



## August 2025 Monthly Report

Returns 31-Dec-12 to 31-Aug-25

	Norse Capital	All Ords Accum	Outperformance	Small Ords Accum	Outperformance
Inception	548.37%	227.42%	320.95%	128.69%	419.68%
Inception per annum	15.89%	9.81%	6.08%	6.74%	9.15%
CY2025 (ytd)	5.43%	12.06%	-6.63%	18.66%	-13.23%
CY2024	45.23%	11.44%	33.78%	8.36%	36.87%
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	-0.13%	3.15%	-3.28%	8.41%	-8.55%
3m	5.84%	7.35%	-1.51%	12.42%	-6.57%
6m	9.61%	11.78%	-2.18%	16.72%	-7.11%
1y	27.80%	14.93%	12.87%	23.40%	4.40%
2y pa	29.76%	14.82%	14.94%	15.69%	14.07%
3y pa	19.17%	12.82%	6.35%	9.80%	9.38%
5y pa	9.17%	12.23%	-3.07%	7.91%	1.26%
7y pa	13.97%	9.32%	4.66%	6.03%	7.94%
10y pa	15.74%	10.06%	5.68%	9.18%	6.56%
12y pa	15.89%	9.26%	6.63%	7.33%	8.56%
Sharpe Ratio	0.94	0.62	1.52x	0.36	2.63x
Sortino Ratio	1.57	0.87	1.79x	0.51	3.07x
Annualised standard deviation	14.87%	13.46%		16.52%	
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	69.08%	65.79%		58.55%	

Equity markets continued their rallies from the April lows with the All Ords tacking on +3.15% and the Small Ords an impressive +8.4% while

in the US the S&P 500 added +1.9% and the Nasdaq +1.6%. Unfortunately, our portfolio logged a -0.1% loss, lagging all 4 indices. Reporting season (in both Australia and the US) threw up some wild individual stock price swings which ended up just about netting themselves out for our portfolio.

Our enterprise software basket was the biggest detractor in August, costing the portfolio almost -2.2%. The bulk of that came from TTD which dropped -37.1% in the month to also be the biggest single stock drag on the portfolio. A surprising stock market reaction to earnings that slightly beat estimates and guidance with revenue +24.9% and EBITDA margins at 40.5% and EPS at 29c. Forward guidance was slightly below consensus (on the order of ~-5%) but not explanatory of the severe post-earnings stock price haircut. That said, TTD's valuation is high, so expectations most likely were for more than consensus. We had hedged 25% of the position via zero/low-cost collars (sold calls to pay for puts) which mitigated some of the downside. I bought against those puts subsequent to the earnings downdraft.

PME dropped -7.2% in August. Record results with revenue +32% and NPAT +39%. Numerous and large contracts signed in FY25, first sales of their new cardiology offering and confirmation of a push into radiology too. But also a richly valued stock which rose post-results but eventually drifted back. PME remains (just) our largest holding at a ~14% weighting.

TLX continued its fall, dropping another -30.6% in August. Results came in mostly as pre-guided with revenue +63% and forward revenue guidance confirmed at between US\$770m-US\$800m. Margins were lower than previous, reflective of their investment into manufacturing post the acquisition of RLS. The bulk of the fall came later in August with the FDA raising questions on the comparability between their manufactured version of Zircaix (kidney imaging) vs the previously approved Phase 3 trial version and potential deficiencies with two 3<sup>rd</sup>-party suppliers to their manufacturing. i.e. not a knock-back on the actual (approved) product but a potential issue with how it is manufactured at scale (vs the approved product manufactured for the trials). Thankfully we had puts (at a \$27.50 strike price) on ~43% of the position; I bought against the remaining puts (and managed to trade back and forth a portion) which mitigated the downdraft.

On the positive side, our 2<sup>nd</sup> largest holding RUL rose +12.9% in August following good results with revenue +6% but importantly subscription

revenue +20% and software ARR +16%. The completion of RUL's transition from licensing to subscription was overshadowed at month-end however by the announcement of a potential takeover from Caterpillar. An indicative but non-binding (subject to due diligence over a 6-week exclusivity period) \$5 cash takeover. No doubt the divestment of the advisory business and finalisation of the transition to a subscription model has paved the way for this potential takeover. No guarantee it will go ahead, we await further developments.

Further positive contributions from AAPL (+11.8%) and one of our unlisted investments which completed a funding round at a higher valuation.

Shorts and hedges again made a positive contribution despite the rise in equity markets, adding just shy of +0.3% to the portfolio. Mostly from the aforementioned stock-specific hedges in TTD and TLX which more than offset losses in our general market hedges. The +1.8% rise in the Aud-Usd cost the portfolio almost -0.8%.

### **Portfolio Holdings:**

Cash:	17.2% (AUD and USD)
AUD-USD currency exposure:	16.6%
Longs:	83.6%
Shorts:	-1.4%
Options delta:	-8.0%
Net exposure:	74.2%
Top 5 equities (alphabetical):	AAPL, CRWD, PME, RMD, RUL.

Net exposure is down ~-3% as we sold some longs and took profit on some crypto (sold out of our small Ethereum etf and trimmed some of the bitcoin etf) but also bought back the remainder of our outright shorts in QQQ and SPY. Rolled out hedges in AAPL, NVDA, QQQ and SPY and also added outright puts on half our RMD position with the shares near all-time highs.

