

Orca Asia Fund

ARSN 624 216 404

Interim report

For the half-year ended December 31, 2021

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Contents	Page
Directors' report	2
Auditor's Independence Declaration	5
Condensed statement of profit or loss and other comprehensive income	6
Condensed statement of financial position	7
Condensed statement of changes in equity	8
Condensed statement of cash flows	9
Notes to the interim financial statements	10
Directors' declaration	18
Independent auditor's review report to the unitholders of Orca Asia Fund	19

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended June 30, 2021 and any public announcements made in respect of Orca Asia Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers Orca Asia Fund as an individual entity. The Responsible Entity of Orca Asia Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150). The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

Directors' Report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity (the "Responsible Entity") of Orca Asia Fund (the "Fund"). The Directors of the Responsible Entity (the "Directors") present their report together with the interim financial statements of the Fund for the half-year ended December 31, 2021.

Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund invests in a high quality companies in the Asia ex Japan region in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

Directors

The Directors of The Trust Company (RE Services) Limited during the half-year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Name _____

Glenn Foster

Simone Mosse

Vicki Riggio

Richard McCarthy Resigned as Director on February 1, 2022

Review and results of operations

During the half-year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended December 31, 2021	December 31, 2020
(Loss)/profit for the half-year ('000)	(415)	13,181
Distributions paid or payable ('000)	1,481	2,107
Distributions (cents per unit)	2.91	2.54

Directors' Report (continued)

Significant changes in state of affairs

The Directors continue to assess the potential financial and other impacts of the coronavirus (COVID-19) outbreak to the Fund. The current high-level of uncertainty regarding the severity and length of COVID-19 on investment markets has impacted investment outcomes and increased volatility in investment performance during the half-year.

At the date of signing, the future impacts of COVID-19 on global and domestic economies and investment market indices, and their resulting impact on the Fund are uncertain. The Directors and management will continue to monitor this situation.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year.

Matters subsequent to the end of the half-year

On February 1, 2022, Richard McCarthy resigned as a Director.

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets of the Fund and thus performance of the Fund. Management is continuing to monitor this development and evaluate its impact on the Fund.

No other matter or circumstance has arisen since December 31, 2021 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regard to the insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund's property during the half-year are disclosed in Note 10 of the interim financial statements.

No fees were paid out of the Fund's property to the Directors of the Responsible Entity during the half-year.

Units in the Fund

The movement in units on issue in the Fund during the half-year is disclosed in Note 7 of the interim financial statements.

The value of the Fund's assets and liabilities is disclosed in the Condensed statement of financial position and derived using the basis set out in Note 2 of the interim financial statements.

Directors' Report (continued)

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with the *ASIC Corporations Instrument*, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director
The Trust Company (RE Services) Limited

Sydney
March 30, 2022



Deloitte Touche Tohmatsu
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Australia

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The Board of Directors
The Trust Company (RE Services) Limited
as Responsible Entity for :
Orca Asia Fund
Level 18
123 Pitt Street
SYDNEY NSW 2000

30 March 2022

Dear Board Members

Auditor's Independence Declaration to Orca Asia Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of Orca Asia Fund.

As lead audit partner for the review of the half year financial report of Orca Asia Fund for the period ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Weng W Ching
Partner
Chartered Accountants

Orca Asia Fund
Condensed statement of profit or loss and other comprehensive income
For the half-year ended December 31, 2021

Condensed statement of profit or loss and other comprehensive income

	Notes	Half-year ended	
		December 31, 2021	31 December, 2020
		\$'000	\$'000
Investment income			
Dividend and distribution income		606	785
Interest income		1	2
Net gains/(losses) on financial instruments at fair value through profit or loss		(61)	14,090
Net foreign currency gain/(loss)		10	(872)
Other operating income		4	-
Total investment income		560	14,005
Expenses			
Responsible Entity's fees	10	21	23
Management fees	10	403	753
Transaction costs		34	48
Other operating expenses		517	-
Total operating expenses		975	824
(Loss)/profit for the half-year		(415)	13,181
Other comprehensive income		-	-
Total comprehensive income for the half-year		(415)	13,181

The above Condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Orca Asia Fund
Condensed statement of financial position
As at December 31, 2021

Condensed statement of financial position

	Notes	As at	
		December 31, 2021 \$'000	June 30, 2021 \$'000
Assets			
Cash and cash equivalents		4,663	2,267
Dividends and distributions receivable		70	242
GST receivable		23	58
Financial assets at fair value through profit or loss	5	69,403	90,680
Total assets		74,159	93,247
Liabilities			
Distributions payable	8	1,481	2,310
Management fees payable		60	92
Performance fees payable		87	-
Other payables		18	7
Total liabilities		1,646	2,409
Net assets attributable to unitholders - equity	7	72,513	90,838

The above Condensed statement of financial position should be read in conjunction with the accompanying notes.

