

Orca Global Disruption Fund January 2025 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	5.1%	15.0%	21.8%	44.8%	14.1%	14.8%	15.8%	17.4%
MSCI AC World Index (Net, AUD)	2.6%	9.9%	12.4%	28.0%	13.1%	12.7%	13.0%	13.8%
Excess Return	2.5%	5.0%	9.4%	16.8%	1.0%	2.2%	2.9%	3.6%

Notes: Data as at 31 January 2025 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 January 2025: \$3.6317. Fund size: \$190.0 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

The Orca Global Disruption Fund (Fund) rose +5.1% net-of-fees in January, outperforming the MSCI All Countries World Index (in AUD) which rose +2.6%.

The performance was struck against the backdrop of Donald Trump's market-moving comments on tariffs, the annexation of Canada and Greenland as well a demand that 2 million people from Gaza find alternative accommodation. It does appear that there will be tariffs on a number of products, such as steel, but this is not a certainty given the number of times tariff policy has been announced then reversed. Separately, a number of his pronouncements are now before various US courts, such as the decision to send three Venezuelan detainees to Guantanamo Bay.

The Fund has proceeded cautiously on developments such as these in the US, preferring to wait to see specific implementation detail before adjusting portfolio positions.

The bedrock of the Fund's investment philosophy is that disruption continues to roll through every element of global business. Just as it was the case that US national security issues underwrote the early sales of silicon chips in the 60's, so it is that the US government does not want to see the most advanced AI technology in the hands of adversaries. Loftus Peak does not invest in military materiel but has found a durable investment advantage in companies using cutting edge technology to advance their commercial interests in retail, publishing, logistics to name a few.

Trump was thus happy to coat-tail Stargate - a project in train for over a year - and squarely aimed at securing US dominance in AI. Stargate it appears intends to rack up US\$500 billion in build cost in the next four years.

This announcement as well as the impact of China's DeepSeek R1 AI model impacted returns for month with the beneficiaries being businesses that benefit from cheaper AI costs.

Thus, it was that **Qualcomm** (+0.8% contribution for the month) was the largest contributor, followed by **Meta** (+0.7%), **GitLab** (+0.6%) and **Netflix** (+0.5%). The market was willing to give more credit to stories involving AI models that most clearly benefit from DeepSeek's R1 model. Qualcomm's performance was aided by the expectation that smaller AI models will accelerate the pace at which these models are deployed locally on edge devices.

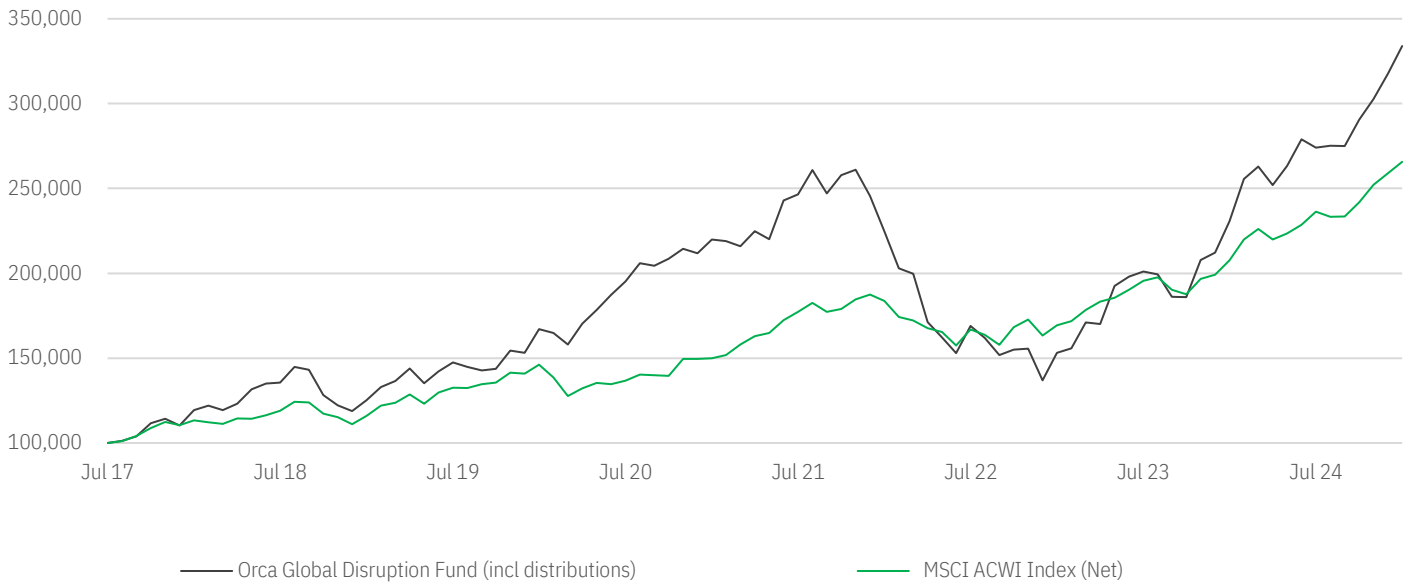
Meta reported relatively strong earnings and was also a beneficiary of the commoditised AI heralded by DeepSeek. Meta can integrate cheaper AI into their existing platforms to produce revenue growth in advertising at a lower cost. Additionally, the company maintains several revenue levers left to pull. This includes Twitter-alternative Threads, Meta's AI assistant and alternate reality glasses.

