

APRIL 2022 RESULTS

April was an impressive month for the Orca Global Fund, playing defence to outperform a retreating stock market by 2.4%¹. The Global stock benchmark, MSCI World Index, fell 3.0% in Australian dollar (AUD) terms, compared to -0.6%¹ for the Orca Global Fund. The Orca Global Fund has now outperformed its benchmark by 5.2%¹ over the last 12 months. The Orca Asia Fund was down 0.1%¹ against its benchmark (MSCI Asia ex-Japan Index) for the month, and 3.7%¹ ahead for the last 12 months. The Orca Global Disruption Fund was -11.6%¹ behind its benchmark for the month and -26.8%¹ behind for the last 12 months, with technology related stocks declining in April (-13.4% in USD terms) - the most in a single month since 2008.

Why are stock markets falling in 2022? The starting point is that stock markets had a strong 2021 and entered 2022 at a high price, so part of the story is correcting from being overpriced. The catalyst for prices falling has undoubtedly been higher inflation data than expected, with March US inflation of 8.5%, compared to a 20-year average of 2.2%. Firstly, high inflation is associated with higher costs for companies: wages, transport, raw materials, and this can crimp profit. Secondly, high inflation requires central bank action on interest rates, meaning higher mortgage costs, higher debt costs for businesses, and slower loan growth. This is all seen as slowing the economy. Adding to inflation concerns, the Russian invasion of Ukraine impacted oil prices, as well as raising political risks. Finally, in mid-April companies reported profits for the first three months of 2022, and this included consistent warnings that the market will be difficult through the rest of the year. All of these contributed to a weak stock market.

Why has the Orca Global Fund outperformed three out of four months in 2022? The Fund aims to preserve investor capital in a downturn, and so far in 2022 it has done so. The Fund invests in more defensive themes, such as healthcare stocks, particularly in pharmaceuticals, and in consumer staples stocks. In times of inflation and economic stress, we think consumers will prioritise spending on food, medicine, and necessities over Netflix and Tesla's. Ultimately, our investment philosophy is premised on the understanding that managing the risks in a portfolio should benefit investors through the cycle of rising and falling markets.

The COVID pandemic had many unusual outcomes for the world. One of them was a rush of retail investors buying into the stock market with extra cash from stimulus packages.

Another was a shift of the economy from physical, activities, and services to online, driving up profits for technology companies. Put those two together and there was a surge of new investors buying tech stocks at any price.

From March to September 2020, technology and other disruptive themes heavily outperformed other stocks. But since late 2020, these stocks have underperformed due to a correction back in-line with the broader market, and as the economy has switched back from online to physical at a faster rate than anticipated. While the Information Technology sector did outpace most other sectors by +50% in the period starting December 2019, and a number of tech related stocks were +500%, its outperformance relative to the broader market has now considerably reduced.

To be clear, innovative investment themes are an excellent long-term strategy, but a valuation and risk overlay is imperative to deliver reliable returns. I think that the time will come this year for the Global Fund to buy back into some of these stocks. The current narrative from many stock market commentators and the media is that higher inflation is hitting technology multiples, and the sector will underperform as long as we see higher inflation. Rubbish! Higher inflation usually means you can charge more for products, and strong companies will make even higher profits, driving up share prices. There is an offset from what we call the discount rate, but inflation alone won't derail tech stocks. Stocks suffer in inflation when they can't raise prices without losing customers. The shift to online has seen increased competition in the sector, hurting technology companies' pricing power. So through this period of volatility, we'll look for tech companies which have maintained or strengthened pricing power, and who won't lose their customers as COVID ends. Of course, the Orca Global Fund will only invest where risks are suitable, and the valuation offers attractive long-term returns.

We're proud of the outperformance delivered by the Orca Global Fund and Orca Asia Fund over the last 12 months, and the Orca Global Disruption Fund since inception, and we hope to continue to deliver for our clients going forward. We see many interesting opportunities in stock markets at the moment and continue to believe that international stock markets offer great potential returns for investors, accounting for the risks faced.

