

PACIFIC NORTH OF SOUTH EM EQUITY INCOME OPPORTUNITIES

I SHARE CLASS | GBP

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT | 31 Dec 2024

KEY FACTS

Pricing information

Nav price (31 Dec 24)	11.059
Pricing frequency:	Any Business Day
Yield:	6.4%*

Portfolio managers

Manager names:	Robert Holmes Matt Linsey Kamil Dimmich
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Fund facts

Fund size (USD m):	115.0
Investment manager:	Pacific Asset Management
Sub-investment manager:	North of South
Launch date of fund:	09 Jun 22
Launch date of class:	09 Jun 22
Fund structure:	Irish UCITS
Fund type:	Single Manager
Share class type:	Distributing
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
Share Balance	6,029,193.78
Administrators:	Citibank Europe Plc
ManCo:	Waystone Management Company (IE) Ltd

Identifiers

ISIN:	IE0007YEKJH0
Bloomberg:	PNIGDQ ID
SEDOL:	BM8HK06

Charges

Initial Charge:	None
AMC:**	0.85%
Ongoing Charges Figure:	1.06%

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.

*The historic 12 month yield % is calculated by summing the trailing 12-months' income distributions and dividing the sum by the last quarter's ending NAV. This figure is updated on a quarterly basis and as such reflects the 12-month yield as at the most recent quarter end.

Investment objective

The investment objective of the Fund is to produce a consistent level of income through investment in high yielding emerging market equities while also growing the net asset value.

Investment Policy

The Fund seeks to achieve its investment objective through investing primarily in equity and equity related securities (such as warrants and rights issues) of companies listed on or dealt in Recognised Markets in Emerging Markets or which are listed on or dealt in Recognised Markets outside of the Emerging Markets but which generate the bulk of their earnings in Emerging Markets. The Fund shall seek to invest in equity securities which offer higher yield through dividends than would be available through investment in fixed income instruments in their respective local bond markets. The term "Emerging Markets" is understood in the context of this Fund to refer to the markets of countries that are in the process of developing into modern industrialised states and thus display a high degree of potential but also entail a greater degree of risk. It shall include, but is not limited to countries included from time to time in the S&P / IFC Emerging Markets Investible Composite Index or in the MSCI Emerging Markets Index, each of which is a free floating adjusted market index designed to measure the performance of the constituent securities in global emerging markets. The Fund is actively managed and does not intend to track any benchmark nor is it constrained by any index. The Fund may also invest up to 10% of its Net Asset Value in China A Shares via/ Stock Connect. The investment team combines top-down analysis and bottom up company research in order to build a portfolio of liquid and diversified holdings. The Fund's investments will have no industrial or sectoral focus. The Fund may use derivatives for investment purposes and / or efficient portfolio management purposes. Further information in respect of the Fund's use of derivatives is set out in the Derivatives section of the Fund's Supplement. The Fund will only take long positions for investment purposes. The maximum anticipated long exposure of the Fund is 115% of its Net Asset Value (100% direct investment and 15% leveraged exposure). The Fund may take short exposures for hedging purposes only and the maximum anticipated exposure in this regard is 20% of its Net Asset Value. The Fund may enter in to Repurchase Agreements and Reverse Repurchase Agreements, and Stocklending Agreements for the purpose of efficient portfolio management.

Fund manager commentary

In December the fund appreciated by 1% bringing the full year return to 13.6%. A fourth quarter dividend was declared of 0.109366p giving a full year net yield after withholding taxes of 6.4% which compares to December UK CPI of 2.5% year on year.

This compared favorably with the underlying market both in December and over the year where the fund outperformed the MSCI Emerging Market index by 4% and the MSCI World High Dividend index by 3.6%. Since inception in June 2023 the fund has now outperformed both of these by 27% and 17% respectively, and with lower or similar volatility.

The December performance was driven by strong returns in the UAE and Taiwan whilst the most significant detractors came from South Korea following President Koon's declaration of martial law on the 3rd December, which was discussed in last month's commentary. The most notable positive contributor came from Emaar Development which following strong earnings received a further boost when the parent company (Emaar Properties) announced a doubling of the company's dividend.

We've held a position in Emaar Dev since launch given the valuation, profitability and dividend potential. Having doubled in value last year we've now started to rotate into Emaar Properties as it has a more diversified revenue stream with a higher proportion of recurring revenue, and now a higher yield.

Looking back at 2024, although it was the Chinese year of the Dragon the history books will remember it as the year of the election. Across both the developed and emerging world electorates voted for seven significant changes in President and at least nine changes to government or ruling coalitions.

Many of these have been a symptom of the inflation spikes of the past years, but we finish the year having cleared most of the political overhang in our EM countries. The remaining uncertainty pervading in the market surrounds the new US administration, primarily in connection with tariffs.

We are somewhat more sanguine about the investment risks to the Emerging world. In part this comes from experience in that realized outcomes are rarely as dramatic as extreme hypotheses, especially in this context when considering the feedback loop into US inflation. But higher US tariffs may also have a moderately positive effect, such as adding pressure on Chinese policy makers to stimulate domestic consumption and/or they could stimulate further intra-EM trade which is increasingly relevant proportion of GDP.

