

NOVEMBER 2021 RESULTS

Stock markets have recently been dominated by the emergence of a new strain of COVID-19, Omicron, but at this early stage it's unclear whether the strain is a serious danger, or could even be a positive as a more mild version. It's also unclear how to pronounce. In modern Greek it's AWE-mee-kron, but this is classical Greek, and scholars are arguing over the true pronunciation – which doesn't help us fund managers in investor calls! But even though everyone is familiar with the next symbol, π , scholars still debate whether it's pie or pee. I'll go with pie, and let's hope coming strains continue to be on the mild end of the spectrum and morph into a more flu-like outcome.

Global markets fell around 4% on the news of Omicron – but Australian investors were insulated by a greater fall in the value of the Australian dollar (AUD). With the AUD falling from 75c to 70c through November, your global portfolio rose in value, despite the MSCI World Index (Index) falling in both US dollar and local currency terms. Investors are anticipating action from the US central bank, the Federal Reserve, which is expected to increase interest rates and drive flows of cash to those higher rates in the US. I'm not so sure! It's tough to go against the market, but I think the AUD has been oversold, and expect it to bounce back in the next few months. With the information at hand today, I don't think the AUD should continue sliding below 70 US cents – but it's a tough gig predicting currency movements.

Our Orca Global Fund rose +2.4%¹ for the month. We saw stock markets rotate into more defensive sectors given the Omicron news, helping our staples and healthcare holdings. The Orca Asia Fund was also up +2.4%¹, as the Fund avoided some of the more controversial Chinese tech names, and benefited from regional diversification to Indonesia and Taiwan. The Orca Disruption Fund also added value to investors, up +1.3%¹.

In terms of the economic situation on the ground, in the US we're hearing that people who are able and want to work can get as many hours as they want. Dollar General is a top-ten holding, with the most retail outlets of any US supermarket, particularly in regional areas. Their customer-base is stressed by inflation, but has a job. The next US government stimulus package on infrastructure looks set to pass,

and will be a positive for stock markets, with more money pumped into the economy. In the US, the economy looks good, with the only problem being dislocation remaining from the pandemic, with supply chain disruption, and employees out of the workplace, or disrupted by social change. One story coming through is that US shoppers may have been scared by supply chain concerns into doing all their Christmas shopping early, meaning retailers now have too much inventory to sell – the opposite outcome to that feared!

The European economy has struggled more, with more lockdowns and restrictions coming through. Europe generally exhibits higher political risk, and this is true currently. European stocks have underperformed US stocks through the pandemic, but the impact was mainly felt mid-late 2020, and we see plenty of opportunities to invest in Europe.

We remain of the opinion that global stock markets are a very attractive investment when comparing potential return to risk across asset classes. With markets trading close to all-time highs, serious economic issues could cause a reversal, but so far we don't think Omicron is severe enough to warrant a major move. There is now a month until companies start to release their financial results for the full year of 2021, and we wait to see hard evidence of what's really happening in businesses held in the funds, and others we are also tracking closely.



Ted Alexander
Head of Investments

Note: 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 1.7% in Australian dollar (AUD) terms in November, helped by the depreciation of the AUD, which declined 5.2% against the US Dollar (USD). The Index was down 3.1% in local currency terms (-3.9% in USD terms) as emergence of a new COVID-19 variant, Omicron, unsettled the market and resulted in most local indices falling late in the month. Taiwan (+8.5%) was the best market supported by the Information Technology (IT) sector while the Philippines (+8.4%) also outperformed. Singapore (-1.8%) was the worst performing market, as the Omicron variant decelerated reopening across the region. China (-0.6%) also underperformed as many large cap names suffered under the shadow of regulatory fears. From a sector perspective, IT (+7.3%) and Industrial (+4.0%) outperformed while Consumer Discretionary (-4.8%) and Energy (-2.1%) were behind.

The Orca Asia Fund (Fund) returned 2.4%¹ in AUD terms, outperforming the Index by 0.8%, with the Fund benefitting from the positive revaluation of two privately held investments, including **PB Fintech** (PolicyBazaar) which completed an IPO and listed on the Indian National Stock Exchange on 1 November 2021. **Techtronic Industries** (+6.0%) contributed most to relative performance. Techtronic gained following the potential increasing demand for power tools following the passing of the US\$1.2 trillion infrastructure bill in the US. **NARI Technology** (+13.2%) continued to outperform as the Chinese government reiterated the importance of a unified national market system for electricity and orderly trading of clean energy, which implies higher cross-provincial power transmission, which should benefit equipment providers such as NARI. **ENN Energy** (+15.2%) was another positive contributor to the Fund's performance, rebounding after management reiterated guidance and earning growth, citing the ability to pass through costs. ENN also entered the Hang Seng Index, resulting in some buying support. **Alibaba** (-18.2%) was the largest single detractor from performance, after a partial rebound in October. Alibaba reported soft September quarter results and downgraded guidance due to a slowdown in its core ecommerce business amid a slowing macro environment, increasing competition and increased investment. **Zhejiang Chint Electrics** (-8.5%) also detracted from performance as the stock saw profit taking after finishing October near recent record highs, and a strong year-to-date performance.