A stylized, handwritten signature in dark ink, appearing to read "Ted Alexander".

Ted Alexander
Head of Investments

Notes: 1. Fund performance is quoted net of fees and inclusive of reinvested distributions. Past performance is not a reliable indicator of future performance.



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 0.4% in Australian dollar (AUD) terms in April, but it was down 5.2% in US dollar (USD) terms as a strengthening USD helped investors in Australia. Asian market sentiment remains negative despite most economies in the region gradually relaxing restrictions. However, the onset of high inflation, labour shortages, supply chain disruptions and the impact of rate hikes by the US Federal Reserve (Fed) continued to weigh on the market. In addition, China has been battling with a COVID resurgence in its largest city, Shanghai. The government's zero COVID policy has seen the lockdown extend for the entire month of April while some movement restrictions also have been implemented in other major cities, including Beijing. Despite new government policies to support economic growth the continuous disruption to economic activities is likely to prevent the country from achieving its growth target this year.

Indonesia (+9.3%) and India (+4.1%) were the best performing market for the month. Taiwan (-4.5%) and Philippines (-2.9%) also underperformed. The Utilities (+7.6%) and Energy (+7.6%) sectors continued to outperform, whilst IT (-5.5%) and Health Care (-1.6%) underperformed.

The Orca Asia Fund (Fund) returned +0.2%¹ in AUD terms, slightly behind the Index by 0.1%¹. **Uni-President Enterprise** (UPE, +7.3%) was the top contributor to relative returns. As a defensive consumer staples company, UPE has been resilient in the volatile market. In addition, the lockdown in Chinese cities created temporary strong demand for their products. **WH Group** (+16.3%) was another strong contributor to performance during the month as it reported first quarter results beating expectations with better margin recovery, especially in its US business.

On the opposite side, the Fund's overweight position in **Techtronic Industries** (-11.4%) detracted from performance. Techtronic has seen profit taking year-to-date due to rising investor concerns, including factors such as upstream cost inflation, supply chain disruption as well as the Fed rate hike weighing on the US housing market. **NAVER** (-14.2%) also detracted from performance, reporting weak earnings and missing market expectations. However, the new management team did provide a positive outlook over the next five years.

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
\$1.2673	\$58.7 million	5.2%	3.8%

FUND PERFORMANCE¹

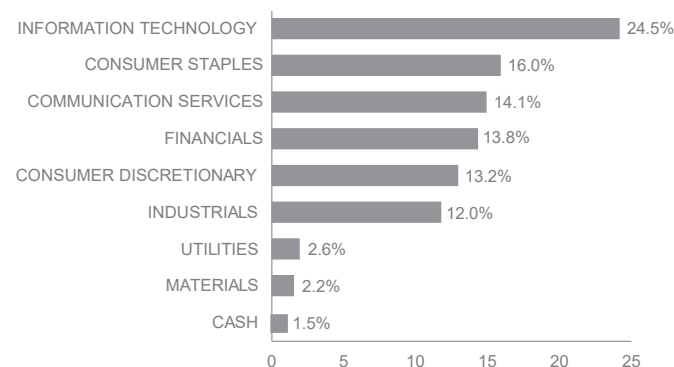
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	0.2%	-11.7%	-7.8%	-10.3%	3.4%	3.5%	3.8%
MSCI Asia ex Japan Index (Net, AUD)	0.4%	-10.2%	-9.8%	-14.0%	3.8%	2.5%	2.3%
Excess Return	-0.1%	-1.5%	2.0%	3.7%	-0.4%	1.0%	1.6%

Note: Numbers may not sum due to rounding.

