Orca Global Disruption Fund March 2025 Quarterly

FUND PERFORMANCE[1]

Fund performance	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	-8.9%	5.3%	10.1%	13.2%	12.9%	13.5%	14.8%
MSCI AC World Index (Net, AUD)	-2.0%	8.8%	12.2%	13.8%	14.8%	12.5%	12.8%
Excess Return	-6.9%	-3.5%	-2.1%	-0.6%	-1.9%	1.0%	2.0%

Notes: Data as at 31 March 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 31 March 2025: $ 3.1489. Fund size: $ 162.1 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.

MARKET COMMENTARY

For the March quarter, the Orca Global Disruption Fund (Fund) returned -8.9%, compared with the MSCI All Countries World Index (Index) which returned -2.0%. Since inception, the Fund is up +14.8% p.a. vs the Index +12.8% p.a.

US equities underwent a sharp correction starting more or less as soon as Trump took office in late January. Markets were riding high following his election. Trump was heralded as a pro-business candidate bringing tax cuts and deregulation. His protectionist rhetoric was seen as more of a talking point given the lack of concrete or credible policy.

However, markets started to weaken following the release of China's DeepSeekR1 AI model which demonstrated meaningful innovations relative to its US peers. Fears emerged that DeepSeek had trained a competitive model on a relatively small amount of compute and this led to a broad sell-off in companies exposed to the buildout of AI infrastructure.

Then came Trump. Fears of tariffs drove markets down - heightening concerns of renewed inflation and economic downturn. Trump's detail-light style of announcement added to the uncertainty.

FUND UPDATE

For the quarter, the strongest contributors to performance were Uber (+21.2%), Deere (+13.2%) and Halozyme (+26.2%). Holdings that underperformed were TSMC (-16.1%), Broadcom (-28.0%) and ON Semiconductor (-32.3%).

Uber was the best performer during the month. It reported strong results and recovered from a selloff in December. There has been nervousness about the possibility of a driverless car fleet disrupting its business model.

In our view, 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 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 is estimated to be for just one city. We are seeing this play out with Google's Waymo selectively selling rideshare inventory through Uber.

John Deere was the second best performer. For several quarters, the company has been facing a cyclical downturn in agricultural equipment demand. Even though the company fell short of calling a cyclical bottom on the earnings call, investors are becoming increasingly confident that they will soon and are buying in nonetheless. Due to the increasing computational capability of each tractor, Deere's business model has changed since its last cyclical downturn. Combined with disciplined spending has kept margins significantly higher than the last cyclical downturn, positioning the company strongly for when topline begins to grow once again.

Halozyme performed strongly after it raised its five-year guidance again. Halozyme's long term revenue is tied to the royalty rate it gets from partnered blockbuster drugs. As expectations for these blockbusters increase, which is expressed in the guidance of the partnered big pharma companies, Halozyme can also increase its guidance. During the quarter, the company began litigation with Merck over the sub cutaneous Keytruda. The risk of this legal dispute for Halozyme skews to the upside with Halozyme potentially taking a royalty out of the world's largest drug by revenue.

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 - CONTINUED

Despite reporting strong results, TSMC and Broadcom were impacted by a broad sell- off in companies exposed to the buildout of AI infrastructure following the release of the DeepSeek model. In our view, these fears are likely misplaced. Some of DeepSeek's innovations will be replicated by other AI models and this in turn will help lower the cost to access these models. We believe this will drive greater AI adoption and ultimately more demand for AI chips. TSMC, who has the best view on client demand, believes that its AI revenues grow at a compounded annual growth rate in the mid-forties over the next five years.

ON Semiconductor was sold off following a weak quarterly result driven by a slowdown in demand across its automotive and industrial end markets and pressure in its non- core business.

FUND CHANGES

During the quarter, we have been lowering the Fund's exposure to companies with cyclical exposure which are more likely to be impacted by tariffs. We have increased our allocation to areas which have been sold off and where valuations have become more attractive: (1) AI exposed names where we believe demand remains strong; and (2) software and cybersecurity, where we think tariffs will have a relatively lower impact.

