PACIFIC NORTH OF SOUTH EM ALL CAP EQUITY

R3 SHARE CLASS | EUR

FACTSHEET | 30 Jun 2025

KEY FACTS

Pricing information

NAV price (30 Jun 25)	13.014
Pricing frequency:	Any Business Day
Yield:	3.24%

Portfolio managers

Manager names:	Matthew Linsey, Kamil Dimmich

Fund facts

Fund size (USD m):	2615.6
Strategy size (USD m):	3,852.4
Investment manager:	Pacific Asset Management
Sub-investment manager:	North of South
Launch date of fund:	22 Nov 17
Launch date of class:	12 Sep 22
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 (GMT):	Noon the prior day
Auditors:	Deloitte
Depositary:	Citi Depositary Services Ireland
Administrators:	Citibank Europe Plc
ManCo:	Waystone Management Company (IE) Ltd

Identifiers

ISIN:	IE000K2JTEV0
Bloomberg:	PNSER3A ID
SEDOL:	BP6VTC6

Charges

Initial Charge:	None
AMC:*	0.75%
Ongoing Charges Figure:	1.32%

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 Fund's 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 the second quarter of 2025 the Strategy underperformed the MSCI Emerging Markets index by -2.6% in US dollar (USD) terms, Punctuated by significant volatility following "Liberation Day" tariff announcements, our markets initially sold off but ultimately delivered solid gains in USD terms.

The largest drag this quarter came from Taiwan dollar (TWD) hedges as a significant portion of Taiwanese returns came via sudden currency appreciation. While this was offset in absolute terms by the equity portfolio, it resulted in underperformance relative to the unhedged index. Stock positions in China also underperformed, as some of the internet giants we hold have engaged in increasingly aggressive competition on each other's turf. On the flip side, smaller markets in EMEA generally added value, as did our overweight exposure to Korea.

During the quarter we have continued adding to Korea as the market is finally seeing tailwinds from Value-up and a return of political stability. We have also been building our exposure to India, although remaining very much underweight on valuations. We have re-entered Malaysia which is increasingly attractive in the South-East Asian context. These increased exposures have been funded by taking profits on stocks in China, Poland, and the UAE.

The past quarter provided evidence that many long-held certainties and correlations need to be reassessed. Most centrally, the behaviour of the USD is leading currency traders to tear their hair out. The reaction of oil prices to the US bombing of Iran or the schizophrenic moves in US bond markets relative to the deficit busting bills have also been defying conventional wisdom.

As we have written previously, the most lasting effect of the current gyrations is likely to be a gradual decline in the US dollar. As any foreigner who has recently travelled in the US can attest, the currency is almost certainly overvalued. This has been sustainable as a result of US exceptionalism and an insatiable appetite for US assets. If the rest of the world starts questioning their safe haven status, this will reduce dollar purchases at the margin. It may also suit the US administration. A weaker dollar could remove a long-standing headwind to returns on Emerging Market investments, where currency depreciation has been offsetting domestic growth.

During the quarter, we have trimmed the TWD forward hedges and will continue to reassess whether they remain attractive from a risk-adjusted perspective. Historically, they have provided positive carry with low volatility and a free tail hedge for geopolitical risks. The long-standing expectation that the Taiwanese central bank would minimise volatility in its semi-managed currency has also been severely undermined with unprecedented daily moves of over 4% in the currency.

While the TWD has experienced various periods of gradual strengthening and weakening, this was a slow process. As a result, important parts of the island's insurance industry were premised on relatively low volatility. Domestic insurance companies have typically held higher yielding USD assets to provide sufficient returns on their liabilities. Large parts of this exposure were unhedged with an effective central bank "put" in place on any TWD strengthening. Conventional wisdom was that in the new tariff world, the currency would likely weaken, in order to compensate for tariffs. In recent months, the realisation that an appreciation of the TWD might form part of tariff negotiations with the US led to panic repatriation and hedging of Taiwanese insurance holdings and a self-fulfilling cycle of the TWD strengthening. The stress in the system can be measured by the level of premium that one-year TWD forwards trade at – currently close to 7%.

In hindsight the risk of the TWD following all other global currencies upwards against a weaker dollar was obvious. Going forward, there is some nuance to the outlook. The central bank is watching insurance company balance sheets closely – they will be reporting significant losses on their holdings in Q2, although mostly remain solvent. Their ongoing balance sheet restructuring process is keeping up the pressure on the currency and forward markets, partly offset by central bank intervention when needed. Given the risk to the financial system, we are not likely to see further sudden moves but there is scope for the TWD to remain well bid. As desperation hedging fades away, the forward premiums should also start compressing back towards historic levels of 3-4%.

