



April 2024 Monthly Report

Returns 31-Dec-12 to 30-Apr-24

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	370.40%	169.01%	201.39%	85.43%	284.97%
Inception per annum	14.63%	8.65%	5.99%	5.22%	9.42%
CY2024 (ytd)	11.09%	2.61%	8.48%	4.25%	6.83%
CY2023	17.73%	12.98%	4.75%	7.82%	9.90%
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	1.31%	-2.70%	4.01%	-3.06%	4.37%
3m	7.94%	1.52%	6.42%	3.33%	4.62%
6m	29.05%	15.97%	13.08%	19.66%	9.39%
1y	31.92%	9.94%	21.98%	7.36%	24.56%
2y pa	5.51%	5.64%	-0.12%	-1.39%	6.90%
3y pa	-1.42%	7.14%	-8.56%	0.02%	-1.45%
5y pa	7.84%	8.37%	-0.52%	3.93%	3.92%
7y pa	12.67%	8.35%	4.33%	6.35%	6.33%
10y pa	14.63%	8.06%	6.57%	6.48%	8.14%
Sharpe Ratio	0.88	0.57	1.53x	0.30	2.91x
Sortino Ratio	1.45	0.81	1.79x	0.43	3.41x
Annualised standard deviation	14.83%	13.84%		16.97%	
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	69.12%	64.71%		58.09%	

A first negative result for equity markets since October, quite an impressive unabated runup until April. In Australia, the All Ords

dropped -2.7% and the Small Ords -3.1%, while in the US the S&P 500 was down -4.2% and the Nasdaq -4.4%. Bucking the downwards trend, our portfolio tacked on a +1.3% return.

As with March, the biggest drag in April came from our enterprise software basket which cost the portfolio ~-1.2% with individual components ranging from another -10.2% for ZS (following on from last month's ~-20% drop) and -8.7% for CRWD, to +1.5% for DDOG which was the only positive performer in the basket for April. Not much in the way of news, we await quarterly reports for our 5 basket stocks soon. So far, the 3 major hyperscalers (Amazon's AWS, Microsoft's Azure and Alphabet's GCP) have all reported excellent results recently, which bodes well for an end to the optimisation headwinds, especially for those companies with revenue charged on a usage model (DDOG and SNOW in our portfolio). The basket currently represents 19.1% of the portfolio.

The other significant loser for April came from our crypto exposure (predominantly Bitcoin with a smidgen of Ethereum). Crypto cost the portfolio ~-0.9% for the month with Bitcoin dropping -16.7% and Ethereum -19.6%. We have a ~4.6% crypto weighting in the portfolio.

On the positive side of the ledger, good gains from the 3 ASX-listed stocks in our top 5 holdings. RUL added +11.8%, PME +7.4% and RMD +9.0%. RUL has had a steady upwards trend since reporting its half-year results in February; perhaps the market has finally recognised the positive inflection of exiting the transition period from license to subscription revenue. We first initiated a position in RUL back in 2016. For PME, no real new news since its inclusion in the ASX 100 in March. Meanwhile RMD announced quarterly results with revenue +7%, and operating profit +25%. As we have noted previously, the shares continue to oscillate between negative reactions to GLP-1 concerns and positive reactions to financial results. Of particular interest in the latest results was management commentary that GLP-1s could actually have a positive effect on the uptake of CPAP therapy. Specifically, a 10.5% higher propensity to start and a 3.1% and 5% higher resupply rate at 1 year and 2 years respectively for GLP-1 patients vs non-GLP-1 patients. These results seem to indicate that patients prescribed GLP-1s could be more motivated and/or have higher compliance with CPAP therapy. Certainly Resmed's CEO seems to see GLP-1s as a possible additional gateway into CPAP therapy.

Also positive was our newest ASX position TLX which added +16.8% in April. (We started our position in around mid 2023). Telix provided a

business update showing an uptick in growth in Q1 2024 with US revenue +18% vs the previous quarter (Q1 to Q4), compared to +11% quarterly growth for the prior quarterly period (Q3 to Q4). Guidance was reaffirmed at +35-40% for full year revenue. Telix is in a unique position in early(ish)-stage biotech with an approved diagnostic, Illuccix, already providing substantial revenue which enables the company to self-fund the progression of further adjacent diagnostics and therapeutics.

Shorts and hedges added +0.64% to performance while the ~-0.75% drop in the AUD added another +0.43% to performance.

Portfolio Holdings:

Cash:	19.9% (AUD and USD)
AUD-USD currency exposure:	17.0%
Longs:	88.4%
Shorts:	-12.5%
Options delta:	2.0%
Net exposure:	77.9%
Top 5 equities (alphabetical):	AAPL, PME, RMD, RUL, TTD

Our AAPL hedge (of half our AAPL position) was cashed out at expiry pretty much near the lows in April near ~\$165 which was fortunate. (We didn't reinstate any AAPL hedges so have managed to ride our full exposure back up on AAPL's quarterly report following month-end). Our RMD hedges all expired worthless; in one sense a waste of money but in another the hedges did keep us in our full position on the way down and back up. We continue to roll out our puts and put spreads. Cash and shorts are higher as I increased our short US index etfs (SPY, QQQ and now IWM, the Russell 2000 etf), unfortunately not that far from the lows. Our AUD-USD currency exposure has gone up as I bought an AUD-USD currency put option as a tail hedge. Options delta has switched from short to long as our put deltas have decreased in May and with the purchase of additional MU calls.

