

# Orca Global Disruption Fund November 2024 Monthly



## FUND PERFORMANCE<sup>1</sup>

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	4.2%	10.0%	15.0%	45.6%	5.0%	14.4%	14.9%	16.2%
MSCI AC World Index (Net, AUD)	4.3%	8.1%	12.8%	28.2%	10.9%	12.3%	12.2%	13.3%
Excess Return	-0.1%	1.9%	2.1%	17.4%	-5.9%	2.1%	2.7%	2.9%

**Notes:** Data as at 30 November 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 29 November 2024: \$3.2916. Fund size: \$173.4 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 +4.2% net-of-fees in November, underperforming the MSCI All Countries World Index (in AUD) which rose +4.3%.

Market sentiment across November was dominated by the election of Donald Trump. Higher risk small cap names popped as did sectors considered insulated from the expected Trump tariffs. Of course, a rally in higher risk names is at odds with the inflationary pressures of tariffs and lower taxes, so conclusions are uncertain.

The best performing holdings in November are what the market might classify as Trump agnostic. **Netflix** (+1.1% contribution to return) was the top performer. The company is relatively tariff proof (no Chinese revenue and lacking tariff-able physical products) and a second order beneficiary of Trump's disdain for mainstream media. In terms of disruptive milestones, Netflix showcased its first venture into live sports streaming with the bout between Jake Paul and Mike Tyson. Other alternative streaming names: **Roku** (+0.2%) and **Spotify** (+0.5%) performed well, with the latter also delivering a strong earnings result.

Software performed strongly. With a cyclical recovery likely, and (in some cases) as beneficiaries of artificial intelligence, these are reasons to like the exposure. **Datadog** (+0.6% contribution to return), **GitLab** (+0.5%), **Salesforce** (+0.5%) and **Nutanix** (+0.2%) all contributed despite their relatively smaller weights in the portfolio.

**Amazon** (+0.7%) was the outlier, notching most of its performance before the election following a strong earnings result. After the election, the company traded sideways with the other big technology names: **Microsoft** (+0.2%), **Alphabet** (-0.1%) and **Meta** (+0.1%).

**Nvidia**, another of the Magnificent Seven, also traded sideways despite another beat and raise in earnings. The company is priced for excellence with little valuation safety.

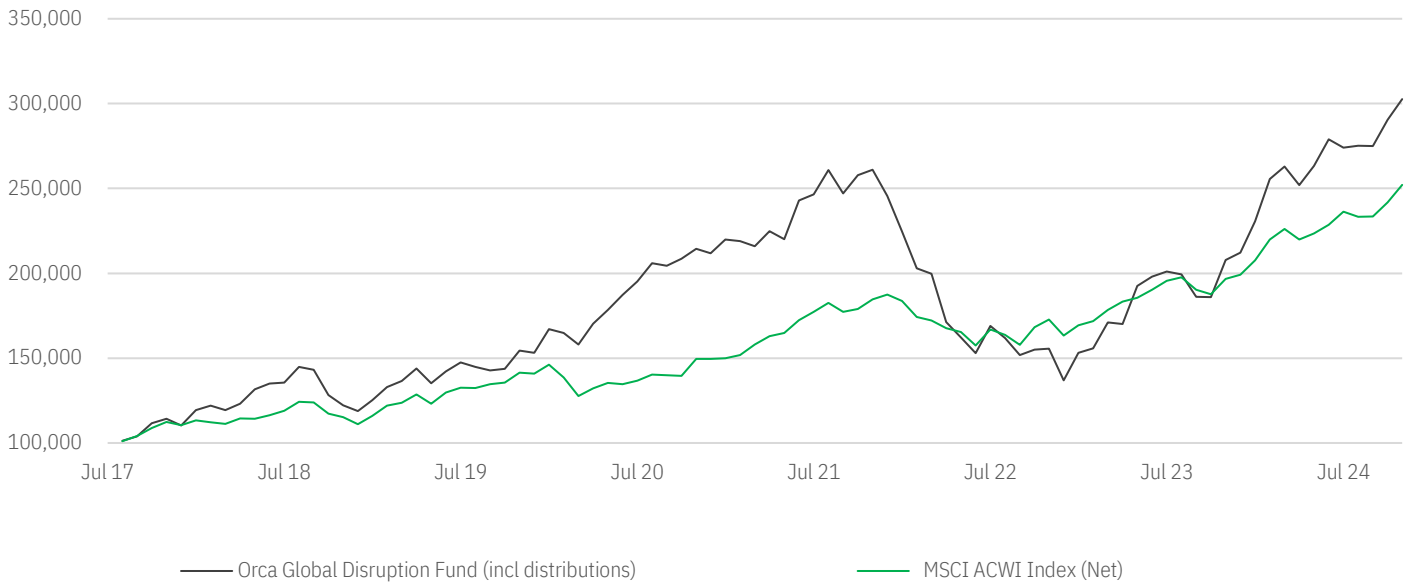
Semiconductor companies have underperformed since the election. A literal interpretation of Trump's tariff and Taiwan rhetoric would be bleak for chips. However, the application of such measures is not practical. **Taiwan Semiconductor Manufacturing** (-0.2%) has been pilloried for its purported "theft" of the U.S. chip industry. The suggestion of theft considers too narrowly the semi-conductor industry: it is so much more than fabrication. In fact, by most metrics, the U.S. chip has never been stronger. Case in point: **Nvidia** is the second largest company by market capitalisation in the world despite not fabricating its chips. **Nvidia** today is capitalised at ten times the size of **Intel** (one of the last U.S. chips fabricators) at its 2000 peak.