Orca Asia Fund
Condensed statement of changes in equity
For the half-year ended December 31, 2021

Condensed statement of changes in equity

	Notes	Issued capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at July 1, 2020		122,901	(3,427)	119,474
Profit for the half-year		-	13,181	13,181
Other comprehensive income for the half-year		-	-	-
Total comprehensive income for the half-year		-	13,181	13,181
Transactions with unitholders in their capacity as unitholders:				
Issued capital		695	-	695
Unit buy-backs		(15,267)	-	(15,267)
Buy-back costs		(39)	-	(39)
Distributions paid or payable		-	(2,107)	(2,107)
Balance at December 31, 2020		<u>108,290</u>	<u>7,647</u>	<u>115,937</u>
Balance at July 1, 2021		78,426	12,412	90,838
Loss for the half-year		-	(415)	(415)
Other comprehensive income for the half-year		-	-	-
Total comprehensive income for the half-year		-	(415)	(415)
Transactions with unitholders in their capacity as unitholders:				
Applications	7	92	-	92
Redemptions	7	(17,156)	-	(17,156)
Units issued upon reinvestment of distributions	7	635	-	635
Distributions paid or payable	7	-	(1,481)	(1,481)
Balance at December 31, 2021		<u>61,997</u>	<u>10,516</u>	<u>72,513</u>

The above Condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Orca Asia Fund
Condensed statement of cash flows
For the half-year ended December 31, 2021

Condensed statement of cash flows

	Notes	Half-year ended	
		December 31, 2021	December 31, 2020
		\$'000	\$'000
Cash flows from operating activities			
Dividends and distributions received		778	1,055
Interest received	1	1	2
Other operating income received		4	-
Management and administration fees paid		(874)	(643)
Net cash (outflow)/inflow from operating activities		(91)	414
Cash flows from investing activities			
Payments for purchase of financial instruments at fair value through profit or loss		(5,786)	(3,613)
Proceeds from sale of financial instruments at fair value through profit or loss		27,033	17,961
Net cash inflow from investing activities		21,247	14,348
Cash flows from financing activities			
Payments of buy-back costs		-	(39)
Payments for unit buy-backs		-	(15,438)
Distributions paid		(1,675)	(1,823)
Proceeds from applications by unitholders		92	-
Payments for redemptions by unitholders		(17,156)	-
Net cash outflow from financing activities		(18,739)	(17,300)
Net increase/(decrease) in cash and cash equivalents		2,417	(2,538)
Cash and cash equivalents at the beginning of the half-year		2,267	10,353
Effects of foreign currency exchange rate changes on cash and cash equivalents		(21)	(806)
Cash and cash equivalents at the end of the half-year		4,663	7,009
Non-cash operating and financing activities	7	635	1,314

The above Condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the interim financial statements

Contents	Page
1 General information	11
2 Summary of significant accounting policies	11
3 Rounding of amounts	11
4 Comparative revisions	12
5 Fair value measurement	12
6 Financial assets at fair value through profit or loss	14
7 Net assets attributable to unitholders	14
8 Distribution to unitholders	15
9 Remuneration of auditor	15
10 Related party transactions	15
11 Significant events during the half-year	17
12 Events occurring after the reporting period	17
13 Contingent assets and liabilities and commitments	17

1 General information

These interim financial statements cover Orca Asia Fund (the "Fund") as an individual entity. The Fund was constituted on February 1, 2018 and commenced operations on May 17, 2018. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity of the Fund (the "Responsible Entity"). The Responsible Entity is incorporated and domiciled in Australia, and its registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

The investment manager of the Fund is Orca Funds Management Pty Ltd (the "Investment Manager").

The investment objective of the Fund is to provide attractive risk-adjusted returns over the long term by investing in high quality companies in the Asia ex Japan region in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The interim financial statements of the Fund are for the half-year ended December 31, 2021. The interim financial statements are presented in the Australian currency.

The interim financial statements were authorised for issue by the directors of the Responsible Entity (the "Directors of the Responsible Entity") on March 30, 2022. The Directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

These interim financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended June 30, 2021 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Condensed statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and financial liabilities at fair value through profit or loss and net assets attributable to unitholders.

(b) Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied to the Fund's financial statements for the year ended June 30, 2021.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning July 1, 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

3 Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the interim financial statements. Amounts in the interim financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

4 Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

5 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis.

