



PACIFIC NORTH AMERICAN OPPORTUNITIES

Thinking differently in North America

2nd May 2024

FOR PROFESSIONAL INVESTORS ONLY

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Portfolio Manager with long-term track record of outperformance

CHRIS FIDYK – PORTFOLIO MANAGER

- 12+ years of experience at Findlay Park Partners LLP
- Partner and Portfolio Manager since 2015
- Evaluated and directed investments for a \$15bn long-only North American equity fund with a long-term track record of outperformance
- Resigned July 2021 and joined Pacific after non-compete period
- Prior to Findlay Park, multiple roles in investment management and investment banking focused on the healthcare sector

-  1. Consistent **idea generation**
-  2. Consistent **alpha generation**
-  3. Consistent **endorsement from peers**

Snapshot

- > North American long-only equity strategy
- > Daily-dealing Irish UCITS
- > Benchmark agnostic
- > All-cap
- > Concentrated (typically 25-35 stocks)
- > Capacity constrained

Goals and purpose

- > Create an investment strategy that **outperforms consistently**
- > Build **enduring partnerships** with our clients
- > **Have fun and compete fiercely**

The reasons that funds underperform may be structural

> Index hugging

> Distracted by macro

> Overly diversified

> Reliant on sell-side

> Cannot manage scale

> Internal bureaucracy

> Trapped by philosophy or style bias

> Not a home for top talent

Portfolio structured to maximise alpha

CONCENTRATED PORTFOLIO

- Typically 25-35 investments
- Maximise the impact of differentiated research on performance
- Position sizes determined by risk-reward profile and scope of our competitive advantage
- Actively managed, turnover will likely be higher than peers
- Fully invested (5% maximum cash)

CAPACITY CONSTRAINED

- Size is the enemy of investment managers
- Must be nimble and able to move quickly
- Smaller companies can be material to the portfolio
- Soft and hard close targets have been identified

INCENTIVE ALIGNMENT

- Majority of PM's investable personal account will be invested in the fund
- TER caps for early-stage investors
- We want to be the best, not the biggest

The 'Non-Negotiables':
We ask three questions of our inevitable names



Our stock selection biases

- Simplicity
- Predictability
- Free cash flow
- Micro not macro
- Smaller rather than larger
- Dynamic corporate change
- There is a price for everything



“We will construct a portfolio of eclectic, off-the-run ideas that will look very different than the S&P 500.

Although our biases guide us towards certain types of companies, we will examine any compelling risk-reward opportunity that we come across.

The profiles of the companies will vary but we will adhere strictly to our investment process – every investment will meet our non-negotiable criteria.

We will not surprise you by deviating from this process.”

