

# Orca Global Disruption Fund February 2025 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	-5.1%	4.7%	15.1%	24.0%	16.0%	14.0%	14.6%	16.4%
MSCI AC World Index (Net, AUD)	-0.3%	5.1%	13.6%	20.5%	15.0%	13.8%	13.1%	13.6%
Excess Return	-4.8%	-0.4%	1.5%	3.5%	1.0%	0.1%	1.5%	2.7%

**Notes:** Data as at 28 February 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 28 February 2025: \$3.4449, Fund size: \$179.0 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) dropped -5.1% net-of-fees in February, underperforming the MSCI All Countries World Index (in AUD) which fell -0.3%.

As we noted in last month's [Insight](#), some of this poor performance is a factor of the uncertain policy coming out of the White House - investors withdraw when uncertainty increases, and we have weathered considerable uncertainty in the past few weeks. Notably, the CEO's of the big three US car companies (Ford, GM and Stellantis, the maker of Dodge and Chrysler) complained directly to Trump about the rapid changes in tariff policy, with at least one saying it could cause significant harm to the companies. Encouragingly, Trump repealed those tariffs, but the stock market has remained unconvinced, and so has fallen.

These abrupt shifts are not necessarily bad - they provide important buying opportunities for the portfolios managed by Loftus Peak. When lower stock prices allow entry into quality companies with strong cashflows and balance sheets, it has in the past turned out well for investors.

The biggest positions, those companies which we believe have the best return for the lowest risk, underperformed the most. For example, **Taiwan Semiconductor Manufacturing Company** generated -1.2% of the Fund's negative performance, with **Qualcomm** only just better with a -0.7% detractor. A number of the Magnificent Seven constituents also featured negatively, with Fund holdings in **Amazon**, **Alphabet**, **Meta** and **Microsoft** hit, for a combined negative contribution of -1.5% for the month.

What ties all these names together is their reliance on AI to provide the next level of growth. **Nvidia's** earnings report at the end of February, while well received, arrived against a backdrop of these White House policy shifts.

Obviously, with some US\$300b to be invested in AI capacity by these big names, investors became increasingly nervous.

Results were better outside the big names and where there is an easily understood narrative. For example, **Uber** performed well (+0.4%) with solid contributions from **Eli Lilly** (+0.4%) and Latin American e-commerce player **MercadoLibre** (+0.2%).

In Uber's case, there has been nervousness about the possibility of a driverless car fleet disrupting its business model. More likely is that the driverless fleet would need to be one of the many services already offered by Uber. Otherwise any such fleet would need to be big enough to provide city-by-city competition to Uber at a fleet size which would need to be large enough to ensure ride certainty for users and commercial viability for the provider. The capital involved in doing this would itself be large – even 10k cars would be a cash cost of \$300m, and this would be in just one city. We are seeing this play out with Google's Waymo selectively selling its rideshare inventory through Uber. Up until now, autonomy has been a two-horse race between Waymo and Tesla.

This would obviously be bad for an aggregator like Uber which thrives in a market of fragmented supply. So it was that BYD's entry to the advanced-driver-assistance/autonomy space by way of its free 'God's Eye' offering (vs Tesla's \$10,000 FSD) provided a data point in favour of a more competitive market in the supply of autonomous vehicle solutions.

Eli Lilly was strong on the back of a series of developments, including the building of 3 new plants to service demand for its obesity medications. The company also announced it was seeking FDA approval as early as 2026 for the oral version of its obesity drug Orfogliperon. The oral version may be preferred relative to its weekly injectable drug Mounjaro, for which approval has also been granted against sleep apnoea and in certain cases heart conditions.

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 UPDATE CONT'D

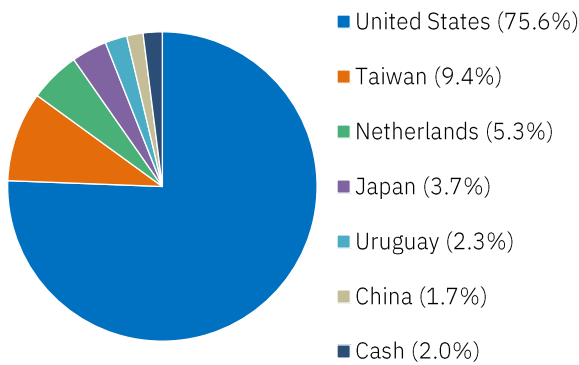
**Nutanix** was a bright spot and one of the only higher growth companies in the Fund that outperformed for the month, adding +0.2% to Fund value. The company provides software that enables enterprise customers to operate their digital infrastructure virtually across on-premises IT environments as well as private and public cloud. Nutanix reported a great set of earnings at the end of February, increasing its full fiscal year revenue guidance as it executes on an opportunity to move upmarket.

