



## 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 +1.3%<sup>1</sup> in Australian dollar (AUD) terms, compared to the broader MSCI AC World Index (+3.2%). Since inception, the Fund is up +24.7%<sup>1</sup> p.a. compared with the broader market +15.1% p.a.

Markets declined (-2.5% in US dollar terms) during the month following news from the US Federal Reserve (Fed) that it would consider a faster tapering schedule than initially contemplated and the discovery and spread of the new COVID-19 variant (Omicron) adding to uncertainty. This led to a sharp sell-off in higher growth software (-5.5%) and internet stocks (-2.7%), while Hardware (+15.0%) and Semiconductors (+17.5%) outperformed.

The Portfolio's best contributors were Amazon (+10.2%), Nvidia (+35.4%) and Microsoft (+5.6%). Weaker contributors were Sea (-11.2%), Teladoc (-28.3%), and PayPal (-15.8%).

**Nvidia** (+35.4%) reported a strong third quarter result with revenue growing +50% and EPS +60% both ahead of market expectations. Datacentre revenues grew +55% on strong demand from hyperscale customers and vertical industries. Guidance for the next quarter was also ahead of expectations with revenue growth +48% led by data centre and gaming.

**Sea** (-11.2%) delivered a solid quarterly result with revenue growth of +122% marking the thirteenth consecutive quarter of triple digit growth. Operating losses widened as Sea continues to expand its ecommerce business into new markets – building out operations in Brazil and recently entering Poland, France, Spain and India. Gaming bookings moderated to +29% from elevated pandemic levels while full year guidance for growth of +41 to +48% was maintained.

**Teladoc** (-28.3%) held an investor day where it provided long term guidance out to FY24 for revenues growth of +25 to 30% p.a. Management guided to 1 to 5% annual member growth with 25% annual revenue growth per member.

**PayPal** (-15.8%) reported a mixed quarterly result with revenues +13% (+25% ex eBay) and EPS +4% (+30% ex eBay) which was modestly lower than market expectations. Management lowered guidance for 2021 on near term headwinds (+18% vs prior +20%) with 2022 revenue growth expected of 18% which was below market expectations. Excluding eBay, the business is growing very strongly with FY21 revenue growth expectations of +28% in FY21 and +22% in FY22.

## 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>
<b>\$3.5237</b>	<b>\$307.0 million</b>	<b>6.2%</b>	<b>24.7%</b>

## 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	1.3%	0.1%	18.7%	21.8%	30.0%	28.8%	24.7%
MSCI ACWI Index (Net, AUD (%))	3.2%	1.2%	12.0%	23.6%	14.3%	17.0%	15.1%
Excess Return	-1.9%	-1.1%	6.6%	-1.8%	15.7%	11.8%	9.6%

Note: Numbers may not sum due to rounding.

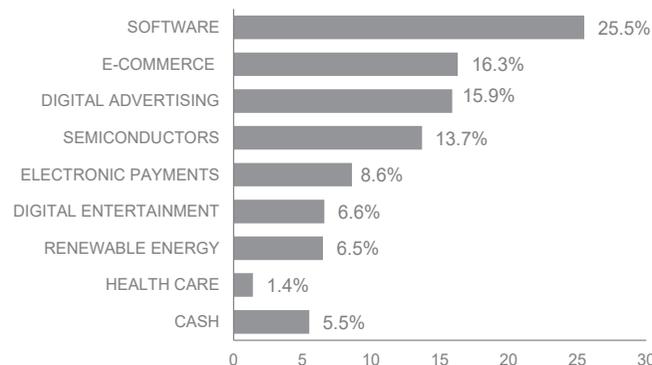
## TOP 10 PORTFOLIO HOLDINGS

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

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

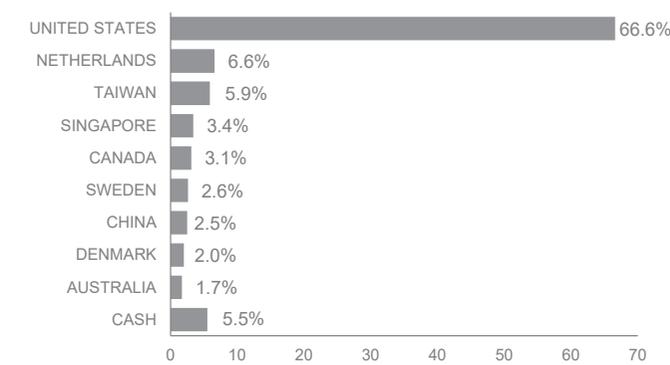


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 November 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. Chart data range: 25 July 2017 to 30 November 2021. 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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