

NOVEMBER 2022 RESULTS

November was a positive month for global equities, driven by signs that the inflation crisis might be subsiding, and optimism on the Chinese economy re-opening. The MSCI World Index rose 7.0% in US dollars, but a rally in the Australian dollar (AUD) reduced returns to 1.9% in AUD. The Orca Global Fund was broadly in-line with the benchmark at 1.8%¹. The MSCI Asia ex-Japan rose 13.2% in AUD, and the Orca Asia Fund rose 14.6%¹, outperforming by 1.4%. The Orca Global Disruption Fund returned 0.4%¹.

I am sure investors are familiar with the macroeconomic backdrop: high inflation has led to aggressive interest rate rises from central banks, which aim to slow down the economy. This caused stock markets to fall through the first nine months of the year. More moderate inflation data in November kindled hope of a less aggressive response from central banks. Market commentary has tended to shift between backing excessive rate rises and backing a sudden reversal of rate rises – we'd be cautious of taking either to heart. Central banks will act tough on inflation until they have a high degree of confidence that inflation has structurally subsided, which certainly isn't close yet.

Employment data was strong for November. 263,000 jobs were created in the US, and unemployment is 3.7%. Wage growth was decent at 0.6% for the month. Lots of jobs that pay well will continue to pressure inflation up. This balances the case for a meaningful fall in inflation in early 2023. This is the complexity of the current macro environment: positive economic data can lead to more inflation fears, which can be negative for market sentiment. Chairman of the US Federal Reserve (Fed), Jerome Powell, commented that strong labour markets will prevent the Fed from considering cutting rates. Ultimately markets rose in November, and expectations for future interest rate peaks and future rates trended down.

November saw the end of the third earnings season for the year, covering company profits from July to September. On average, MSCI World company revenues rose 17% and profits were up 9% vs 2021, both of which were moderately better than lowered expectations. Oil companies led the way, but other bright spots in reported profits were in pharmaceuticals and Consumer Staples stocks. Despite this, the pro-cyclical rotation in stocks meant that the better performing sectors were Materials, Industrials and Financials.

Chinese stocks were the best asset class in November, with broad expectations that the Chinese government will accelerate reversing COVID-19 restrictions. The MSCI China Index rose 30% for the month in US dollar terms, with Taiwan and Hong Kong indices also strong. The Orca Asia Fund outperformed for the month due to exposure to China, Technology and Taiwan.

The US dollar weakened against global currencies, including the Australian dollar. In this higher interest rate and more volatile environment the US dollar is seen as a safe haven in negative months, and benefits from higher rate expectations. Given a positive month for stock markets and lower interest rates, investors shifted assets out of US dollars and bought back Aussie dollars, with the Australian dollar rising 6% as a result. The Aussie is back to 68 US cents at the end of November, with, in our view, limited upside from here unless we see aggressive rate cuts from the Fed.

As we approach the end of the year in global equities, we find great value in pharmaceuticals, consumer stocks, renewables, and semiconductors. We remain cautious on pro-cyclical sectors and particularly resources. In Asia, although investment risk is elevated due to Chinese political volatility, potential returns from asset repricing are significant, with strong economic growth and cheap valuations likely to drive long-term outperformance for investors with a higher risk tolerance.

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 +13.2% in Australian dollar (AUD) terms in November. Asian markets saw a strong rebound led by China (+23.6%). Despite volatility, Chinese equities climbed both offshore and onshore, as the potential reopening has finally arrived following economic and social pressure. The Chinese government generally loosened the tone on strict COVID-19 measures while some large cities have already reopened despite increasing cases. We are likely to see a more pragmatic approach going forward, along with more supportive measures for reviving economic growth. However, a full recovery may take some time given the under/un-vaccinated rate, especially in the vast elderly population. Other Greater China markets, Hong Kong (+18.6%) and Taiwan (+17.0%) also outperformed, benefitting from the reopening news. Indonesia (-3.6%) and India (+0.3%) while moderately stable underperformed significantly. On a sector basis, Real Estate (+23.0%) was the strongest sector, largely driven by Chinese property developers, with easing property specific policies reducing negative sentiment. Communication Services (+21.9%) and Consumer Discretionary (+20.9%) were also strong, mostly supported by large cap Chinese internet platforms. Energy (+4.8%) and Utilities (+5.5%) lagged.

