

# Power Pacific China A-Shares Core Strategy

High Conviction China A-Shares Equities

Factsheet for Classes P and I

As of April 30, 2021



**POWER PACIFIC**

A POWER SUSTAINABLE COMPANY

## Investment Objective

The Power Pacific China A-Shares Core Strategy (the "Fund") will invest its net assets in a portfolio of equity securities of companies domiciled in, or exercising the predominant part of their activity in the People's Republic of China, excluding the Hong Kong and Macau Special Administrative Regions and Taiwan. Power Pacific Investment Management Inc. ("PPIM") intends to maximize total return by employing a bottom-up, research intensive and fundamentals-driven process to selecting investments. This process focuses on consistency rather than short-term outcomes.

Sustainability and ESG are a core part of Power Pacific's investment process. Power Pacific invests in companies with sustainable business models that drive real-world solutions, with an emphasis on the following development objectives: Decarbonization, Smart Society and Quality Growth.

## Strategy Highlights

Asset Class	Equities
Geography	China A-Shares
Type	Long-Only
Style	Large and Mid-Cap Quality
Approach	Fundamental, Bottom-Up
Holdings	20 to 30
Horizon	3 to 5 years
Turnover	Low
ESG approach	Fully Integrated
Benchmark	MSCI China A Onshore (Net TR)

## General Strategy Information

Strategy Base Currency	CNY
Strategy Inception Date	25 October 2005
Composite AUM (millions)	4,184.3

## Investment Terms

Available Share Classes	P & I
Available Currencies	USD, EUR, GBP, CHF
Management Fee	1.5% (P-Class) 1% (I-Class)
Performance Fee	15%
Hurdle Rate	6%
High Water Mark	5-Year Rolling
TER Cap (Ex Performance Fee)	2%
Pricing/Dealing	Weekly
Fund Type	ICAV QIAIF
Domicile	Ireland
Fund Base Currency	USD
Exposure Currency	CNY

## Fund Performance<sup>1,2,3,4</sup>

Share Class	Composite (CNY)		Class I (USD)		Class P (USD)	
	Gross	Net	Gross	Net	Gross	Net
Inception	25/10/05		20/11/20		10/12/20	
ISIN	-		IE00BLF7QN75		IE00BMBKGZ90	
<b>Performance<sup>2</sup></b>						
April	3.1	3.1	4.6	4.4	4.6	4.4
3M	-8.4	-8.4	-9.2	-9.3	-9.2	-9.2
6M	5.5	4.7	-	-	-	-
YTD	-6.3	-6.3	-6.3	-6.9	-6.3	-6.8
1Y	44.0	43.1	-	-	-	-
2Y	29.0	27.1	-	-	-	-
3Y	22.1	20.0	-	-	-	-
4Y	20.1	18.3	-	-	-	-
5Y	18.0	16.1	-	-	-	-
7Y	21.2	19.3	-	-	-	-
10Y	13.4	11.4	-	-	-	-
15Y	16.7	14.6	-	-	-	-
Since Inception	18.5	16.2	3.2	1.2	0.8	-0.9

