



INVESTMENT OBJECTIVE

To provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

PORTFOLIO UPDATE

The Orca Global Disruption Fund (Fund) returned -4.2%¹ in Australian dollar (AUD) terms (-6.2% in US dollar (USD)), compared to the broader MSCI AC World Index -2.0%. Since inception the Fund has returned +9.9%¹ p.a. compared to the market +10.1% p.a.

Markets initially rose in August, before selling off after US Federal Reserve (Fed) Chair Jerome Powell emphasised the Fed's commitment to fighting inflation as its main priority and highlighted the need to continue raising rates despite rising pressures on households and businesses. Growth assets were sold off with the MSCI World Growth Index -3.6% underperforming the MSCI World Value Index -1.3%.

The Fund's best contributors for the month were **Snowflake** (+22.8%), **PayPal** (+9.8%) and **Palo Alto Networks** (+13.5%). Weaker contributors were **Microsoft** (-5.1%), **ASML** (-13.1%) and **Salesforce** (-13.7%).

Snowflake (+22.8%) the cloud data platform and analytics company reported a strong result with revenues (+83%), operating margins (4%) and free cash flow margins (12%) ahead of expectations. Guidance for FY23 was raised ahead of market expectations assuming revenues grow +67% to +68% with free cash flow margins of 17%.

Cybersecurity company, **Palo Alto Networks** (+13.5%) reported a standout result with billings +44% (mid-high 30's normalised), revenues +27% and free cash flow +62%. Guidance for FY23 was initiated ahead of market expectations assuming billings +21%, revenues +25% with free cash flow margins expanding to 33.5% to 34.5%. The strong demand for cybersecurity was also highlighted by CrowdStrike's results with revenue (+58%) and free cash flow (+85%) growth ahead of expectations and the company raising its FY23 outlook.

ASML (-13.1%) declined on broader semiconductor sector weakness (SOX Index -9.8%) following a strong rebound in July and increasing signs of softer demand across the sector particularly from consumer end-markets (e.g. laptop, smartphones).

Salesforce (-13.7%) reported a mixed result with revenues +22% (+26% on constant currency) and operating margins 19.9% both ahead of expectations. Guidance for FY23 was lowered with revenues expected to grow +17% (from 20%) given stronger FX headwinds and more measured customer buying behaviour since July.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

This fund is appropriate for investors with "High" and "Very High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the **TMD** for further information.

Unit price (Exit)	Fund size	Historical (12-month) distribution yield ²	Performance since inception (25 July 2017) ¹
\$2.0785	\$163.5 million	4.80%	9.9%

FUND PERFORMANCE¹

	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	-4.2%	-0.2%	-20.2%	-37.9%	-11.4%	3.8%	9.8%	9.9%
MSCI AC World Index (Net, AUD)	-2.0%	-1.1%	-6.1%	-10.3%	8.0%	7.3%	10.1%	10.1%
Excess Return	-2.2%	0.9%	-14.1%	-27.6%	-19.4%	-3.6%	-0.3%	-0.2%

Note: Numbers may not sum due to rounding. Past performance is not a reliable indicator of future performance.

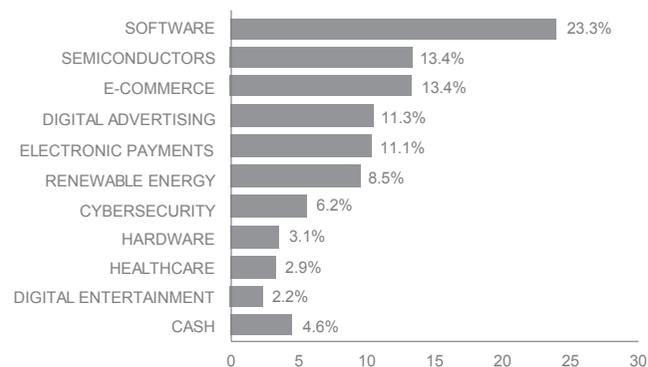
TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	PayPal Holdings Inc
Amazon.com Inc	Salesforce.com Inc
ASML Holding	ServiceNow
CrowdStrike	Tesla
Microsoft Corp	TSMC

PERFORMANCE CHART¹

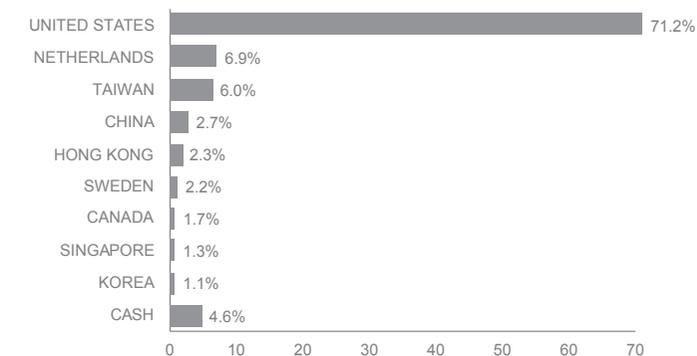


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 August 2022 unless stated. Numbers may not sum due to rounding.

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.

2. Distribution yield is a historical measure. There is no guarantee the Fund will meet its investment objective. The payment of a distribution is a goal of the Fund only and neither the Manager or the Responsible Entity provide any representations or warranty in relation to the payment of any semi-annual cash income. The Fund reserves the discretion to amend its distribution policy. Initial index value 10,000.

Index Source: Bloomberg.

ABOUT ORCA FUNDS MANAGEMENT

Orca Funds Management is the investment manager for the Orca Global Disruption Fund, Orca Asia Fund and the Orca Global Fund. The Orca Funds Management Investment Team has more than two decades of experience in managing global equities and fixed income funds. Orca Funds Management has an investment team of seven investment professionals who, as at 30 June 2022, collectively manage over \$450 million of funds.

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IMPORTANT INFORMATION

This report has been prepared and issued by Orca Funds Management Pty Limited (**Investment Manager**) (ACN 619 080 045, CAR No. 1255264), 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. For further information on the Fund please refer to the PDS and Target Market Determination which is available at orcafunds.com.au.

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