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INVESTOR

Pacific Horizon

Investment companies | Annual overview | 19 March 2025

Inflection point approaching?

With Trump now re-installed as US President, we are starting to see how his much talked about policy agenda is shaping up. He is moving quickly, but higher uncertainty is the new norm. Although, there are signs that his threat of stringent US tariffs on Asian and particularly Chinese imports, which had knocked confidence and financial markets, may not be as bad as was previously feared. However, the markets focus on the reflationary aspects of his policies looks justified. Interest rates may well be higher for longer.

Against this backdrop, the managers of Pacific Horizon (PHI) think that it is easy to overlook Asia's advantages. It sees much to be positive about, noting for one that valuations of Asian equities are incredibly cheap, and, after a decade of outflows, there is little hot money (an influx of funds from short-term investors looking to make a quick profit) left in the region. It thinks that, with China enacting unprecedented stimulus, this dampens one of the key headwinds facing the region and the effects could be dramatic if investor sentiment towards Asia turns positive. PHI managers see an inflection point approaching and have been positioning the portfolio accordingly. Such a move could drive down the discount to net asset value (NAV), which is close to a five-year high.

Focused on Asia ex Japan growth stocks

PHI invests in the Asia-Pacific region (excluding Japan) and in the Indian subcontinent in order to achieve capital growth. The company is prepared to move freely between the markets of the region as opportunities for growth vary. The portfolio will normally consist mostly of quoted securities, although it may hold up to 15% of total assets in unlisted investment opportunities, measured at the time of initial investment.

Sector	Asia Pacific
Ticker	PHI LN
Base currency	GBP
Price	587.00p
NAV	666.81p
Premium/(discount)	(12.0%)
Yield	0.45%

Asia is well-placed to perform

Asia is not weighed down by the significant macroeconomic imbalances seen in the West

The effects could be dramatic if investor sentiment towards Asia turns positive

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Contents

Domicile	England and Wales
Inception date	September 1989
Manager	Roderick Snell Ben Durrant
Market cap	527.0m
Shares outstanding (exc. treasury shares)	89.6m
Daily vol. (1-yr. avg.)	190.5k shares
Net gearing	3.1%

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Click for PHI's peer group analysis

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Click to provide feedback to the company

Click if you are interested in meeting PHI's managers

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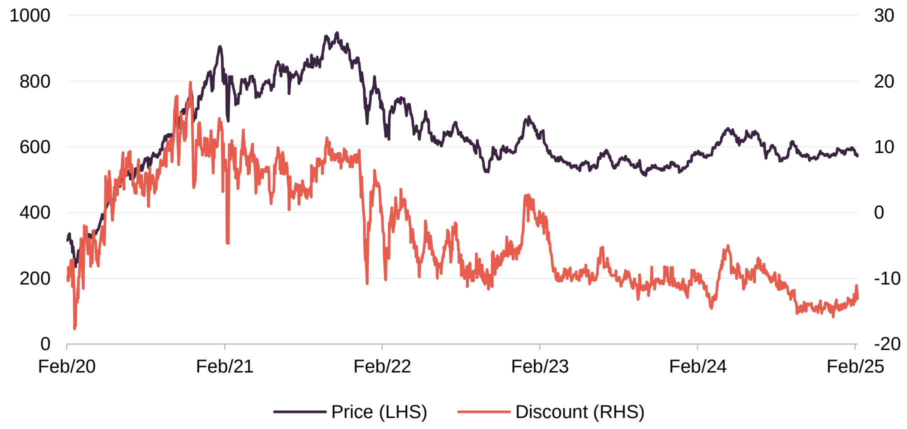
At a glance

Share price and discount

PHI is now trading at discounts to NAV that are at the wide end of its five-year discount range, with the current discount only being surpassed by the levels seen during COVID. At these levels, there is significant discount narrowing potential, particularly if China's stimulus continues to have the desired effect, Trump's tariffs turn out to be less onerous than expected and PHI's managers are correct that we are close to an inflection point that could a sharp reversal in China's and Asia's performance more generally.