Source: Power Pacific, Bloomberg

## Power Pacific China A-Shares Core Composite Calendar Performance (%)<sup>1,2,3,5</sup>

CNY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
January	-0.3	3.2	5.8	-4.5	3.5	-1.6	0.9	1.8	5.0	0.1	2.3
February	3.6	2.9	-0.1	-2.6	4.1	0.1	1.9	-2.0	10.1	0.9	-5.7
March	0.3	-2.4	-4.8	2.6	4.7	5.2	1.6	1.0	8.1	-5.4	-5.8
April	0.0	3.5	-0.4	1.8	8.3	0.2	0.1	-4.2	1.5	8.6	3.1
May	-3.1	-0.9	4.1	0.4	1.2	1.3	1.2	7.9	-6.2	0.4	
June	1.7	-3.3	-9.5	2.8	-1.4	0.8	3.0	-3.8	7.2	15.0	
July	-2.0	-4.8	0.2	7.8	-1.1	3.9	0.3	-1.8	0.4	17.1	
August	-1.5	-4.1	4.2	0.7	0.3	0.2	2.3	-7.3	2.6	1.3	
September	-5.4	4.1	2.4	2.8	-1.2	-0.2	1.3	1.4	0.7	-3.4	
October	4.5	-2.4	0.0	0.1	0.7	-0.2	7.5	-7.0	4.7	3.3	
November	-4.7	-2.3	2.8	4.7	0.6	1.2	-1.6	-0.7	-1.1	1.5	
December	-1.9	12.9	-2.4	10.0	1.1	-2.0	3.4	-2.5	3.1	10.9	
<b>Composite</b>	<b>-8.8</b>	<b>5.3</b>	<b>1.3</b>	<b>28.8</b>	<b>22.3</b>	<b>9.0</b>	<b>23.8</b>	<b>-16.7</b>	<b>41.3</b>	<b>59.5</b>	<b>-6.3</b>
MSCI China A Onshore	-26.4	8.4	-2.1	50.2	12.1	-13.4	12.7	-29.3	39.5	31.5	-0.7
<b>Value-add</b>	<b>17.6</b>	<b>-3.0</b>	<b>3.4</b>	<b>-21.3</b>	<b>10.2</b>	<b>22.4</b>	<b>11.1</b>	<b>12.7</b>	<b>1.8</b>	<b>28.0</b>	<b>-5.6</b>

Source: Power Pacific, Bloomberg

### About Power Pacific Investment Management

Power Pacific Investment Management Inc. is a Shanghai and Montreal based investment boutique owned by Power Corporation, a Canadian company with a pioneering presence in China since the 1970s. We invest in sustainable Chinese companies with high conviction and a fundamentals-based, research driven investment process.

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## Power Pacific China A-Shares Core Composite Historical Returns<sup>1,2,3,5,6</sup>



Source: Power Pacific, Bloomberg

## Historical Performance (%)<sup>1,2,3,5</sup>

Period	Composite	MSCI China A Onshore	Value-add
April	3.1	2.7	0.4
3M	-8.4	-3.0	-5.4
6M	5.5	10.1	-4.6
YTD	-6.3	-0.7	-5.6
<b>Annualized Returns</b>			
1Y	44.0	33.3	10.7
2Y	29.0	18.0	11.0
3Y	22.1	12.5	9.6
4Y	20.1	9.2	10.9
5Y	18.0	8.9	9.1
7Y	21.2	12.4	8.8
10Y	13.4	5.1	8.3
15Y	16.7	11.2	5.5
Since Inception <sup>6</sup>	18.5	13.0	5.5

Source: Power Pacific, Bloomberg

## Summary Analytics<sup>1,2,3,5</sup>

Risk/Return Profile	Composite	MSCI China A Onshore
Volatility (%)	16.6	16.3
Tracking Error (%)	9.4	0.0
Beta	0.9	1.0
Correlation	0.8	1.0
Sharpe Ratio (2.7%)	0.9	0.4
Information Ratio	1.0	-
Batting Average (%)	63.3	-
Skewness	0.9	0.4
Excess Kurtosis	1.7	0.9
Average Monthly Return (%)	1.5	0.8

Source: Power Pacific, Bloomberg. Rolling 5-Year Period

Downside Management	Composite	MSCI China A Onshore
Downside Deviation (%)	8.0	9.5
Sortino Ratio (2.6%)	2.0	0.7
Down Capture (%)	48.1	100.0
Monthly mVAR (95%)	-5.9	-7.7
Worst 12-Month Return (%)	-16.7	-29.3

Upside Potential	Composite	MSCI China A Onshore
Upside Deviation (%)	13.8	11.6
Monthly Alpha (%)	0.8	0.0
Up Capture (%)	94.4	100.0
Best 12-Month Return (%)	63.0	39.5

Source: Power Pacific, Bloomberg. Rolling 5-Year Period

## Composite Portfolio Composition<sup>7</sup>

### Top Holdings

Company Name	GICS Sector	Weight (%)
Will Semiconductor Ltd	Information Technology	5.4
Kweichow Moutai Co Ltd	Consumer Staples	4.9
WuXi AppTec Co Ltd	Health Care	4.9
China Merchants Bank Co., Ltd	Financials	4.9
Gree Electric Appliances Inc o	Consumer Discretionary	4.7

