

## KEY FACTS

### Portfolio managers

Manager name: Dani Saurymper

Start date: 27 Oct 2021

### Fund facts

Launch date of fund: 27 Oct 2021

Investment manager: Pacific Asset Management

Fund structure: Irish – UCITS

Fund type: Equity Long Only

Base currency: USD

Currencies available: GBP, EUR, USD

Other currencies available on request

Pricing frequency: Daily

Dealing frequency: Any Business Day

Subscription cut off: 12am Irish Time (One business days notice)

ISA eligible: Yes

Auditors: Deloitte

Depository: Citi Depository Services Ireland dac

Administrators: Citibank Europe plc

### Investment objective

To deliver long term capital growth in USD through investing primarily in equities and equity-related instruments issued by companies linked to the ageing of the population and increasing life expectancy worldwide while also incorporating Environmental, Social and Governance criteria ("ESG") into the investment process.

### Fund manager commentary

Global equity markets sold off towards the end of November after markets absorbed both the news of a new coronavirus variant and more hawkish commentary from the US Federal Reserve. Supply chain disruptions continue to drive inflationary pressure resulting in Fed Chair Jerome Powell accelerating the timing of tapering. This weighed heavily on sentiment and led to significant equity market volatility.

The Longevity and Social Change strategy underperformed its reference benchmark (MSCI All Country World Index) in November despite its high exposure to Healthcare. The Omicron variant was initially identified in South Africa but as more cases of this new variant emerge globally, it's likely it had been circulating for some time. Question marks remain around the efficacy of existing vaccines which has raised fears of a Winter wave coinciding with the traditional northern hemisphere flu season precipitating further lockdowns. Preliminary data suggests that Omicron may be more transmissible but potentially less pathogenic however it will be several more weeks before any definitive conclusions can be drawn. Regardless, a more transmissible less deadly coronavirus still has the potential to overwhelm health systems due to the volume of people infected as currently witnessed in countries like Germany and Austria. Consequently, healthcare stocks perceived to be negatively exposed to a resurgence in COVID-19 and growth equities suffered significant declines. Notable underperformers during the period included the Home-Health providers which sits within our Later Living theme as well as Medical Device companies within our Healthcare theme.

2021 was a difficult year for the home health and hospital services sectors, with the primary driver being the impact of COVID on hospice average daily census, elective procedure volumes and staffing. The main operators in the space (HCA, Amedysis, LHC Group, Chemed) all continue to report underlying demand being robust and can pass on wage inflation (albeit with a time lag) such that we remain confident in the long-term outlook and capacity to re-rate.

Similarly for Medical Devices, COVID has depressed elective procedure volumes and expectations around a recovery in demand continue to see-saw with each new wave of the pandemic. Q4 2021 volumes and very likely Q1 2022 are likely to be sluggish in light of Omicron but there is clear pent-up demand and with the normalisation of patient throughput combined with easy comps, we see significant scope for a recovery.

The Financials sector underperformed across the key global regions in November, reflecting heightened market volatility and concerns over the potential spill over effects on the economic recovery from continued supply disruptions and rising inflation. The arrival of Omicron also heightened the uncertainty around the potential timing and scale of policy action by developed market central banks.

From a macroeconomic point of view, while inflation strength continued to surprise globally, most data points were encouraging with annualised US GDP growing 2.1% in the third quarter and the labour market continued to improve. China reported robust export growth however, the unravelling of its largest property developer, Evergrande, has the potential to significantly impact the residential property market which has been a key driver of growth in China. European economic data was solid with November's manufacturing PMI coming in at 55.4. A sequential improvement in the November reading was led by the services sector and followed three consecutive months of declines. While the impact of the resurgence of Covid cases appears modest so far, with renewed lockdown measures in Germany and countries with low vaccination rates, the November PMI data likely does not capture the ongoing reduction in mobility across the region.

Despite the market volatility we remain cautiously optimistic with the consensus view emerging that COVID-19 will become endemic and healthcare systems adapt to its continued presence which in turn will enable economies to normalise. While sharp market movements are likely to persist for some time we retain our confidence in the long-term prospects of our portfolio holdings.

On balance, the world is much better prepared to manage outbreaks with variant specific booster shots taking approximately 100 days to deliver and several effective therapeutics such as AstraZeneca's long acting antibody Evushield or Pfizer's antiviral Paxlovid. Regardless of short-term pandemic trends, globally ageing populations continue to support secular growth for those companies offering products and services focused on this deep pocketed consumer and changing consumption patterns. As such, as long-term investors, we took advantage of market volatility to add to our positions at more favourable prices.

### ESG Integration

As an Article 8 fund the portfolio team are committed to promoting ESG characteristics and help drive positive change. They utilise top-down ESG scoring, exclusion and filtering whilst using proprietary bottom up research, voting and engagement.