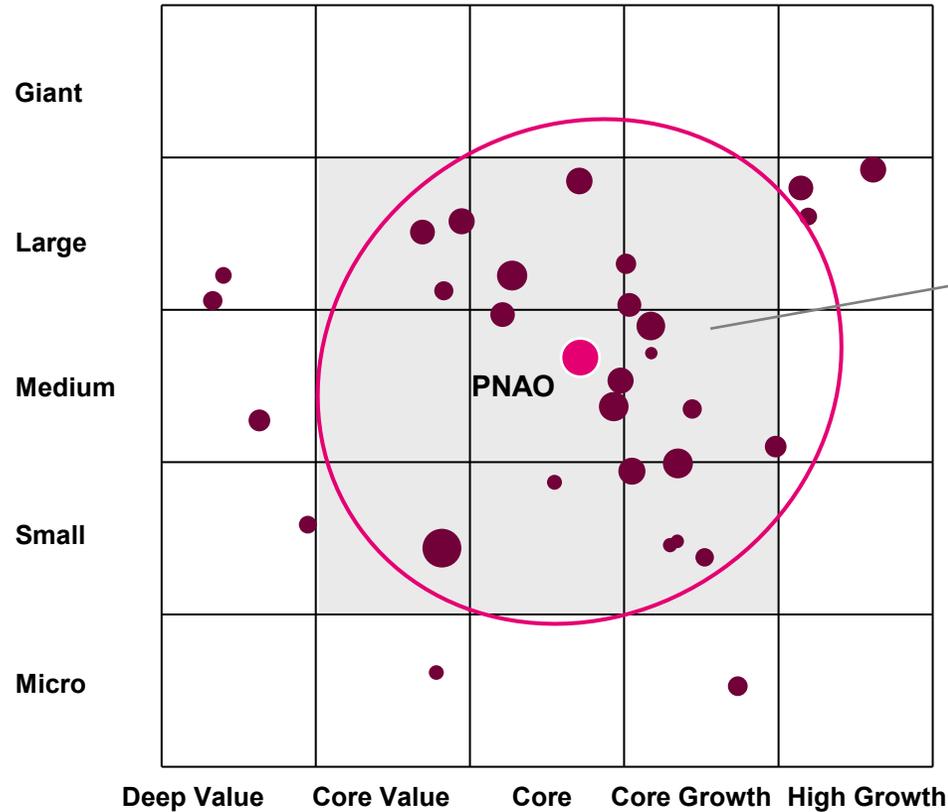


CHRIS FIDYK

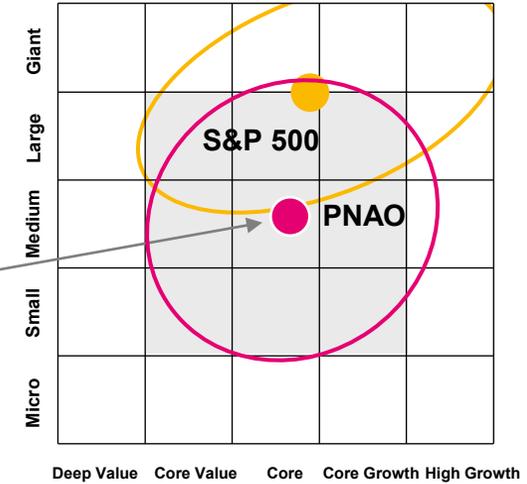
Portfolio Manager, Pacific Asset Management

Pacific North American Opportunities Strategy

Style map of underlying holdings



Style map vs benchmark*



- Pacific North American Opportunities Strategy (PNAO)
- PNAO underlying holdings
- iShares Core S&P 500 ETF

* Benchmark used for comparison = iShares Core S&P 500 ETF

Q&A

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APPENDIX

Aerospace Investment Thesis

4 Enhanced value of aircraft and spare parts

3 Demand for aircraft far greater than supply

2 Industry has absorbed *FIVE* Black Swan events

1 Well organised, growing industry

Aerospace Investment Thesis



- ~6.5% holding
- \$9bn market cap
- Several monopoly positions
- Agent of change CEO
- Long runway for growth



- ~4.7% holding
- \$100bn market cap
- 50/50 engine JV with GE
- 'Tail wagging the dog'



- ~3.2% holding
- \$17bn market cap
- Largest aircraft lessor
- Excellent capital allocation
- Repurchased ~18% of shares in 2023

