

Orca Global Disruption Fund December 2023 Monthly



FUND PERFORMANCE¹

Fund performance	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	2.0%	13.9%	7.1%	55.0%	0.1%	12.3%	12.4%
MSCI AC World Index (Net, AUD)	1.3%	4.6%	4.6%	21.9%	10.0%	12.4%	11.2%
Excess Return	0.8%	9.3%	2.4%	33.1%	-10.0%	-0.1%	1.2%

Notes: Data as at 31 December 2023 unless stated. Unit price (exit) at 31 December 2023: \$2.7245. Fund size: \$154.1 million. Numbers may not sum due to rounding. Past performance is not indicative of future performance. Benchmark is for comparison purposes only, see Disclaimer for further information.

FUND UPDATE

The Orca Global Disruption Fund (Fund) returned +2.0% in AUD terms (+5.1% in USD), compared to the broader MSCI AC World Index +1.3% (+4.8% in USD). For the 12 months to December, the Fund returned +55.0% compared to the market +21.9% and has returned +12.4% p.a. since inception +1.2% ahead of the market.

US equity markets continued to rally on expectations of rate cuts in 2024. At the December Federal Open Market Committee (FOMC) meeting, US Federal Reserve (Fed) Chair Jerome Powell indicated further tightening was not likely, while the dot plot revealed Fed members expect 75bps of easing in 2024. Core PCE for November rose +3.2% in further signs that inflation continues to moderate (+3.5% in Oct). Falling yields led to particular strength from higher growth technology businesses and smaller companies (Russell 2000 Index +8.3%) with some rotation out of mega cap technology companies which have performed strongly this year.

The Fund's best contributors for the month were **Block (+18.6%)**, **ASML (+7.6%)** and **AMD (+18.3%)**. Positions that detracted from returns included **Palo Alto Networks (-2.9%)**, **Adobe (-5.1%)** and **Microsoft (-3.5%)**.

Fintech holdings **Block (+18.6%)** and **Adyen (+7.3%)** rallied strongly following strong updates in November (third quarter results and annual Investor day, respectively) and as market expectations for easier monetary policy and lower rates benefitted longer duration equities.

Semiconductors were the best performing technology subsector for the month rising +8.3% benefitting holdings in **ASML (+7.6%)** and **AMD (+18.3%)**. AMD announced the release of new MI series chips capable of AI training and running large language models. AMD CEO Lisa Su announced she expects the market for AI chips to reach US\$400bn+ by 2027, significantly above previous expectations

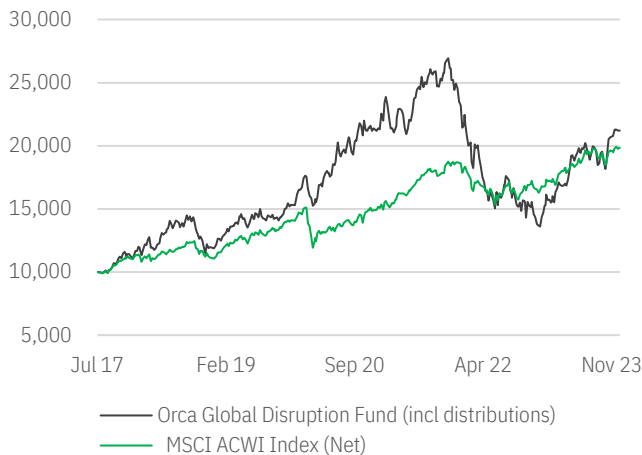
of \$150bn. Meta, OpenAI and Microsoft all announced they would use AMD chips, signalling interest in diversifying from market leader Nvidia.

