



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 -0.4% in AUD terms (+0.4% in USD), compared to the broader MSCI AC World Index (+1.3%).

During February, portfolio holdings continued to report strong results. However, this was overshadowed late in the month by rising US bond yields which drove a significant rotation away from growth sectors (MSCI World Growth Index -1.0%) towards more cyclical and traditional value sectors (MSCI World Value Index +3.5%) which were sold off during the pandemic.

During the month, best performing holdings were PayPal (+9.7%), Mastercard (+10.0%) and Sea (+7.6%). Weaker contributors included Alibaba (-7.1%), Orsted (-15.6%), and Teladoc (-16.9%).

PayPal reported a strong December quarter result with revenue growth of +23% and earnings +30%. At its investor day Paypal initiated long term guidance - it expects to double users to 750 million by 2025, and grow revenue and EPS by 20% and 22% p.a respectively from 2020-2025. PayPal is investing to evolve its digital wallet adding features including investment products, crypto trading and payments, personalised deals and offers.

Sea rose ahead of reporting its December quarter result in early March. It reported adjusted revenue growth (+121%) and operating earnings ahead of market expectations. Gaming bookings were up 110% driven by Sea's hit game Free Fire, the #1 downloaded mobile game globally. Shopee (Sea's ecommerce platform) was #1 across SE Asia and #3 globally – this drove strong Gross Merchandise value growth of 113%. Sea provided strong guidance for FY21, with gaming bookings expected to grow 38% and ecommerce revenues up 112%.

Teladoc fell despite reporting a strong 4Q result with organic revenue growth of +79%. For FY21 the company expects revenue growth of +78-83% (+40-43% organic) signalling expectations of continued strong growth in telehealth and virtual care services as economies reopen.

Orsted was under pressure following a strong run in 2020 and signs of increasing competition in offshore wind auctions as traditional energy companies pivot to renewables. Longer term, the opportunity remains significant given the shift to renewable energy and Orsted's position as the world's leading offshore wind farm developer.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

Unit price (exit)	Fund size	12-month distribution yield	Annualised performance since inception (25 July 2017) ¹
\$3.1528	\$298.0 million	4.8%	24.3%

Units on issue: 94,319,355

FUND PERFORMANCE¹

	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	-0.4%	2.1%	6.3%	32.8%	28.3%	21.5%	24.3%
MSCI World Index (Net, AUD)	1.3%	1.5%	8.2%	9.5%	11.5%	10.6%	12.2%
Excess Return	-1.7%	0.6%	-1.9%	23.4%	16.8%	10.9%	12.1%

Note: Numbers may not sum due to rounding.

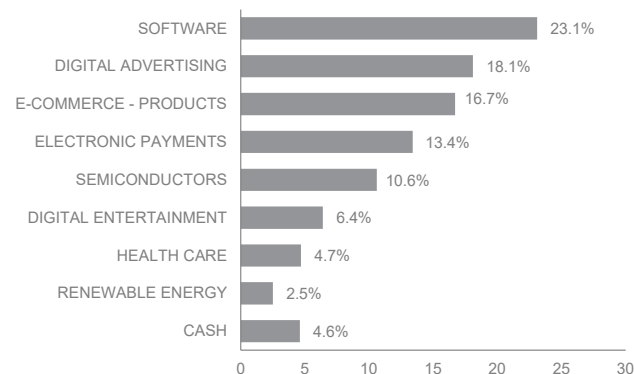
TOP 10 PORTFOLIO HOLDINGS

Alibaba	PayPal Holdings Inc
Alphabet Inc	Salesforce.com Inc
Amazon.com Inc	ServiceNow
Mastercard Inc	Tencent Holdings Ltd
Microsoft Corp	TSMC

PERFORMANCE CHART¹

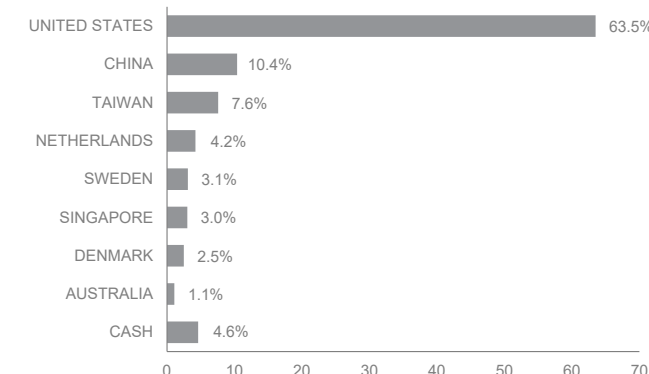


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 28 February 2021 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. Due to the change in the composition of the Fund and of the MSCI ACWI Information Technology Index over the prior 12 months, it is no longer shown as a comparable index. Chart data range: 25 July 2017 to 28 February 2021. 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 31 December 2020, collectively manage over \$790 million of funds.

TELEPHONE

1300 732 541

EMAIL

info@orcafunds.com

ADDRESS

Level 15, 100 Pacific Highway
North Sydney
NSW 2060

IMPORTANT INFORMATION

This report has been prepared 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 which is available at orcafunds.com.au.

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