- Financial assets at fair value through profit or loss ("FVTPL")

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain unlisted shares, certain corporate debt securities and managed funds with suspended applications and withdrawals.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

5 Fair value measurement (continued)

(ii) Valuation techniques used to derive level 2 and level 3 fair value (continued)

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Recognised fair value measurements

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value as at December 31, 2021 and June 30, 2021.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investments - listed	64,197	-	-	64,197
Managed funds - unlisted	-	-	5,206	5,206
Total financial assets at fair value through profit or loss	64,197	-	5,206	69,403
 As at June 30, 2021	 Level 1 \$'000	 Level 2 \$'000	 Level 3 \$'000	 Total \$'000
Financial assets at fair value through profit or loss				
Equity investments - listed	85,221	-	-	85,221
Managed funds - unlisted	-	-	5,459	5,459
Total financial assets at fair value through profit or loss	85,221	-	5,459	90,680

(iii) Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following table presents the transfers between levels for the period ended 31 December 2021 (year ended 30 June 2021: \$5,022,566).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
As at December 31, 2021			
Transfer between levels 2 and 3			
Managed funds - unlisted		-	-
 As at June 30, 2021	 Level 1 \$'000	 Level 2 \$'000	 Level 3 \$'000
Transfer between levels 2 and 3			
Managed funds - unlisted		-	(5,023)
			5,023
 (iv) Reconciliation of Level 3 fair value investments	 \$'000		
Opening balance - 1 July 2020			-
Transfer from level 2 to level 3 (Managed funds - unlisted)			5,023
Gains/(losses) recognised in profit or loss			436
Closing balance - 30 June 2021			<u>5,459</u>
Transfer from level 2 to level 3 (Managed funds - unlisted)		-	(2,459)
Sales			(2,459)
Gains/(losses) recognised in profit or loss			2,206
Closing balance - 31 December 2021			<u>5,206</u>
 Total unrealised gains/(losses) for the half-year included in the statement of profit or loss and other comprehensive income			<u>512</u>

5 Fair value measurement (continued)

(v) Valuation processes

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, the Investment Manager performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

(vi) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the Condensed statement of financial position. Due to their short-term nature, the carrying amounts of cash and cash equivalents, receivables and payables are assumed to approximate fair value.

6 Financial assets at fair value through profit or loss

	As at	
	December 31, 2021 \$'000	June 30, 2021 \$'000
Financial assets at fair value through profit or loss		
Equity investments - listed	64,197	85,221
Managed funds - unlisted	5,206	5,459
Total financial assets at fair value through profit or loss	69,403	90,680

7 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund does not have a contractual obligation to pay distributions to unitholders. Therefore, the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity.

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

	Half-Year ended December 31, 2021 No. '000	Year ended June 30, 2021 No. '000	Half-Year ended December 31, 2021 \$'000	Year ended June 30, 2021 \$'000
Opening balance	62,283	93,806	90,838	119,474
Applications	64	44	92	53
Redemptions	(11,927)	(19,463)	(17,156)	(28,951)
Unit buy-backs	-	(13,064)	-	(16,833)
Buy-back costs	-	-	-	(58)
Units issued upon reinvestment of distributions	436	960	635	1,314
(Loss)/profit for the half-year	-	-	(415)	20,243
Distribution paid and payable	-	-	(1,481)	(4,404)
Closing balance	50,856	62,283	72,513	90,838

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

The Fund classifies its net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

Orca Asia Fund
Notes to the interim financial statements
For the half-year ended December 31, 2021
(continued)

8 Distributions to unitholders

Distributions are payable at the end of each financial year and half-year. Such distributions are determined by reference to the net taxable income of the Fund.

The distributions for the half-year were as follows:

	Half-year ended December 31, 2021 \$'000	Half-year ended December 31, 2021 CPU*	Half-year ended December 31, 2020 \$'000	Half-year ended December 31, 2020 CPU*
December (payable)	1,481	2.91	2,107	2.54
Total distributions	1,481	2.91	2,107	2.54

* Distribution is expressed as cents per unit amount in the Australian Dollar.

9 Remuneration of auditor

During the half-year, the following fees were paid or payable for services provided by the auditor of the Fund:

	Half-year ended December 31, 2021 \$	Half-year ended December 31, 2020 \$
Deloitte Touche Tohmatsu		
Audit and other assurance services		
Audit and review of financial statements	12,000	10,600
Total remuneration for audit and other assurance services	12,000	10,600
Total remuneration of Deloitte Touche Tohmatsu	12,000	10,600

The auditor's remuneration is not paid directly out of fund assets but by the Investment Manager.

10 Related party transactions

For the purpose of these interim financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities.