TOP 10 PORTFOLIO HOLDINGS

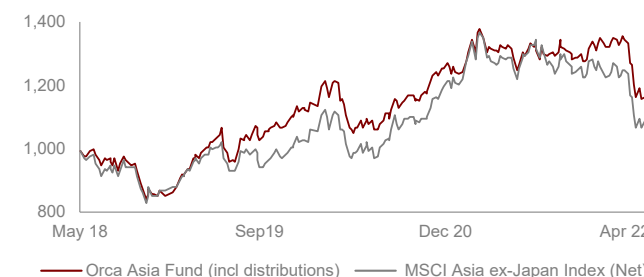
Alibaba Group Holding Ltd	Techtronic Industries
CP ALL	Tencent Holdings
HCL Technologies	TSMC
HDFC Bank	Uni-President Enterprises Corp
Ping An Insurance Group	United Overseas Bank

SECTOR EXPOSURE

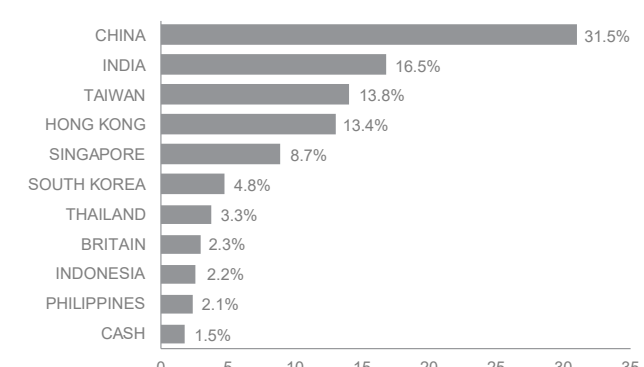


Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 April 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 30 April 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.



INVESTMENT OBJECTIVE

To provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

PORTFOLIO UPDATE

The Orca Global Disruption Fund (Fund) returned -14.3%¹ in Australian dollar (AUD) terms (-19.1%¹ in USD), underperforming the broad MSCI AC World Index (Index, -2.7%). Since inception the Fund has returned +12.0% p.a. outperforming the Index by 0.6% p.a.

April was another challenging month for equities as focus remained on the inflationary outlook, US Federal Reserve rate hike trajectory and potential for recession. Technology stocks were sold off heavily with the Nasdaq Composite Index declining -13.4% (USD terms), its most severe monthly drawdown since 2008. Despite share price volatility, reporting season started generally well for the Fund with strong results across semiconductors, cloud computing and software while sectors such as ecommerce continues to see trends normalise.

The Fund's best contributor for the month was Tencent (+6.4%). Weaker contributors were Nvidia (-28.2%), Alphabet (-13.3%) and Amazon (-19.4%).

Chinese stocks rallied towards the end of the month as the Chinese Communist Party's Politburo announced support to stimulate economic growth, as China attempts to contain its most severe COVID outbreak since 2020 with its zero-tolerance policy.

Alphabet (-13.3%) reported a solid result with revenues +23% in line with market expectations while operating margins of 29.6%, ahead of consensus. Search revenue growth (+23%) remained strong led by retail and continuing recovery in travel. YouTube (+14%) decelerated against a strong COVID recovery comparable period in 1Q21.

Amazon (-19.4%) reported a mixed result with costs pressure (inflation, supply chain, overcapacity) and slowing revenues due to ecommerce deceleration which drove weaker operating income and lower guidance for next quarter than the market had expected. Amazon's high margin businesses continue to growth strongly: AWS (revenues +37%), subscription services (+17%) and advertising (+25%).

Nvidia (-28.2%) declined on broader weakness across the semiconductor sector (SOX index, -14.9%) over concerns of potential macro weakness. This is despite key supplier TSMC reporting strong results and highlighting continued strength in its high-performance computing segment.

Other notable Fund holdings to report during the month included ASML, Microsoft and ServiceNow - all of which reported strong results.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield ²	Performance since inception (25 July 2017) ¹
\$2.3113	\$192.8 million	9.50%	12.0%

FUND PERFORMANCE¹

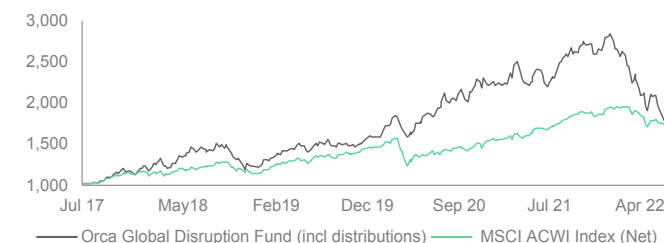
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	-14.3%	-23.8%	-33.6%	-23.8%	0.3%	6.0%	12.0%
MSCI AC World Index (Net, AUD)	-2.7%	-8.7%	-6.3%	2.9%	12.7%	9.2%	11.4%
Excess Return	-11.6%	-15.1%	-27.3%	-26.8%	-12.4%	-3.3%	0.6%

Note: Numbers may not sum due to rounding.

