



## 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 +0.9% in Australian dollar (AUD) terms over May. Asian markets were mixed as regional setbacks from increasing COVID-19 infections continued to dampen the economic recovery. India (+8.4%) rebounded strongly despite the devastating COVID-19 resurgence. Investors expect that the current wave will not impact the longer-term economic output as major industries continue to operate. The Philippines (+5.5%) outperformed as the local market surged late in the month following decreasing virus infections and easing restrictions. Malaysia (-2.4%) and Taiwan (-1.0%) both underperformed due to increasing restrictions and lockdowns as COVID-19 cases jumped. On a sector basis, Energy (+6.1%) and Utilities (+5.1%) outperformed but Consumer Discretionary (-2.3%) and Communication Services (-0.7%) lagged, largely due to the underperformance of large cap Internet names.

The Orca Asia Fund (Fund) returned -0.8%, underperforming the Index by 1.7% for the month. **Kweichow Moutai** (+12.0%) outperformed and contributed most to the Fund's performance as strong Chinese domestic consumption during the May holiday period resulted in improved sentiment across the consumer sectors. **ENN Energy** (+9.4%) also contributed positively, as natural gas sales volumes (+25% yoy) recover and continue to grow. In addition, ENN Energy's integrated energy business, aligned with China's stated intention to be carbon neutral target by 2060, also grew strongly (+79% yoy).

Negative contributors included **New Oriental Education** (-33.0%) which, along with the after-school tutoring sector in China, was impacted by increasing regulatory pressure and a broad decline in sentiment towards the sector. Our view is that New Oriental Education is well positioned and should be able to consolidate the after-school tutoring market as compliance costs squeeze many small players out of the market. **Alibaba** (-7.4%) reported quarterly results during the month with revenue ahead of expectations and solid guidance. However, markets were disappointed by the news that the company will reinvest all incremental profits across the business. Alibaba's long-term growth prospects remain strong, driven by the expansion of the ecommerce and cloud computing markets.

## PORTFOLIO MANAGERS



**Ted Alexander**  
Portfolio Manager



**Ying Luo**  
Assistant  
Portfolio Manager

Unit price (exit)	Fund size	12-month distribution yield (target: 4%)	Annualised performance since inception (14 May 2018) <sup>1</sup>
<b>\$1.4670</b>	<b>\$95.7 million</b>	<b>3.6%</b>	<b>8.6%</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	-0.8%	0.0%	4.8%	21.1%	14.8%	9.3%	8.6%
MSCI Asia ex Japan Index (Net, AUD)	0.9%	0.9%	8.2%	30.0%	16.5%	9.6%	8.5%
Excess Return	-1.7%	-0.9%	-3.4%	-9.0%	-1.7%	-0.3%	0.1%

Note: Numbers may not sum due to rounding.

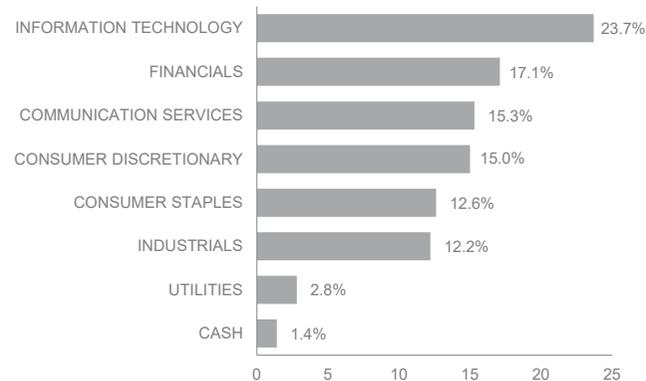
## TOP 10 PORTFOLIO HOLDINGS

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

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

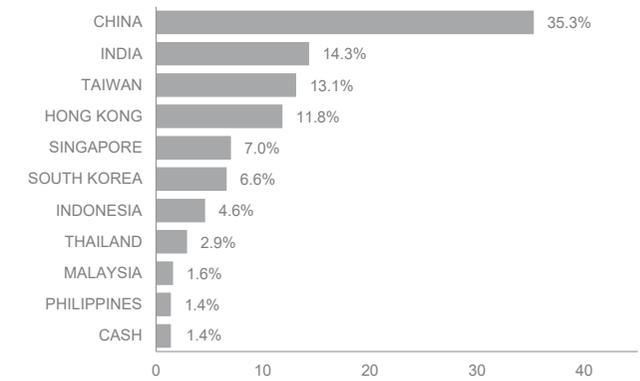


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data as at 31 May 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 May 2021. 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 31 December 2020, collectively manage over \$790 million of funds.

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## IMPORTANT INFORMATION

This report has been prepared 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](http://orcafunds.com.au).

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