

Orca Global Disruption Fund August 2024 Monthly



FUND PERFORMANCE¹

Fund performance	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	7 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	0.4%	4.5%	7.7%	38.1%	1.8%	13.7%	15.3%	15.3%
MSCI AC World Index (Net, AUD)	-1.3%	4.4%	6.1%	18.0%	8.5%	12.0%	12.7%	12.6%
Excess Return	1.7%	0.1%	1.6%	20.1%	-6.7%	1.7%	2.7%	2.7%

Notes: Data as at 31 August 2024 unless stated. Loftus Peak Pty Limited replaced Orca Funds Management as the Investment Manager of the Orca Global Disruption Fund on 1 March 2024. Unit price (exit) at 30 August 2024: \$2.9935, Fund size: \$159.0 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. The data source for the Fund's benchmark was changed from Bloomberg to MSCI effective 29 February 2024. All data prior to this date remains unchanged.

FUND UPDATE

August was a very mixed bag for investors. The Orca Global Disruption Fund (Fund) delivered a +0.4% net-of-fees return (with the Australian dollar appreciating +3.9% against the US dollar), outperforming the MSCI All Countries World Index (in AUD) by +1.7%. The swoon of early August was caused by the rapid unwind of the 'yen carry trade' – investors borrowing in yen at low rates to invest in US stocks.

The trigger for the unwind was a rapid appreciation in the yen, resulting in a blowout in liabilities and forcing the sale of shares in many US companies at stressed prices. At the same time, there was nervousness over the narrow base of the stock market rally generally (read Magnificent Seven) and renewed fears that the US economy would tip into a recession. By mid-August, the safest course appeared to be a heavier weighting to the digital economy generally, so streaming did well, as did e-commerce and some of the payments companies.

Cloud computing player **Nutanix** was the top performer for the month, adding +0.5% to Fund value following earnings which came in above expectations and upbeat guidance for the next fiscal year. A poor enterprise spending environment and longer sales cycles meant investors had discounted the likelihood of a strong result although initiatives from the company to move upmarket look to be working. In the longer term, Nutanix is positioned well to take share from its main competitor, VMware, as the company raises prices following its acquisition by Broadcom.

The number two performer in the month was **MercadoLibre**, the "Amazon" of Latin America, adding +0.5% to performance after a 20% rally in the stock price in August. Much like Amazon, the company has a burgeoning advertising business. This is in addition to its payments business, which reported 52 million monthly active users in its latest earnings result.

Adyen, a European payment processor, lifted the Fund by +0.5%, with streaming names **Netflix** and **Roku** contributing +0.9% between them.