Adobe (-5.1%) delivered a final quarter result which came in ahead of expectations for revenue and EPS which grew +13% in constant currency and +19% respectively. Annual recurring revenue (ARR) from Adobe's Digital Media grew +14%, slightly ahead of expectations led by Document Cloud (+23%) while Creative Cloud ARR grew +13%. Profitability remained strong with operating margins +170bps to 46.4%, also ahead of market expectations. Management initiated conservative guidance for FY24 assuming revenue growth of +10% (Digital Media +11%, Digital Experience +9%) which was modestly below expectations. Importantly, Management remained positive on the potential for AI citing 4.5bn image generations from the Firefly product, strong upsell trends to Firefly/Express and potential for further monetisation opportunities over time including video and integrations in the Document Cloud business (e.g. Adobe Reader).

Microsoft (-3.5%) along with other large caps saw some rotation out in favour of higher growth companies as bond yields fell, following a strong performance over the year (+57.2%).

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.

FUND PERFORMANCE¹



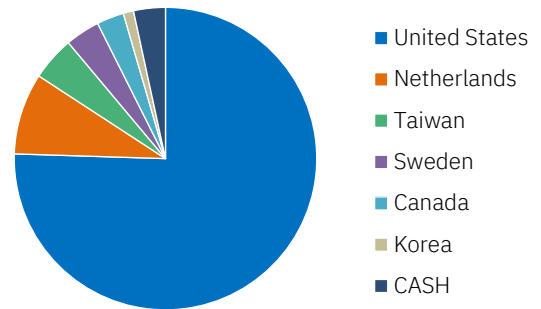
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TOP 10 FUND HOLDINGS AS AT 31 DECEMBER 2023

NAME	SECTOR
Alphabet Inc	Digital advertising
Amazon.com Inc	eCommerce
ASML Holding	Semiconductors
Block Inc	Electronic payments
Intuitive Surgical	Healthcare
Mastercard Inc	Electronic payments
Microsoft Corp	Software
NVIDIA Corp	Semiconductors
ServiceNow	Software
TSMC	Semiconductors

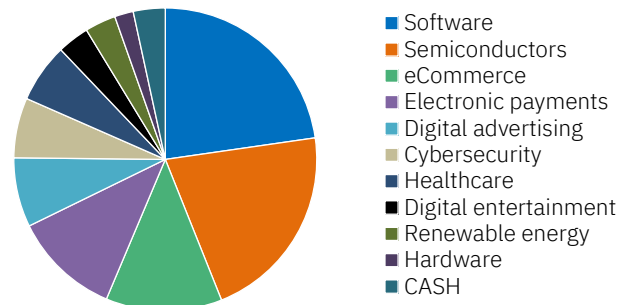
This fund is appropriate for investors with a “High” risk and return profile. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a long investment timeframe. Investors should refer to the [TMD](#) for further information.

GEOGRAPHIC EXPOSURE



Source: Bloomberg, Country of Domicile

THEMATIC EXPOSURE



Source: Investment Manager, Bloomberg

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Orca Global Disruption Fund

TOP 10 HOLDINGS AS AT 31 DECEMBER 2023

Alphabet

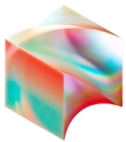
Alphabet – key products include Google, Android, Maps, Chrome, YouTube and Google Play which all have over 1 billion active users. The core product is Search where the company is the clear market leader with an estimated desktop search market share of 80% – more than 10x its closest peer. The company is owner-managed and controlled through its founders Larry Page and Sergey Brin and currently operates in more than 40 countries worldwide.

amazon

Amazon – is the global leader in internet retail and cloud based computing. From its listing in 1997 as primarily an online book retailer, Amazon has now expanded its offering to most areas of consumer merchandise, whilst also developing market leading cloud computing services. It has a relentless focus on low cost operations, constant reinvestment and customer service. The company is owner-managed and controlled by its founder Jeff Bezos.

ASML

ASML – is a leading global specialist semiconductor company focused on the development and production of advanced semiconductor manufacturing equipment and lithography related systems. The equipment produced by ASML is used by global foundries and semiconductor companies that produce memory and logic chips. Major customers include: Taiwan Semiconductor (TSMC), Samsung and Intel. ASML is dominant in market share and is the sole provider of next generation semiconductor manufacturing equipment known as EUV. The company was founded in 1984 and is based in the Netherlands.



