



## 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 3.1% in US dollar (USD) terms in January, but only down 0.2% in Australian dollar (AUD) terms, with the depreciating AUD helping Australian investor returns.

Asia markets were initially strong as investors repositioned following a lacklustre calendar year. However, later in the month markets in the region were dragged down with the broader global sell off, as expectations firmed that there would be further rate hikes from the US Federal Reserve (Fed) than initially anticipated. Korea (-7.1%) was the worst performing market followed by Malaysia (-0.8%) and Taiwan (-0.6%) while Philippines (+7.0%) and Hong Kong (+4.1%) outperformed with the latter largely driven by the strong rebound of property stocks. At a sector level, Financials (+6.5%) was the strongest performer amid the global rate hike expectations, while Real Estate (+6.2%) also outperformed as concerns eased after Chinese authorities increased their level of support in trying to avoid a hard landing for the property sector.

The Orca Asia Fund (Fund) returned 1.2% in AUD terms, outperforming the Index by 1.4%. **United Overseas Bank** (+14.4%) was the strongest performance contributor this month as Asian banks followed the outperformance of US banks on expectations of rate hikes. **Ping An Insurance Group** (Ping An, +11.8%) also outperformed as the company rebounded from a difficult year where life insurance reform as well as COVID-19 disruption resulted in weaker than anticipated new business growth. Whilst the recovery for Ping An will be gradual, our view is that the worst is over, and the company remains in a market leading position. **CP All** (+9.5%) also performed strongly due to positive reopening sentiment in Thailand.

On the negative side, **Techtronic** (-15.0%) continued to detract from the Fund's performance however this is mostly likely due to profit taking after a strong year in 2021 (+49.2%) as well as broader market softness, with no company specific news during the month. **HCL Technologies** (-13.5%) was also soft, reporting quarterly results with revenue in line but margins slightly below expectations. The stock also saw profit taking in January after a stellar year in 2021 (+49.8%). **Naver** (-16.4%) reported results during the month with sales in line but operating income and earnings below expectations largely due to higher operating expenses, however, the long-term growth outlook for the company remains intact.

## 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>\$1.4357</b>	<b>\$72.8 million</b>	<b>4.6%</b>	<b>7.7%</b>

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

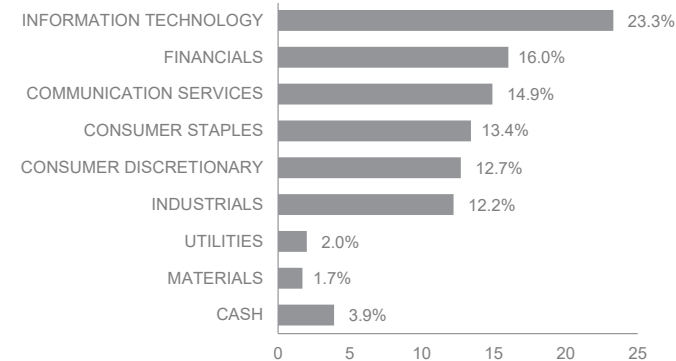
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	1.2%	4.4%	3.3%	2.1%	6.6%	12.3%	7.7%
MSCI Asia ex Japan Index (Net, AUD)	-0.2%	0.4%	-2.5%	-4.0%	7.0%	9.4%	5.4%
Excess Return	1.4%	4.0%	5.7%	6.1%	-0.4%	2.9%	2.2%

Note: Numbers may not sum due to rounding.

## TOP 10 PORTFOLIO HOLDINGS

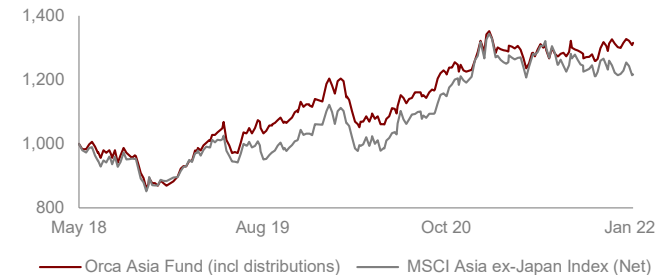
Alibaba Group	Techtronic Industries
CP ALL	Tencent Holdings
HCL Technologies	TSMC
HDFC Bank	Uni-President Enterprises
Ping An Insurance Group	United Overseas Bank Ltd

## SECTOR EXPOSURE

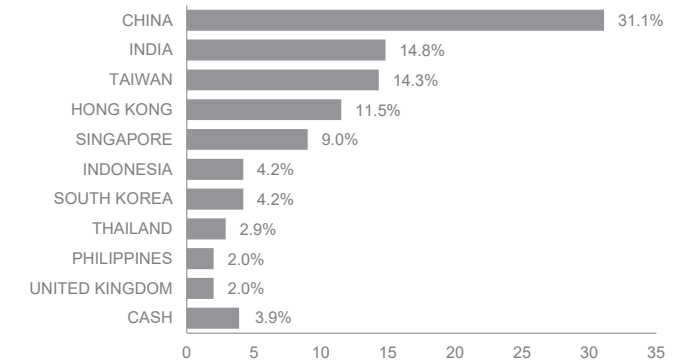


Source: Investment Manager, Bloomberg

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



## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 January 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 January 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 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.

## TELEPHONE

1300 732 541

## EMAIL

info@orcafunds.com

## ADDRESS

Level 15, 100 Pacific Highway  
North Sydney  
NSW 2060

Signatory of:



## 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).

This report may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs.

Past performance is not a reliable indicator of future performance. Future performance and return of capital is not guaranteed. The information may be confidential and is intended solely for the addressee. If you are not the intended recipient, any use, disclosure or copying of this information is unauthorised and prohibited. If you receive this e-mail in error please notify the sender and delete the e-mail (and attachments).

This report may contain statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Investment Manager and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (**Parties**) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and the Parties assume no obligation to update that information.

The Parties give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this report. The Parties do not accept, except to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this report. Any recipient of this report should independently satisfy themselves as to the accuracy of all information contained in this report.

MSCI indices source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representation with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Orca Funds Management Pty Ltd is a wholly owned subsidiary of E&P Financial Group Limited (ABN 54 609 913 457), a signatory to the United Nations Principles for Responsible Investment (**UNPRI**).