

#### KEY FACTS

##### Pricing information

Nav price (28 Mar 24)	11.361
Pricing frequency:	Any Business Day
Yield:	3.64%

##### Portfolio managers

Manager names:	Matthew Linsey, Kamil Dimmich
----------------	----------------------------------

##### Fund facts

Fund size (USD m):	1384.1
Strategy size (USD m):	1,816.1
Investment manager:	Pacific Asset Management
Sub-investment manager:	North of South
Launch date of fund:	22 Nov 17
Launch date of class:	09 Nov 21
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
Depository:	Citi Depository Services Ireland
Administrators:	Citibank Europe Plc
ManCo:	Waystone Management Company (IE) Ltd

##### Identifiers

ISIN:	IE00BM991757
Bloomberg:	PNSERAU ID
SEDOL:	BM99175

##### Charges

Initial Charge:	None
AMC*:	0.75%
Ongoing Charges Figure:	0.8%

##### 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

A positive relative performance of 0.4% in March has led us to finish the first quarter of 2024 with an outperformance of 2.3% against the MSCI Emerging Markets index.

The largest contribution to performance during the quarter came from South Korea, driven by our value-oriented positioning in the market. This was followed by Taiwan, in particular technology-oriented names. We also saw a positive contribution through stock selection from China despite still being somewhat underweight the market.

A pullback in some of our Brazilian mid-cap stocks, some weakness in our Polish positions and our underweight in India offset some of that outperformance during the quarter.

We have been taking profits in Taiwan and reduced our overweight to the market since the start of the year. At the same time we have added to Korean exposure even as we have been shifting out of some stocks such as banks that have had very strong moves on the current value-up theme.

A core concept of the North of South investment philosophy is the idea that investors in a given country have choices when deploying their liquid savings. They can keep their money in the bank or purchase domestic bonds, earning a fixed rate of interest. Alternatively, they can invest in equity markets. In countries with high interest rates like Brazil there is a real tension between returns available from fixed income and the equity market.

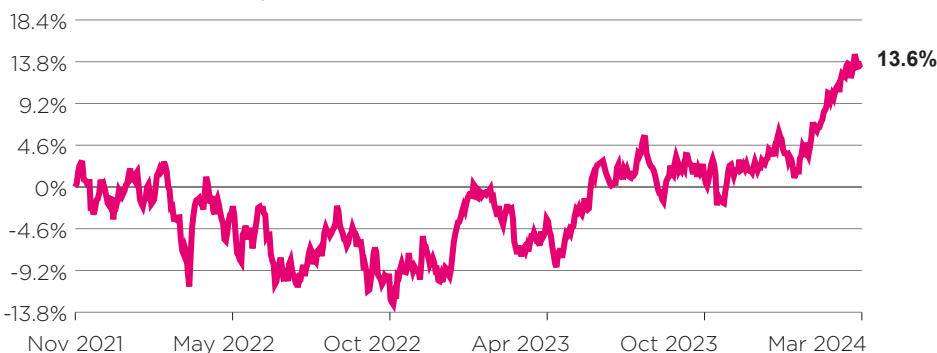
In Taiwan, domestic interest rates have been extremely low for decades. We have always been bemused how inefficiently the Taiwanese equity market was priced relative to the paltry returns of 1-2% available on domestic deposits and bonds. For many years, the equity market offered a much higher dividend yield of around 4%. This was not due to lack of growth - even prior to the post-Covid boom, dividends paid out from the MSCI Taiwan index nearly doubled between 2014 and 2019 thanks to expanding earnings. These figures understate the true opportunity available to investors willing to go beyond mega-cap stalwarts like TSMC that benefit from a US ADR listing. Many of our mid- and smaller- capitalization stocks offered high single digit dividend yields and have unsurprisingly formed the backbone of North of South's income strategy.

Over the past year, this has begun to change. Domestic financial institutions found traction among retail investors by launching specialized ETFs that targeted dividend paying companies, in particular in the technology sector. These funds pay out progressively higher monthly dividends often in excess of actual dividends received on their portfolios, offering clients a super-charged income profile relative to bank savings. Paying investors "income" out of their capital has elicited grumblings from the regulator but is an effective marketing strategy. This is particularly effective as strong inflows have helped drive up the shares held in these funds, providing capital growth to investors on top of the income.

Taiwanese domestic ETF assets have mushroomed from around US\$4bn at the end of 2019 to more than US\$45bn, with most of the growth coming in the last two years. Last month saw two additional ETF launches which attracted an additional US\$4bn of new money into this space. Much of the new money has been focussed on smaller and mid capitalization stocks and in many cases the ETFs have ended up owning significant stakes in these companies. We have watched as many of our holdings have moved from significantly discounted levels towards fair value and in some cases beyond. The Taiwan FTSE Mid-Cap index now trades on a forward P/E of 19x against a historic range of 10-14x. Its dividend yield has dropped to a record low 3%. The yields offered to investors on these ETFs remain in the high single digits as they are partly funded by returning capital. This is not a sustainable form of income and will one day lead to problems but for now remains attractive to retail investors.