BLOCK

Block, Inc – is a global payments business servicing multiple ecosystems spanning sellers and consumers. The Square ecosystem provides sellers with an integrated suite of commerce, business software and banking services to help start, run and grow businesses. The Cash App ecosystem helps individuals manage money by providing access to financial services (e.g. savings, credit, direct deposits), community-based transactions (peer-to-peer) and commerce. Block has also invested in emerging ecosystems Bitcoin and TIDAL to serve new audiences. Jack Dorsey (co-founder/CEO) established Block in 2009 with headquarters in San Francisco, California.

INTUITIVE

Intuitive Surgical – is a pioneer in robotically assisted surgery, creating and commercialising the surgical robot market. Intuitive designs, manufactures, and markets da Vinci Surgical Systems and related instruments and accessories. Intuitive operates in 67 countries, with 7000+ systems currently in place and more than 11 million procedures performed worldwide since inception. Intuitive faces little or no competition in its markets with competitors lagging in development of their products. The da Vinci system is installed in almost every major surgical teaching hospital across the US with junior surgical doctors trained on the da Vinci. This increases the stickiness of Intuitive's product offering which would be difficult to match.



Mastercard, Inc – Mastercard is a global technology company in the payments industry. The company's mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart, and accessible. The firm connects consumers, financial institutions, merchants, governments and business across more than 210 countries and territories. The company was founded in November 1966 and is headquartered in Purchase, NY.

Microsoft

Microsoft Corporation – is a multinational technology company that manufactures, licenses, supports and sells computer software, personal computers, consumer electronics and services. The Company's main segments include Intelligent Cloud, More Personal Computing, Productivity and Business Process. Its products include cross device productivity applications, server applications, business solution applications, desktop and server management tools, software development-tools, video games, and training and certification of computer system integrators and developers. The Company also designs, manufactures and sells devices including personal computers, tablets, gaming and entertainment consoles, and other intelligent devices that integrate with its cloud-based offerings.



NVIDIA – is the pioneer of GPU (Graphics Processing Unit) accelerated computing. The company specialises in products and platforms for the large, growing markets of gaming, professional visualization, data centres, and automotive. The company's pioneering work in accelerated computing and AI is reshaping trillion-dollar industries, such as transportation, healthcare and manufacturing, and fuelling the growth of many others. Nvidia was founded in 1993 by Jensen Huang (the current CEO), Chris Malachosky and Curtis Priem.

servicenow

ServiceNow – provides cloud-based software solutions enabling enterprises to define, structure, manage and automate services. ServiceNow's core products provide workflow tools for IT departments enabling the delivery of service management applications. The company also offers software solutions catering to other enterprise functions including customer service, human resources and security operations. All products are built on a single platform providing flexibility for user customisation, and are delivered over the internet, enabling simple configuration and rapid deployment. The company was founded in 2004 and has headquarters in Santa Clara, California.



Taiwan Semiconductor Manufacturing Co (TSMC) – is the largest dedicated global foundry for the manufacture of semiconductor chips. TSMC produces chips for a wide range of uses including data centres, networking equipment, smartphones, tablets, PCs and gaming consoles. TSMC has a broad customer base of major hardware and fabless semiconductor companies including Apple, Qualcomm, Nvidia, AMD, MediaTek and HiSilicon (Huawei). The company is leveraged to chip demand from emerging themes such as 5G, IoT and artificial intelligence. TSMC was founded in 1987 and is based in Hsinchu, Taiwan.

Signatory of:



Disclaimer

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Benchmark selection

The Orca Global Disruption Fund is designed in a benchmark unaware manner. The Investment Manager believes the MSCI ACWI index is appropriate for comparison purposes given the Fund invests in companies across a range of industries including technology, renewable energy, consumer, communication services and healthcare. The risk/return profiles of the Fund and benchmark differ due to differences in the constituents of each. The Fund's objective is to provide investors with capital growth over the long-term through exposure to companies that benefit from disruptive innovation – in or from any industry/sector, including emerging market listed investments.