



## INVESTMENT OBJECTIVE

To provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

## PORTFOLIO UPDATE

The Orca Global Disruption Fund (Fund) returned -9.7%<sup>1</sup> in Australian dollar (AUD) terms (-7.2% in US dollar terms) in February, compared to the broader MSCI AC World Index (Index, -5.1%). Since inception the Fund has returned +16.6%<sup>1</sup> p.a. compared to the Index (+12.8% p.a.).

The market narrative continued to be dominated by higher-than-expected inflationary pressures with the market now pricing in seven to eight 25 basis points rate hikes in 2022. Later in the month, geopolitical tensions escalated following the Russian military activity in Ukraine.

While the share prices of companies focused on disruption remain volatile, we continue to believe the current market provides considerable opportunities for investors over the long term. Valuations have become more attractive, and reporting season results reflect generally strong fundamentals and underlying disruptive trends (e.g. accelerating demand for cloud computing, software driving digital transformation, semiconductor chips and electric vehicles) are supportive of growth over the long term.

During the month, the Fund's best contributors were Orsted (+19.9%), CrowdStrike (+5.2%) and Amazon (-0.3%). Weaker contributors were Meta (-32.1%), TSMC (-15.3%) and PayPal (-36.8%).

**Orsted** reported FY21 results that were at the upper end of guidance DKK15.8 billion (vs DKK 15-16 billion guide) and also above consensus expectations. Orsted and the broader renewable energy universe has also recently benefitted as countries look to diversify energy supply and reduce reliance on Russia.

While **CrowdStrike** is yet to report its results, the share price benefited from reports of an increasing number of cybersecurity attacks in the lead up to the Russian invasion of Ukraine.

**Amazon** reported a better-than-expected result with revenues growing +9% (guidance +3.5%-11.5%), while operating income came in ahead of guidance. Retail revenues slowed as expected (Online stores -0.6%, 3P +11%) as ecommerce normalised, while growth in Amazon's high margin businesses remained strong AWS +40% and Advertising +32%.

**Facebook/Meta** reported quarterly revenues growth +20% (in-line) while operating margins and EPS were below expectations. Share price weakness was driven by decelerating quarterly guidance for revenue growth of +3-11% (vs expectations of +15%).

**PayPal** reported total payment volumes (TPV) +23%, revenues +13%, EPS +4% all largely in line with market expectations. Excluding eBay (volumes are transitioning to Adyen) – which gives a better picture of the underlying business – TPV grew +28% and revenues +22%.

## PORTFOLIO MANAGER



**Raymond Tong**  
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield <sup>2</sup>	Performance since inception (25 July 2017) <sup>1</sup>
\$2.7379	\$234.6 million	8.00%	16.6%

## FUND PERFORMANCE<sup>1</sup>

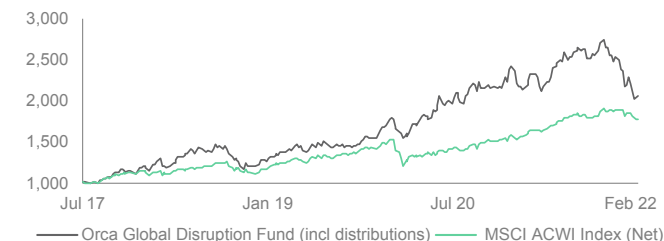
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	-9.7%	-22.3%	-22.2%	-7.3%	11.0%	15.1%	16.6%
MSCI AC World Index (Net, AUD)	-5.1%	-5.7%	-4.5%	14.8%	12.1%	12.6%	12.8%
Excess Return	-4.6%	-16.6%	-17.7%	-22.1%	-1.2%	2.5%	3.9%

Note: Numbers may not sum due to rounding.

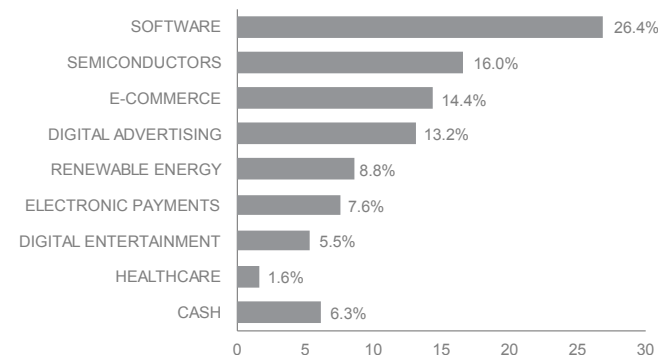
## TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	PayPal Holdings Inc
Amazon.com Inc	Salesforce.com Inc
ASML Holding	ServiceNow
Microsoft Corp	Tesla
NVIDIA Corp	TSMC

## PERFORMANCE CHART<sup>1</sup>

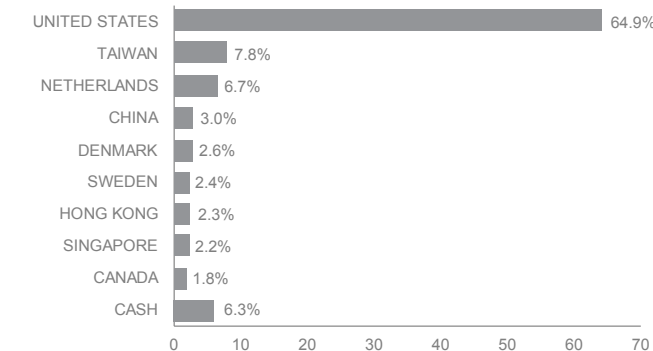


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 28 February 2022 unless stated. Numbers may not sum due to rounding.

1. All returns are total returns, inclusive of reinvested distributions and net of fees and costs using net asset value per unit from inception to, and including, 31 January 2021 and exit unit price from this date. Past performance is not a reliable indicator of future performance. Inception 25 July 2017.

Chart data range: 25 July 2017 to 28 February 2022. 2. Distribution yield is a historical measure. There is no guarantee the Fund will meet its investment objective. The payment of a distribution is a goal of the Fund only and neither the Manager or the Responsible Entity provide any representations or warranty in relation to the payment of any semi-annual cash income. The Fund reserves the discretion to amend its distribution policy. Initial index value 1,000.

Index Source: Bloomberg.

# ABOUT ORCA FUNDS MANAGEMENT

Orca Funds Management is the investment manager for the Orca Global Disruption Fund, Orca Asia Fund and the Orca Global Fund. The Orca Funds Management Investment Team has more than two decades of experience in managing global equities and fixed income funds. Orca Funds Management has an investment team of seven investment professionals who, as at 30 September 2021, collectively manage over \$776 million of funds.

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## IMPORTANT INFORMATION

This report has been prepared and issued by Orca Funds Management Pty Limited (**Investment Manager**) (ACN 619 080 045, CAR No. 1255264), as investment manager for the Orca Global Disruption Fund (**Fund**) (ARSN 619 350 042). The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150) is the Responsible Entity of the Fund. For further information on the Fund please refer to the PDS and Target Market Determination which is available at [orcafunds.com.au](http://orcafunds.com.au).

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