



## 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 MSCI Asia ex Japan Index (Index) was down 5.6% in Australian dollar (AUD) terms in October. Asian markets failed to participate in the global market recovery as the mounting selling pressure on Chinese equities dragged down overall Asia regional markets.

China (-16.4%) and Hong Kong (-11.7%) were the worst performing markets during the month. China's stubborn COVID zero policy has gradually erased confidence, despite government stimulus - infrastructure related investment and easing credit. Overall, economic growth continued to weaken amid ailing property markets, falling consumer spending as along side broader lower economic activity. The negative market sentiment escalated following the Chinese Communist Party Congress where President Xi Jinping secured an unprecedented third term as the party leader. Markets interpreted this move to be an increase in political risk as Xi installs himself as the dominant leader moving forward.

Other markets in the region performed better with Philippines (+9.5%) and South Korea (+9.1%) leading, followed by Malaysia (+3.5%) and India (+3.1%). At a sector level, Communication Services (-16.9%) and Consumer Discretionary (-15.4%) were the worst performer, dominated by heavy-hitting Chinese internet companies. Energy (+1.9%) and Information Technology (+1.8%) outperformed.

The Orca Asia Fund (Fund) returned -6.8%<sup>1</sup> in AUD terms, underperforming the Index by 1.2% for the month. The Fund's non-China holdings contributed positively to the overall performance. **HCL Technologies (+11.4%)** was the top performance contributor, reporting solid quarterly results and raising guidance. **LG Chem (+18.1%)** gained as quarterly earnings beat consensus, supported by increased demand for battery materials. **United Overseas Bank (+8.3%)** outperformed with third quarter results beating consensus. Conversely, the Fund's Chinese holdings were down heavily, with **Inner Mongolia Yili Industries (Yili, -25.1%)** the worst contributor. In addition to the overall negative sentiment on Chinese stocks, Yili reported net profit behind market expectations due to higher ad spending. **Alibaba Group (-20.1%)** also underperformed alongside other large cap Chinese internet stocks. **ENN Energy (-25.3%)** declined due to sluggish third quarter gas volume growth and connection fee income amid a weakening macro environment and restricted movement in some areas.

This fund is appropriate for investors with a "Medium to 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 investment timeframe. Investors should refer to the **TMD** for further information.

## PORTFOLIO MANAGERS



**Ted Alexander**  
Portfolio Manager



**Ying Luo**  
Assistant  
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield (target: 4%) <sup>2</sup>	Performance since inception (14 May 2018) <sup>1</sup>
<b>\$1.0248</b>	<b>\$41.6 million</b>	<b>5.6%</b>	<b>-0.9%</b>

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

	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	-6.8%	-11.1%	-17.2%	-23.7%	-11.1%	-4.5%	-0.9%
MSCI Asia ex Japan Index (Net, AUD)	-5.6%	-10.6%	-14.0%	-22.5%	-9.6%	-2.4%	-1.4%
Excess Return	-1.2%	-0.5%	-3.2%	-1.2%	-1.5%	-2.1%	0.5%

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

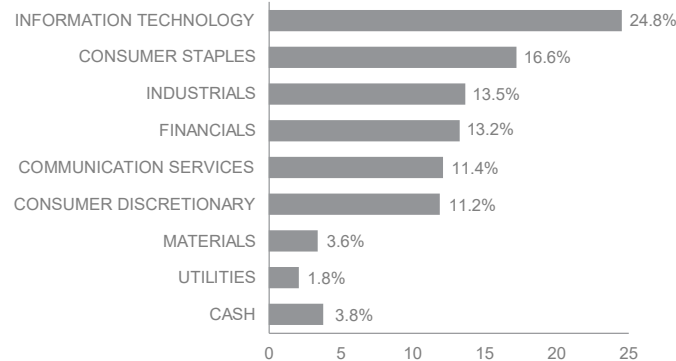
## TOP 10 PORTFOLIO HOLDINGS

Alibaba	Techtronic
CP ALL	Tencent
HCL Technologies	TSMC
HDFC Bank	Uni-President Enterprises
LG Chem	United Overseas Bank

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

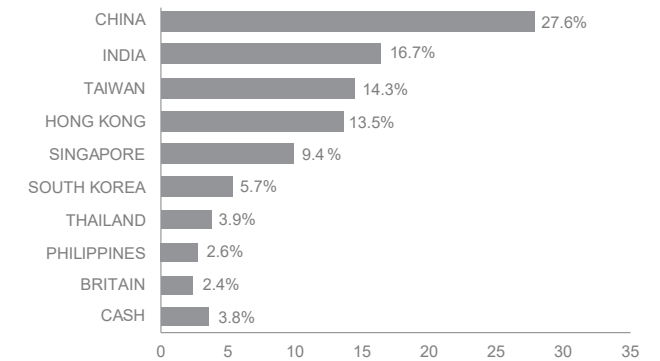


## SECTOR EXPOSURE



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 14 May 2018. Chart data range: 14 May 2018 to 31 October 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 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 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 [orcafunds.com.au](http://orcafunds.com.au).

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