Key additions to the Fund:

- ServiceNow: Re-entered as the valuation became more attractive following a decline in the share price due to the broader market selloff and concerns around government seats being cut through DOGE. The company remains amongst the highest quality and nearest term AI beneficiaries in software. US government exposure is concentrated in critical departments like defense where we expect fewer headcount cuts.
- CrowdStrike / Palo Alto Networks: Re-entered given valuation upside due to the broader market selloff. We believe Cyber security companies like Palo Alto are towards the higher quality end of software. They are better positioned to travail macro uncertainty and are less likely to be under threat from government DOGE cuts.
- Adobe: Re-entered as the stock fell below our price target due to fears that the company will be disrupted by generative AI competitors. We believe that Adobe is actually well positioned to leverage generative AI across its product suite and offer this functionality across its existing workflow and large existing user base.
- Samsara: Samsara sells fleet management hardware and software that can be used to track fleets of machines like trucks. We entered as the stock fell below our price target due to the broader market sell off. We believe fleet optimisation is a disruptive cost out story and becomes more important as supply chains become more mutable and falling under increased pressure.
- Uber: Uber offers exposure into the disruptive efficiencies of networks. The company's share price has been pushed downwards by fears of competition from Tesla's autonomous vehicles. We believe autonomy is not a near term proposition (even if it were, Uber would still participate) and that in the meantime, Uber's cheap valuation makes a compelling investment.
- AstraZeneca: Re-entered given its defensive qualities and strong R&D pipeline. The existential risk of the Trump / RFK attitude towards pharma and patents has decreased.

The following stocks were sold from the Fund:

- GlobalFoundries: Exited the stock to reallocate away from tariff and macro exposed cyclical semiconductors. The company remains an important player in the fabrication of lagging edge semiconductors outside of Taiwan.
- Spotify: Exited the stock as the share price had exceeded our valuation. The investment thesis remains intact.
- ASML / Tokyo Electron: While the demand for AI remains strong, we exited the stocks due to uncertainty on the recovery in other parts of the semiconductor end markets and headwinds from reduced China spend. Both companies remain leading providers of critical semiconductor manufacturing equipment.
- ON: Exited the stock to reallocate away from tariff and macro exposed cyclical semiconductors. The company is also facing fiercer than expected competition from Chinese power semiconductor companies.
- NXPI: The NXPI investment thesis of cyclical recovery is still in play, however the near-term prospects have been pushed out by Trump's tariffs. Although valuations are still compelling, NXPI's key end markets are in industrial and automotive, both of which are facing significant near-term uncertainty.
- Nutanix: The investment remains intact: Nutanix is taking market share in the hybrid multi-cloud deployments. This area is vital long term, however recent cloud growth numbers have come in weaker than expected. The company has been sold in favour of software names that we believe are better able to rebound after the market downturn.
- John Deere: John Deere continues to disrupt agricultural equipment with autonomy, however the company is relatively exposed to tariffs. These tariff risks include imported farm inputs and raw material for building the tractors as well as reciprocal tariffs threatening US farmer exports. These issues extend the cyclical downturn in end demand, making further gains in the share price unlikely across the near term.
- Halozyme: Halozyme's sub-cutaneous reformulation thesis remains intact and the company is likely to continue winning partners. However the timeline is stochastic. The company has held up well during the recent downturn and has been re-invested into quality companies that have fallen significantly.

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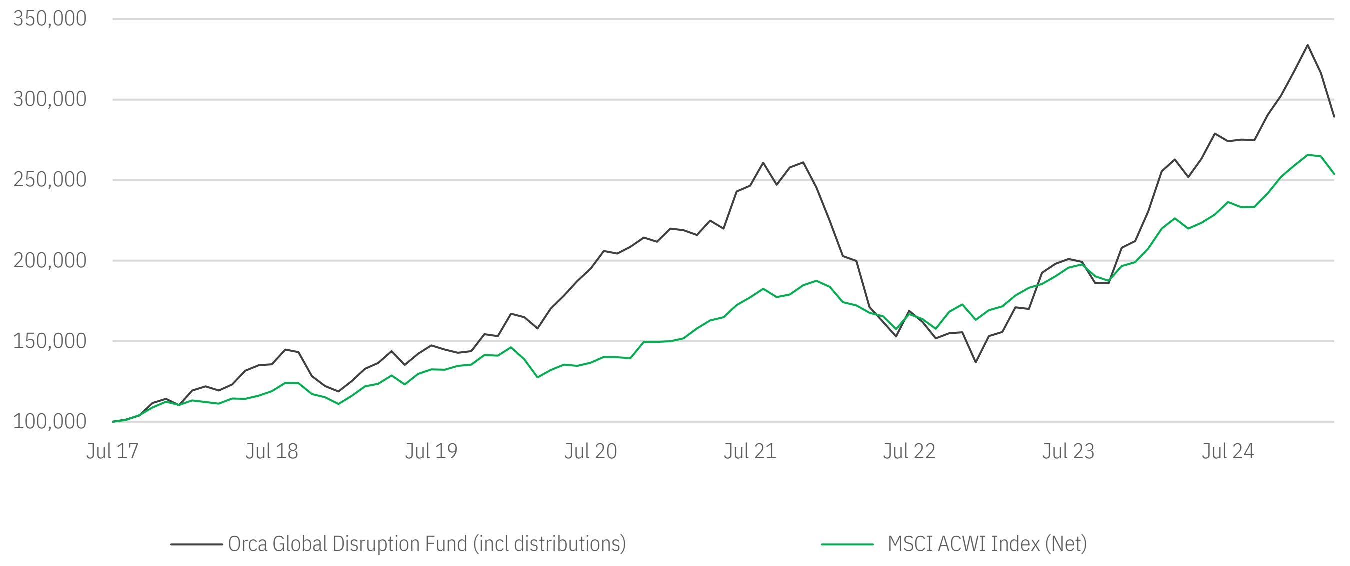

