

Orca Global Disruption Fund October 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	5.6%	6.0%	15.2%	56.1%	4.1%	15.1%	14.6%	15.8%
MSCI AC World Index (Net, AUD)	3.5%	2.3%	9.9%	28.9%	10.5%	12.3%	12.1%	12.9%
Excess Return	2.1%	3.7%	5.3%	27.3%	-6.5%	2.8%	2.6%	2.9%

Notes: Data as at 31 October 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 31 October 2024: \$3.1586. Fund size: \$166.9 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

The Orca Global Disruption Fund (Fund) rose +5.6% in October, outperforming the MSCI All Countries World Index (in AUD) which rose +3.5%. The Australian dollar depreciated -5.6% against the US dollar over the month, increasing the value of the Fund's US-dollar denominated positions.

Markets lurched upwards ahead of the U.S. elections with little reaction to escalating conflict in the Middle East. Much of the October gains occurred before earnings. Companies began reporting in the back half of the month, and results were generally strong. However, market expectations are also relatively high and share price movements have been mixed.

The largest contributor to the Fund was **Taiwan Semiconductor Manufacturing (+1.7%)** which reported a beat on the top and bottom line. The company points to continued demand for the fabrication of Artificial Intelligence (AI) server chips, which are expected to represent a mid-teen % of total 2024 revenue. The fabrication demand for most end markets has yet to inflect. This includes chips for PCs and smartphones. A cyclical recovery in these end markets would push TSMC into an even stronger position.

Netflix (+0.8%) was the second largest contributor, also surging after earnings. The company continues to add subscribers at a solid pace while increasing pricing, supporting double digit revenue growth. Management expects double digit revenue growth to persist through next year without material impact from the advertising business. The potential for the ad business to support similar growth beyond 2025 provides valuation comfort.

The third largest contributor was Japanese semiconductor testing equipment provider **Advantest (+0.5%)**. The company reported handy beats in all its segments.

The semiconductor testing equipment is split between Advantest and Teradyne (previously been a holding). The two companies serve different semiconductor end- customers. Advantest operates in datacentre chip companies such as Nvidia and **Advanced Micro Devices (-0.3%)** while Teradyne is more exposed to smartphones and PCs with customers like Apple. At this stage in the cycle, the increased demand for datacentre chips has made Advantest a more attractive investment.

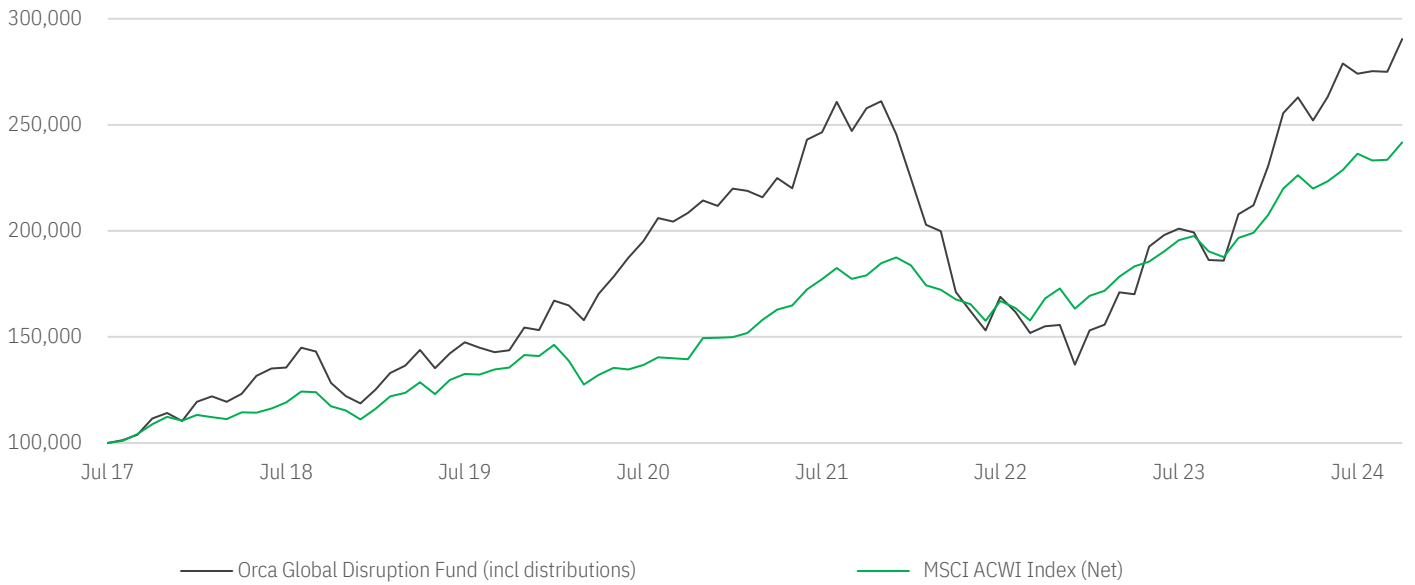
Alphabet (+0.4%) reported all-around strong earnings. The cloud business was a particular bright spot with subsequent earnings from **Microsoft (+0.1%)** and **Amazon (+0.3%)** echoing strong cloud growth. In Microsoft's case, the cloud was overshadowed by lower than expected revenue guidance, driven by weakness in business segments outside of AI.

