



## 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 -12.0% in AUD terms (-11.7% in USD), compared to the broader MSCI AC World Index -5.5% (-5.2% in USD). Since inception the Fund has returned +5.9% p.a. compared to the market +9.4% p.a.

Global equity markets came under pressure in December on rising concerns of an economic recession and the impact on global growth and earnings. Economic data continued to support moderating inflation trends. In line with market expectations, the US Federal Reserve (**Fed**) eased the pace of rate hikes (+50bps in December) but indicated there would be further increases and that rates would stay higher for longer. Technology and growth continued to underperform the broader market with the NASDAQ Composite Index (-10.1%) and Russell 1000 Growth Index (-9.1%).

The Fund's top contributors for the month were **Snowflake** (-1.1%), **Spotify** (-2.2%) and **Intuitive Surgical** (-1.9%). Weaker contributors were **Amazon** (-14.1%), **Alphabet** (-13.7%) and **Tesla** (-37.5%).

**Intuitive Surgical** continues to outperform following a positive Q3 result and Q4 guidance in October. Underlying Q4 invasive surgery using robotic procedures (i.e. da Vinci) trends continue to be positive and the company has seen a number of market consensus earnings and price target upgrades.

Given the economic uncertainty, **Amazon** is streamlining its cost structure, indicating it was going to lay off thousands of employees (confirmed to be 18k in Jan) mainly across its corporate divisions. Alphabet fell with the broader market sell-off and following the launch of OpenAI's ChatGPT (Artificial Intelligence ChatBot) which could increase competition to Google search in the future.

**Tesla** (-37.5%) remained under pressure following news that Elon Musk sold US\$3.6bn of Tesla shares and concerns over end market demand due to the uncertain macro-economic environment. In early January, Tesla reported 4Q deliveries of 405k (+31% growth) lower than market expectations of 418k despite price discounting in December.

## 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 <sup>2</sup>	Performance since inception (25 July 2017) <sup>1</sup>
<b>\$1.7579</b>	<b>\$128.2 million</b>	<b>5.70%</b>	<b>5.9%</b>

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

	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	-12.0%	-9.9%	-10.6%	-44.3%	-19.6%	-3.7%	4.4%	5.9%
MSCI AC World Index (Net, AUD)	-5.5%	3.5%	3.7%	-12.9%	4.5%	5.0%	8.1%	9.4%
Excess Return	-6.6%	-13.4%	-14.2%	-31.4%	-24.1%	-8.7%	-3.7%	-3.4%

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

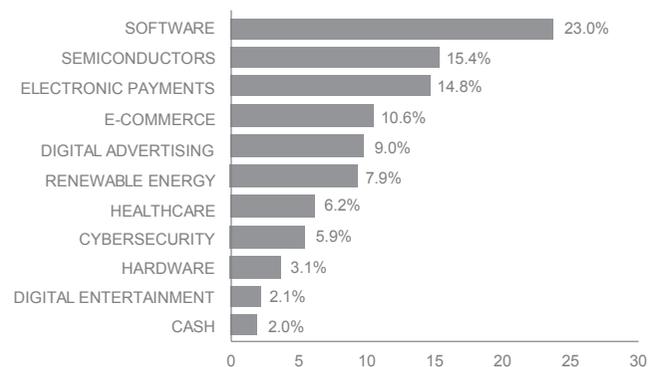
## TOP 10 PORTFOLIO HOLDINGS

Adyen	Microsoft Corp
Alphabet Inc	Palo Alto Networks
Amazon.com Inc	ServiceNow
ASML Holding	Tesla
Mastercard Inc	TSMC

## PERFORMANCE CHART<sup>1</sup>

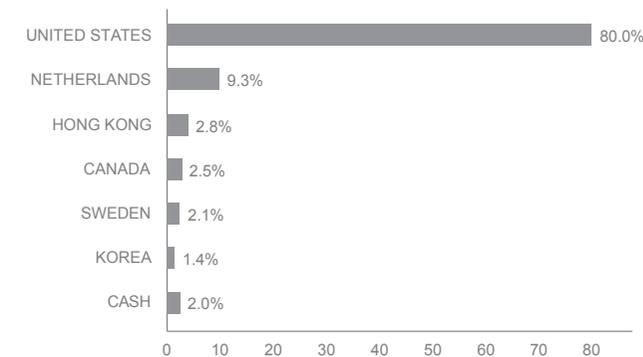


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 December 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.

Chart data range: 25 July 2017 to 31 December 2022. 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 four investment professionals who, as at 31 December 2022, collectively manage over \$360 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](http://orcafunds.com.au).

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