Trump has also threatened China with blanket tariffs, which would distress the semiconductor supply chain as well as the broader supply chain of electronic products. From raw materials to final assembly, the Chinese economy is intertwined with the physical products that use chips designed by U.S. companies with the Chinese government showing willingness to hit back at the U.S. by denying the export of rare earth metals. Very few modern-day products would be unaffected by blanket tariffs, however the market concern was focused on the semiconductors which traded slightly down in a month of strength for the broader market. In the portfolio, this was seen through **Advanced Micro Devices** (-0.2%) and **SK Hynix** (-0.2%).

**Qualcomm** (-0.2%) faced the same headwind in addition to concerns over its impending loss of the Apple modem business and fears of litigation with ARM. These risks are already priced while the disruptive opportunity is not, so offering upside.

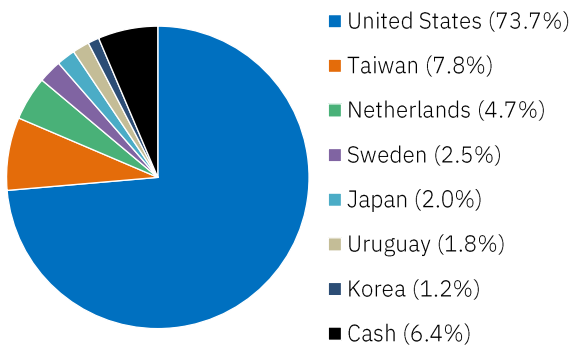
1. All returns are total returns, inclusive of reinvested distributions and net of fees and costs using net asset value per unit from inception to, and including, 31 January 2021 and exit unit price from this date. Past performance is not a reliable indicator of future performance. Inception 25 July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

## FUND PERFORMANCE<sup>1</sup>



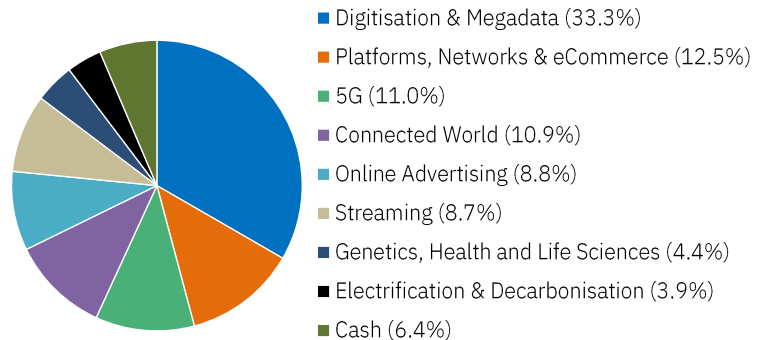
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## GEOGRAPHIC EXPOSURE



Source: Bloomberg, Country of Domicile

## THEMATIC EXPOSURE



Source: Investment Manager

## TOP 10 FUND HOLDINGS AS AT 30 NOVEMBER 2024

NAME	GICS SECTOR
Alphabet	Communication Services
Amazon.com	Consumer Discretionary
John Deere	Industrials
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 30 NOVEMBER 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.



**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.



JOHN DEERE

**John Deere** – founded in 1837 and headquartered in Moline, Illinois, is a global leader in manufacturing agricultural, construction, forestry, and turf care equipment. The company is renowned for integrating advanced technologies into its machinery, such as GPS-guided tractors, autonomous equipment, and precision farming tools. Through its John Deere Operations Center, a cloud-based platform, the company enables farmers to analyze data on soil, crop health, and equipment performance to optimize yields and reduce costs. Additionally, John Deere incorporates IoT, telematics, and AI-driven analytics in its products, allowing for real-time monitoring, predictive maintenance, and efficient resource management. Serving agriculture, construction, and forestry markets, the company empowers industries to enhance productivity and sustainability through cutting-edge innovation.



**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.