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
\$1.4371	\$74.9 million	4.3%	7.4%

FUND PERFORMANCE¹

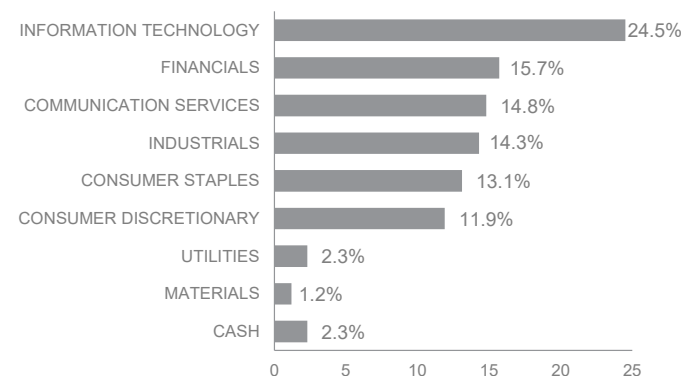
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	2.4%	-2.4%	0.5%	5.3%	7.3%	13.4%	7.4%
MSCI Asia ex Japan Index (Net, AUD (%))	1.7%	-3.9%	-3.9%	4.0%	9.3%	11.5%	6.1%
Excess Return	0.8%	1.5%	4.3%	1.3%	-1.9%	1.8%	1.4%

Note: Numbers may not sum due to rounding.

TOP 10 PORTFOLIO HOLDINGS

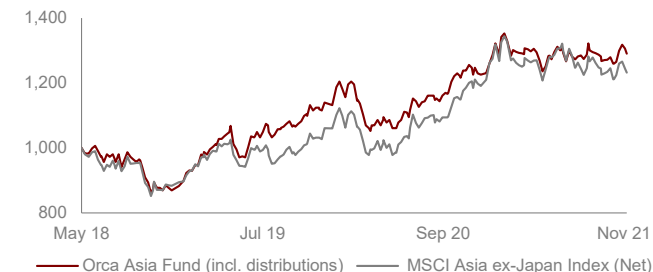
Alibaba Group	Techtronic Industries
HCL Technologies	Tencent Holdings
HDFC Bank	TSMC
NAVER Corp	Uni-President Enterprises
Ping An Insurance Group	United Overseas Bank Ltd

SECTOR EXPOSURE

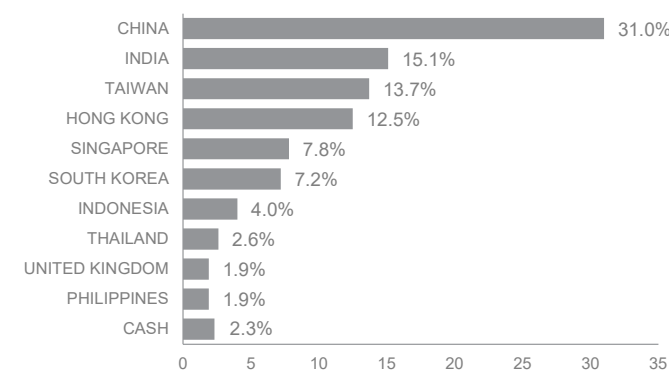


Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 November 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 30 November 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.



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 +1.3%¹ in Australian dollar (AUD) terms, compared to the broader MSCI AC World Index (+3.2%). Since inception, the Fund is up +24.7%¹ p.a. compared with the broader market +15.1% p.a.

Markets declined (-2.5% in US dollar terms) during the month following news from the US Federal Reserve (Fed) that it would consider a faster tapering schedule than initially contemplated and the discovery and spread of the new COVID-19 variant (Omicron) adding to uncertainty. This led to a sharp sell-off in higher growth software (-5.5%) and internet stocks (-2.7%), while Hardware (+15.0%) and Semiconductors (+17.5%) outperformed.

The Portfolio's best contributors were Amazon (+10.2%), Nvidia (+35.4%) and Microsoft (+5.6%). Weaker contributors were Sea (-11.2%), Teladoc (-28.3%), and PayPal (-15.8%).