Source: Power Pacific, Bloomberg

Equity Characteristics	Composite	MSCI China A Onshore
Price / Earnings (NTM)	47.9	31.1
LT Debt / Capital (TTM) (%)	6.6	11.1
Return on Capital (TTM) (%)	6.2	8.4
5-Year Average ROE (%)	15.7	16.1
Dividend Yield (TTM) (%)	1.0	1.6

Source: Power Pacific, Bloomberg

### About Power Pacific Investment Management

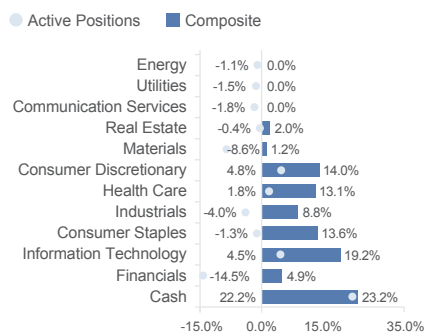
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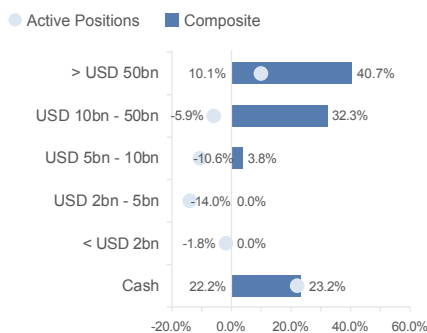
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## Sector Weights<sup>7</sup>



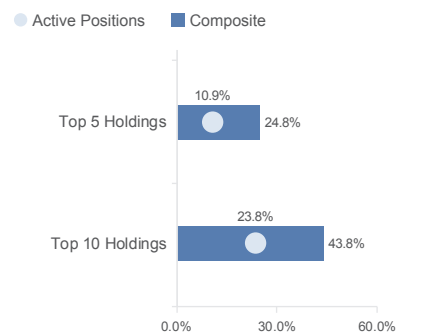
Source: Power Pacific, Bloomberg

## Market Capitalization<sup>7</sup>



Source: Power Pacific, Bloomberg

## Portfolio Concentration<sup>7</sup>



Source: Power Pacific, Bloomberg

## Important Information for Investors

The Fund is a sub-fund of Power Pacific Opportunity Funds ICAV (the "ICAV"), an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its sub-funds under the laws of Ireland and authorized and regulated by the Central Bank of Ireland (the "Central Bank") as a Qualifying Investor Alternative Investment Fund ("QIAIF"). Any offer or solicitation will only be made pursuant to the prospectus of the ICAV and the Fund supplement, each as amended and/or supplemented from time to time (collectively, the "Prospectus"), which qualifies in its entirety the information set forth herein. Authorization of the ICAV by the Central Bank is not an endorsement or guarantee nor is the Central Bank responsible for the contents of any marketing or offering material. Authorization by the Central Bank shall not constitute a warranty as to the performance of the ICAV, and the Central Bank shall not be liable for the performance of the ICAV.

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### A Note about Risk

Investment in the Fund involves significant risks, and there can be no assurance that the Fund's investment objectives will be achieved. There may occur potential or actual conflicts of interest involving Power Pacific and the Fund and its investments. The value of investments in equity securities will fluctuate in response to general economic conditions and to changes in the prospects of particular companies, including market, liquidity, currency, and political risks. Other influential factors include pandemics and epidemics, political or economic news, company earnings and significant corporate events. Investing globally can bring additional returns and diversify risk, but currency exchange rate fluctuations may have a positive or negative impact on the value of your investment. Investments in emerging markets or less developed countries may also result in greater risk as these jurisdictions may face more political, economic or structural challenges than developed jurisdictions. The Fund's exposure to a single country market, which may be subject to particular political and economic risks, may cause the Fund to be more volatile than more broadly diversified funds. These factors can affect Fund performance. Prospective investors should not acquire Shares of the Fund if the investor anticipates that it will have a need for the funds contributed to the Fund prior to the times that redemptions are permitted. An investment in the Fund should be viewed as a long term investment.