> Three 'off the run' investments with complementary value drivers

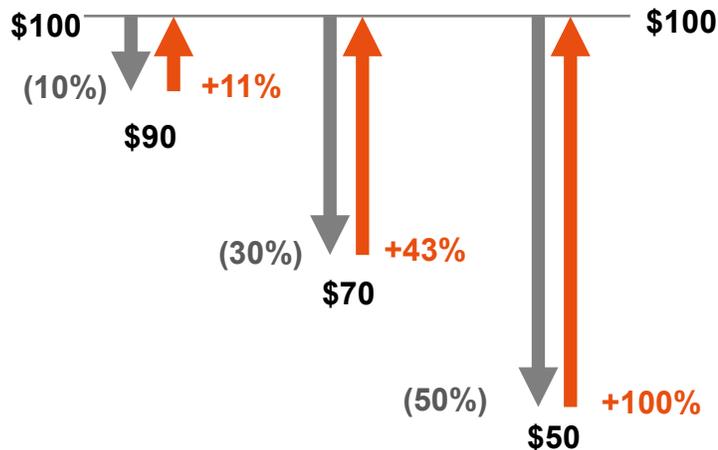
Our Guiding Principles

> **AVOID LOSSES**

> **KEEP IT SIMPLE**

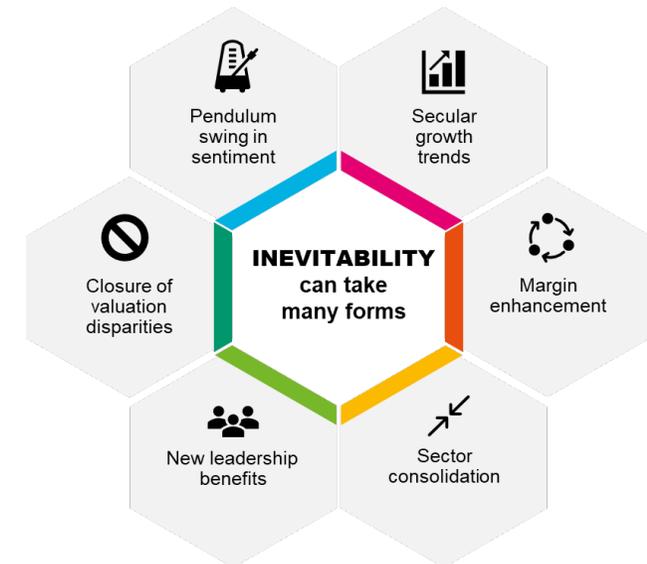
> **SEEK INEVITABILITY**

The larger the losses, the larger the gains needed to recover

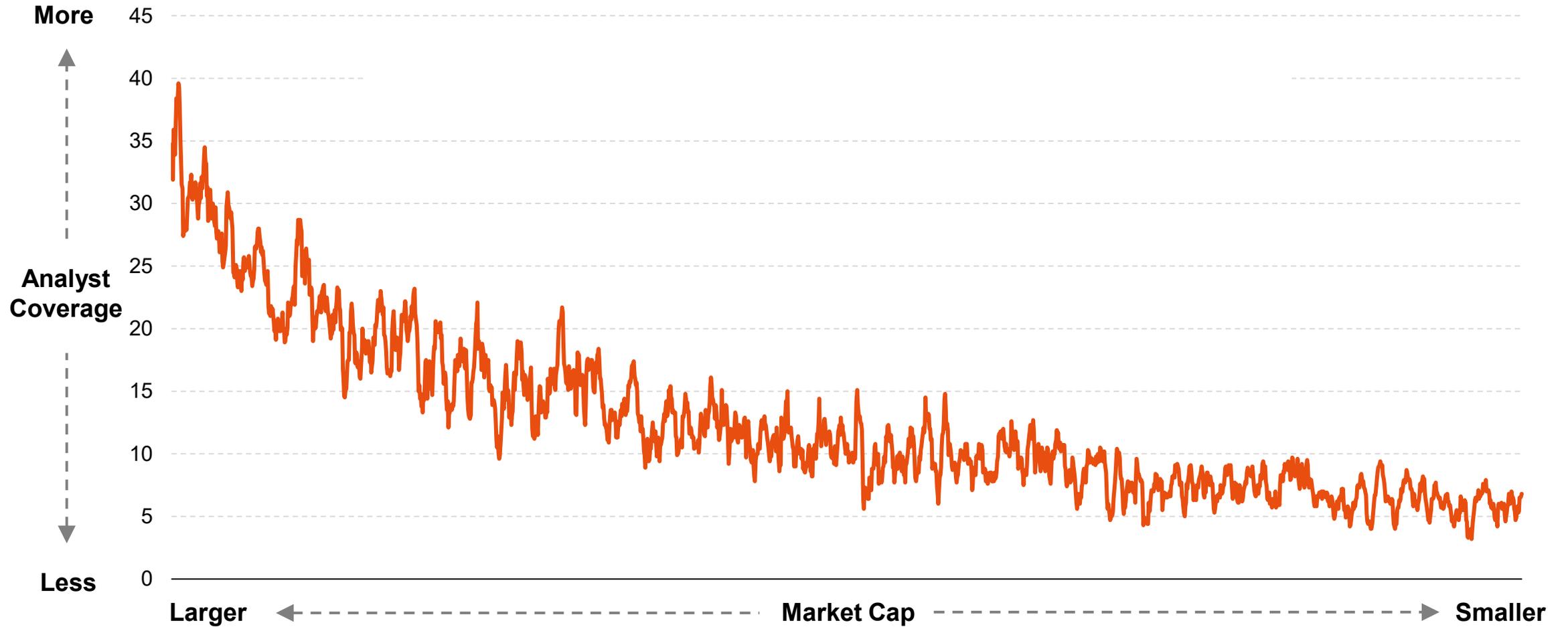


- Self-awareness
- Reduce the number of risk factors
- Accelerate decision-making
- Sleep well at night

- Risk mitigation (including ESG)
- Filtering mechanism
- Maintain long-term focus
