



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 5.6% in Australian dollar (AUD) terms in July. Asian markets were rattled by the regulatory fear from the Chinese authorities and the resurgence of the Delta variant in most countries. China (-12.0%) was the worst performing market due to a deepening sell-off of internet stocks triggered by Beijing's unexpected regulation of the school tutoring sector, which followed the removal of Didi's rideshare app from app stores. The Philippines (-9.7%) and Thailand (-5.1%) also underperformed on concerns that the spread of Delta will delay economic recovery. Singapore (+3.6%) and India (+3.2%) were the strongest markets. On a sector basis, Consumer Discretionary (-13.2%) and Communication Services (-12.0%) underperformed following the regulatory onslaught to Chinese internet stocks within both sectors. Materials (+5.2%) was the best sector amid rising commodity prices followed by defensive Utilities (+2.3%).

The Orca Asia Fund (Fund) returned -2.5%¹, outperforming the Index by 3.0% for the month, benefiting from the Fund's lower risk positioning and strong stock selection. **Zhejiang Chint Electric** (+31.5%) contributed strongly to the Fund's performance as the stock rallied along with other Chinese renewable energy related stocks following implementation of a favourable power pricing model, which would increase the prior peak hour charge by 20% or more. Similarly, **Nari Technology** (+37.7%) performed strongly and was the second-best contributor to the Fund's performance. Nari is a technology provider to the Chinese electricity grid and is expected to benefit over coming years from the rollout of "smart grid" and from favourable policy support.

The largest detractor from performance was **New Oriental Education** (-73.0%), which collapsed alongside the entire after school tutoring sector in China as a set of new policies came into force that requires after school tutoring providers (of school subjects) to be non-profit and prohibits access to capital markets, including a ban on participation of foreign capital. These companies are seeking a transformation strategy. **Alibaba** (-12.1%) pulled back this month after strong performance in June. The stock was impacted by the overall sell-off in large-cap internet companies due to investors' concerns of further regulatory restrictions on internet and technology companies.

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
\$1.4185	\$86.8 million	4.4%	7.8%

FUND PERFORMANCE¹

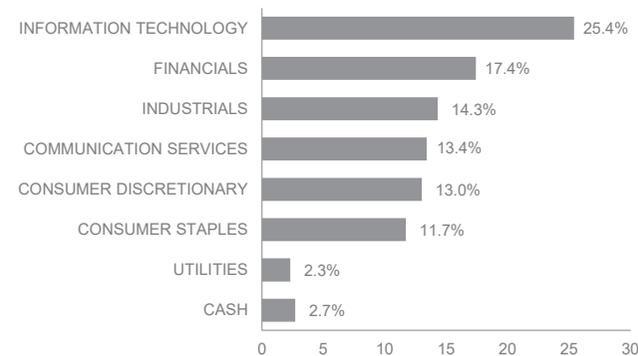
	1 Month	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Orca Asia Fund	-2.5%	-1.6%	-1.1%	11.6%	9.1%	9.5%	7.8%
MSCI Asia ex Japan Index (Net, AUD (%))	-5.6%	-1.8%	-1.6%	15.9%	11.9%	9.5%	7.1%
Excess Return	3.0%	0.2%	0.5%	-4.2%	-2.8%	0.1%	0.7%

Note: Numbers may not sum due to rounding.

TOP 10 PORTFOLIO HOLDINGS

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

SECTOR EXPOSURE

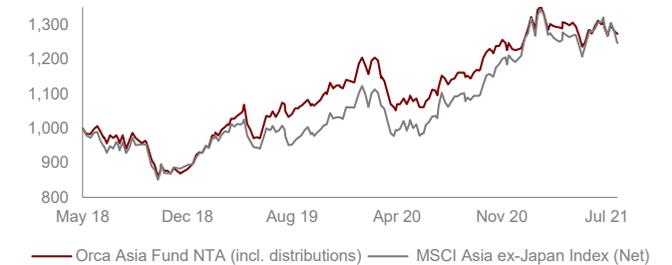


Source: Investment Manager, Bloomberg

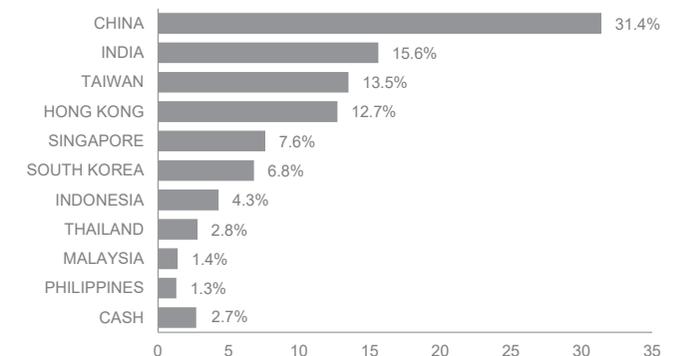
Notes: Data as at 31 July 2021 unless stated. Numbers may not sum due to rounding.

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 July 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.

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 (**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.

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**).