Netflix is firing on all cylinders, delivering record subscriber net adds of 18.9m in the quarter while raising its outlook for both revenues and margins.

Underperformers include **Broadcom** (-0.2%) and **Advantest** (-0.2%). Fears that DeepSeek trained such a competitive model on a relatively small amount of compute led markets to sell companies exposed to the buildout of AI infrastructure. These fears are likely misplaced. The hyperscalers arguably have the best visibility over the long-term AI opportunity; they continue to increase their investment. This outlook was also corroborated by **Taiwan Semiconductor Manufacturing** (+0.6%) which pointed to its AI revenues growing at compounded annual growth rate in the mid-forties over the next five years.

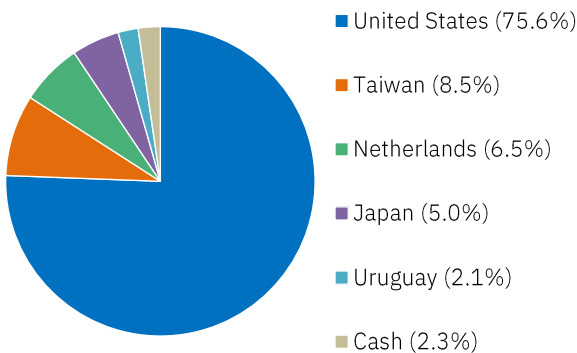
1. All returns are total returns, inclusive of reinvested distributions and net of fees and costs using net asset value per unit from inception to, and including, 31 January 2021 and exit unit price from this date. Past performance is not a reliable indicator of future performance. Inception 25 July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

FUND PERFORMANCE¹



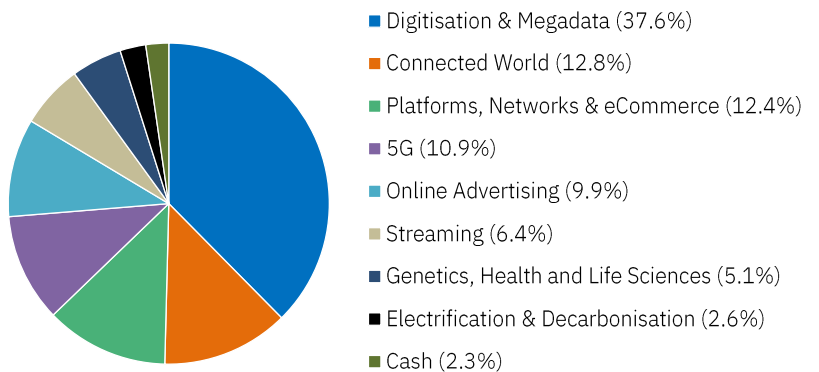
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GEOGRAPHIC EXPOSURE



Source: Bloomberg, Country of Domicile

THEMATIC EXPOSURE



Source: Investment Manager

TOP 10 FUND HOLDINGS AS AT 31 JANUARY 2025

NAME	GICS SECTOR
Alphabet	Communication Services
Amazon.com	Consumer Discretionary
Broadcom	Information Technology
John Deere	Industrials
Meta Platforms	Communication Services
Microsoft	Information Technology
Netflix	Communication Services
Qualcomm	Information Technology
TSMC	Information Technology
Uber	Industrials

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 [IMD](#) for further information.

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Orca Global Disruption Fund

TOP 10 HOLDINGS AS AT 31 JANUARY 2025



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.



Broadcom – is a leader in wireless, datacentre networking, AI chips, storage, and infrastructure silicon/hardware/software with broad-based exposure to positive trends in these end markets. Broadcom is a technology infrastructure powerhouse with semiconductor leadership positions in AI (#2 global AI semiconductor supplier), custom chip ASIC supplier, cloud datacentre/telco networking, wireless and enterprise storage.



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.



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)



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.



Uber – is a global technology company that revolutionized ride-hailing and expanded into mobility, delivery, and freight services. Its core platform connects riders with drivers through its app, offering services such as UberX, Uber Comfort, and Uber Black. Uber also operates Uber Eats, a food delivery service, and Uber Freight, a digital platform that connects shippers and carriers for logistics solutions. The company leverages AI, real-time data analytics, and dynamic pricing to optimize driver-rider matching, route efficiency, and demand forecasting. Uber continues to expand its offerings, including autonomous vehicles and electric micromobility solutions.

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.