



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 +10.4%¹ in Australian dollar (AUD) terms (+12.0% in US dollar (USD)), compared to the broader MSCI AC World Index +6.0%. Since inception the Fund has returned +11.0% p.a.¹ compared to the market +10.7%.

Markets rebounded in July with a reversal in recent trends as growth sectors outperformed value. The US Federal Reserve hiked rates a further 75 basis points however, the market reacted positively to Chair Powell's comments that the pace of further rate hikes would likely slow. The market was also supported by a number of solid results from large technology companies.

The Fund's strongest contributors for the month were **Amazon** (+25.2%), **Tesla** (+30.5%) and **ASML** (+19.0%). Weaker contributors were **Techtronic** (-4.8%), **Tencent** (-14.7%) and **ServiceNow** (-7.4%).

Amazon (+25.2%) beat expectations with June quarter revenues +7.2% and operating income of \$3.3bn, both ahead of guidance. Amazon's retail business is regaining momentum as comps ease and the company makes progress on costs, while the cloud business performed strongly (AWS revenues +33%). Management guided to an acceleration in September quarter revenues to +13 to +17%.

Tesla (+30.5%) delivered a good June quarter result with revenues +42% while EBIT margins were above market estimates despite production headwinds from the temporary shutdown of its Shanghai Gigafactory during the COVID outbreak. Demand for Tesla's electric vehicles remains well above supply and management guided to FY22 delivery growth of +50%.

ASML (+19.0%) reported a strong result with revenues +35% ahead of expectations, operating margins of 30.3% and EPS +40%. Management lowered FY22 revenue guidance to +10% (from +20%) and gross margins to 49-50% (from 52%) as supply chain constraints have led to some delayed revenue recognition of orders. However, given order book strength, management expects FY23 to be another growth year.

Tencent (-14.7%) weakened due to uncertainty over China's domestic economy recovery and following news that regulators moved to impose fines on several Chinese tech companies failing to comply with anti-monopoly laws. **Techtronic** (-4.8%) declined on shorter term concerns that a recession could impact consumer demand for battery powered tools.

ServiceNow (-7.4%) reported a solid quarterly result with revenues +25% (+29.5% in constant currency) and operating margins of 23% ahead of guidance. While demand for ServiceNow's workflow software remains strong, CEO Bill McDermott acknowledged that some sales cycles have lengthened.

In other results, both Microsoft and Alphabet delivered good results despite seeing some macroeconomic weakness in certain parts of their businesses.

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 |
|-------------------|------------------------|---|---|
| \$2.1698 | \$173.7 million | 4.6% | 11.0% |

FUND PERFORMANCE¹

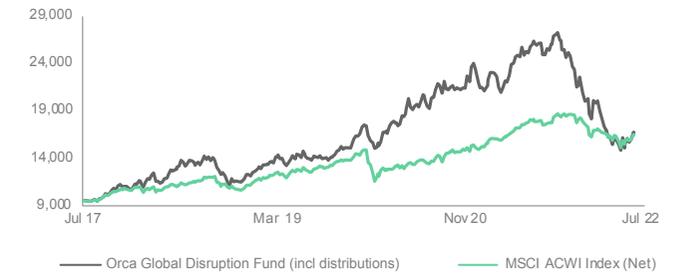
| | 1 Month | 3 Months | 6 Months | 1 Year | 2 Years (p.a.) | 3 Years (p.a.) | 5 Years (p.a.) | Since Inception (p.a.) |
|--------------------------------|---------|----------|----------|--------|----------------|----------------|----------------|------------------------|
| Orca Global Disruption Fund | 10.4% | -1.3% | -24.8% | -31.5% | -7.0% | 4.6% | 11.1% | 11.0% |
| MSCI AC World Index (Net, AUD) | 6.0% | -0.4% | -9.1% | -5.8% | 10.5% | 8.0% | 10.8% | 10.7% |
| Excess Return | 4.4% | -0.9% | -15.7% | -25.7% | -17.5% | -3.4% | 0.3% | 0.3% |

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

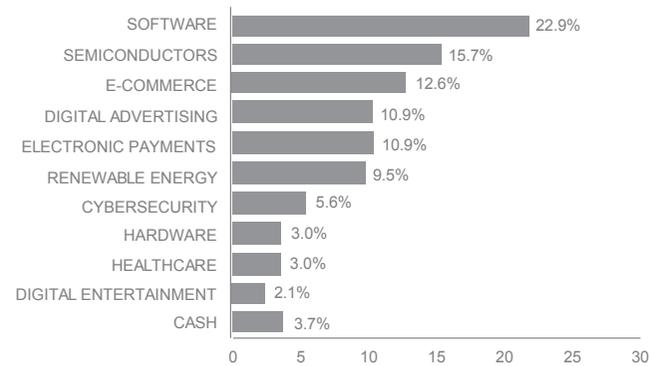
TOP 10 PORTFOLIO HOLDINGS

| | |
|----------------|--------------------|
| Alphabet Inc | NVIDIA Corp |
| Amazon.com Inc | Salesforce.com Inc |
| ASML Holding | ServiceNow |
| Crowdstrike | Tesla |
| Microsoft Corp | TSMC |

PERFORMANCE CHART¹

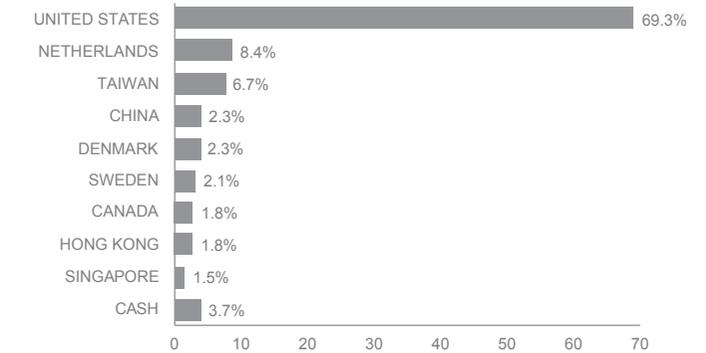


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 July 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 July 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 seven investment professionals who, as at 30 June 2022, collectively manage over \$453 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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