The Orca Asia Fund (**Fund**) returned +14.6%¹ in AUD terms, outperforming the Index by 1.4% for the month. The Fund's Chinese holdings rebounded strongly and led the Fund's outperformance. **Ping An Insurance Group** (+45.7%) was the top performance contributor for the month amid China's reopening cheer and economic recovery as well as attractive valuation. **Alibaba Group** (+31.5%) outperformed, benefitting from a potential recovery in consumer spending. **Techtronic Industries** (+19.6%) rebounded amid positive sentiment as well as improved future global macro conditions associated with a slower rate hike trajectory. The Fund's defensive stocks, such as **Uni-President Enterprise** (+0.7%), were left behind in this market rally. Additionally, stocks in southeast and south Asian markets, such as **HCL Technologies** (+4.3%) in India and **Ayala Corp** (+2.1%) in the Philippines underperformed but remained stable as the market rotated to "risk-on" mode.

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%) ²	Performance since inception (14 May 2018) ¹
\$1.1746	\$46.6 million	4.9%	2.2%

FUND PERFORMANCE¹

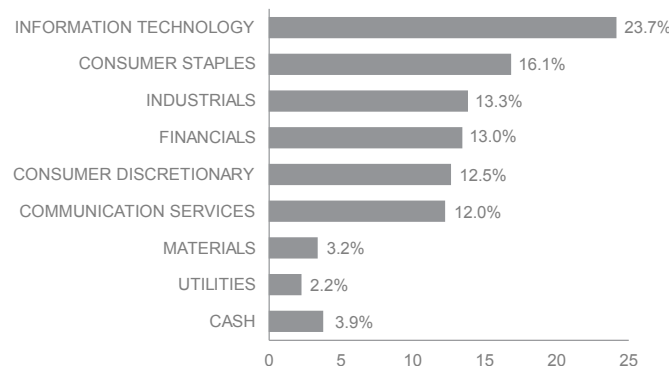
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	14.6%	0.2%	-5.1%	-14.6%	-5.2%	-0.5%	2.2%
MSCI Asia ex Japan Index (Net, AUD)	13.2%	-0.6%	-1.7%	-13.7%	-5.3%	1.0%	1.4%
Excess Return	1.4%	0.8%	-3.4%	-0.9%	0.1%	-1.5%	0.8%

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
LG Chem	Uni-President Enterprises
Ping An Insurance	United Overseas Bank

SECTOR EXPOSURE

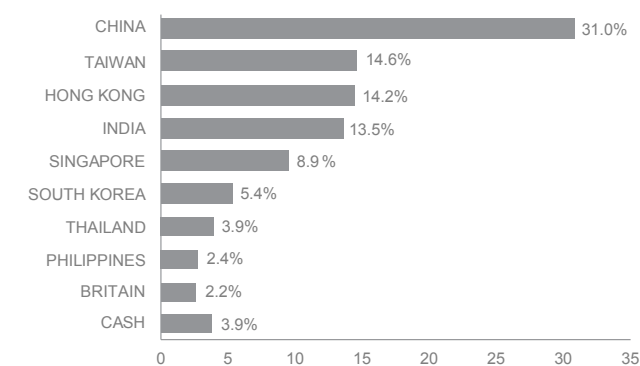


Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 November 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 November 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.



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 +0.4%¹ in AUD terms (+5.3% in USD terms), compared to the broader MSCI AC World Index (Index) +2.7% (+7.8% in USD). Since inception the Fund has returned +8.6% p.a. compared to the market +10.7%.

Equity market sentiment improved during November driven by growing optimism that inflation has peaked and the US Federal Reserve indicating that while monetary policy is likely to stay restrictive for some time, smaller interest rate increases are likely starting in December. Technology related and growth stocks underperformed the broader market with the Nasdaq and Russell 1000 growth indices each falling -0.4% (+4.5% in USD).

The Fund's best contributors for the month were **TSMC** (+28.7%), **ASML** (+23.3%) and **Microsoft** (+5.3%). Weaker contributors were **Tesla** (-18.3%), **Amazon** (-10.0%) and **CrowdStrike** (-30.3%).

ASML (+23.3%) held its Capital Markets Day where it upgraded long term revenue guidance for FY25 and FY30 – it now expects FY20-FY25 CAGR of +17-23% (up from +11-17%) and FY20-FY30 CAGR of +12-16% (up from +11%). Underpinning ASML's more positive outlook includes increasing demand for its tools to manufacture semiconductors to support a number of megatrends (cloud, AI, 5G, transition to renewable energy) and increasing investment as countries seek to diversify manufacturing geographic footprints.

