



August 2024 Monthly Report

Returns 31-Dec-12 to 31-Aug-24

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	407.33%	184.88%	222.45%	85.32%	322.00%
Inception per annum	14.93%	8.92%	6.01%	5.06%	9.87%
CY2024 (ytd)	19.81%	8.66%	11.15%	4.19%	15.61%
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	0.52%	0.40%	0.12%	-2.02%	2.54%
3m	3.46%	4.99%	-1.52%	-0.01%	3.47%
6m	9.35%	6.27%	3.08%	1.52%	7.83%
1y	31.84%	14.75%	17.10%	8.51%	23.34%
2y pa	15.08%	11.78%	3.31%	3.58%	11.51%
3y pa	-3.69%	6.31%	-10.00%	-2.89%	-0.80%
5y pa	6.88%	8.37%	-1.50%	3.89%	2.99%
7y pa	13.95%	9.46%	4.49%	5.90%	8.05%
10y pa	14.68%	8.21%	6.47%	5.83%	8.84%
Sharpe Ratio	0.90	0.59	1.52x	0.29	3.10x
Sortino Ratio	1.49	0.84	1.78x	0.41	3.65x
Annualised standard deviation	14.71%	13.67%		16.78%	
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%	65.71%		57.14%	

Back to a positive (albeit small) result for the portfolio, clocking in at +0.5% vs the All Ords at +0.4% and the Small Ords at -2.0%. In the US, the S&P500 added +2.3% while the Nasdaq was up +0.6%.

Surprisingly for a double earnings month (earnings reports for both the ASX and most of our US-listed stocks), none of the individual stock price moves had a 1% or greater portfolio impact in August.

On the negative side, the biggest portfolio loser for the month was SDR, with the shares down -12.5% and costing the portfolio ~-0.5%. This was after reporting +26% revenue growth and despite the company achieving their previously guided positive EBITDA (for the 2H) and positive FCF (for the 4Q) and guiding for the same and 30% revenue growth going forwards. Their LTV/CAC ratio continued to improve from 4.1x in FY23 to 5.4x in FY24.

Also on the losing side was our brief (and thankfully small) holding in SMCI, where we stopped out of the shares at a -38% loss in a month. A short report alleging accounting manipulation coinciding a day later with SMCI announcing they would delay the filing of their annual 10-K report was enough to see us stop out at \$430.

On the positive side of the ledger, our enterprise software basket added ~+2.2% to performance in August. Shares in our individual top 5 holding TTD added +16.3% after TTD posted a beat and raise, with revenue +26.1% and EPS at 39c (vs 36c) and guided for revenue > \$618m (vs \$605.5m). TTD continues to be the beneficiary of growth in digital advertising, especially in CTV and with an added tailwind this year from the Olympics and the US election. A positive performance too from CRWD (after the previous month's debacle), with the shares +19.5%. Given the crash occurred late in their reporting quarter, their earnings were pretty much unaffected; however, management did state they expected short-term headwinds to last about a year. Given the rise in share price prior to earnings, I took the opportunity to buy puts on the entire position at \$260. The basket is currently a 15.9% weighting; we had earlier sold out of our SNOW holding.

Pro Medicus continued to do what PME has done throughout its ASX history – posting top-line and bottom-line growth and continuing to expand already high margins. The shares rose +4.8% in the month as revenue grew at +29.3% with NPAT at +36.5%, thanks in no small part to underlying EBIT margins increasing to >72% in H2 despite management previously (and again) indicating margin expansion would

be limited. Foolishly, I sold 5% of the position in the mid \$142s post results as an offering to the market gods. Obviously, the share price has continued to expand since then.

Resmed shares tacked on +9.9% in August. Once again, solid financials belied GLP-1 inspired market fears. Annual revenue grew +11% and prior margin fears were eased with FY25 gross margin guided to come in at 59-60% vs 57.7%. The more important take, however, came not in the numbers but in the evidence of CPAP uptake potentially benefitting from GLP-1s. Management had stated that patients with OSA + a GLP prescription showed a +10.7% greater likelihood to start using a CPAP machine vs those without the prescription. The same cohort also exhibited greater CPAP resupply rates at 1 (+3.1%) and 2 years (+5.3%). These numbers are an improvement from what management presented previously – potentially an upcoming FDA approval of GLP-1 drugs specifically to treat OSA could well lead to more OSA diagnoses and more patients for RMD in the short to medium-term. Still questions over whether this will be enough to offset the fears of a longer-term decrease in TAM remains to be seen, but a positive outlook for now.