##### R2 Acc share class | EUR

From 09 Nov 2021 (inception) to 28 Mar 2024 (%)



##### R2 Acc share class | EUR Period returns

From 09 Nov 2021 (inception) to 28 Mar 2024 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021											-3.03	2.33	-0.77
2022	0.78	-3.52	1.09	-0.58	0.77	-7.98	3.27	2.64	-6.95	-1.09	7.84	-4.69	-9.15
2023	9.61	-3.04	-0.86	-2.16	4.90	3.04	4.97	-3.91	0.62	-3.66	4.07	3.75	17.64
2024	-2.47	6.85	2.81										7.13

## PORTFOLIO BREAKDOWN

### Fund characteristics

Total no. securities held	<b>85</b>
Top ten position concentration	<b>31.4%</b>

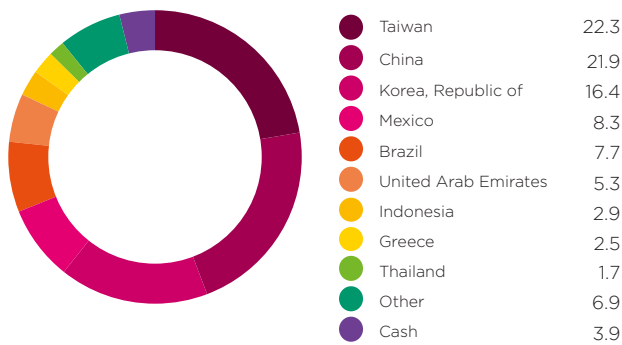
### Market cap breakdown (% of nav)

(\$5bn plus)	64.8
(\$500m to \$5bn)	29.1
(Up to \$500m)	2.1

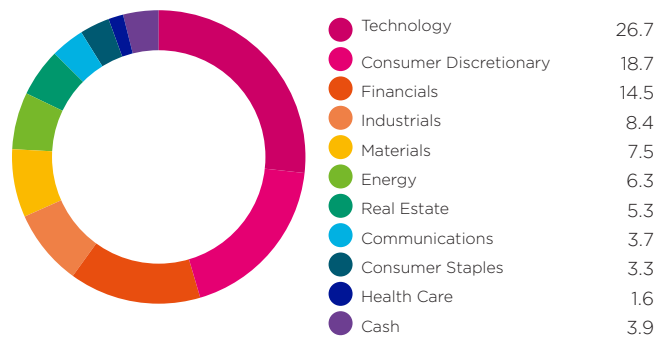
### Top 15 holdings (%)

Name	Geographic	Industry	% of fund
Taiwan Semiconductor	Taiwan	Technology	7.4
Samsung Electronics	Korea, Republic of	Technology	5.5
Alibaba Group	China	Consumer Discretionary	4.5
Emaar Properties	United Arab Emirates	Real Estate	2.9
ASE Technology Holding	Taiwan	Technology	2.8
BAIDU INC	China	Communications	2.0
MEDIATEK INC	Taiwan	Technology	1.9
Eurobank Ergasias Services	Greece	Financials	1.9
Vipshop Holdings	China	Consumer Discretionary	1.8
KT Corp	Korea, Republic of	Communications	1.8
KIA MOTORS	Korea, Republic of	Consumer Discretionary	1.7
HANWHA AEROSPACE CO LTD	Korea, Republic of	Industrials	1.7
JD.COM	China	Consumer Discretionary	1.5
China Construction Bank	China	Financials	1.4

### Fund geographical weightings (%)




### Fund industry weightings (%)



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

## PLEASE GET IN TOUCH

	<b>Pacific Asset Management</b> 1 Portland Place London, W1B 1PN United Kingdom	<b>Contact us</b> T +44 20 3970 3100 E info@pacificam.co.uk	<b>www.pacificam.co.uk</b> For daily updates on this fund and more information please visit our website
--	--	---	--

### IMPORTANT INFORMATION - FOR AUTHORISED USE ONLY

This document is issued and approved by Pacific Capital Partners Limited (PCP), which is authorised and regulated by the Financial Conduct Authority. This document is intended primarily for internal use, but may be distributed upon request to investment professionals and exempt investors in accordance with the FSMA 2000 (Promotion of Collective Investment Schemes Exemptions Order 2005) for authorised purposes only. It does not constitute advice, an offer or a recommendation to purchase or sell any financial products and you should not rely on the information in making an investment decision. The information and analysis contained herein are based on sources believed to be reliable. However, we do not guarantee their timeliness, accuracy or completeness, nor do we accept liability for any loss or damage resulting from your use or reliance upon of this document. Any opinions expressed reflect our current judgment at the date of this document and are subject to change without notice. Past performance is not necessarily a guide to future performance. This report is not directed to or intended for distribution to or use by any person or entity in any jurisdiction where such distribution, publication or use would be unlawful. This document may not be reproduced (in whole or in part), transmitted, modified or used for any public or commercial purpose without the prior written permission of PCP. Pacific Asset Management is a trading name of PCP.

Waystone Investment Management (IE) Limited is the European investment distributor and is authorized in Ireland as an investment firm under the Markets in Financial Instruments Directive. Waystone Investment Management (IE) Limited is regulated by the Central Bank of Ireland and acts as a distributor in the European Union under reference number C1011. This document is a marketing communication. It is not a solicitation or an offer to buy or sell the fund and it cannot be considered as a contractually binding document or an information document required by any legislative provision. Please refer to the prospectus, Key Investor Information Document, SFDR disclosure and other legal documentation that can be obtained from [www.pacificam.co.uk](http://www.pacificam.co.uk) before making any final investment decisions. A summary of investor rights is also available [www.pacificam.co.uk](http://www.pacificam.co.uk). The management company, Waystone Management Company (Ireland) Ltd., have the right to terminate the arrangements made for the marketing of Pacific AM in certain jurisdictions and to certain investors in accordance with applicable laws and regulations.