

# Pacific North of South EM All Cap Equity Fund

Pacific North of South EM All Cap Equity Fund seeks to achieve long-term capital appreciation through investing in a portfolio of emerging market equities. The fund is managed by North of South Capital, a highly experienced emerging markets investment team with long-term knowledge of the markets and companies they invest in. The team applies an active, value-based approach combining top-down macro research and bottom-up company analysis to identify mispriced stocks, building a carefully diversified portfolio.

## North of South Capital EM value investment specialists founded in 2004

North of South is headed by Lead Portfolio Manager Matthew Linsey, who has managed global emerging market equity funds for over 20 years and has a track record of generating returns in different market environments. With extensive local networks and long-term knowledge of markets and companies across the regions, the team has developed a deep understanding of market dynamics and a proven ability to locate value.

## Highly experienced team with over 50 years' combined Emerging Markets equities experience



**Matt Linsey**  
Company founder,  
Managing Partner &  
Lead Portfolio Manager



**Kamil Dimmich**  
Partner & Co-manager



**Mark Latham**  
Partner & Strategist/  
Natural Resource Analyst



**Arnoud van Leeuwen**  
Partner & COO

## Core team unchanged since 2009

## Significant outperformance over time

North of South were the sub-advised manager to a GAM long only UCITS fund between July 2011 and June 2017.

In this time the North of South EM Equity Strategy track record outperformed its global emerging markets benchmark by over 450 basis points per annum.

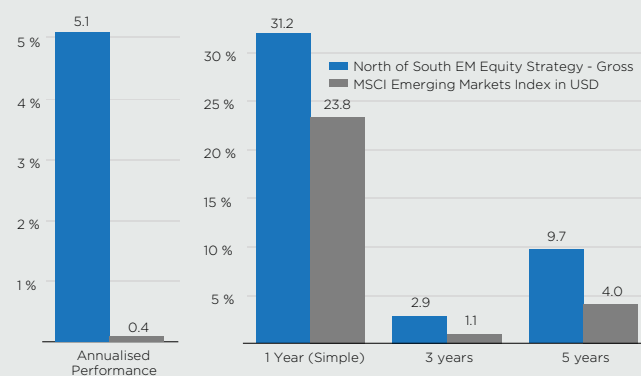
## 5.7% annual outperformance over the last five years of the strategy

Source: North of South Capital, Bloomberg

**Past performance is not indicative of future performance. Performance is provided gross of fees.**

## North of South EM Equity Strategy – Gross

Annualised performance from 31 Jul 2011 (inception) to 30 Jun 2017



## North of South three major investment principles:

**1** Value investing outperforms other styles over time

By buying equities whose income streams are priced below those of the market and of its peers we expect to receive more income over time.

**2** Value needs to be seen in the context of domestic risk free rate

Equities need to be attractive relative to their domestic fixed income markets in order to perform over the long term.

**3** Value needs to be assessed relative to the riskiness of the stock

Establishing a consistent methodology for the equity risk premium is essential in this process.

## Investment process

Actively managed, diversified portfolio

The North of South Capital process combines top-down macroeconomic analysis and bottom-up company research to identify undervalued stocks.

- **Country Cost of Capital** plays a key role in the investment decisions and is vital in cross-border comparison of stocks.
- Equities need to be attractive relative to their domestic fixed income markets in order to perform over the long term
- North of South's **Equity Risk Premium** methodology is an extension of the traditional calculation and includes factors such as liquidity of the stock, volatility of the stock, volatility of earnings, underlying leverage and subjective factors such as corporate governance.
- Country Cost of Capital is combined with Company Equity Risk Premium and are used to calculate **Weighted Average Cost of Capital (WACC)**.
- Expected company future earnings are discounted by WACC.

## Liquid and diversified portfolio

A strong focus on risk management is embedded throughout the investment process and underpins the team's disciplined approach to macro research and company analysis. Stock liquidity is of vital importance. The team monitors liquidity on a daily basis to ensure the portfolio remains within expected parameters, with 75% of the portfolio able to be liquidated within one week. Diversification is key in portfolio construction and the fund maintains exposure across a range of countries, sectors, currencies and market caps. The team monitors returns and risk concentrations relative to the index, country and sector and continually assesses positions and return forecasts.

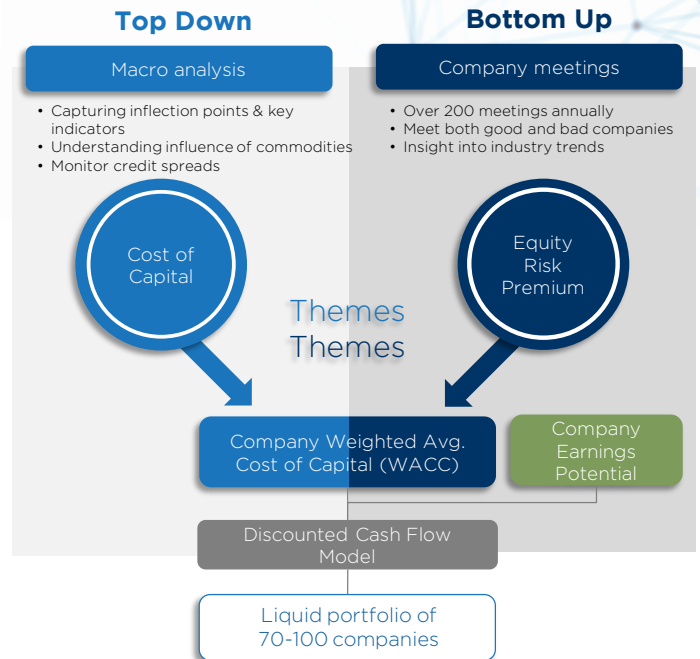
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## Fund overview

<b>Fund type</b>	Equity Long Only
<b>Fund structure</b>	Irish-UCITS
<b>Investment manager</b>	Pacific Capital Partners
<b>Sub-investment manager</b>	North of South Capital LLP
<b>Inception date</b>	22 Nov 2017
<b>Currencies available</b>	GBP, USD, EUR, CHF
<b>Dealing frequency</b>	Daily
<b>Auditors</b>	Deloitte
<b>Depository</b>	State Street Custodial Services (Ireland) Limited
<b>Administrators</b>	State Street Fund Services (Ireland) Limited

## Pacific Asset Management and North of South Capital

In May 2017 Pacific Asset Management became a partner in North of South Capital. Pacific Investments has considerable experience in emerging markets, having founded a number of successful businesses including: Thames River Capital with its flagship emerging market fund Thames River Nevsky, which later became Nevsky Capital.

To read more from Matt Linsey and the North of South team visit [www.pacificam.co.uk](http://www.pacificam.co.uk)

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