

PACIFIC LONGEVITY AND SOCIAL CHANGE FUND

I SHARE CLASS | GBP

FACTSHEET | 31 Jan 2024

KEY FACTS

Pricing information

Nav price (31 Jan 24)	9.773
Pricing frequency:	Any Business Day

Portfolio managers

Manager names:	Dani Saurymper
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Fund facts

Launch date of fund:	26 Oct 21
Launch date of class	27 Oct 21
Investment manager:	Pacific Asset Management
Fund structure:	Irish UCITS
Sustainable Finance Disclosures Regulation:	Article 8
Benchmark:	MSCI ACWI
Fund type:	Equity Long Only
Base currency:	USD
Currencies available:	AUD, CHF, EUR GBP, USD
Other currencies available	on request
Pricing frequency	Any Business Day
Dealing frequency:	Any Business Day
Subscription cut off:	Noon the prior day
ISA eligible:	Yes
Auditors:	Deloitte
Depository:	Citi Depository Services Ireland

Identifiers

ISIN:	IE000GMVO4H0
Bloomberg:	PLSGINA ID
SEDOL:	BL6L4D4

Charges

Initial Charge:	None
AMC:*	0.75%
Ongoing Charges Figure:	1.10%
Performance Fee:	None

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.

Investment objective

To deliver long term capital growth 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

The MSCI World equities index was up 0.9% in January (in GBP) with Information Technology, Communication Services and Healthcare posting the strongest gains, while Materials and Real Estate recorded the largest declines. The goldilocks scenario continued to play out and, although the global growth is set to moderate, US consumer remains resilient according to the final domestic sales data. In the meantime inflation remains steady but elevated, labour markets are still tight and looser policy response is unlikely to materialise in the first half of 2024. Conflicts in the Middle-East and Ukraine present risks to growth and commodity prices. In this complex environment, we believe the Longevity portfolio offers a balanced defensive stance and is well placed to benefit from long term demographic trends.

Portfolio positioning and performance

The Pacific Longevity & Social Change strategy underperformed its global benchmark in January, as performance was held back by our zero allocation to the Technology and Communication services sectors, and due to pockets of weakness among some of our core holdings. On a stock level, the top three absolute contributors to Fund performance in January were Axonics, Medicover and GSK. The primary detractors were Adtalem, Brunswick and Humana.

Healthcare was the main contributor to performance with strong gains in the Pharmacy subtheme and continued advance in Medical Devices. On a stock level, Axonics and GSK drove the largest contribution to return while Conmed was the main detractor. Axonics rallied following a takeover bid by Boston Scientific with the deal expected to close in the first half of 2024. GSK reported a strong end to 2024 and upgraded guidance with a healthy pipeline setting ahead. On the other hand, Conmed posted a disappointing Q4, which was affected by supply disruption in orthopaedics, with derating exacerbated by market concerns over competitive dynamics for its Airseal franchise after Intuitive Surgical's announcement of a pending robot upgrade.

In Later Living a solid month for Care Services was more than offset by underperformance in Humana, part of the Health Insurance subtheme. The company provided a disappointing guidance for 2024 reflecting higher cost run rate as inpatient an non-inpatient utilization has accelerated towards the end of last year pressuring margins.

Longevity consumer performance was weighed down by Travel & Leisure and Companionship subthemes. Brunswick was the main detractor from performance, as several competitors and retailers in the marine space posted weak Q4 updates. The company has since reported Q4 results and provided guidance for 2024 which, despite coming below expectations, was taken positively as the valuation already reflects trough earnings. Pets at Home quarterly update failed to revive the stock as discretionary retail remained pressured. We added to the position as valuation reached a more compelling level, with the vet business an important driver of profitability which doesn't seem to be fully appreciated by the market. In Financial Planning performance was scattered but mostly resilient with strongest performance from ICP, which delivered a positive AUM update. Prudential was the weakest performer, reflecting subdued sentiment for China exposed stocks.

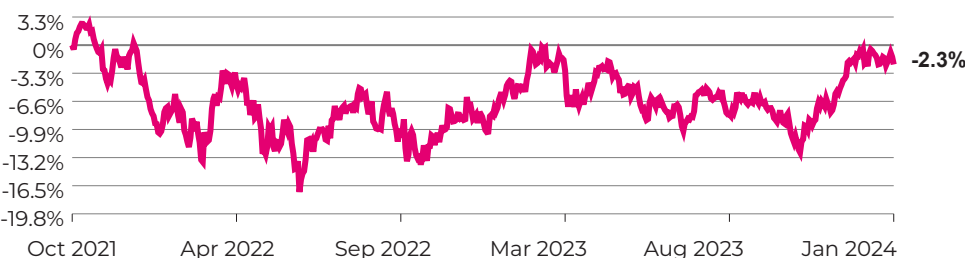
In Education & Wellbeing Hygiene & Personal Care subtheme was the strongest contributor to performance, driven by Reckitt Benckiser. The main detractor from performance was the Fitness & Nutrition subtheme which suffered from a pullback in 2023 top performer lululemon, and Topsports on concerns over the health of the Chinese consumer. The Education subtheme had a tough month as a short seller report on Adtalem Education caused a sizeable derating in the shares. We partially de-risked our position and held a call with the company which, in addition to its upbeat Q2 report, provided some reassurance around the sustainability of Adtalem's business model.