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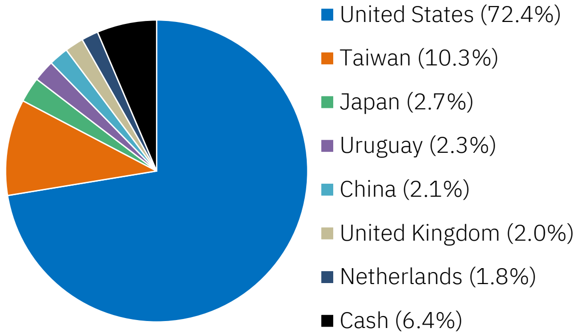
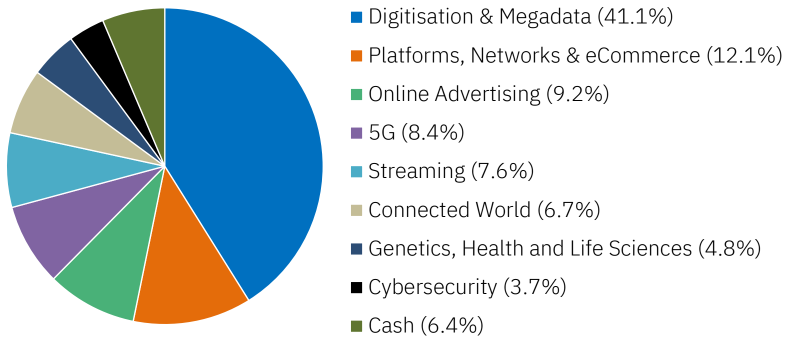
GEOGRAPHIC EXPOSURE



Source: Bloomberg, Country of Domicile

THEMATIC EXPOSURE



Source: Investment Manager, Bloomberg

TOP 10 FUND HOLDINGS AS AT 31 MARCH 2025

NAME	GICS SECTOR
Advanced Micro Devices	Information Technology
Amazon	Consumer Discretionary
Broadcom	Information Technology
Meta	Communication Services
Microsoft	Information Technology
Netflix	Communication Services
NVIDIA	Information Technology
Qualcomm	Information Technology
Taiwan Semiconductor	Information Technology
Uber	Industrials

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.

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Orca Global Disruption Fund

TOP 10 HOLDINGS AS AT 31 MARCH 2025

AMD	Advanced Micro Devices – is a high performance and adaptive computing leader, powering the products and services that help solve the world's most important challenges. Its technologies advance the future of the data center, embedded, gaming and PC markets. AMD was founded in 1969 by Jerry Sanders, a former executive at Fairchild Semiconductor Corporation, and seven other technology professionals.
amazon	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, while 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	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	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	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	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	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.
Qualcomm	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).
tsmc	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.
Uber	Uber – founded in 2009 and headquartered in San Francisco, California, is a global technology company that revolutionized ride-hailing and expanded into mobility, delivery, and freight services. Its core platform connects riders with drivers through its app, offering services such as UberX, Uber Comfort, and Uber Black. Uber also operates Uber Eats, a food delivery service, and Uber Freight, a digital platform that connects shippers and carriers for logistics solutions. The company leverages AI, real-time data analytics, and dynamic pricing to optimize driver-rider matching, route efficiency, and demand forecasting. Uber continues to expand its offerings, including autonomous vehicles and electric micromobility solutions.

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.