

KEY FACTS

Pricing information

Nav price (30 Nov 21)	12.869
Pricing frequency:	Daily
Yield:	3.44%

Portfolio managers

Manager names:	Matthew Linsey, Kamil Dimmich
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Fund facts

Fund size (USD m):	609.3
Investment manager:	Pacific Asset Management
Sub-investment manager:	North of South Capital LLP
Launch date of class:	02 Mar 18
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Fund structure:	Irish UCITS
Fund type:	Single Manager
Share class type:	Accumulating
Base currency:	USD
Currencies available:	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 Designated Activity Company
Administrators:	Citibank Europe Plc

Identifiers

ISIN:	IE00BD9GKZ43
Bloomberg:	PNSGIAU ID
SEDOL:	BD9GKZ4

Charges

Initial Charge:	NIL
AMC:*	0.75%
Ongoing Charges Figure:	0.96%

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 November the fund underperformed the MSCI Emerging Markets index by 0.4%.

The main positive contribution came from the fund's positions in Brazil which were up strongly against the backdrop of a weak market. Taiwanese and Middle Eastern holdings also added to performance. The main drag came from Russia where continuing geopolitical risks led the market to underperform despite solid fundamentals. South Korean holdings also underperformed the broader market.

During the month we continued to manage down exposure to Russia, while remaining positive on the market from a macro and valuation perspective. We added to positions in Mexico. The portfolio remains very focussed on value from a diverse group of stocks ranging from commodity producers across financials and all the way to selected Chinese internet stocks.

As we look forward to 2022 we see both opportunities and risks across our markets. As even central banks are starting to acknowledge, inflationary pressures are proving more than transitory. We stand by what we wrote in Q1 2021 - the transition towards lower carbon energy and re-onshoring of production from China will continue to raise costs in coming years. This creates inevitable supply bottlenecks and upward pressure on prices that monetary policy will struggle to deal with. On top of this the global economy is being torn between weaker Chinese growth and continuing pent-up demand from post-Covid savings in much of the rest of the world. Central banks are tightening policy but may find this has limited impact on inflation. Covid remains a wildcard but current data suggests its impact is diminishing.

Global investors are having to readjust their portfolios after more than a decade of disinflation, zero rates and modest expansion favoured high-growth equities. Stocks based on profit-less and profit-light business models, SPACs, cryptocurrencies and meme stocks are already struggling. In our universe we are concerned about markets like India where investors have accepted paying approximately double the earnings multiples as they were a decade ago. On the other hand we have already experienced a severe de-rating of many Chinese growth stocks.

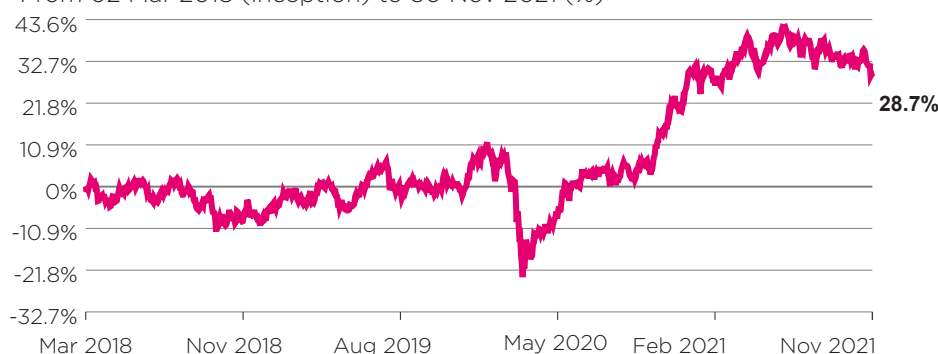
The good news is that we see an unusually wide range of buying opportunities based on longer term valuations. For starters the number of EM stocks with dividend yields in excess of 6% has doubled over the past two years. Many of our companies have significant pricing power in the current inflationary environment - whether metals and energy producers or Taiwanese semiconductor designers. In markets like China and Brazil there are pockets of valuations reflecting distressed levels, even among companies with net cash on balance sheets and decent long term prospects.