**Pacific Asset Management**  
is proud to be a signatory of:



### A commitment to responsible investing

As a signatory to the UN PRI Principles for Responsible Investment, Pacific Asset Management has publicly stated our support for the better understanding of the investment implications of environmental, social and governance (ESG) factors.

As a business we are committed to constantly strive to be a more responsible firm both in how we operate and how we manage our clients' investments.



#### Positive inclusion

The fund champions companies with quality management and good governance, which promote longer living and positive changes for society now and in the future



#### ESG data analysis

Using top-down, industry leading ESG scoring from TruValue Labs to filter investable universe and assess ESG characteristics of all holdings



#### Voting/engagement & equality

Voting and Engagement framework driven by bottom-up stock selection alongside ISS special proxy voting (SRI alignment)



#### Exclusion criteria

The fund does not invest in businesses involved in activities contrary to the development of a sustainable economy, including Fossil fuels, Iron & Steel production and armaments

**Performance data will only be shown from twelve months after the launch date of the fund, in accordance with the FCA rules (COBS 4.5A.10).**

Source: Pacific Asset Management as at 30 Nov 2021.

## PORTFOLIO STRUCTURE

### Theme overview

The Fund is an actively managed and invests in companies linked to the ageing population and increasing life expectancy. The fund focuses on secular multi-year themes and sub-themes which are already investable with proven commercial viability.



### EDUCATION & WELLBEING 24.9%



● Education	2.0%
● Fitness & Nutrition	7.0%
● Aesthetics & Vision	5.6%
● Hygiene & Personal Care	5.7%
● Screening	4.4%

### LATER-LIVING 18.2%



● Health Insurance	10.2%
● Funeral Services	3.3%
● Home-health & Nursing	2.8%
● Care Services	1.9%



### LONGEVITY CONSUMER 25.6%



● Financial Planning	12.3%
● Life & Non-Life Insurance	5.8%
● Travel & Leisure	5.0%
● Companionship	2.4%

### HEALTHCARE 26.3%



● Pharmacy	11.5%
● Medical Devices	7.6%
● Drug Dev. & Manuf.	6.0%
● Digital Health	1.2%

## PORTFOLIO BREAKDOWN

### Fund characteristics

Total no. of securities held	52
Top 10 concentration	30.0%
Median mkt cap (\$ bn)	21.7
Women on Board	32%
Female Executives	22%
Tracking error	5.4%
Predicted Beta	0.98
Active Share	95.6%

### Market cap breakdown (% of nav)

Small <\$2bn	2%
Mid-cap \$2bn - \$10bn	19%
Large-cap \$10bn - \$200bn	16%
Mega-cap >\$200bn	58%
Cash	5%

### Top 15 holdings (%)

Name	Geographic	Theme	Sub-theme	% of fund
Humana	US	Later-living	Health Insurance	3.7%
UnitedHealth	US	Later-living	Health Insurance	3.5%
Service Corp	US	Later-living	Funeral Services	3.3%
AstraZeneca	UK	Healthcare	Pharmacy	3.2%
Brunswick	US	Longevity Consumer	Travel & Leisure	3.2%
AbbVie	US	Healthcare	Pharmacy	3.0%
EssilorLuxottica	France	Education & Wellbeing	Aesthetics & Vision	2.7%
NIKE	US	Education & Wellbeing	Fitness & Nutrition	2.6%
Hologic	US	Education & Wellbeing	Screening	2.5%
Pets at Home	UK	Longevity Consumer	Companionship	2.4%
UBS Group	Switzerland	Longevity Consumer	Financial Planning	2.4%
Amundi	France	Longevity Consumer	Financial Planning	2.4%
Prudential	UK	Longevity Consumer	Life & Non-Life Ins	2.4%
Thermo Fisher	US	Healthcare	Drug Dev. & Manuf.	2.2%
Unicharm	Japan	Education & Wellbeing	Hygiene & Personal Care	2.1%

All data as at 30 Nov 2021

Source: Pacific Asset Management.

Holdings and allocations are subject to change and may not total 100 due to rounding.

## IDENTIFIERS AND PRICES

### Pacific Longevity and Social Change Fund (E share class)


As at 30 Nov 2021

	GBP E	EUR E Hdg	USD E Hdg
<b>ISIN</b>	IE0001JUTTH0	IE000E83NVQ3	IE000CN44J82
<b>Bloomberg</b>	PLSGEFA ID	PLSEEFA ID	PLSUEFA ID
<b>Sedol</b>	BL6L4H8	BL6L4G7	BL6L4J0
<b>Launch date</b>	27 Oct 2021	12 Nov 2021	NA
<b>Nav price</b>	9.606	9.420	10.000

#### Charges applicable to all E Share Classes: Initial charge: 4% | AMC\*: 0.75% | Ongoing Charges Figure: 1.10%

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.

## PLEASE GET IN TOUCH

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