



## 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) +2.1%<sup>1</sup> in Australian dollar (AUD) terms, compared to the broader MSCI AC World Index (Index) +6.6%. Since inception the Fund has returned +8.7%<sup>1</sup> p.a. compared to the market +10.3% p.a.

Equity markets rebounded strongly in October led by value sectors (MSCI World Value Index +10.2%) which continued to outperform growth (MSCI World Growth Index +5.1%). September quarter reporting season commenced with mixed results from mega cap technology companies (e.g. Amazon, Microsoft, Alphabet) – while results and operational trends were robust, outlook statements suggest that near term revenue growth will moderate and margins will come under pressure due to macro related weakness and increasing currency headwinds. There is nothing to suggest that near term issues are structural, and we believe the long-term secular drivers remain in place and their competitive positions likely to strengthen in an economic recession.

The Fund's best contributors for the month were **Salesforce (+13.7%)**, **ServiceNow (+12.1%)** and **Mastercard (+16.3%)**. Weaker contributors were **Tencent (-22.4%)**, **Tesla (-13.7%)** and **Amazon (-8.8%)**.

**ServiceNow (+13.7%)** reported a strong result with subscription revenue growth (+28.5% on a constant currency basis (CC) remaining strong despite market fears of a macro driven demand slowdown. FY22 guidance for subscription revenues was raised 50 basis points to (+28.5%) while operating margins of 25% were reiterated.

**Mastercard (+16.3%)** reported strong September quarter results with revenues growing +23%, operating income +27% and EPS +22% (CC). For the December quarter the company expects to grow at high mid-teens (CC).

**Salesforce (+13.7%)** rose following news that activist investor Starboard Value had taken a stake in the company.

**Tesla (-13.7%)** reported a mixed result with revenues +56% (slightly below expectations) and EPS (above expectations). For FY22 while Tesla expects to grow production by +50%, deliveries growth will likely be below this given logistic challenges to deliver these vehicles to customers by year end.

**Amazon (-8.8%)** reported a mixed result with quarterly revenues +19% (CC) while operating income was in-line with guidance declining 57%. Management guided next quarter revenue growth to decelerate (+7% to +12% CC) with operating income \$0 to \$4bn, below market expectations.

Other key fund holdings to report during the month included solid September quarter results from Apple, Microsoft and TSMC. Alphabet reported a mixed result with revenue growth and operating margins below market expectations.

## 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>\$1.9909</b>	<b>\$151.8 million</b>	<b>5.00%</b>	<b>8.7%</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	2.1%	-8.2%	-9.5%	-39.9%	-13.8%	2.5%	6.8%	8.7%
MSCI AC World Index (Net, AUD)	6.6%	0.8%	0.3%	-6.0%	9.8%	7.5%	9.1%	10.3%
Excess Return	-4.5%	-9.0%	-9.8%	-33.9%	-23.6%	-4.9%	-2.3%	-1.6%

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

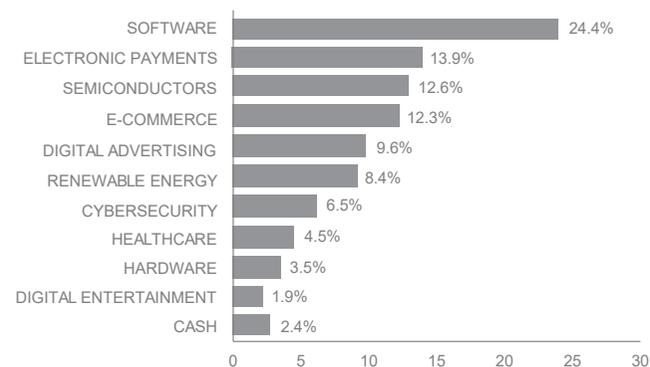
## TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	Microsoft Corp
Amazon.com Inc	Salesforce.com Inc
ASML Holding	ServiceNow
Crowdstrike	Tesla
Mastercard Inc	TSMC

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

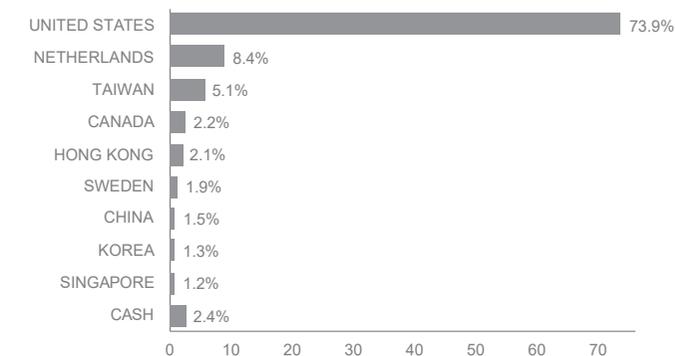


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 October 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 October 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 \$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](http://orcafunds.com.au).

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