



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 2.7% in Australian dollar (AUD) terms in August. Asian markets rebounded from the sell-off in July, led by the Philippines (+12.2%) and Thailand (+12.1%), supported by potential reopening optimism. Korea (-0.9%) and Singapore (-0.7%) underperformed the region. On a sector basis Energy (+10.3%) and Utilities (+7.2%) were the best performing sectors as economic activity rebounded while Healthcare (-0.8%) and Consumer Discretionary (-0.7%) underperformed.

The Orca Asia Fund (Fund) returned 3.8%¹, outperforming the Index by 1.1% for the month, benefiting from solid stock selection partially offset by devaluation of legacy holdings. **Techronic Industries** (+25.3%) was the top contributor to the Fund's performance, reporting strong results for the first half of 2021 which exceeded market expectations with strong sales and higher margins. The outlook remains bullish as well with strong demand for its new product. **Zhejiang Chint Electrics** (+49.3%) (Chint) also contributed strongly to the Fund's performance. Chint performed strongly in July and its continued rally into August reporting solid first half results, in line with expectations, and benefitted from ongoing momentum in renewable energy related sectors. On the other side of the ledger the Fund's overweight position in **Alibaba Group** (-14.1%) detracted from the Fund's performance. The stock continued to trade in a wide range as ongoing fear of regulatory scrutiny of Chinese internet sectors. Alibaba reported results in line with consensus for the quarter, reiterated revenue guidance of +30% growth and indicated continued heavy investment related to user acquisitions and new business initiatives. Similarly, the Fund's overweight position in **Ping An Group** (-11.0%) detracted from performance. Ping An reported in line with expectation, but soft second quarter results due to weak life insurance sector trends and lingering COVID-19 impacts. However, its property and casualty insurance business remained solid and technology business continued to be strong.

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 |
|-------------------|----------------|---|--|
| \$1.4725 | \$86.8 million | 4.2% | 8.8% |

FUND PERFORMANCE¹

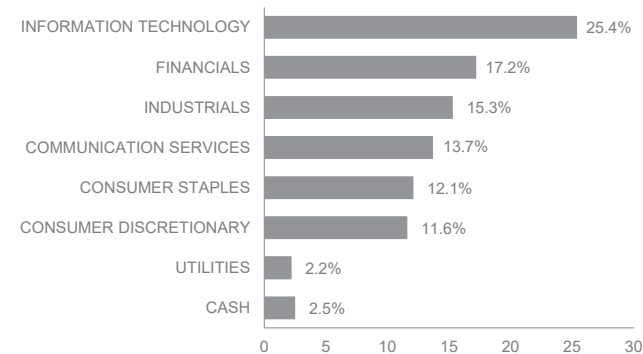
| | 1 Month | 3 Months | 6 Months | 1 Year | 2 Years (p.a.) | 3 Years (p.a.) | Since Inception (p.a.) |
|---|---------|----------|----------|--------|----------------|----------------|------------------------|
| Orca Asia Fund | 3.8% | 2.9% | 2.9% | 15.1% | 11.6% | 10.2% | 8.8% |
| MSCI Asia ex Japan Index (Net, AUD (%)) | 2.7% | 0.0% | 0.9% | 18.9% | 14.7% | 9.6% | 7.8% |
| Excess Return | 1.1% | 2.9% | 2.0% | -3.7% | -3.1% | 0.6% | 1.0% |

Note: Numbers may not sum due to rounding.

TOP 10 PORTFOLIO HOLDINGS

| | |
|-----------------------|---------------------------|
| Alibaba Group | Tencent Holdings |
| HCL Technologies | TSMC |
| HDFC Bank | Uni-President Enterprises |
| Samsung Electronics | United Overseas Bank Ltd |
| Techtronic Industries | Zhejiang Chint Electrics |

SECTOR EXPOSURE

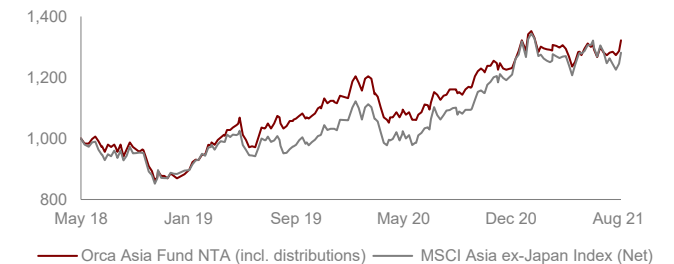


Source: Investment Manager, Bloomberg

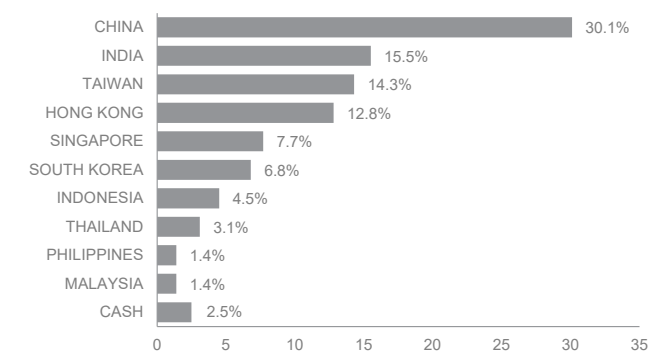
Notes: Data as at 31 August 2021 unless stated. Numbers may not sum due to rounding.

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 31 August 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.

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

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 2020, collectively manage over \$790 million of funds.

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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 which is available at orcafunds.com.au.

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