Emerging Market equities as a whole are struggling to deliver a positive year-to-date return going into the final few weeks. However EM index earnings have expanded by 15% in US\$ terms over the last 12 months. This is not far behind the 18% earnings growth in the S&P500 - yet that index remains 25% higher than at the start of the year. This does not appear to be a dynamic that is realistically sustainable over longer periods of time.

We would like to wish all our investors and readers a restful and healthy Christmas break and a prosperous and successful New Year!

Performance of I Acc share class | GBP

From 02 Mar 2018 (inception) to 30 Nov 2021 (%)



I Acc share class | GBP Period returns

From 02 Mar 2018 (inception) to 30 Nov 2021 (%)

	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		4.75

Past performance is not necessarily a guide to future performance. Performance is shown net of fees.

Source: Pacific Asset Management as at 30 Nov 2021.

PORTFOLIO BREAKDOWN

Fund characteristics

Total no. securities held	85
Top ten position concentration	26.9%

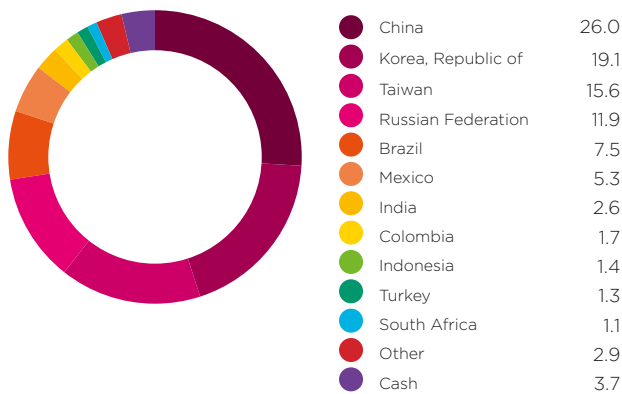
Market cap breakdown (% of nav)

Large cap (\$5bn plus)	60.1
Mid cap (\$500m to \$5bn)	32.5
Small cap (Up to \$500m)	3.8

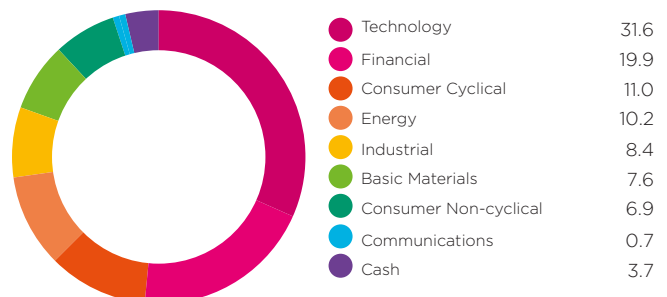
Top 15 holdings (%)

Name	Geographic	Industry	% of fund
Samsung Electronics	Korea, Republic of	Technology	5.2
Alibaba Group	China	Technology	4.5
Gazprom	Russian Federation	Energy	2.9
Ind & Comm Bank of China	China	Financial	2.7
United Microelectronics	Taiwan	Technology	2.1
E Maarproperties PJSC	China	Consumer Cyclical	1.9
ASE Technology Holding	Taiwan	Technology	1.9
NetEase	China	Technology	1.9
Sberbank	Russian Federation	Financial	1.8
Rosneft Oil Co	Russian Federation	Energy	1.8
Chicony Electronics	Taiwan	Technology	1.7
Parex Resources	Colombia	Energy	1.7
Petroleo Brasileiro	Brazil	Energy	1.7
Tingy	China	Consumer Non-cyclical	1.6
Escorts Ltd	India	Industrial	1.6

Fund geographical weightings (%)



Fund industry weightings (%)



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