TSMC (+28.7%) rose on the broader rally in semiconductor stocks (+13%) and following news that Warren Buffett's Berkshire Hathaway had purchased \$4.1bn of shares in the company during the September quarter.

Tesla (-18.3%) underperformed following the completion of Elon Musk's acquisition of Twitter, news that Musk had sold a further \$3.95bn of Tesla shares and market concerns over his workload.

CrowdStrike (-30.3%) reported a 3Q23 result with revenue growth of +53% and operating margins improving +210 bps to 15.4% - both ahead of market expectations. However, the stock was sold off as 4Q23 revenue growth guidance of +44-46% and initial FY24 subscription revenue guidance of low to mid 30s growth was slightly below market expectations. While the demand for cybersecurity remains strong, deals are taking longer to close given recessionary pressures.

During the month, **Amazon** (-10%) announced that it would implement a significant number of layoffs (NYT reporting up to 10k jobs) across the company in 2022 and early 2023.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

This fund is appropriate for investors with "High" and "Very 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 to long investment timeframe. Investors should refer to the **TMD** for further information.

Unit price (Exit)	Fund size	Historical (12-month) distribution yield ²	Performance since inception (25 July 2017) ¹
\$1.9980	\$149.5 million	5.00%	8.6%

FUND PERFORMANCE¹

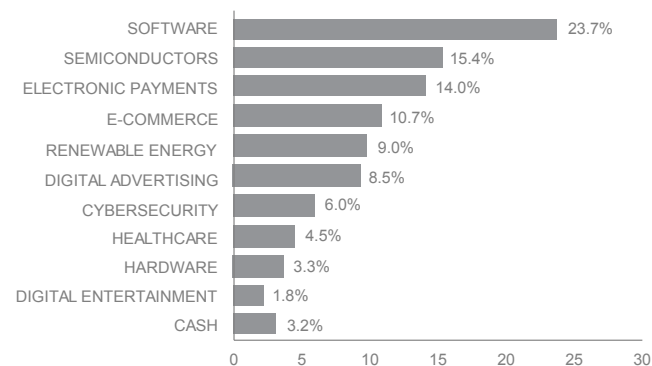
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	0.4%	-3.9%	-4.1%	-40.4%	-14.8%	0.2%	6.4%	8.6%
MSCI AC World Index (Net, AUD)	2.7%	5.6%	4.4%	-6.5%	7.5%	6.9%	9.0%	10.7%
Excess Return	-2.3%	-9.4%	-8.5%	-33.9%	-22.3%	-6.7%	-2.6%	-2.1%

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

TOP 10 PORTFOLIO HOLDINGS

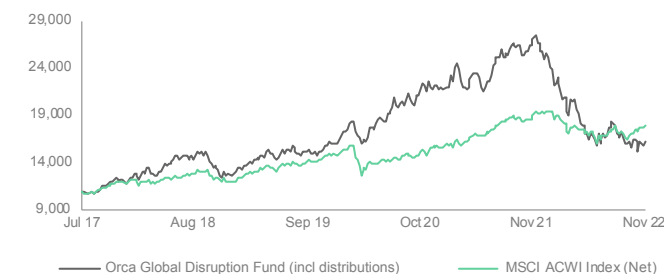
Adyen	Microsoft Corp
Alphabet Inc	Salesforce.com Inc
Amazon.com Inc	ServiceNow
ASML Holding	Tesla
Mastercard Inc	TSMC

SECTOR EXPOSURE

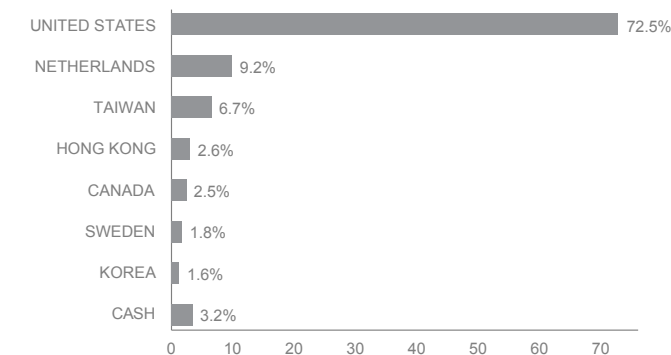


Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 November 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 November 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 10,000.

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

In a positive month for global equities, the Orca Global Fund (**Fund**) was broadly in-line with the benchmark. The MSCI World Index rose 7.0% in US dollars, which is a historically strong month. Given our strategy is to position the Fund with a lower risk than the market, we would be expected to underperform in such a strong month, so to keep pace this month is a good outcome.