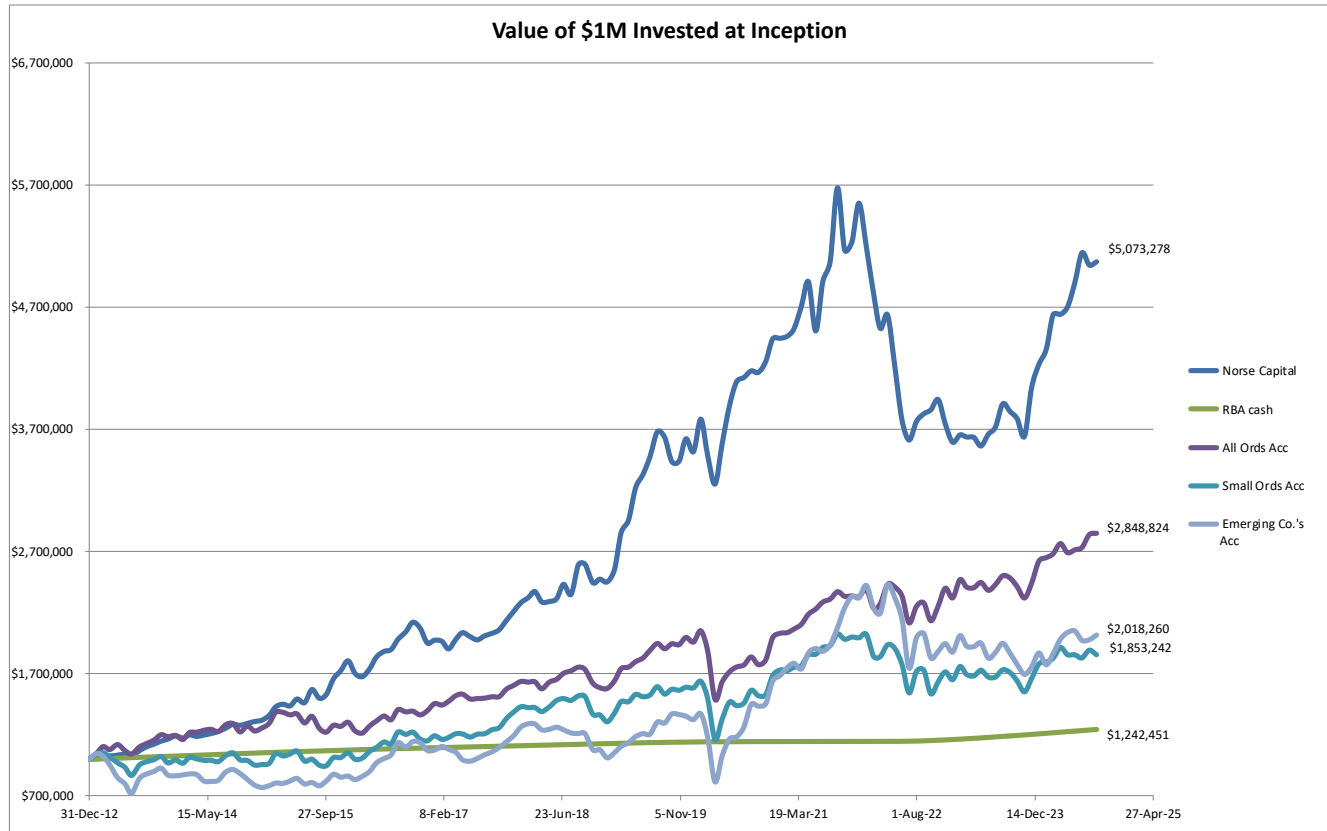
Shorts and hedges cost the portfolio -0.4% while the +3.4% rise in the AUD cost another -1.6%.

Portfolio Holdings:

Cash:	16.5% (AUD and USD)
AUD-USD currency exposure:	18.6%
Longs:	86.7%
Shorts:	-7.6%
Options delta:	-8.4%
Net exposure:	70.7%
Top 5 equities (alphabetical):	AAPL, PME, RMD, RUL, TTD

Net exposure has dropped by ~-7.4%. Longs decreased almost -2% as I took profit on the extra NVDA shares I'd bought against our \$120 puts and stopped out of SMCI as mentioned previously. I also foolishly sold out the remnant of our LTP shares but added a small amount to TLX. Option deltas are -5.7% shorter as I sold a tiny amount of AAPL calls and added more put spreads (so half the AAPL position is now covered for a portion of any potential downside). As mentioned, we now have puts for the entirety of our CRWD position as well as continuing to have puts for all our NVDA position. I also added more SPY put spreads. Finally, I

cut back on ~1/3rd of our currency futures hedge through options when AUD approached 68c, buying a risk-reversal (selling a 68.5c call to purchase a 67c put) to give us slightly more downside exposure should the AUD come off in any potential risk off scenario.



Performance/Risk Ratios