Time period 29 February 2020 to 17 March 2025

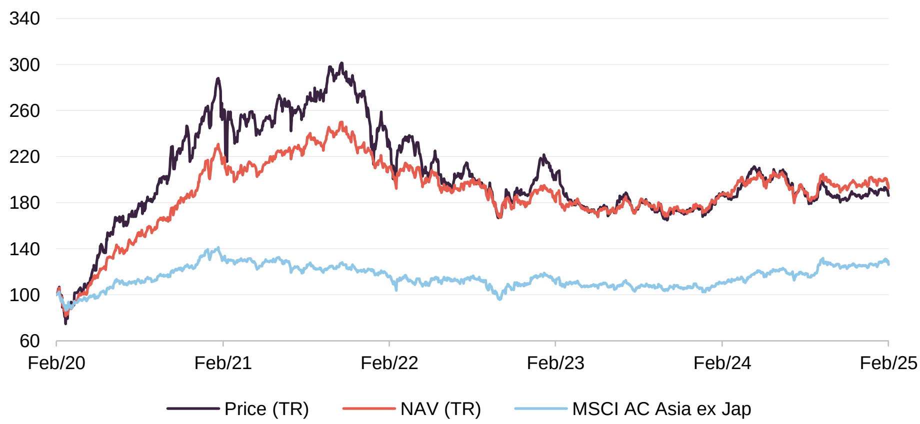


Source: Morningstar, Marten & Co

Performance over five years

PHI has a good long-term record of outperformance but, over the last three years, it has given back some of its previously strong outperformance (see pages 13 and 14), through a combination of both growth stocks moving out of favour and heightened negativity towards Asia. A rising risk of a recession, particularly in the west has weighed on Asian stocks but could reverse quite quickly and there is considerable reversionary potential at current valuations.

Time period 29 February 2020 to 28 February 2025



Source: Morningstar, Marten & Co

Year ended	Share price total return (%)	NAV total return (%)	MSCI AC Asia Ex-Japan total return (%)	MSCI AC World total return (%)
28/02/2021	151.9	113.8	29.7	19.0
28/02/2022	(7.8)	(1.2)	(10.8)	12.3
28/02/2023	(13.9)	(14.4)	(5.1)	1.7
29/02/2024	(6.8)	3.6	0.4	17.9
28/02/2025	(0.1)	2.9	14.7	15.6

Source: Morningstar, Marten & Co

Fund profile

Additional information is available at the manager's website: www.bailliegifford.com

Pacific Horizon (PHI) is an Asia ex Japan investment trust that specialises in investing in growth companies. Baillie Gifford & Co (Baillie Gifford) has been appointed to manage PHI's portfolio on behalf of Baillie Gifford & Co Limited, the trust's alternative investment fund manager (AIFM). Baillie Gifford has managed PHI since 1992. Baillie Gifford is a long-term growth investor, and it believes that there is a significant opportunity to outperform markets over the long term using this approach. Pacific Horizon was promoted to the FTSE 250 index in January 2023.

About the manager

Well-resourced investment team.

Baillie Gifford has 155 investors/analysts based in its Edinburgh office, with a further four in the US and five in China (these exclude ESG analysts). It is structured as a partnership and encourages a collegiate approach to managing money, although it allows its portfolio managers the freedom to have the final say about their portfolios. It managed or advised on about £217.4bn at the end of December 2024. PHI and the Baillie Gifford Pacific Fund (its open-ended equivalent) had combined total assets of roughly £5.0bn as at 31 December 2024.

Roderick Snell, who is the senior fund manager for Baillie Gifford's Asia ex Japan strategies, is the lead manager of PHI's portfolio. He is supported by Ben Durrant, who was appointed as deputy manager in January 2023.

PHI is managed by Roderick Snell (lead manager) and Ben Durrant (deputy manager).

Roderick Snell joined Baillie Gifford in 2006 and became a partner in 2023. He has managed the Baillie Gifford Pacific Fund open-end investment company (OEIC) since 2010 and has been lead manager of PHI's portfolio since June 2021, having been its deputy manager since September 2013. Prior to joining Baillie Gifford's emerging markets team, Roderick spent time in its UK and European equity teams. Roderick is a co-manager of the emerging markets leading companies strategy. Roderick graduated from the University of Edinburgh in 2006 and a BSc (Hons.) in Medical Biology.