Outlook

As we look ahead to 2024, we remain focused on the reality that populations around the world are ageing and the social implications around this demographic transformation continues to create significant opportunities for companies that provide products and services that meet the changing consumption patterns driven by this phenomenon. Our Longevity and Social Change strategy is focused on identifying high-quality businesses which have such exposure and can deliver sustainable returns over the long term.

Fund Performance

From 27 Oct 2021 (inception) to 31 Jan 2024 (%)



Year-on-year performance

As at 31 Jan 2024 (%)

				31 Jan 2022 to 31 Jan 2023	31 Jan 2023 to 31 Jan 2024
	-	-	-	4.08	1.90

Period returns

From 27 Oct 2021 (inception) to 31 Jan 2024 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021										0.67	-4.58	3.87	-0.22
2022	-7.65	-1.37	5.03	-4.18	-1.14	-3.25	6.16	-2.87	-4.26	3.11	5.45	-1.79	-7.57
2023	3.99	0.92	-1.55	1.48	-5.68	1.95	1.87	-1.11	-1.14	-4.19	4.81	6.47	7.36
2024	-1.30												-1.30

Past performance is not necessarily a guide to future performance.

Performance is shown net of fees.

Source: Pacific Asset Management as at 31 Jan 2024.



PORTFOLIO STRUCTURE

Theme overview

The Fund is a 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 30.2%

	
● Fitness & Nutrition	8.1%
● Aesthetics & Vision	8.0%
● Hygiene & Personal Care	6.8%
● Screening	4.6%
● Education	2.6%


LATER-LIVING 12.5%

	
● Health Insurance	7.3%
● Funeral Services	2.8%
● Care Services	1.3%
● Home-health & Nursing	1.1%

LONGEVITY CONSUMER 25.8%

	
● Financial Planning	13.1%
● Life & Non-Life Insurance	5.4%
● Travel & Leisure	5.0%
● Companionship	2.3%

HEALTHCARE 29.3%

	
● Medical Devices	12.8%
● Pharmacy	11.5%
● Drug Dev. & Manuf.	5.0%



PORTFOLIO BREAKDOWN

Percentages exclude 2.2% cash

Fund characteristics

Total no. of securities held	58
Top 10 concentration	27.3%
Median mkt cap (\$ bn)	18.8
Women on Board	34.8%
Female Executives	28.3%
Tracking error	5.78
Predicted Beta	1.03
Active Share	94.8%











Market cap breakdown (% of nav)

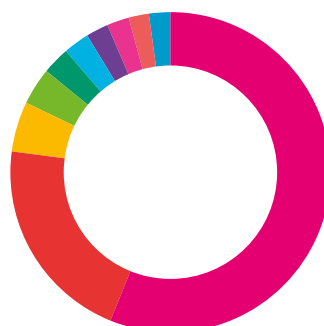
Small <\$2bn	5.5%
Mid-cap \$2bn - \$10bn	26.0%
Large-cap \$10bn - \$200bn	52.7%
Mega-cap >\$200bn	13.6%
Cash	2.2%

Top 15 holdings (%)

Name	Geographic	Theme	Sub-theme	% of fund
AstraZeneca	UK	Healthcare	Pharmacy	3.3
Booking	US	Longevity Consumer	Travel & Leisure	2.9
Service Corp	US	Later-living	Funeral Services	2.8
UnitedHealth	US	Later-living	Health Insurance	2.7
EssilorLuxottica	France	Education & Wellbeing	Aesthetics & Vision	2.7
Hologic	US	Education & Wellbeing	Screening	2.6
ConvaTec	UK	Healthcare	Medical Devices	2.6
Ulta Salon Cosmetics & Fragr	US	Education & Wellbeing	Aesthetics & Vision	2.6
GSK PLC	UK	Healthcare	Pharmacy	2.6
Reckitt Benckiser Group	UK	Education & Wellbeing	Hygiene & Personal Care	2.5
Carlyle Group Inc	US	Longevity Consumer	Financial Planning	2.4
Intermediate Capital	UK	Longevity Consumer	Financial Planning	2.4
AbbVie	US	Healthcare	Pharmacy	2.4
Amundi	France	Longevity Consumer	Financial Planning	2.3
Pets at Home	UK	Longevity Consumer	Companionship	2.3

Fund geographical weightings (%)

United States	56.1	
United Kingdom	21.0	
France	5.1	
Ireland	3.7	
Switzerland	2.8	
Sweden	2.6	
Germany	2.3	
Netherlands	2.2	
Other	2.0	
Cash	2.2	



Fund industry weightings (%)

Health Care	49.0	
Consumer Discretionary	18.8	
Financials	18.6	
Consumer Staples	7.4	
Communications	2.9	
Materials	1.2	
Cash	2.2	

All data as at 31 Jan 2024

Source: Pacific Asset Management.

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

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.



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



Voting/engagement & equality

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



ESG data analysis

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



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

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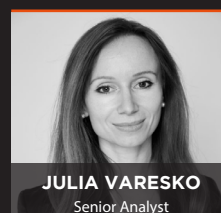
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