



## 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 0.7% in Australian dollar (AUD) in June. Asia markets continued to be dragged down by the broader selloff in the global markets but was partially offset by the strong performance of Chinese markets from easing lockdown restrictions in major cities. Chinese equities (+10.9%) rebounded strongly during the month, supported by large cap internet stocks as well as domestic A shares as investors believed economic activities had bottomed in April and were recovering strongly in June despite the country's persistent COVID zero policy. The Chinese Central Government has initiated a variety of supportive policies for the economy and securities market which are expected to cascade into local government initiatives to help achieve economic growth targets.

During the month, Hong Kong (+5.3%) also outperformed, while tech-heavy South Korea (-13.2%) and Taiwan (-10.8%) were the weakest performing markets. On a sector basis, Consumer Discretionary (+12.8%), Healthcare (+9.2%) and Consumer Staples (+4.6%) were relatively defensive. Information Technology (-10.7%) and Materials (-5.6%) underperformed.

The Orca Asia Fund (Fund) returned -3.7%<sup>1</sup>, underperforming the Index by 3.0%. **Alibaba Group** (+23.1%) was the best contributor to performance for the month as the sentiment towards large cap Chinese internet stocks rebounded and investors believed the regulatory crackdown on internet platforms might be easing. In addition, the company saw solid sales performance following the "618" shopping festival during the month despite concerns of softer consumer confidence resulting from lockdowns. **Ping An Insurance Group** (+14.3%) also performed strongly as the Chinese financial sector outperformed during the month.

**Techtronic Industries** (-17.2%) was the worst performer for the month, mostly due to concerns around the impact of a potential US recession, while the unlisted legacy assets in the portfolio were also revalued down approximately 25%. **JOYY Inc.** (-25.5%) was also a detractor, reporting first quarter results which beat market expectations but included softer guidance, citing a weaker macroeconomic environment which may impact online activity, time spent and paying capability. We continue to view the stock as undervalued based on the long-term potential for the company.

## PORTFOLIO MANAGERS



**Ted Alexander**  
Portfolio Manager



**Ying Luo**  
Assistant  
Portfolio Manager

Exit price (Cumulative Distribution)	Distribution – 30 June 2022 <sup>2</sup>	Fund size	12-month distribution yield (target: 4%) <sup>2</sup>	Performance since inception (14 May 2018) <sup>1</sup>
<b>\$1.2196</b>	<b>2.84 cents</b>	<b>\$54 million</b>	<b>4.7%</b>	<b>2.7%</b>

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

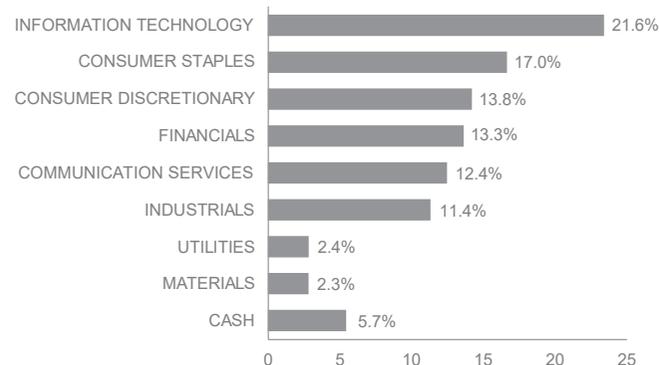
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	-3.7%	-3.6%	-14.0%	-14.5%	1.0%	2.6%	2.7%
MSCI Asia ex Japan Index (Net, AUD)	-0.7%	-1.3%	-11.9%	-18.7%	2.2%	2.6%	1.7%
Excess Return	-3.0%	-2.2%	-2.1%	4.2%	-1.1%	0.0%	1.0%

Note: Numbers may not sum due to rounding.

## TOP 10 PORTFOLIO HOLDINGS

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

## SECTOR EXPOSURE

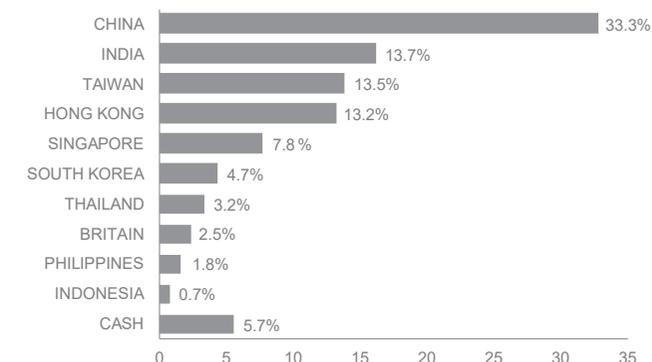


Source: Investment Manager, Bloomberg

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



## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 30 June 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 June 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 31 December 2021, collectively manage over \$733 million of funds.

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## IMPORTANT INFORMATION

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