- Simplify decision-making
- Provides valuation context
- Stabiliser in times of dislocation



Discovery potential is greater in smaller companies

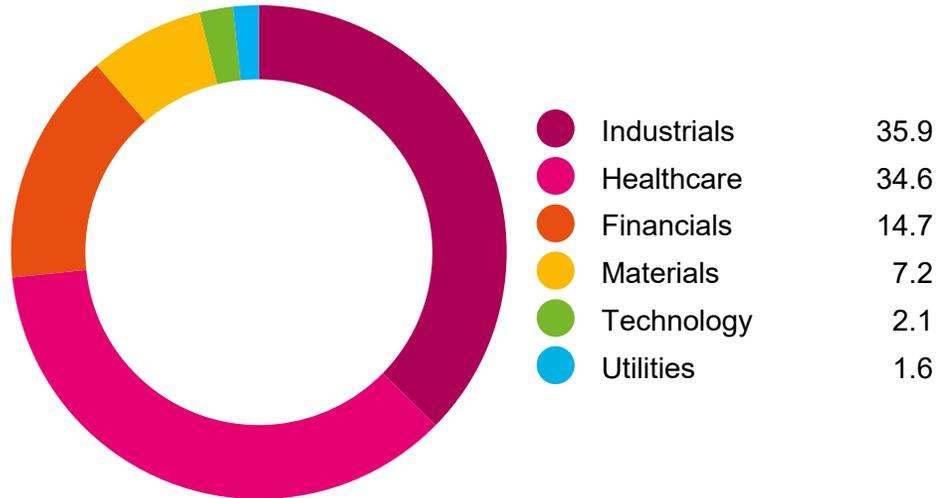


Source: Bloomberg, Pacific Asset Management, data as at 11 Jan 2023.
Chart depicts the analyst coverage of the Russell 3000 constituents with a market cap greater than \$1 billion.
Smoothing mechanism employed such that analyst coverage for AAPL (the largest market cap) is the average of 10 largest market caps in the index.

