



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 up 1.3% in US dollar (USD) terms, however declined 1.1% in Australian dollar (AUD) terms in December due to the strengthening AUD. China (-5.5%) was the worst performing market in the region as global investors continue to harbour concerns over possible future regulatory crackdowns domestically and offshore listed Chinese companies. The Philippines (-4.3%) and Singapore (-2.4%) markets also underperformed as the Omicron variant spread through the region. Thailand (+4.6%) and South Korea (+2.9%) were the strongest markets. From a sector perspective, Utilities (+4.2%) and IT (+3.7%) outperformed while Health Care (-8.6%) and Consumer Discretionary (-7.4%) were the worst sectors.

The Index finished the calendar year of 2021 up 0.7% in AUD terms, with China (-17.2%) significantly underperforming. This was largely due to large cap internet stocks amid the regulatory crackdown such as antitrust, workers welfare, data security and privacy, as well as various regulations on educational related sectors. However, Taiwan (+34.4%) and India (+33.6%) posted strong returns for the year, despite the impacts of the pandemic as they benefited from strong global demand for technology and IT services.

The Orca Asia Fund (Fund) returned 0.7%¹ in AUD terms for the month, outperforming the Index by 1.8%, with the Fund continuing to benefit from the positive revaluation of privately held investments. **HCL Technologies** (+14.0%) was the top performing contributor to the Fund with the resurgence of COVID-19 cases across the globe, as a more transmissible variant delayed most "return to work" plans to the benefit of IT services providers. **United Overseas Bank** (+4.6%) also positively contributed to the Fund's performance benefiting from potential rate hikes in the new year amid rising yields in the US. Diversified consumer staples business **Uni-President Enterprise** (+2.8%) was among the top three contributors as the as investors reacted to increased volatility and rotated into more defensively positioned companies. Conversely, **Techtronic Industries** (-5.9%) was the largest detractor from the Fund's performance, largely due to short term profit taking, offsetting the strong performance in the prior month. **Alibaba** (-9.1%) again dragged the Fund's performance due to continuous pressure from regulatory issues and a guidance downgrade. We note that the stock has rebounded more than 10% since the month end, and at the time of writing, as investors continue to look for attractive valuations with solid long-term fundamentals.

PORTFOLIO MANAGERS



Ted Alexander
Portfolio Manager



Ying Luo
Assistant
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield (target: 4%) ²	Performance since inception (14 May 2018) ¹
\$1.4182	\$72.3 million	4.4%	7.5%

FUND PERFORMANCE¹

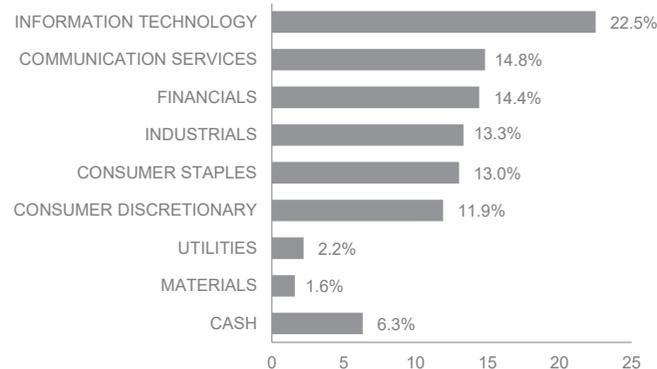
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	0.7%	1.4%	-0.6%	5.6%	7.1%	13.8%	7.5%
MSCI Asia ex Japan Index (Net, AUD)	-1.1%	-2.1%	-7.7%	0.7%	7.2%	10.9%	5.6%
Excess Return	1.8%	3.5%	7.2%	4.8%	-0.1%	2.9%	1.9%

Note: Numbers may not sum due to rounding.

TOP 10 PORTFOLIO HOLDINGS

Alibaba Group	Techtronic Industries
HCL Technologies	Tencent Holdings
HDFC Bank	TSMC
NAVER Corp	Uni-President Enterprises
Ping An Insurance Group	United Overseas Bank Ltd

SECTOR EXPOSURE

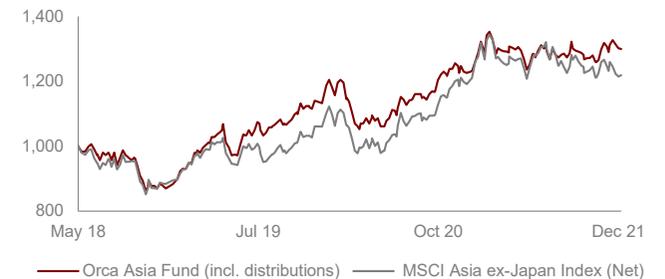


Source: Investment Manager, Bloomberg

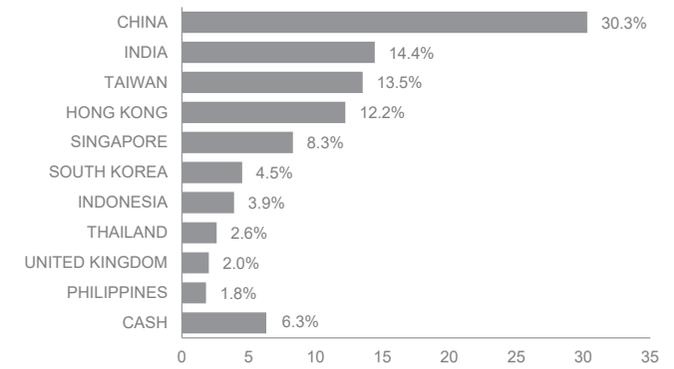
Notes: Data as at 31 December 2021 unless stated. Numbers may not sum due to rounding.

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 2021. 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 1,000. Index Source: Bloomberg.

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

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 September 2021, collectively manage over \$776 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.

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