



INVESTMENT OBJECTIVE

To provide investors with attractive risk-adjusted returns over the long-term by investing in high quality companies in the Asia ex Japan region.

PORTFOLIO UPDATE

The Orca Asia Fund outperformed the benchmark MSCI Asia ex-Japan Index by 1.3%¹ in December. December was a marginally negative month for Asian markets, which declined -1.8%, with the Orca Asia Fund holding its capital value better than the market to return -0.4%¹ for the month and since inception. Asian markets were negatively impacted by falling global stock markets, but there were positive moves on speculation that China would relax COVID restrictions, opening up the economy. This led to China and Hong Kong markets rising by 4.3% and 4.9% respectively. The Orca Asia Fund is overweight both China and Hong Kong.

We view the current situation as a rare opportunity to gain exposure to Chinese stock markets at a significant discount. We have witnessed extremely strong returns in Chinese stock markets in recent years, offset by similar strong declines, due partly to the uncertain reading of the Chinese political climate from a Western perspective. Have no doubt that Chinese stock markets are higher risk compared to more established and open markets, but there may be high potential returns on offer for those with the risk appetite.

The best performing stocks for the Fund were Shenzhou (+24.5%), Tencent (+14.9%), and Moutai (+11.1%). These are all Chinese stocks that benefited from the anticipated Chinese economic rebound from re-opened economies.

The worst performers were Sea (-12.0%), LG Chemicals (-16.5%) and HCL (-9.9%). LG Chemicals is a leading battery manufacturer and was hit by a swing in market sentiment against Tesla, and evidence that Chinese manufacturers are taking market share. Sea is a pan-Asian online consumer company, which announced a reduction in their ambitions as they have been hit by a post-COVID market backlash against online firms. HCL is a leading Indian IT Services provider which has been a strong outperformer for the Fund, but the valuation has come off with global economic concerns.

Investors should be aware that the Fund announced a wind-up in December, and will continue to be fully invested until February. The Fund has returned investors a positive return since inception, and outperformed the benchmark over that period, while targeting a portfolio of stocks that provided a lower risk level than the market. We thank all investors for their support.

PORTFOLIO MANAGERS



Ted Alexander
Portfolio Manager

| Unit price (Exit) | Fund size | 12-month distribution yield (target: 4%) ² | Performance since inception (14 May 2018) ¹ |
|-------------------|-----------------------|---|--|
| \$1.1694 | \$45.6 million | 2.4% | 2.0% |

FUND PERFORMANCE¹

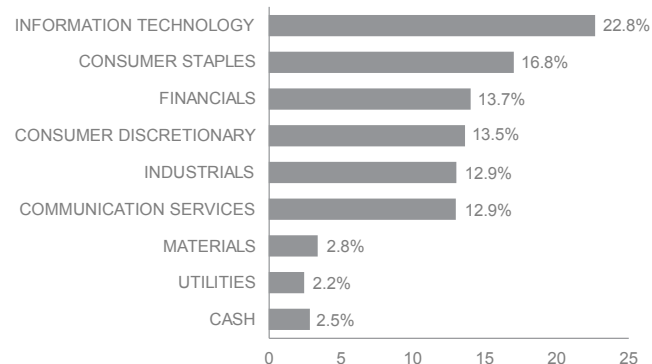
| | 1 Month | 3 Months | 6 Months | 1 Year | 2 Years (p.a.) | 3 Years (p.a.) | Since Inception (p.a.) |
|-------------------------------------|---------|----------|----------|--------|----------------|----------------|------------------------|
| Orca Asia Fund | -0.4% | 6.3% | -1.8% | -15.6% | -5.6% | -1.0% | 2.0% |
| MSCI Asia ex Japan Index (Net, AUD) | -1.8% | 5.0% | -2.7% | -14.3% | -7.1% | -0.5% | 0.9% |
| Excess Return | 1.3% | 1.3% | 0.9% | -1.3% | 1.5% | -0.6% | 1.1% |

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

TOP 10 PORTFOLIO HOLDINGS

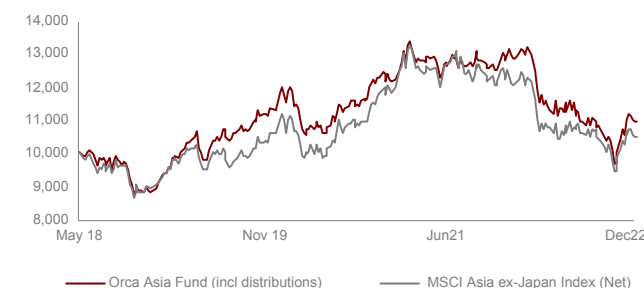
| | |
|------------------------|--------------------------------|
| Alibaba | Techtronic |
| CP ALL | Tencent |
| HCL Technologies | TSMC |
| Ping An Insurance | Uni-President Enterprises Corp |
| Shenzhou International | United Overseas Bank |

SECTOR EXPOSURE

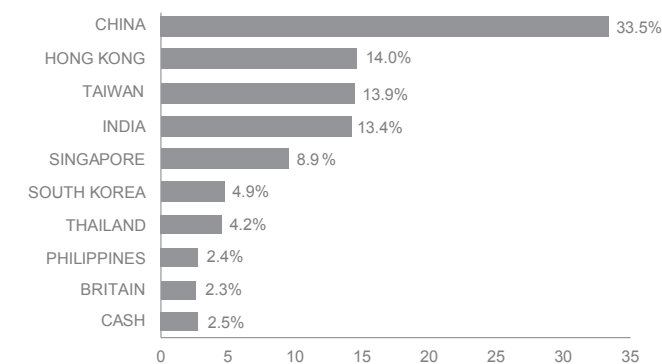


Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



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 14 May 2018. Chart data range: 14 May 2018 to 31 December 2022. 2. Distribution yield is a historical measure. The Fund has a target distribution yield of 4%. There is no guarantee the Fund will meet its investment objective. The payment of a semi-annual 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 Asia Fund (**Fund**) (ARSN 624 216 404). 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 orcalfunds.com.au.

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