Ben Durrant joined Baillie Gifford in 2017 and, prior to joining the emerging markets team, spent time in Baillie Gifford's UK, global discovery and private markets teams. Prior to joining Baillie Gifford, he worked for RBS in their group strategy and corporate finance team. Ben is a chartered accountant and a CFA charterholder. He graduated from the University of Edinburgh in 2012 with a BSc (Hons.) in Mathematics, and has co-managed the Baillie Gifford Pacific Fund since 2021.

PHI is a stock-picking fund that bears little resemblance to the MSCI All Country Asia ex Japan Index comparative index.

Roderick says that the team's natural inclination is to be cognisant of political and macroeconomic influences in Asia and that thematic considerations are always in the back of their minds. However, he thinks that you only really get to see the big picture by being a bottom-up stock picker (looking first at the attractions of individual stocks). This is very much a stock-picking fund, and the portfolio bears very little resemblance to the fund's comparative index, the MSCI All Country Asia ex Japan Index (the active share of PHI's portfolio at the end of December 2024 was 74%).

The pair spend most of their time in meeting companies and undertaking stock-specific research. The process and philosophy that is used to manage PHI has been the same for the last 30 years.

Market roundup – Asian valuations remain compelling

Since we last published on PHI in December 2023, global equities, emerging market equities and frontier market equities have made gains against a broad trend of receding inflation and interest rates, although a very narrow group of US stocks focused on artificial intelligence (AI) has driven global equities as a whole.

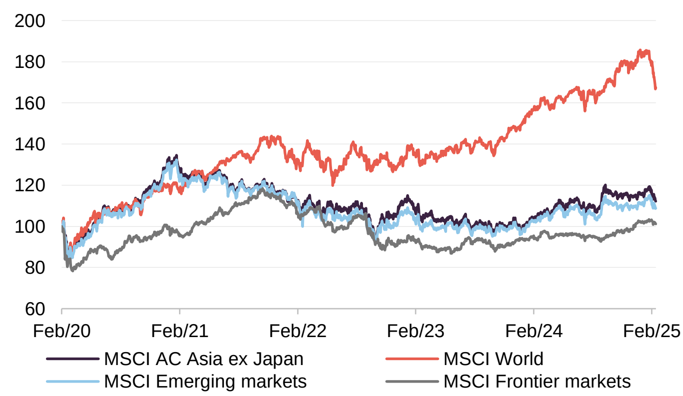
India performed strongly during the first half of 2024 but has corrected since.

The Indian market continued with its strong run of performance during the first half of 2024, reaching an all-time high at the beginning of July, but concerns about its economy slowing (over half of the members of the "nifty 50" – an Indian stock market index that represents the float-weighted average of 50 of the largest Indian companies listed on its National Stock Exchange – missed or just met analyst's expectations according to Reuters) as well as an increasingly attractive China on the back of its stimulus package (discussed below) led to a correction in that market, although it remains a standout performer during the last couple of years.

Trump's proposed tariffs could dampen Asian exports and push up US interest rates.

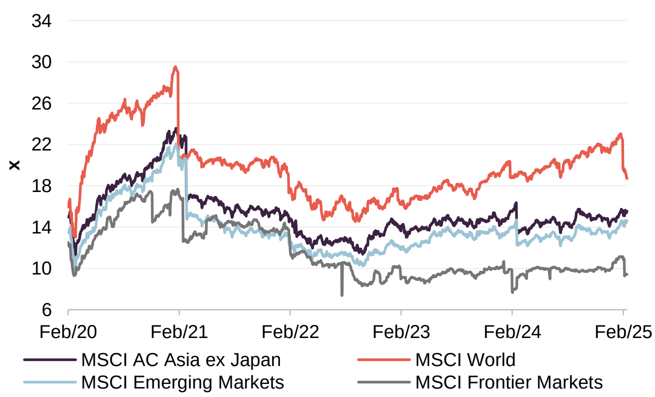
More recently, developed market equities, particularly those in the US, have benefitted from the election of Donald Trump for a second term, allowing them to extend their lead over developing market equities further. For Asian markets and China in particular, there have been significant concerns about the impact of Trump's proposed tariffs. While Trump had said previously that he would enact tariff hikes on day one of his new term, targeting China in particular, this did not happen immediately, although a 10% tariff was imposed in February with a further 10% added in March. These could prove to be transient though as Trump has been using these as a bargaining chip in his attempts to secure a deal for 50% of TikTok to be sold to a US company.

