



## 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 +4.3%<sup>1</sup> in Australian dollar (AUD) terms, compared to the broader MSCI AC World Index (+0.9%). Since inception, the Fund is up 24.8%<sup>1</sup> p.a. compared with the broader market which is up 14.5% p.a.

The Portfolio's best contributors were Tesla (+38.2%), Microsoft (+13.1%), Alphabet (+6.5%). Weaker contributors were Twilio (-12.2%), Facebook/Meta (-8.3%), and PayPal (-14.0%).

**Tesla** (+38.2%) reported a strong September quarter result with deliveries growing +73%, revenues +57% and EPS +145%, all ahead of market expectations. Operating margins expanded to a record 14.6% despite industry wide supply constraints, higher commodity prices and build out of new factories.

**Microsoft** (+13.1%) delivered a strong quarterly result with revenue growth of +22% and EPS +25% both ahead of market estimates. Product strength was broad-based with the highlight an acceleration in Azure cloud revenues to +48%.

**Alphabet** (+6.5%) reported a strong result with revenue growth of +41%, operating margins expansion and EPS growth of 71%. The result was underpinned by strength from the core search (revenue +41%), networks business (revenue +40%), YouTube (+43%) and Google Cloud Platform (+45%).

**Twilio** (-12.2%) reported a mixed quarter despite a strong headline result with revenues (+65%) and operating income both ahead of market estimates. While Twilio's organic revenue growth remains very strong at +38%, this was a deceleration from recent quarterly growth rates of around 50%. The announcement that well regarded COO George Hu would depart the company after five years also weighed on the share price. Management remains very confident that the company will grow revenues 30% year-on-year over the next three years.

**Facebook** (-8.4%) reported a better than feared result (revenues +35%, EPS +19%) given the uncertain backdrop post Apple's iOS14 changes and the impact on social advertising peers. Mark Zuckerberg believes the ad targeting headwinds created by Apple's opt in changes will be manageable over the medium term. During the month, Facebook faced further platform health scrutiny from major news outlets and whistle blower allegations. It also announced the rebranding of the company to Meta, confirming Mark Zuckerberg's ambitions to transform Facebook into a metaverse company.

## 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>\$3.4792</b>	<b>\$305.1 million</b>	<b>6.3%</b>	<b>24.8%</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	4.3%	4.6%	14.6%	23.6%	33.9%	26.2%	24.8%
MSCI ACWI Index (Net, AUD (%))	0.9%	1.0%	9.9%	28.3%	14.9%	15.1%	14.5%
Excess Return	3.4%	3.6%	4.8%	-4.7%	19.0%	11.0%	10.3%

Note: Numbers may not sum due to rounding.

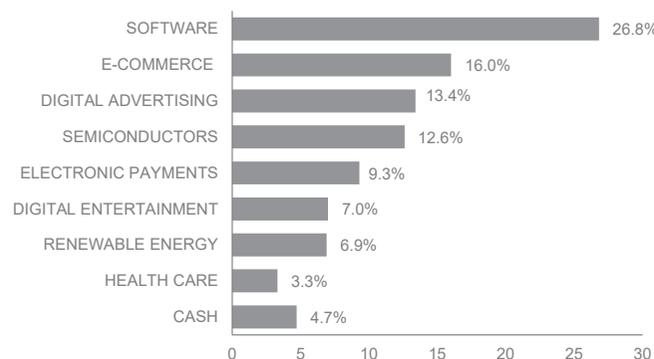
## TOP 10 PORTFOLIO HOLDINGS

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

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

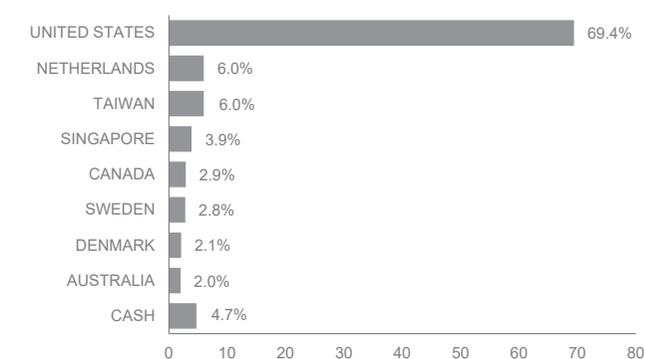


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 October 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 31 October 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

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