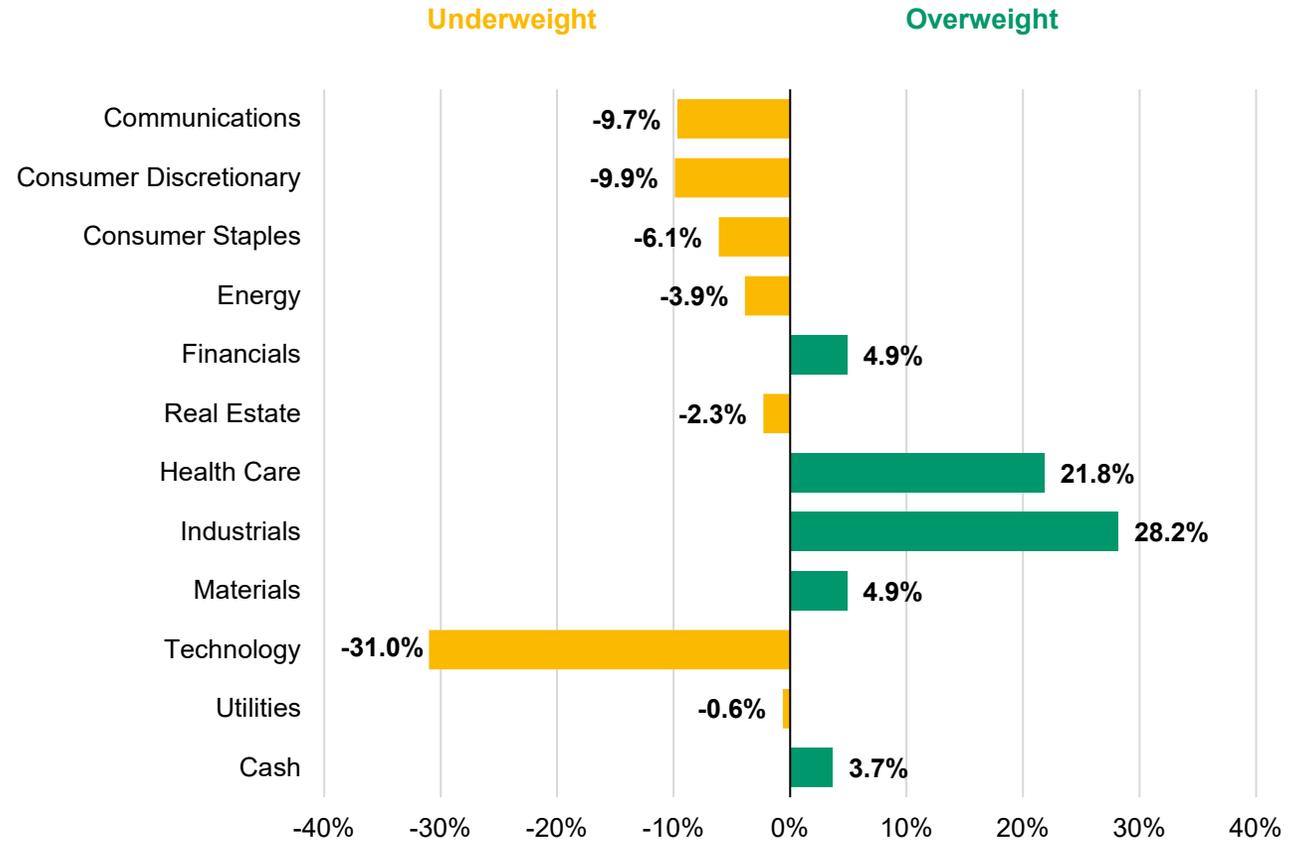
Pacific North American Opportunities Strategy

Data as of January 2024

Portfolio industry weightings (%)



Portfolio industry weightings vs benchmark*



*Benchmark used for comparison = iShares iShares Core S&P 500 ETF

Source: Pacific Asset Management and Morningstar.

Allocations and holdings are subject to change. Totals may not sum due to rounding.

Pacific North American Opportunities

Top Holdings as at 2024-03-26



Fund characteristics

Total no. securities held	31
Top ten position concentration	54.4%
Active Share	98.4
Beta (Ex-Ante)	0.95

Market cap breakdown (% of nav)

Micro <\$1.5bn	3.0
Small \$1.5bn-\$6bn	17.9
Medium \$6bn-\$40bn	42.5
Large \$40bn-\$150bn	29.6
Giant >\$150bn	4.4
Other/Cash	2.7
Wtd Avg Mkt Cap (\$m)	40,299.89

Name	Category	Weight
Avantor Inc	Health Care	7.1%
ICU Medical Inc	Health Care	6.7%
Woodward Inc	Industrials	6.5%
Crh Plc-Sponsored	Materials	5.2%
Cbiz Inc	Industrials	5.1%
Bwx Technologies	Industrials	4.8%
Elevance Health	Health Care	4.8%
Clean Harbors	Industrials	4.8%
Safran	Industrials	4.7%
Intercontinental Exchange	Financials	4.3%

Why Pacific North American Opportunities ?

