



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 -8.5%¹ in Australian dollar (AUD) terms compared to the broader MSCI AC World Index (-2.0%). Since inception the Fund has returned +19.6% p.a. compared to the market +14.3% p.a.

Markets were sold off aggressively in January with the MSCI World Index and S&P 500 Index falling -5.3% and Nasdaq -9.0% (in USD terms). The market priced in a faster US rate tightening schedule which continued to drive the rotation away from growth towards cyclical and value orientated sectors.

In our view, the current volatility provides good opportunities for investors over the longer term. We believe disruption trends remain very firmly in place, company fundamentals remain generally strong, and valuations have come back to more attractive levels (in some cases lower than pre COVID levels).

During the month, the strongest contributors were Tencent (+9.6%), TSMC (+5.2%) and Illumina (-5.4%). Weaker contributors were Shopify (-27.8%), Sea (-30.7%) and Netflix (-26.8%).

TSMC (+5.2%) reported a strong December quarter result with revenues +21%, EPS +16% and guidance for FY22 revenue growth in mid to high 20% range. TSMC also raised its long-term revenue guidance to +15-20% and expects gross margins of at least 53%.

Microsoft (-4.6%) reported a strong quarterly result with revenue +20% and EPS +22% both ahead of market expectations. Strength remained broad-based and guidance for the next quarter was above consensus.

Tesla (-8.5%) reported strong results with deliveries +71%, revenue +65% and EPS +218% all ahead of market expectations.

ServiceNow (-6.9%) also reported strong results ahead of market expectations with subscription revenues +29% and operating margins of +23%. Strong momentum has continued into FY22 with guidance for +28% subscription revenue growth.

Netflix (-26.8%) reported an inline result adding 8.3m subscribers (guided 8.5m) and revenues growing +16%. However, March quarter subscriber growth guidance of +2.5m net adds was below market expectations of +6.5m. Management cited a combination of factors including COVID pull forward, competition and a back ended content slate. While the market reacted negatively, we believe the longer-term opportunity remains significant given the ongoing structural shift from linear TV to streaming.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield ²	Performance since inception (25 July 2017) ¹
\$3.0324	\$261.9 million	7.3%	19.6%

FUND PERFORMANCE¹

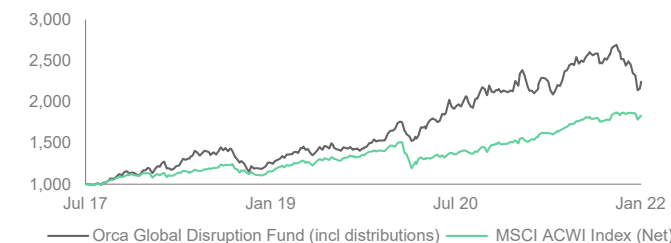
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	-8.5%	-12.8%	-8.9%	2.2%	15.9%	21.5%	19.6%
MSCI AC World Index (Net, AUD)	-2.0%	2.6%	3.7%	22.5%	12.1%	16.5%	14.3%
Excess Return	-6.5%	-15.5%	-12.5%	-20.4%	3.8%	5.0%	5.3%

Note: Numbers may not sum due to rounding.

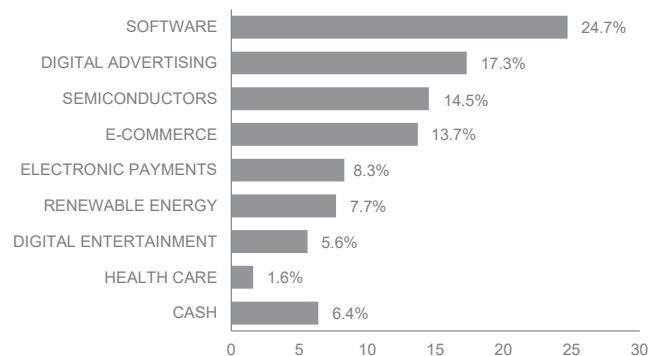
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART¹

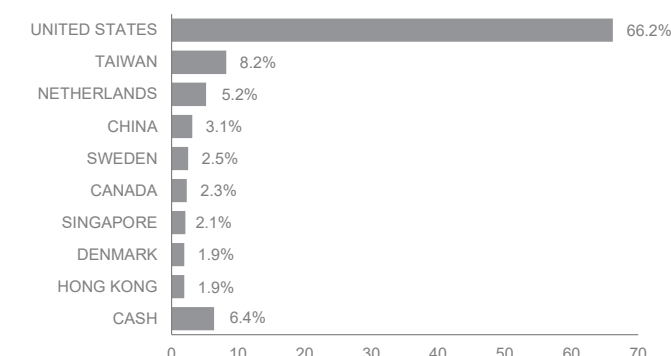


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 January 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 31 January 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.

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