As always there will be winners and losers with the Emerging world but thinking about EM risk 'in aggregate' across the asset class, on factor may come as a surprise. Such has been the convergence of economic stewardship between the two asset classes that we close 2024 with a portfolio weighted average sovereign cost of capital of 4.5%, which is below the US equivalent rate of 4.6%. As this strategy is unencumbered by the typical emerging market benchmark, we are able to achieve this by allocating to areas of the emerging world that offer higher yields and the more attractive risk adjusted returns.

Quarterly distributions

Record	Amount
31/12/2024	£0.109366
30/09/2024	£0.198545
28/06/2024	£0.322536
28/03/2024	£0.094033

Risk Indicator



Lower risk

Higher risk

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class.

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From 09 Jun 2022 (inception) to 31 Dec 2024 (%)



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From 09 Jun 2022 (inception) to 31 Dec 2024 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022						-3.92	0.39	4.50	-2.53	-0.53	4.94	-2.75	-0.27
2023	3.06	-1.37	-0.29	1.25	-0.02	1.25	3.00	0.60	4.33	-1.13	2.74	4.51	19.20
2024	-1.41	7.07	3.11	-0.20	0.08	0.96	-3.03	0.85	1.72	1.36	1.64	0.99	13.61

Annualised Performance (%)

	SI	1y	3y	5y	Highest rolling 1 year	Lowest rolling 1 year
Pacific North of South EM Equity Income Opportunities	35.1	13.6	-	-	37.6	8.8%
MSCI Emerging Markets	7.9	9.6	-	-	34.14%	16.60%

PORTFOLIO BREAKDOWN

Fund characteristics

Total no. securities held	80
Top ten position concentration	26.0%

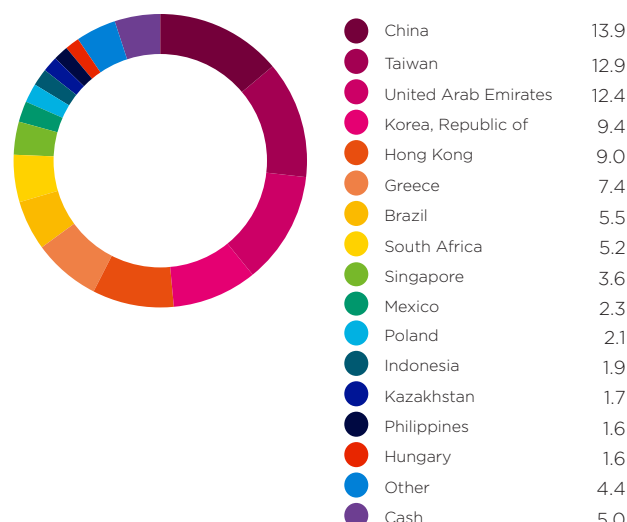
Market cap breakdown (% of nav)

Large cap (\$5bn plus)	49.6
Mid cap (\$500m to \$5bn)	40.7
Small cap (Up to \$500m)	1.5

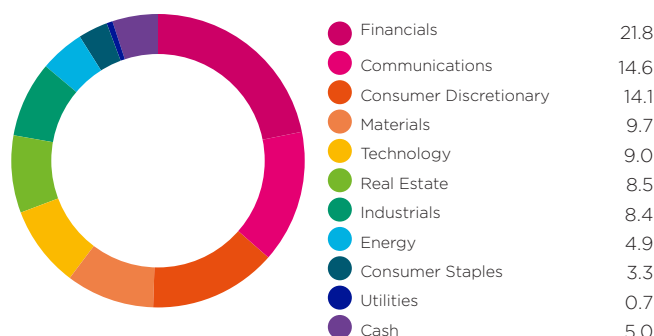
Top 10 holdings (%)

Name	Geographic	Industry	% of fund
Mediateck Inc	Taiwan	Technology	3.0
Emaar Properties Pjsc	United Arab Emirates	Real Estate	2.4
Jd.com	Hong Kong	Consumer Discretionary	2.3
Hkt Trust And Hkt Ltd-ss	China	Communications	2.3
Dbs Group	Singapore	Financials	2.3
Petroleo Brasileiro	Brazil	Energy	2.2
Emirates Integrated Telecomm	United Arab Emirates	Communications	2.2
Simplo Technology Co Ltd	Taiwan	Technology	2.2
Sk Telecom	Korea, Republic of	Communications	2.1
Dubai Islamic Bank	United Arab Emirates	Financials	2.0

Fund geographical weightings (%)



Fund industry weightings (%)



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

*Source: Pacific Asset Management as at 31 Dec 2024.

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

DISCLAIMER

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CISs are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. During the phase in period TERs do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.

Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks, and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Citibank Europe PLC by or before 12 noon (Irish Time), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut-off time Citibank Europe PLC shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at 21:00 (Irish Time).

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

For any additional information such as fund prices, brochures and application forms please go to www.pacificam.co.uk.

Glossary Summary

Annualised performance: Annualised performance shows longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Contact Details

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Pacific North of South EM Equity Income Opportunities is registered and approved under section 65 of CISCA.

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