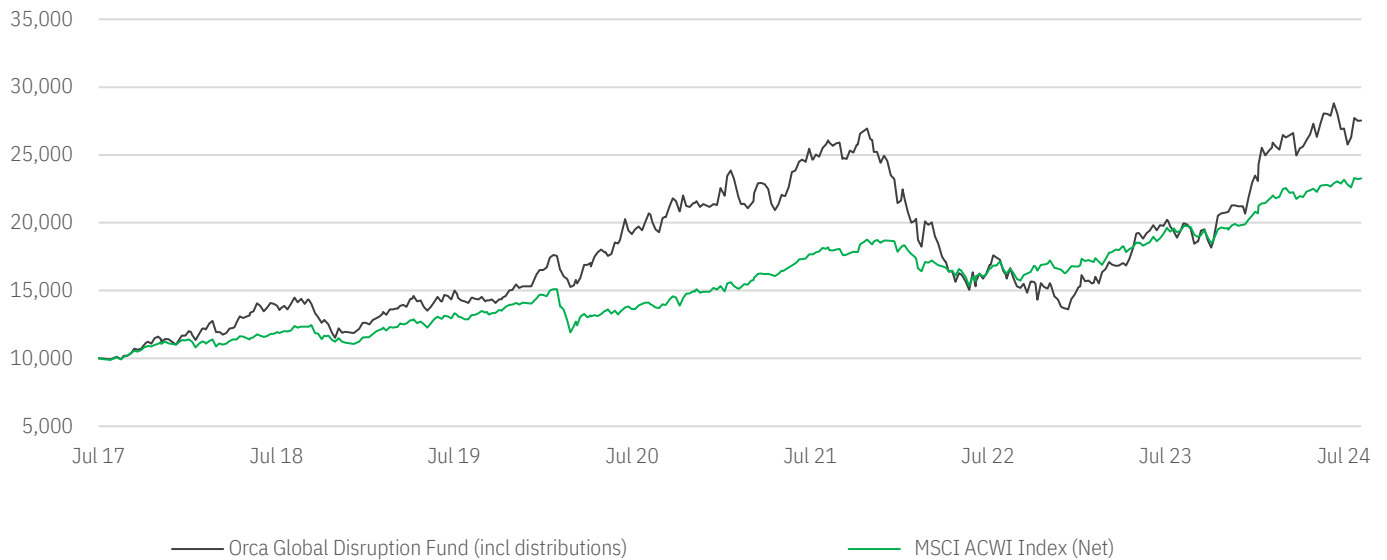
Against this, **Qualcomm**, the largest Fund position, reduced value by -0.9%, as the market focused more on its AI capabilities (which are real but suffered slightly as investors fretted about the hype). Less focus was given to cyclical recovery in the mainstay smartphone business or automotive end market (an area of market share expansion for Qualcomm). Recovery in these areas seems likely, as the Fed again hinted at a rate cut in September. Meanwhile, Amazon was affected by concerns about the company's AI-tilted cloud business, driving the Fund -0.7% lower.

Salesforce (which detracted -0.2%) reported solid numbers in the final week of August, beating on revenue earnings, and raising margin guidance for the full fiscal year. Notwithstanding this, management commentary flagged a continuation of the soft spending environment that has plagued enterprise software players over the past year. Powell's higher interest rates have constrained enterprise spending, forcing increased scrutiny on costs and so denting revenues. Salesforce management did reveal some encouraging trends around the AI opportunity, with enthusiastic adoption of tools to turn data into actionable services. This is consistent with the strategies of other Fund holdings including **ServiceNow**, **Adobe**, **Microsoft** and **GitLab**.

All of this points to an evolving AI story. The dramatic revenue growth for companies like Nvidia and AMD, which make the GPU tools, can only continue if that growth morphs into demand for the software applications. These will then populate commerce with better outcomes for customers – more accurate voice recognition, improved sales visualisation and intuitive customer service. Broadly, these are the downstream beneficiaries of the hardware.

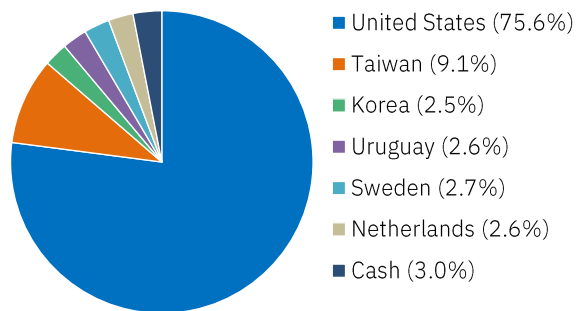
1. All returns are total returns, inclusive of reinvested distributions and net of fees and costs using net asset value per unit from inception to, and including, 31 January 2021 and exit unit price from this date. Past performance is not a reliable indicator of future performance. Inception 25 July 2017.

FUND PERFORMANCE¹



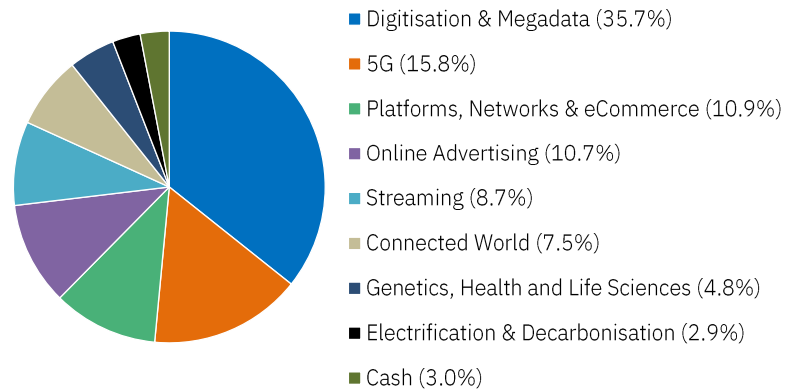
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GEOGRAPHIC EXPOSURE