Roku (-0.3%) was the largest detractor. During the quarter, Roku increased its monthly active users to 86 million, up +13% year-over-year. However, the revenue from advertising that these users imply is yet to flow through and management has been reticent to guide bullishly. Ultimately advertising dollars will follow eyeballs.

Advanced Micro Devices (AMD) also fell despite raising revenue guidance for its graphics processing unit (GPU) business. AMD GPUs are expected to bring in more than US\$ 5 billion in revenue this year, coming from a base of zero. However, this phenomenal rate of growth has been matched by a high rate of operating cost expansion. The company is not getting the leverage that investors may have hoped for – thus the shares sold down. Nevertheless, this quarter appears to be a turning point for AMD's cyclical segments, which have been a headwind to the secular AI story.

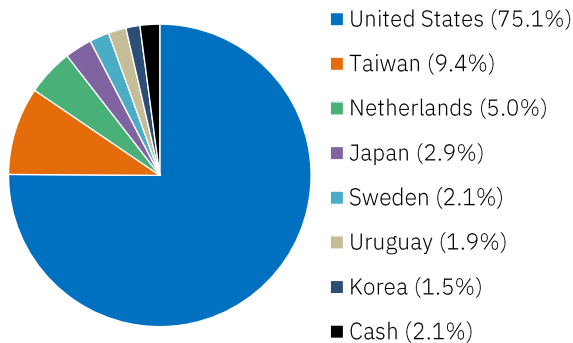
1. All returns are total returns, inclusive of reinvested distributions and net of fees and costs using net asset value per unit from inception to, and including, 31 January 2021 and exit unit price from this date. Past performance is not a reliable indicator of future performance. Inception 25 July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

FUND PERFORMANCE¹



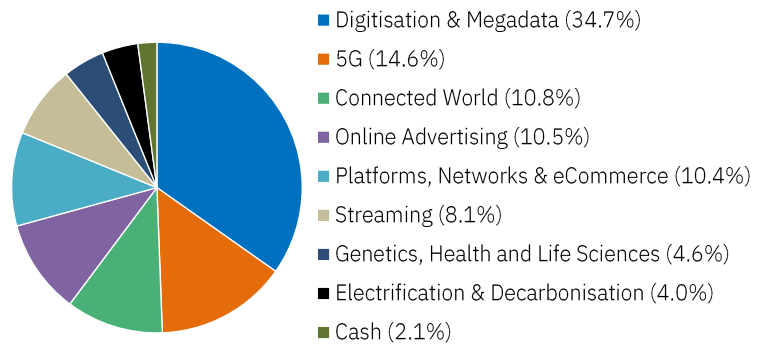
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GEOGRAPHIC EXPOSURE



Source: Bloomberg, Country of Domicile

THEMATIC EXPOSURE



Source: Investment Manager

TOP 10 FUND HOLDINGS AS AT 31 OCTOBER 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
On Semiconductor	Information Technology
Qualcomm	Information Technology
Salesforce	Information Technology
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 OCTOBER 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.



ON Semiconductor – founded in 1999 and headquartered in Scottsdale, Arizona, is a leading provider of semiconductor solutions. The company specializes in intelligent power and sensing technologies, offering products such as power management chips, sensors, and automotive-grade semiconductors. ON Semiconductor's key markets include automotive, industrial, and IoT, with a strong focus on applications like electric vehicles, advanced driver-assistance systems (ADAS), and energy-efficient power solutions.



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)



Salesforce – founded in 1999 and headquartered in San Francisco, California, is a leading cloud-based software company specializing in customer relationship management (CRM) solutions. Its key products include Sales Cloud, Service Cloud, Marketing Cloud, Commerce Cloud, and the Salesforce Platform, which collectively help businesses manage sales, customer service, marketing, and e-commerce operations. The company's comprehensive suite of applications enables organizations to connect with customers in innovative ways, driving growth and efficiency.



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

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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.