PACIFIC NORTH OF SOUTH EM ALL CAP EQUITY

I ACC SHARE CLASS | GBP

FACTSHEET | 31 May 2024

PACIFIC ASSET MANAGEMENT

KEY FACTS

Pricing information

Nav price (31 May 24)	15.049
Pricing frequency:	Any Business Day
Yield:	3.65%

Portfolio managers

Manager names:	Matthew Linsey, Kamil Dimmich

Fund facts

Fund size (USD m):	1557.9
Strategy size (USD m):	1,991.1
Investment manager:	Pacific Asset Management
Sub-investment manager:	North of South
Launch date of fund:	22 Nov 17
Launch date of class:	02 Mar 18
Fund structure:	Irish UCITS
Fund type:	Single Manager
Share class type:	Accumulating
Base currency:	USD
Currencies available:	CAD, EUR GBP, USD
Benchmark:	MSCI Emerging Market Total Return Index
Dealing frequency:	Any Business Day
Subscription cut off:	Noon the prior day
Auditors:	Deloitte
Depositary:	Citi Depositary Services Ireland
Administrators:	Citibank Europe Plc
ManCo:	Waystone Management Company (IE) Ltd

Identifiers

ISIN:	IE00BD9GKZ43
Bloomberg:	PNSGIAU ID
SEDOL:	BD9GKZ4

Charges

Initial Charge:	None
AMC:*	0.75%
Ongoing Charges Figure:	0.87%

IMPORTANT INFORMATION

The Ongoing Charges Figure (OCF) is an estimate based on projected expenses and may vary from year to year. An estimate is used in order to provide the figure that will most likely be charged. For more information about charges please see the Key Investor Information Document (KIID) and "Fees and Expenses" of the Funds Prospectus and Supplement. *Included in the OCF.

Investment objective

Long-term capital appreciation through investing in a diversified portfolio of emerging market equities. Combines top-down macroeconomic themes and bottom-up company analysis to identify undervalued stocks across the full market capitalisation spectrum. Aims to outperform MSCI EM Total Return index by 3-5% annually.

Fund manager commentary

During May, the strategy outperformed the MSCI Emerging Markets index by 1.2%

The main contributors to performance were China and Taiwan. This was partly offset by continued weak performance from Brazil where concerns about delayed Fed rate cuts continued to weigh on the market.

Over the month we have added further to China exposure, leaving us in line with the index weighting. We also added to exposure in Poland while continuing to take profit on Taiwan and further reducing Brazil.

Recent weeks have seen three of the big EM elections scheduled for this year. While the winning parties in all of them were as expected, they nonetheless generated plenty of surprise and market volatility. In both India and South Africa the dominant ruling parties lost their majorities, although will continue in government as expected. In a completely opposite move, Mexico gave its ruling party a super-majority which potentially allows for changes to the constitution.

In our experience elections generate a lot of short-term noise but rarely provides a dramatic impact on the economy and market. Naturally, there are exceptions to this – Modi's original win set a path for a long period of outperformance for India. In recent years elections in Argentina have had an outsize impact on equity markets too, although they have tended to be subsequently reversed. In these latest elections, certainly short-term volatility has been elevated.

While it is understandable that investors are concerned about the potential for increasingly concentrated power in Mexico, as well as the uncertainty resulting from a South African coalition government, the market reaction in India has been inconsistent to say the least.

Our concern has been that the Indian equity market was highly valued based on very optimistic assumptions. These included an expected strong mandate for Prime Minister Modi to implement much needed economic reforms. Understandably, when exit polls indicated a huge victory for his party on the Monday following elections, the Indian market rallied almost 4% in US$ terms. When actual results on Tuesday showed the opposite, with Modi losing his majority and forcing a reliance on uncertain coalition partners, there was indeed a significant 7% reversal in the market. And yet, over the following days, the market rallied back up to new all-time highs, as if the election outcome that seemed so crucial in the previous days, was actually irrelevant all along.

While it is important not to read too much into short term market movements, this does illustrate that Indian market participants were prepared to buy the market regardless of what new information came to light. Such behaviour suggests a lack of rationality which helps explain the high valuations we are seeing. Famously as John Maynard Keynes said, markets "can remain irrational for longer than you can stay solvent" and we cannot assume a change in behaviour is imminent. At the same time, we need to remain focussed on valuation opportunities and avoid subverting our process.