Compelling reasons to invest

> Pure stock-picking

> Capacity constrained

> Clear investment process

> Alignment of interests

> All-cap

> Established track record

> Concentrated

> Cornerstone investors in place

Key Facts and Performance

Key Facts

ISIN (GBP I Acc): IE000QQ0VVK8

AuM (USD m)*: 136.8

AMC: 0.75%

OCF: 1.00%

Fund Launch Date: 24 April 2024

Fund Structure: Irish UCITS

Currency Available: EUR, GBP, USD

Dealing Frequency: Any Business Day

Summary Performance Data

	1Q 2024	PNAO Inception to date (1)
Pacific North American Opportunities	13.0%	14.9%
S&P 500 Total Return Index	10.6%	28.9%
S&P 500 Equal Weighted Index	7.4%	16.6%
S&P Midcap 400 Index	9.5%	21.9%
Russell 2000 Index	4.8%	18.8%

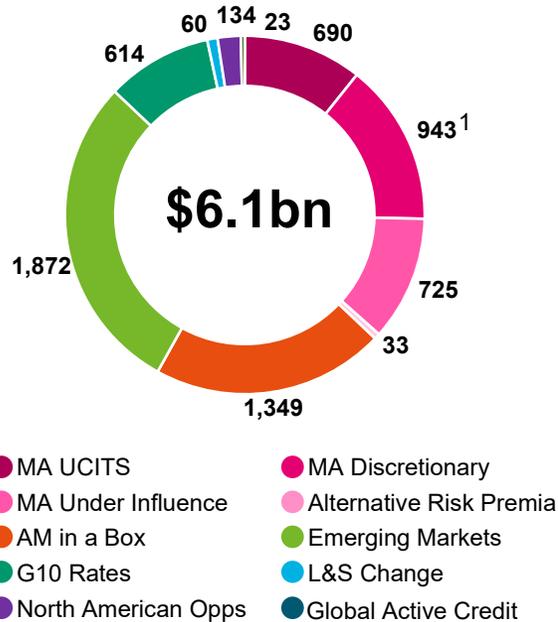
(1) As of 28 March 2024 – GBP Z Acc

Pacific Asset Management (PAM)

Modern, highly diversified, technology driven asset manager



Assets Under Management, & Assets Under Influence (\$m)



1. TECHNOLOGY ENABLED ADVISER SOLUTIONS	2. SINGLE MANAGER SOLUTIONS
AUM & AUI: \$3.4 billion	AUM: \$2.7 billion
Tech Enabled Multi-Asset Adviser Solutions & ESG Principled Investment	Craft-based High Conviction Active Management
<p>MULTI-ASSET FUNDS Modern, blended unitised multi-asset strategies including sustainable offering</p>	<p>EMERGING MARKETS EQUITY EM All Cap Value Equity strategy managed by highly experienced team.</p>
<p>ADVISER SOLUTIONS Software enabled model-portfolio-as-a-service solutions</p>	<p>EMERGING MARKETS INCOME EM All Cap Value Equity strategy managed by highly experienced team.</p>
<p>ALTERNATIVE RISK PREMIA Systematic non-directional factor investing: Isolating diversifying Risk Premia</p>	<p>LONGEVITY & SOCIAL CHANGE Investing in the Longevity economy across DM and EM, with ESG criteria embedded throughout</p>
<p>ASSET MANAGEMENT IN A BOX Tech-enabled administration</p>	<p>NORTH AMERICAN OPPORTUNITIES Investing in North American equity securities supported by an experienced portfolio manager and team.</p>
	<p>G10 MACRO RATES Blending experience, proprietary technologies and implementation efficiency to create alpha.</p>
	<p>GLOBAL ACTIVE CREDIT Global active long-only credit opportunities fund</p>
RETAIL / INSTITUTIONAL CLIENTS	INSTITUTIONAL / WHOLESALE CLIENTS

PAM is proud to be a signatory



Source: Pacific Asset Management as at 28 March 2024.

1. Includes \$344 million invested within PAM MA UCITS as part of model portfolios which is excluded from total figure of \$6.1bn.

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