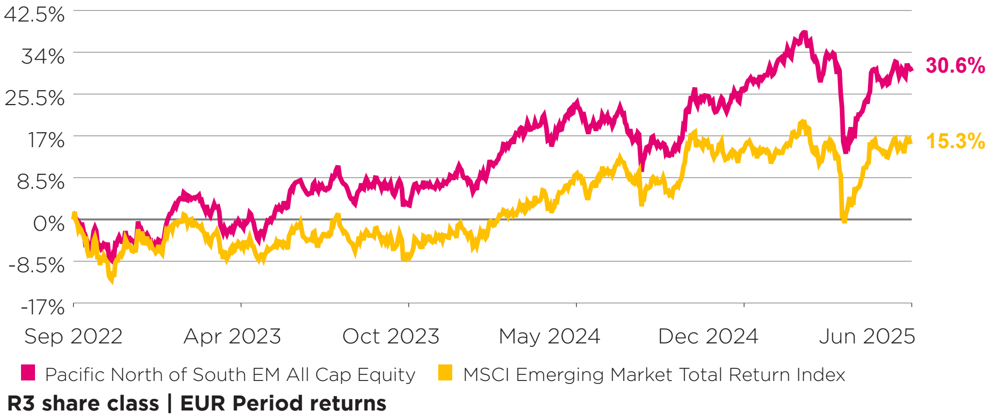
Curiously, Taiwanese exporters that typically price in USD have continued reporting strong sales even when translated back into TWD. This may reflect continued front-loading ahead of tariffs by buyers but may also show the pricing power exhibited by Taiwanese businesses that are looking to protect their margins and top line. Since USD weakness is universal, Taiwan's currency appreciation does not put it at a disadvantage to its Asian peers. In many cases, Taiwanese firms enjoy near-monopolistic positions.

While we follow the twists and turns of negotiations on trade and tariffs, we continue not to take any outcomes for granted and fully expect that real "trade deals" will be difficult to achieve even as markets have rapidly priced in benign outcomes. This is likely to become clear over the coming months even if all parties are keen to de-escalate. As written previously, severely damaging levels of tariffs are not credible in the long-term. Their instigators would either scale them back or be voted out of office. There is clearly a very limited tolerance for pain as reversals happened a lot sooner than expected.

As always, our focus remains on keeping our portfolio diversified in a way that doesn't attempt to predict the pathway to normalisation but allows us to calmly follow developments. We continue to deploy our cost of capital approach and valuation discipline to find opportunities in these uncertain times.

R3 share class | EUR

From 12 Sep 2022 (inception) to 30 Jun 2025 (%)



R3 share class | EUR Period returns

From 12 Sep 2022 (inception) to 30 Jun 2025 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022									-6.55	-1.14	7.79	-4.75	-5.15
2023	9.55	-3.07	-0.91	-2.18	4.82	2.99	4.92	-3.95	0.57	-3.70	4.02	3.67	16.94
2024	-2.52	6.80	2.78	-0.39	0.16	1.63	-2.26	-1.83	5.22	0.27	1.72	3.96	16.16
2025	4.15	0.39	-3.78	-5.89	4.51	2.09							1.01

Past performance is not necessarily a guide to future performance.
Performance is shown net of fees.
Source: Pacific Asset Management as at 30 Jun 2025.

PACIFIC ASSET MANAGEMENT

PORTFOLIO BREAKDOWN

Fund characteristics

Total no. securities held	**86**
Top ten position concentration	**29.9%**

Market cap breakdown (% of NAV)

$5bn plus	67.9
$500m to $5bn	25.6
Up to $500m	0.8

Top 15 holdings (%)

Name	Geographic	Industry	% of Fund
Taiwan Semiconductor	Taiwan	Information Technology	6.4
Alibaba Group	China	Consumer Discretionary	4.4
Samsung Electronics	Korea, Republic of	Information Technology	3.6
Mediatek Inc	Taiwan	Information Technology	3.3
Jd.com	China	Consumer Discretionary	2.4
Eurobank Ergasias Services	Greece	Financials	2.0
Emaar Properties	United Arab Emirates	Real Estate	1.9
Sk Square Co Ltd	Korea, Republic of	Industrials	1.8
Samsung Fire & Marine Insurance	Korea, Republic of	Financials	1.8
K92 Mining	Canada	Materials	1.7
Naspers Ltd-n Shs	South Africa	Consumer Discretionary	1.7
Powszechny Zaklad Ubezpiecze	Poland	Financials	1.7
Full Truck Alliance -spn Adr	China	Industrials	1.6
Kt Corp-sp Adr	Korea, Republic of	Communication Services	1.5
Lotes Co Ltd	Taiwan	Information Technology	1.5

Fund geographical weightings (%)

China	24.1
Taiwan	18.6
Korea, Republic of	15.9
United Arab Emirates	6.4
Brazil	6.3
Mexico	4.0
South Africa	3.7
Canada	3.2
Greece	2.9
Indonesia	2.2
Poland	1.7
India	1.6
Other	3.7
Cash	5.7

Fund industry weightings (%)

Information Technology	20.9
Consumer Discretionary	20.6
Financials	16.0
Industrials	13.5
Communication Services	6.7
Energy	5.2
Materials	4.6
Consumer Staples	3.0
Real Estate	2.5
Health Care	1.4
Cash	5.7

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

PLEASE GET IN TOUCH

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