### Note to Readers in Switzerland:

The offer and marketing of Shares of the Fund in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act ("CISA") and its implementing ordinance. Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA"). This Factsheet and/or any other offering or marketing materials relating to the Shares may be made available in Switzerland solely to Qualified Investors. In respect of its offer and marketing in Switzerland to qualified investors with an opting-out pursuant to Art. 5(1) of the Swiss Federal Law on Financial Services and without any portfolio management or advisory relationship with a financial intermediary pursuant to Article 10(3ter) CISA, Power Pacific Investment Management (Ireland) Limited has appointed a Swiss representative and paying agent. Copies of the Prospectus, Packaged Retail and Insurance-based Investment Products (PRIIPs) - Key Information Documents, the instrument of incorporation of the ICAV, as well as the annual reports may be obtained free of charge from the Swiss representative: ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich. The paying agent in Switzerland is Banque Cantonale Vaudoise, Place Saint-François 14, CH-1003 Lausanne. In respect of the Shares offered or marketed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative in Switzerland.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund. This and other important information are contained in the Prospectus. Read these documents carefully before you invest. To obtain the Prospectus, contact your investment professional, Power Pacific at the contact information set forth below, or visit us at [www.powerpacificim.com](http://www.powerpacificim.com).

### End Notes to Performance

The performance results shown represent the gross investment performance record for the Power Pacific China A-Shares Composite unless otherwise indicated. This Composite is comprised of all fully discretionary portfolios managed on behalf of institutional investors investing primarily in a portfolio of equity securities of companies domiciled in, or exercising the predominant part of their activity in the People's Republic of China. This historical performance data is the performance of Power Corporation of Canada's proprietary capital deployed in Chinese public equity markets via its QFII license and the Hong Kong Stock Connect program. Investment returns will fluctuate with market conditions. Past performance does not guarantee, and is not a reliable indicator of, future results. Historical performance presented may not be a reliable indicator of future performance due, in particular, to the differences between trading proprietary assets and managing third party assets and the variation in strategies employed by, and risk tolerances of, the portfolio manager that may result from such differences. Current performance may be lower or higher than performance shown.

Accounts funded on or before the 15th of the month will be included in the Composite effective the first day of the first following month. Accounts funded after the 15th of the month will be included effective on the first day of the second following month. Registered investment companies sponsored by PPIM are included in the Composite in the first full month of management. Closed accounts are removed from the Composite after the last full month in which they were managed in accordance with applicable objectives, guidelines and restrictions. Performance results are expressed in Chinese yuan and reflect reinvestment of any dividends and distributions. The Composite was created in 2005.

<sup>1</sup> The Fund is newly-organized and has a limited performance history. This data represents the unaudited performance of the Power Pacific China A-Shares Composite (the "Composite"). Although the Fund is managed by the same investment team utilizing a similar investment process as the Composite, performance data quoted represents past performance of the Composite and may not be a reliable guide to the future performance of the Fund. The performance of the Fund may differ significantly from the performance presented herein.

<sup>2</sup> Performance data quoted reflects past performance and is no guarantee of future results. Current performance may be higher or lower than the performance data quoted. The return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost.

<sup>3</sup> The base currency of the Composite is CNY. Investment in the Fund or one of its classes denominated in a different currency will receive payments in that other currency and the final return will depend on the exchange rate between the two currencies.

<sup>4</sup> Additional share classes are available upon request. The Expense Limitation takes into account a management fee waiver whereby PPIM has agreed to waive a portion of its management fee. PPIM may stop the management fee waiver at its discretion. For periods when the waiver is in place, the Fund may benefit by not bearing these expenses. Without such management fee waiver, performance will be lower. Please see the Prospectus for additional information.

<sup>5</sup> Gross returns are denominated in local CNY currency.

<sup>6</sup> Since inception returns are calculated from November 2005 to April 2021.

<sup>7</sup> Holdings are for informational purposes only and are not a recommendation to buy, sell or hold any security

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