



July 2024 Monthly Report

Returns 31-Dec-12 to 31-Jul-24

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	404.71%	183.74%	220.96%	89.14%	315.57%
Inception per annum	14.99%	8.95%	6.04%	5.28%	9.71%
CY2024 (ytd)	19.19%	8.23%	10.96%	6.34%	12.85%
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	-1.94%	3.84%	-5.78%	3.49%	-5.43%
3m	7.29%	5.48%	1.82%	2.00%	5.29%
6m	15.82%	7.08%	8.73%	5.39%	10.42%
1y	29.06%	13.44%	15.62%	9.29%	19.77%
2y pa	15.74%	12.26%	3.48%	4.94%	10.81%
3y pa	-0.19%	7.08%	-7.27%	-0.64%	0.45%
5y pa	6.50%	7.80%	-1.30%	3.49%	3.01%
7y pa	14.03%	9.52%	4.51%	6.62%	7.41%
10y pa	14.91%	8.25%	6.67%	6.29%	8.62%
Sharpe Ratio	0.90	0.59	1.52x	0.30	2.97x
Sortino Ratio	1.49	0.84	1.78x	0.43	3.49x
Annualised standard deviation	14.76%	13.72%		16.82%	
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	69.06%	65.47%		57.55%	

A late (ish) and quick recap for July as I recover from surgery and as market events in August paint a substantially different picture to where

things ended up at July month-end. A negative performance month from our portfolio, -1.9%, to end the 8-month positive streak (equalling our previous record 8-month streak from Jul-17 to Feb-18). This compared to positive results from the Australian indices we follow (the All Ords +3.8% and the Small Ords +3.5%) as well as from the S&P500 (+1.1%) while the Nasdaq also fell back in July (-0.8%).

The biggest hit to performance in July which dragged a positive month into a negative month came from our holding in CRWD which plummeted -39.5% in July to cost the portfolio ~-2.2%. The catalyst was a glitchy software update that took down millions of Windows machines worldwide, causing severe disruptions to industries as diverse as airlines and broadcasters. No doubt the company will face numerous lawsuits although precedent should (hopefully) limit exposure to something on the order of its contractual obligations. However, the reputational loss will most likely linger and become a medium-term headwind not only in remediation costs but also to keep and win new business going forwards. Whether the current > 40% haircut from all-time highs for what was a very high quality company (top dog in the growing, crucial cybersecurity space) is adequate is debatable. What had just popped up into a top 5 position in June has obviously now dropped out but remains a ~3.7% position.

Our enterprise software basket as a whole, which includes the above mentioned CRWD, cost the portfolio ~-3.3% (so an additional ~-1.1% on top of the CRWD loss), mostly due to TTD dropping -8%, a large part in reaction to Alphabet's earnings late in July which was seen as a potential indicator into the digital ad space. I also exited our SNOW position during the month. The basket currently represents a ~16.8% weighting.

