-month and we failed to get set on new option hedges prior to the market dropping further. We did however increase our outright QQQ shorts before taking profit on them early this month. All going well, we will look to add option hedges on potential bounces higher from here. We covered a further small amount of our Aud short position on this fall towards 63c, to where we have now hedged out just shy of 60% of the Aud-Usd currency exposure.




Performance/Risk Ratios
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
0.81
1.30
0.54
0.76
0.26
0.36
0.28
0.40
Norse Capital
All Ords Acc
Small Ords Acc
Emerging Co.'s Acc
Sharpe
Sortino