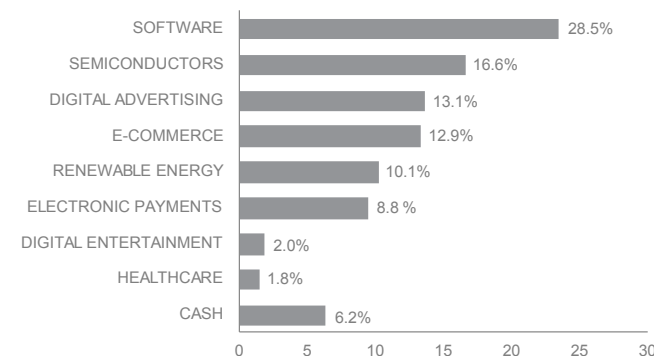
TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	NVIDIA Corp
Amazon.com Inc	Salesforce.com Inc
ASML Holding	ServiceNow
CrowdStrike	Tesla
Microsoft Corp	TSMC

PERFORMANCE CHART¹

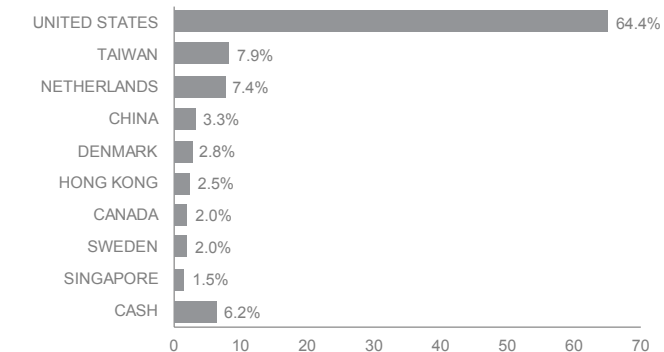


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 April 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 25 July 2017. Chart data range: 25 July 2017 to 30 April 2022. 2. Distribution yield is a historical measure. There is no guarantee the Fund will meet its investment objective. The payment of a 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.



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

Global markets were volatile in April as the MSCI World Index (Index) declined 8.1% in US dollar (USD) terms and 3.0% in Australian dollar (AUD) terms as Information Technology (IT) stocks underperformed following weaker than expected quarterly results. Equities came under further pressure during the month as inflation printed higher again, and the US Federal Reserve (Fed) monetary policy with a potential series of 50 basis point hikes weighing on sentiment. Earnings results reflected the impact of inflation on companies as both higher input costs and supply chain issues disrupted operations. The tech-heavy Nasdaq 100 Index fell 13.4% in USD terms for its biggest monthly slump since 2008 while the S&P 500 Index had the worst monthly drop post the outbreak of COVID. Global bond markets also corrected sharply in response to the inflation figures and the likely response from major central banks. Markets are concerned about recessionary risks arising from rapid interest rate normalisation.

The Orca Global Fund returned -0.6%¹ in April, outperforming the Index by 2.4%¹ due to overweight positions in defensive sectors such as healthcare and consumer staples. **Dollar General** (+13.2%), **Merck** (+14.4%) and **Danone** (+15.4%) were the strongest performing stocks in April. Dollar General is expected to benefit as consumers become more price sensitive and are drawn to its penny stores. Merck and Danone reported strong quarterly earnings with Merck raising full year guidance.