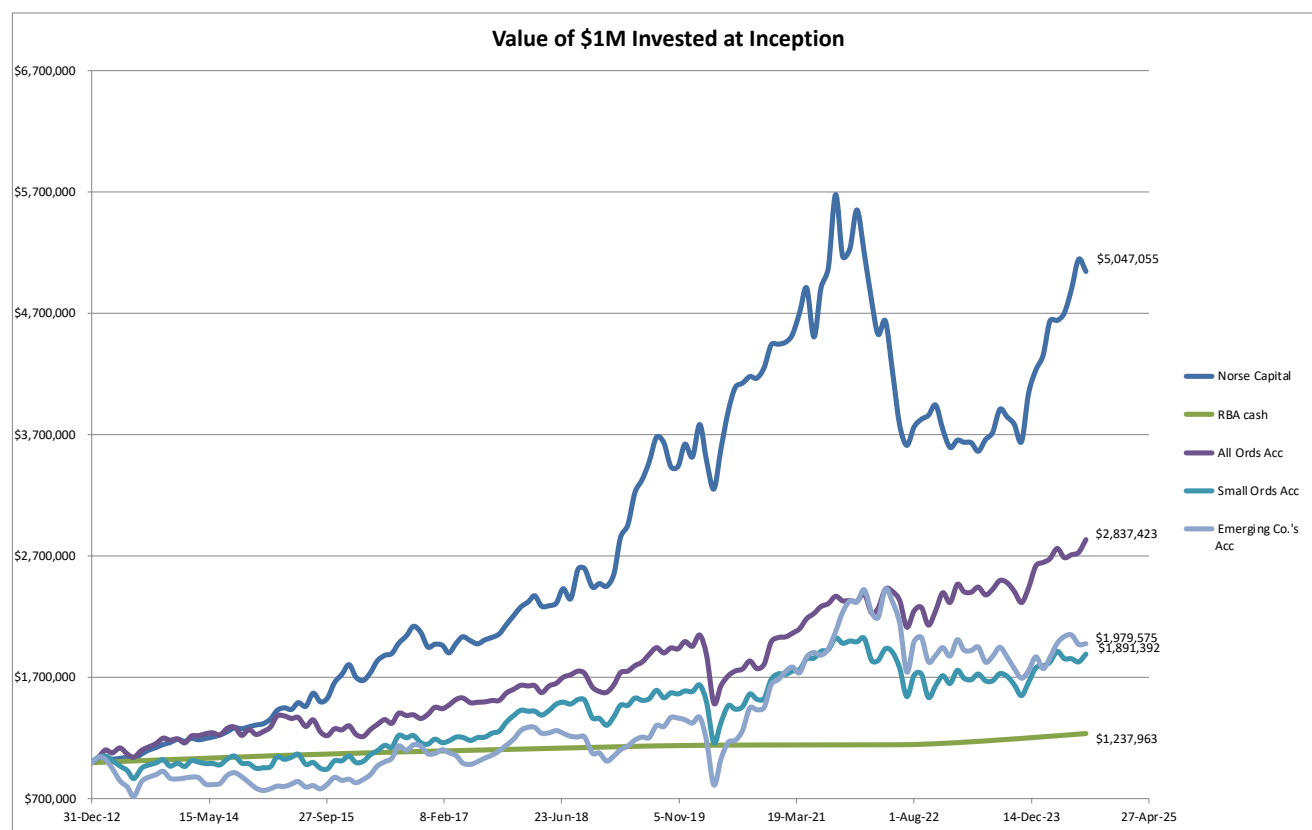
No big standouts on the positive side of the ledger, with the largest contribution coming from AAPL which added +5.4% just ahead of its earnings release on August 1st. RMD was another positive contributor, up +11.6%; yet another clawback of share price drops due to prior GLP-1 news and ahead of their early August earnings release.

Shorts and hedges cost the portfolio -0.1% while the -1.9% fall in the AUD added +0.8%.

Portfolio Holdings:

Cash: 15.0% (AUD and USD)
AUD-USD currency exposure: 12.5%
Longs: 88.6%
Shorts: -7.8%
Options delta: -2.7%
Net exposure: 78.1%
Top 5 equities (alphabetical): AAPL, PME, RMD, RUL, TTD

Net exposure has dropped by ~-5% as our option delta has swung negative; as previewed previously, we restarted buying put spread protection in July with the addition of QQQ (Nasdaq 100) and SPY (S&P500) put spreads. Unfortunately, I didn't continue the planned buying as hospital/surgery loomed. My other mistake was buying back a portion of our QQQ shorts too early in the market's recent downdraft. Other trades in July included the aforementioned sale of our SNOW position as well as switching out a small portion of our MU position for SMCI (just before the latter tanked after earnings). Meanwhile, our NVDA position was fully covered by \$120 puts expiring in September; I bought a small amount back against the put protection around current levels.



Performance/Risk Ratios

