



## INVESTMENT OBJECTIVE

To provide investors with capital growth and attractive risk-adjusted returns over the long-term through exposure to a portfolio of global listed equities.

## PORTFOLIO UPDATE

The MSCI World Index (Index) ended the year strongly, up 4.3% in US dollar (USD) terms and up 1.8% in Australian dollar (AUD) terms in December. There was substantial volatility in global markets as a new mutant strain of COVID-19 (Omicron) spread rapidly across the globe with many countries reporting record case numbers. Omicron's mutation of the spike protein allows it to infect human cells more efficiently making the strain highly transmissible. However, it is between 50% and 70% less likely to need hospitalisation compared to the Delta strain according to Britain's public health agency. The US Federal Reserve (Fed) announced that it will double the pace at which it tapers its bond purchase program by reducing purchases by US\$30 billion every month and signalled three potential interest rate hikes in 2022. These policy moves were in response to growing concern around inflation as November Consumer Price Index (CPI) data increased 6.8% from a year earlier, currently at its highest level in 39 years. US Fed Chairman Jerome Powell reiterated that inflation is well above the Fed's target of 2% and is less transitory than previously thought. The hawkish monetary stance led to widespread selling in high growth stocks, hitting technology related stocks hard.

The Orca Global Fund (Fund) returned 4.4%<sup>1</sup> in December (inclusive of the 3.6004 December 31 cent per unit distribution), outperforming the Index by 2.6%. Fund performance was positively impacted by revaluations in private holdings and pharmaceutical companies Novartis and AbbVie. **Novartis** (+7.7%) rose as it announced a US\$15 billion buyback program, highlighting confidence within the company's growth pipeline. Novartis also sold its US\$20.7 billion stake in healthcare company Roche. **AbbVie** (+14.6%) rose on value buying and the approval by the FDA of Rinvoq as a treatment for adults with psoriatic arthritis.

Major detractors of performance were **Orsted** (-3.1%), **Teladoc** (-11.5%) and **Amazon** (-7.2%). Orsted and Teladoc declined due to bearish sentiment prevalent in renewable energy stocks and health information technology stocks respectively. Amazon declined along with other large cap technology related stocks, triggered by the Fed's hawkish pivot.

## PORTFOLIO MANAGERS



**Ted Alexander**  
Portfolio Manager



**Kunal Valia**  
Portfolio Manager



**Jumana Nahhas**  
Assistant  
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield (target: 4%) <sup>2</sup>	Performance since inception (6 July 2018) <sup>1</sup>
\$1.9365	\$98.0 million	3.2%	14.5%

## 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 Global Fund	4.4%	7.5%	10.9%	25.8%	12.1%	17.1%	14.5%
MSCI World Index (Net, AUD)	1.8%	6.8%	11.0%	28.8%	16.7%	20.4%	15.5%
Excess Return	2.6%	0.7%	-0.1%	-3.0%	-4.6%	-3.3%	-1.0%

Note: Numbers may not sum due to rounding.

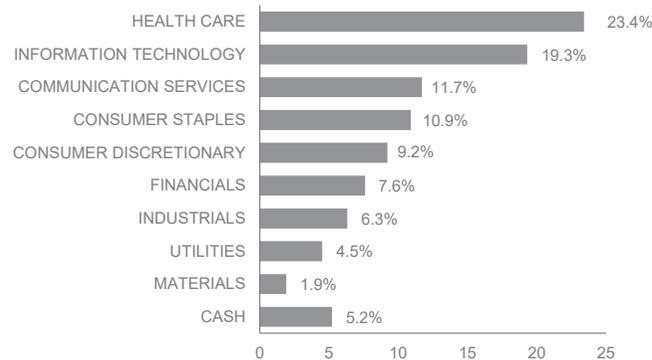
## TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	Microsoft Corp
AstraZeneca PLC	Novartis AG
Dollar General Corp	Orsted AS
Merck & Co Inc	Royal Bank of Canada
Meta Platforms Inc	Unilever PLC

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

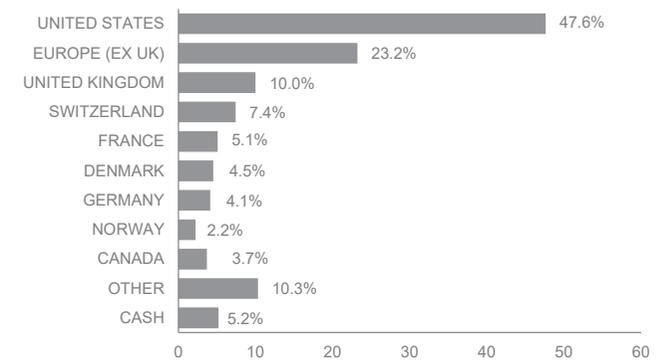


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

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 6 July 2018.

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.

# 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

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