Nvidia (+35.4%) reported a strong third quarter result with revenue growing +50% and EPS +60% both ahead of market expectations. Datacentre revenues grew +55% on strong demand from hyperscale customers and vertical industries. Guidance for the next quarter was also ahead of expectations with revenue growth +48% led by data centre and gaming.

Sea (-11.2%) delivered a solid quarterly result with revenue growth of +122% marking the thirteenth consecutive quarter of triple digit growth. Operating losses widened as Sea continues to expand its ecommerce business into new markets – building out operations in Brazil and recently entering Poland, France, Spain and India. Gaming bookings moderated to +29% from elevated pandemic levels while full year guidance for growth of +41 to +48% was maintained.

Teladoc (-28.3%) held an investor day where it provided long term guidance out to FY24 for revenues growth of +25 to 30% p.a. Management guided to 1 to 5% annual member growth with 25% annual revenue growth per member.

PayPal (-15.8%) reported a mixed quarterly result with revenues +13% (+25% ex eBay) and EPS +4% (+30% ex eBay) which was modestly lower than market expectations. Management lowered guidance for 2021 on near term headwinds (+18% vs prior +20%) with 2022 revenue growth expected of 18% which was below market expectations. Excluding eBay, the business is growing very strongly with FY21 revenue growth expectations of +28% in FY21 and +22% in FY22.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

Unit price (Exit)	Fund size	12-month distribution yield ²	Performance since inception (25 July 2017) ¹
\$3.5237	\$307.0 million	6.2%	24.7%

FUND PERFORMANCE¹

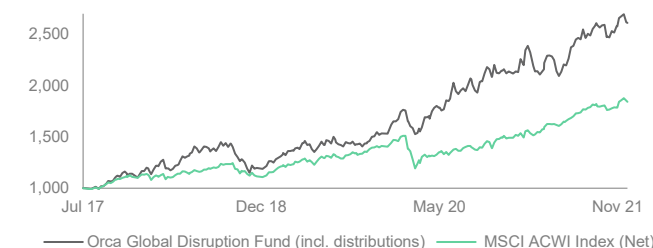
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Disruption Fund	1.3%	0.1%	18.7%	21.8%	30.0%	28.8%	24.7%
MSCI ACWI Index (Net, AUD (%))	3.2%	1.2%	12.0%	23.6%	14.3%	17.0%	15.1%
Excess Return	-1.9%	-1.1%	6.6%	-1.8%	15.7%	11.8%	9.6%

Note: Numbers may not sum due to rounding.

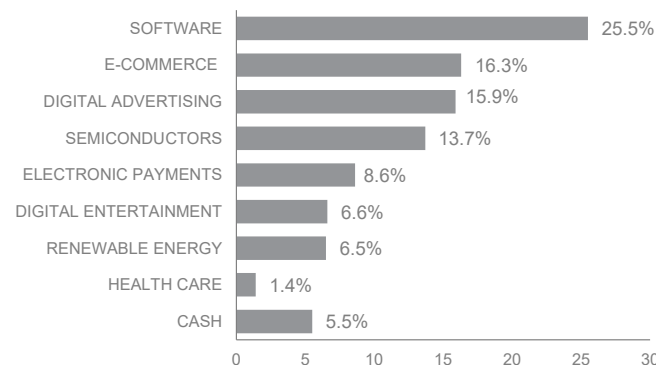
TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	PayPal Holdings Inc
Amazon.com Inc	Salesforce.com Inc
ASML Holding	ServiceNow
Microsoft Corp	Tesla
Netflix Inc	TSMC

PERFORMANCE CHART¹

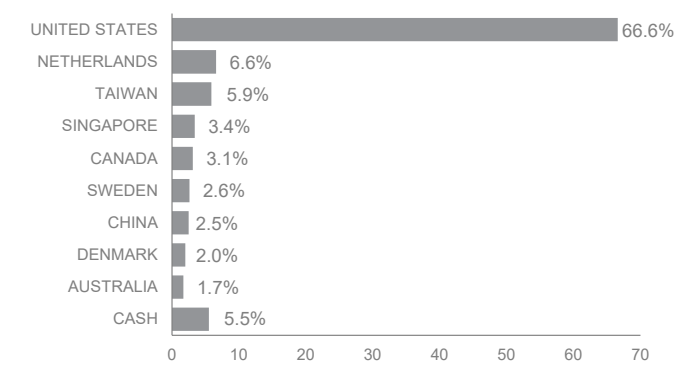


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 November 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 25 July 2017.