There were many positive factors in the return for the month. The Fund's Information Technology stocks outperformed the benchmark due to positive gains by Semiconductors stock TSMC (+28.5%) and tool manufacturer Techtronic Industries (+19.6%). Both these stocks are domiciled in Asia, where markets bounced back on hopes for lowered COVID-19 restrictions in China. The Fund also benefited from zero weights in large market underperformers **Apple** (-7.8%), **Tesla** (-18.5%), and **Amazon** (-10.2%).

Factors that held back the Fund relative to the market included underweight exposures to Industrials and Materials, the underperformance of **Vodafone** (-6.6%), **Danone** (-1.1%), **Mowi** (-0.2%), and the US dollar cash holdings.

The MSCI World is down 14.1% (USD terms) for 2022 with one month remaining. It's also been quite volatile: there's been 5 market drawdowns of over 9% and 5 subsequent bounce-backs over 5%. There hasn't been a clear direction due to the conflict between the two sides of the macro background. On one side there is a strong economy, high employment at decent wages, better than expected profits, and bullish corporate commentary. In contrast, inflation is too high, resulting in aggressive central bank rate rises, fears of a recession, and more attractive fixed income investment alternatives. We view this environment as suited to a balanced, cautious, and systematic investment approach, which is how we have run the Orca Global Fund.

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



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
\$1.7135	\$64.0 million	4.4%	8.8%

FUND PERFORMANCE¹

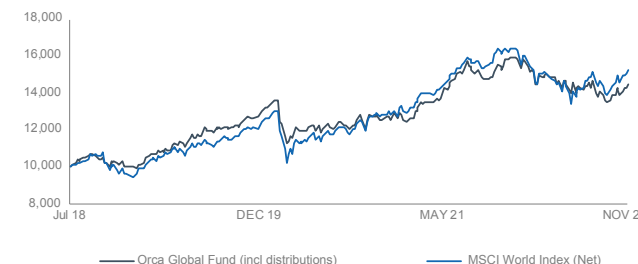
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Fund	1.8%	4.7%	-1.3%	-5.5%	6.4%	4.2%	8.8%
MSCI World Index (Net, AUD)	1.9%	6.2%	5.2%	-5.7%	9.1%	7.8%	10.2%
Excess Return	-0.1%	-1.6%	-6.5%	0.2%	-2.7%	-3.6%	-1.4%

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

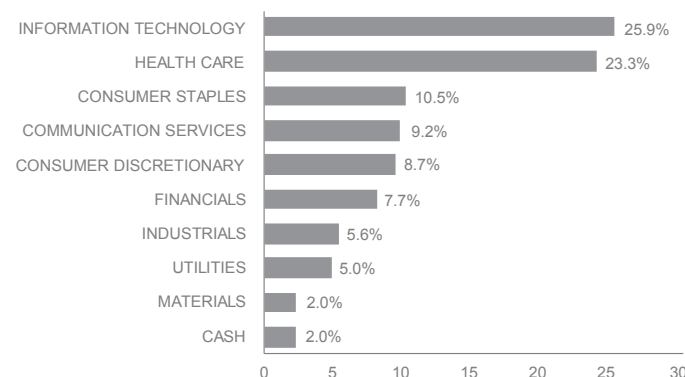
TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	Microsoft Corp
AstraZeneca PLC	Novartis AG
Danone SA	Orsted AS
Dollar General Corp	Royal Bank of Canada
Mastercard Inc	Unilever PLC

PERFORMANCE CHART¹

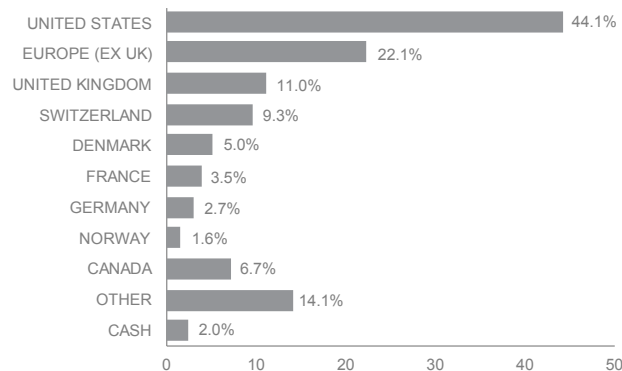


SECTOR EXPOSURE



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 November 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.

TELEPHONE

1300 732 541

EMAIL

info@orcafunds.com

ADDRESS

Level 32, 1 O'Connell Street
Sydney
NSW 2000

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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