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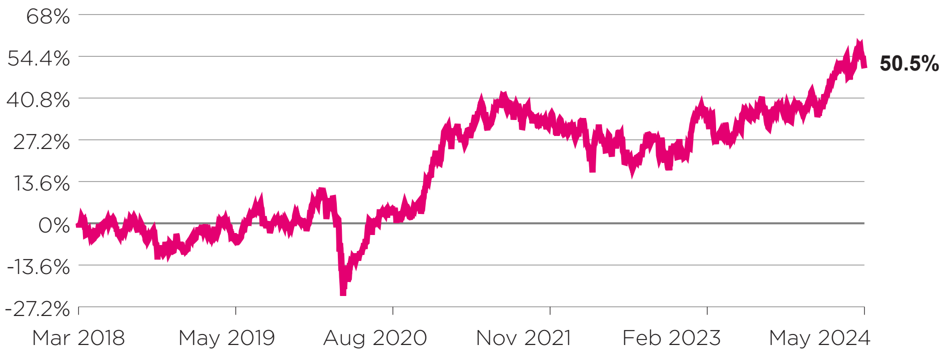
From 02 Mar 2018 (inception) to 31 May 2024 (%)



I Acc share class | GBP Period returns

From 02 Mar 2018 (inception) to 31 May 2024 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018			-2.41	1.10	1.56	-3.05	4.45	-2.76	-1.10	-6.44	3.08	-2.75	-8.49
2019	5.79	-0.67	1.77	1.34	-4.06	5.95	4.35	-5.58	0.54	-0.65	-0.07	6.81	15.70
2020	-4.20	-2.70	-15.61	7.01	5.34	6.52	2.65	-0.66	0.03	1.12	11.46	6.86	16.03
2021	1.09	1.77	4.06	4.58	-1.87	4.99	-4.18	1.56	-2.47	-2.83	-1.53	0.96	5.75
2022	0.28	-3.35	2.02	-1.14	1.93	-6.81	0.51	5.84	-5.49	-3.29	8.62	-2.21	-4.11
2023	8.97	-3.72	-0.56	-2.20	2.71	2.79	4.81	-3.95	1.90	-3.25	2.96	4.27	14.75
2024	-3.99	7.15	2.73	-0.45	0.05								5.27

Past performance is not necessarily a guide to future performance.
Performance is shown net of fees.
Source: Pacific Asset Management as at 31 May 2024.

PORTFOLIO BREAKDOWN

Fund characteristics

Total no. securities held	**87**
Top ten position concentration	**30.0%**

Market cap breakdown (% of nav)

($5bn plus)	69.5
($500m to $5bn)	26.8
(Up to $500m)	1.8

Top 15 holdings (%)

Name	Geographic	Industry	% of fund
Taiwan Semiconductor	Taiwan	Technology	8.0
Alibaba Group	China	Consumer Discretionary	4.8
Samsung Electronics	Korea, Republic of	Technology	4.8
Ase Technology Holding	Taiwan	Technology	2.8
Emaar Properties	United Arab Emirates	Real Estate	2.7
Eurobank Ergasias Services	Greece	Financials	2.1
Kia Motors	Korea, Republic of	Consumer Discretionary	2.1
Mediatek Inc	Taiwan	Technology	2.0
Powszechny Zaklad Ubezpiecze	Poland	Financials	2.0
Baidu Inc	China	Communications	1.8
Samsung Fire & Marine Ins	Korea, Republic of	Financials	1.8
Vipshop Holdings	China	Consumer Discretionary	1.7
United Microelectronics	Taiwan	Technology	1.7
China Construction Bank	China	Financials	1.7
Kt Corp	Korea, Republic of	Communications	1.6

Fund geographical weightings (%)

China	25.7
Taiwan	21.0
Korea, Republic of	16.4
Mexico	7.0
Brazil	5.4
United Arab Emirates	5.2
Greece	2.8
Indonesia	2.5
Thailand	2.1
Poland	2.0
Canada	1.6
Portugal	1.5
Other	5.1
Cash	1.9

Fund industry weightings (%)

Technology	24.6
Consumer Discretionary	20.5
Financials	17.3
Materials	9.2
Industrials	7.5
Energy	6.1
Real Estate	4.7
Communications	3.8
Consumer Staples	3.5
Health Care	0.8
Cash	1.9

Holdings and allocations are subject to change. Totals may not sum to 100% due to rounding.

PLEASE GET IN TOUCH

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