Chart data range: 25 July 2017 to 30 November 2021. 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

The MSCI World Index (Index) was up 3.4% in Australian dollar (AUD) terms in November but declined by 2.2% in US dollar (USD) terms. There was substantial volatility in the markets towards the end of the month as a new strain of COVID-19 was reported in South Africa. Investors were concerned about the economic impact as countries announced new border restrictions and tightened testing requirements for international travel. Scientific bodies, including the World Health Organisation (WHO), were worried about vaccine efficacy as the Omicron variant had a substantial number of mutations. Tests are being conducted and more will be known by middle of December. Cases in Europe also rose with some countries like Austria and Germany reimposing lockdowns for the unvaccinated. The tone of the US Federal Reserve (Fed) Chairman Jerome Powell also turned hawkish, noting that the current strong inflation may not be transitory, and tapering of bond purchases will possibly be faster, leading to increased market uncertainty.

The Orca Global Fund (Fund) returned 2.4%¹ in November, underperforming the Index by 1.0%. Fund performance was positively impacted from the revaluation of two privately held investments, including **PB Fintech** (PolicyBazaar) which completed an IPO and listed on the Indian National Stock Exchange on 1 November 2021. **Microsoft** (+5.6%) was also a positive contributor to performance, reporting a strong September quarter, which included a positive earnings guidance revision (above consensus), with share price momentum continuing into November. Amazon (+10.0%) was also up, as the company may benefit from renewed lockdowns.

Major detractors from performance were Teladoc, Merck and Mowi. **Teladoc's** (-28.4%) investor day underwhelmed markets as the company projected lower than expected EBITDA growth and slowing membership growth as it matures. **Merck's** (-10.0%) pipeline HIV drug failed in clinical trials and efficacy of its COVID-19 pill disappointed, compared to rival Pfizer. **Mowi** (-16.4%) announced quarterly EPS below consensus and salmon demand from restaurants is anticipated to soften, following renewed lockdowns in Europe.

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%) ²	Performance since inception (6 July 2018) ¹
\$1.8899	\$98.0 million	3.3%	13.4%

FUND PERFORMANCE¹

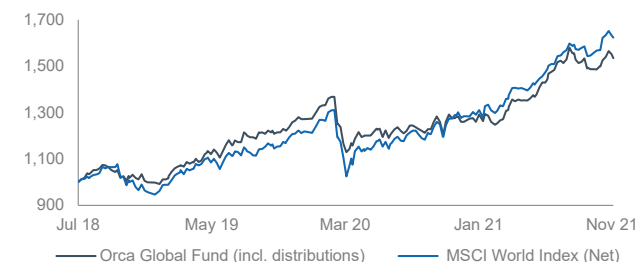
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Global Fund	2.4%	-1.4%	12.2%	19.8%	9.5%	14.0%	13.4%
MSCI World Index (Net, AUD (%))	3.4%	2.0%	14.3%	26.1%	15.2%	17.9%	15.3%
Excess Return	-1.0%	-3.3%	-2.1%	-6.3%	-5.8%	-3.9%	-1.9%

Note: Numbers may not sum due to rounding.

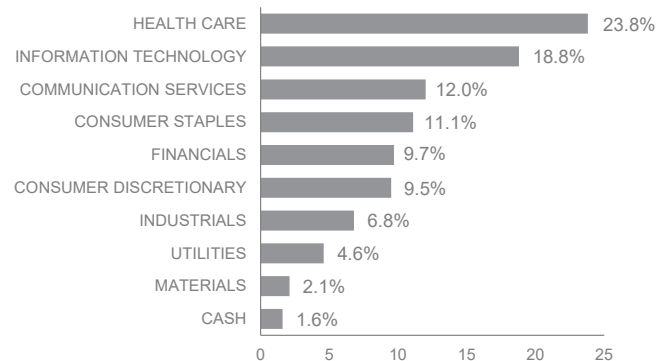
TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	Microsoft Corp
Amazon.com Inc	Novartis AG
AstraZeneca PLC	Orsted AS
Dollar General Corp	Royal Bank of Canada
Meta Platforms Inc	Unilever PLC

PERFORMANCE CHART¹

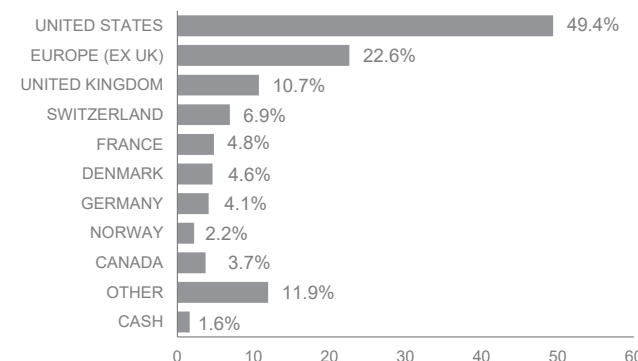


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 November 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.

Chart data range: 6 July 2018 to 30 November 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.

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 (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.

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**).