Source: Bloomberg, Country of Domicile

THEMATIC EXPOSURE



Source: Investment Manager

TOP 10 FUND HOLDINGS AS AT 31 AUGUST 2024

NAME	GICS SECTOR
Advanced Micro Devices	Information Technology
Alphabet	Communication Services
Amazon.com	Consumer Discretionary
Meta Platforms	Communication Services
Microsoft	Information Technology
Netflix	Communication Services
Nutanix	Information Technology
Qualcomm	Information Technology
Roku	Communication Services
TSMC	Information Technology

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.

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Orca Global Disruption Fund

TOP 10 HOLDINGS AS AT 31 AUGUST 2024



Advanced Micro Devices – is a high performance and adaptive computing leader, powering the products and services that help solve the world’s most important challenges. Its technologies advance the future of the data center, embedded, gaming and PC markets. AMD was founded in 1969 by Jerry Sanders, a former executive at Fairchild Semiconductor Corporation, and seven other technology professionals.



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 – 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.



Meta Platforms – is one of the world's premier advertiser platforms with a user base of over 3bn Daily Active Users and over 10m advertisers. META has invested significantly into AI infrastructure, and this enables the company to drive user engagement and provides advertisers with a range of ad automation and targeting tools. META’s two major goals are to: (1) to build the most popular and advanced AI Products and services; and (2) invest into building the next generation of augmented, virtual and mixed reality computing platforms.



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.



Netflix – is the leading video streaming provider in the world with over 260m subscribers as of the December 2023 quarter. As the global leader, Netflix will continue to benefit from the shift of linear TV to streaming with still a significant opportunity to grow subscribers (1bn broadband households globally), pricing power and further monetization opportunities through advertising.



Nutanix – founded in 2009 and headquartered in San Jose, California, is a global leader in cloud computing and hyper-converged infrastructure (HCI). The company provides a software platform that integrates computing, storage, and networking resources to simplify the deployment and management of private and hybrid cloud environments. Nutanix’s solutions enable businesses to run and scale their IT infrastructure seamlessly across on-premises and cloud environment.



Qualcomm – is a fabless semiconductor designer and the world's leading supplier of mobile device chipsets (mobile phones, smartphones and tablets). Qualcomm is expanding the number and diversity of revenue lines including supplying chips to the PC market, automobiles, IoT and augmented/virtual reality segments. Qualcomm is also set to benefit as a key enabler of the proliferation of AI capabilities onto devices. (e.g. Samsung Galaxy S24)



Roku – founded in 2002, is an American company headquartered in San Jose, California, that manufactures a variety of digital media players for video streaming. Roku's devices allow users to access streaming services like Netflix, Hulu, and Disney+, among others, directly on their televisions. Roku has also expanded into the smart TV market and offers an advertising platform for content publishers. The company plays a significant role in the streaming media and connected TV industry.



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.

Disclaimer

This report has been prepared and issued by Loftus Peak Pty Ltd (Investment Manager) (ACN 167 859 332, AFSL 503 571) 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. It is general information only and is not intended to provide you with financial advice, and has been prepared without taking into account your objectives, financial situation or needs. You should consider the product disclosure statement (PDS), prior to making any investment decisions

The PDS and target market determination (TMD) can be obtained by calling +62 9163 3333 or visiting our website orcafunds.com.au. If you require financial advice that takes into account your personal objectives, financial situation or needs, you should consult your licensed or authorised financial adviser. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Total returns shown for the Orca Global Disruption Fund have been calculated using exit prices, and prior to 31 January 2021 Net Asset Value per Unit, after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is not indicative of future performance.

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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.