## TOP 10 FUND HOLDINGS AS AT 28 FEBRUARY 2025

NAME	GICS SECTOR
Advantest	Information Technology
Amazon.com	Consumer Discretionary
Broadcom	Information Technology
Meta Platforms	Communication Services
Microsoft	Information Technology
Netflix	Communication Services
Nvidia	Information Technology
NXP Semiconductors	Information Technology
Qualcomm	Information Technology
TSMC	Information Technology

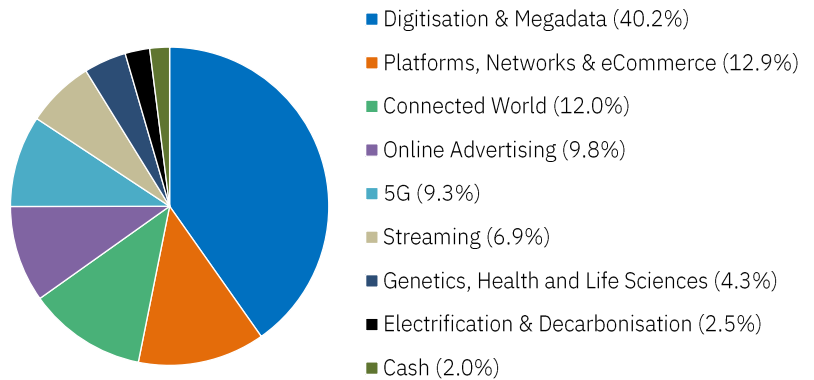
This fund is appropriate for investors with a "High" risk and return profile. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a long investment timeframe. Investors should refer to the [TMD](#) for further information.

## GEOGRAPHIC EXPOSURE



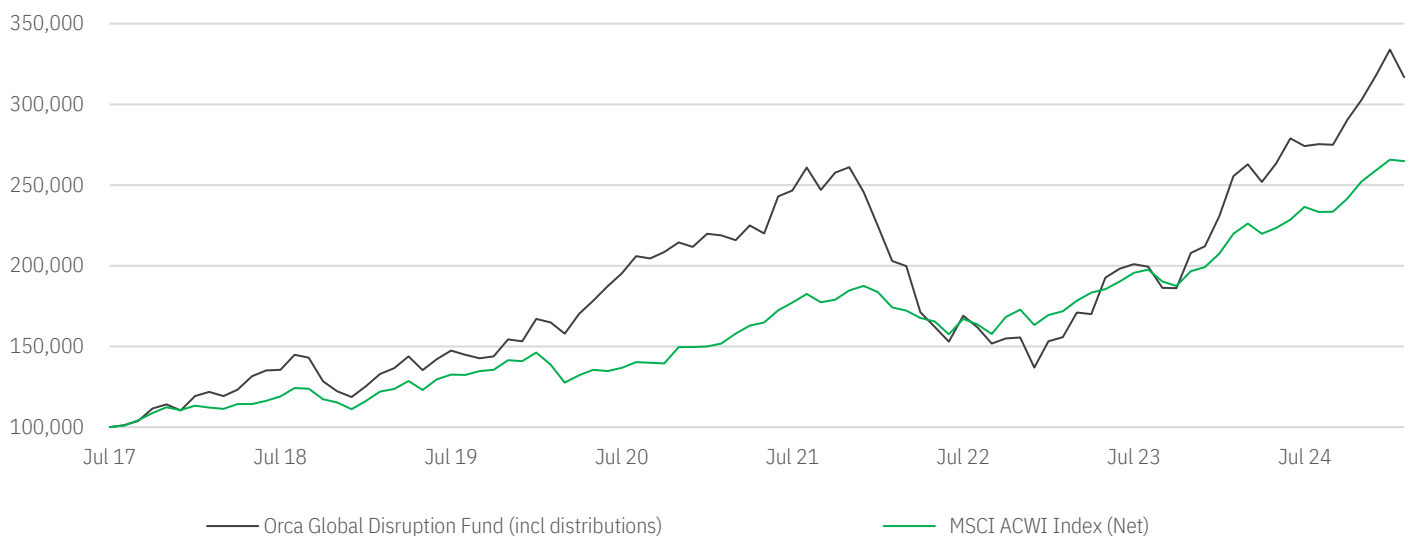
Source: Bloomberg, Country of Domicile

## THEMATIC EXPOSURE



Source: Investment Manager

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



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# Orca Global Disruption Fund

TOP 10 HOLDINGS AS AT 28 FEBRUARY 2025

## ADVANTEST

**Advantest** – founded in 1954 and headquartered in Tokyo, Japan, is a global leader in semiconductor testing equipment. The company provides automated test equipment (ATE) for logic and memory chips used in AI, 5G, automotive, and consumer electronics applications. Advantest’s solutions help semiconductor manufacturers ensure chip performance, quality, and reliability before deployment. With increasing demand for AI and high-performance computing, Advantest plays a key role in supporting the semiconductor industry’s innovation and production efficiency.



**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.



**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.



**Nvidia** – founded in 1993 and headquartered in Santa Clara, California, is a leading technology company specializing in graphics processing units (GPUs) and artificial intelligence (AI). Originally known for its dominance in gaming GPUs, Nvidia has expanded into AI, data centers, autonomous vehicles, and professional visualization. Nvidia’s AI and deep learning technologies power industries ranging from healthcare to robotics, enabling breakthroughs in generative AI and high-performance computing. With its continuous innovation in AI chips and software ecosystems like CUDA, Nvidia remains at the forefront of the AI and semiconductor industries.



**NXP Semiconductors** – founded in 1953 and headquartered in Eindhoven, Netherlands, is a leading global semiconductor company specializing in secure connectivity solutions. It provides chips for automotive, industrial, mobile, and IoT applications, with a strong focus on automotive processors, including advanced driver-assistance systems (ADAS) and electrification. NXP’s key products include microcontrollers, radio frequency (RF) solutions, and secure identification technologies used in payment systems and smart devices. The company plays a crucial role in enabling next-generation automotive, connected devices, and industrial automation through its high-performance and secure semiconductor 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)



**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

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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.