There have been no significant changes to the related party transactions disclosed in the previous annual financial report for the period ending June 30, 2021, with the exception of the resignation of Richard McCarthy from the Responsible Entity's board of Directors on February 1, 2022.

Responsible Entity

The Responsible Entity of the Fund from July 1, 2020 to February 1, 2021 was E&P Investments Limited (formerly Walsh & Company Investments Limited) (former Responsible Entity). The Responsible Entity of the Fund from February 1, 2021 is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150).

10 Related party transactions (continued)

Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund since the end of the previous financial year and there were no material contracts involving Director's interests existing at the end of half-year.

Responsible Entity's/Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution, the previous Responsible Entity (E&P Investments Limited) was entitled to receive a fee of \$22,842 from July 1, 2020 to December 31, 2020. Following the change of Responsible Entity to The Trust Company (RE Services) Limited on February 1, 2021, the Responsible Entity fee is included in the Investment Manager fee as disclosed below. The Investment Manager of the Fund is Orca Funds Management Pty Ltd. The Investment Manager is entitled to receive a management fee at the rates stipulated in the Fund's governing documents at 1.35% of the Fund's gross asset values. The Investment Manager is also entitled to a performance fee of 10% (inclusive of GST less RITC) of the investment return above the performance benchmark (being the MSCI Asia ex Japan Net Total Return Index, in Australian Dollars, after other fees and expenses have been deducted) and achieves positive performance.

The former Responsible Entity charged a Responsible Entity fee of 0.10% per annum of the gross asset value of the Fund (inclusive of the effect effect of GST).

In the prior comparative period, in connection with the provision of services as Investment Manager, Orca Funds Management Pty Limited, received an Investment Management fee of 1.25% per annum (inclusive of the net effect of GST) of the gross asset value of the Fund.

The transactions during the half-year and amounts payable at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Half-year ended	
	December 31, 2021	December 31, 2020
	\$	\$
Fees paid and payable by the Fund to the Investment Manager	402,618	751,338
Responsible Entity's fees for the half-year paid and payable by the Fund to the Responsible Entity	21,212	22,842
As at		
	December 31, 2021	June 30, 2021
	\$	\$
Aggregate amounts payable to the Investment Manager at reporting date	(147,248)	(91,526)
Aggregate amounts payable to the Responsible Entity at reporting date	(91)	(198)

Brokerage fees

Dixon & Advisory Superannuation Services Limited, a related party of the E&P Investments Limited, was engaged as a broker by the Fund and received brokerage of 0.25% on all transactions undertaken as part of the Fund's buy-back program up to October 1, 2019.

Effective October 1, 2019, Evans & Partners Pty Ltd, also a related party of Orca Funds Management Pty Limited and broker of the Fund, was engaged to provide brokerage under the Fund's buy-back program. There was no change in the brokerage fee structure under the buy-back program as a result of the change in brokers.

Total fees paid and payable to the related party of Orca Funds Management Pty Limited during the half-year ended December 31, 2020 were \$38,167 exclusive of GST, and recognised as buy-back costs in the Condensed statement of changes in equity. There were no buy-back costs for the half-year ended December 31, 2021.

Investments

The Fund did not hold any investments in The Trust Company (RE Services) Limited or of its affiliates or funds managed by Orca Funds Management Pty Limited during the half-year.

11 Significant events during the half-year

The Directors continue to assess the potential financial and other impacts of the coronavirus (COVID-19) outbreak to the Fund. The current high-level of uncertainty regarding the severity and length of COVID-19 on investment markets has impacted investment outcomes and increased volatility in investment performance during the period.

At the date of signing, the future impacts of COVID-19 on global and domestic economies and investment market indices, and their resulting impact on the Fund are uncertain. The Directors and management will continue to monitor this situation.

There were no other significant events during the half-year.

12 Events occurring after the reporting period

On February 1, 2022, there were changes to the composition of the Responsible Entity's board of Directors. Please refer to Note 10 for further details of those changes.

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets of the Fund and thus performance of the Fund. Management is continuing to monitor this development and evaluate its impact on the Fund.

The Directors are not aware of any other event or circumstance since the end of the half-year not otherwise addressed within these interim financial statements that has affected or may significantly affects the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at December 31, 2021 and June 30, 2021.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at December 31, 2021 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of Trust Company (RE Services) Limited.



Director
The Trust Company (RE Services) Limited

Sydney
March 30, 2022

Independent Auditor's Review Report to the unitholders of Orca Asia Fund

Conclusion

We have reviewed the half-year financial report of Orca Asia Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Trust Company (RE Services) Limited, the Responsible Entity (the 'directors'), would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Weng W Ching
Partner
Chartered Accountants
Sydney, 30 March 2022