Detractors of performance included **Amazon** (-19.4%), **Teladoc** (-50.5%) and **Alphabet** (-13.3%). Amazon reported its first quarterly loss since 2015 as activity in its e-commerce business declined. Alphabet's results were impacted by a slowdown in the YouTube and Android businesses. Teladoc had a significant drawdown as results missed expectations and it lowered guidance for the year due to increased competition, inflation and slowing sales growth. Teladoc also recorded a US\$6.6 billion good-will impairment charge, significantly larger than expected, relating to the Livongo acquisition from two years prior. In our view the telemedicine thematic remains positive, with long term tailwinds, however our confidence in Teladoc's management has declined.

PORTFOLIO MANAGERS



Ted Alexander
Portfolio Manager



Kunal Valia
Assistant
Portfolio Manager



Jumana Nahhas
Assistant
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield (target: 4%) ²	Performance since inception (6 July 2018) ¹
\$1.8011	\$82.2 million	3.8%	11.0%

FUND PERFORMANCE¹

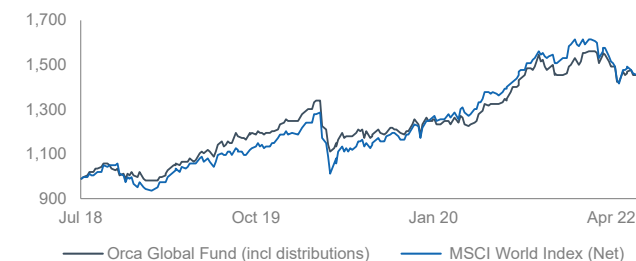
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Fund	-0.6%	-6.4%	-0.6%	10.2%	11.5%	9.8%	11.0%
MSCI World Index (Net, AUD)	-3.0%	-8.5%	-6.0%	5.0%	13.6%	10.2%	10.7%
Excess Return	2.4%	2.1%	5.4%	5.2%	-2.2%	-0.4%	0.3%

Note: Numbers may not sum due to rounding.

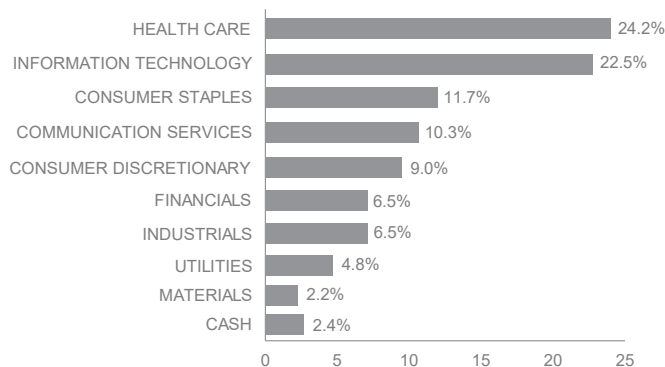
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART¹

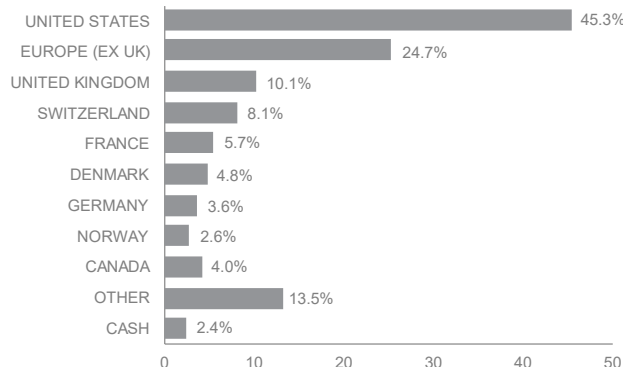


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

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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.

Chart data range: 6 July 2018 to 30 April 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 31 December 2021, collectively manage over \$733 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 (ARSN 624 216 404), Orca Global Fund (ARSN 158 717 072) and Orca Global Disruption Fund (ARSN 619 350 042) which are together referred to as the '**Funds**'. The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150) is the Responsible Entity of the Funds. For further information on the Funds please refer to each Fund's PDS and Target Market Determination which is available at orcafunds.com.au.

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