Figure 1: Index total return performance over five years, rebased to 100



Source: Bloomberg, Marten & Co

Figure 2: Index forward 12-month price/earnings ratios over five years



Source: Bloomberg, Marten & Co

Fear of stoking US inflation also seems to be tempering Trump's rhetoric. China was very quick to draw its own line in the sand saying that it would defend its national interests and has implemented tariffs of its own – these being a particular concern to beleaguered farmers in the US that are heavily reliant on that market (such was the impact on US farmers from the tit-for-tat following the ramping up of tariffs in Trump's first term that this group was eventually paid subsidies). Nonetheless, an increase in tariffs by the US will likely weigh on demand for Asian exports and probably prove to be inflationary in the US, potentially delaying interest rate cuts and perhaps causing interest rate increases in that country.

Higher US rates are likely negative for Asian growth stocks, but this is priced in.

History suggests that this is a negative for Asia more generally, but particularly for the sorts of growth stocks that PHI tends to focus on. However, it appears that Trump may not act as gung-ho as previously expected and, regardless, there is a huge amount of pessimism already priced in with Asia ex Japan trading at very attractive valuations versus history and global equities. It should also be remembered that, while a narrow group of US stocks are the primary beneficiaries of the AI trade, in reality the ultimate benefits of AI will be felt much more broadly across sectors and other regions.

Managers' view – Asia is well-placed to perform

Very little hot money left in Asia.

PHI's managers observe that, against the backdrop of a new administration in the US and a president that was characterised by unpredictability in his first term, along with higher market volatility seen during the last couple of years reflecting elevated uncertainty more generally, it is quite easy to overlook the advantages Asia offers both in the short and long term. Looking at the macroeconomic picture, inflation is low in Asia across the board and economies run in a very orthodox manner. Whilst higher interest rates in the US have tended to be negative for Asia, PHI's managers observe that, after a decade of outflows from the region, there is little hot money left in the region and so the impact of this is muted. They think that when the region's superior growth is taken into account, the bigger question is: why do Asia equities trade at such a marked discount to global equities?

In the managers' view, the two primary factors behind this are China's economic woes and ongoing US dollar strength. They note that in the case of the latter, it is at levels that are their highest for over a decade. However, despite the change of guard in the US that has garnered so many headlines, there is much to suggest the tide is starting to turn in Asia's favour and that we could be close to an inflection point.

What does a Trump presidency mean for Asia?

The more extreme elements of Trump's plans will likely see some dilution.

There is little doubt that the new president has some quite dramatic proposals – tax cuts, deregulation and higher tariffs have been prominent within his musings – and he has the benefit of controlling both Houses of Congress and a Republican majority in the Supreme Court, at least for now. However, history suggests that the trifecta may not last long and, regardless, he will need the support of more moderate Republicans to get his bills through, which will likely see some dilution of the more extreme elements of his plans. Another consideration is that some of his initial executive orders are already destined for the courts, so it seems there is still much to be worked out.

Nonetheless, markets have been focused on the reflationary aspects of his policies, with higher nominal US GDP growth and higher-than-anticipated interest rates being amongst the more predictable outcomes for now.

Trump presidency will elevate uncertainty and volatility, but this will create opportunities.

As noted above, Trump has shown himself to be inherently unpredictable and this looks set to elevate uncertainty and associated volatility in financial markets, although PHI's managers note that this could also create opportunities for long-term investors. For example, they remain very constructive on China, commenting that its stocks have been priced for a disaster but the macroeconomic outlook is actually quite positive. Trump also loves a deal, and once the initial rhetoric has subsided, the US and China may well come to a mutually beneficial arrangement. Despite the prevailing concerns about trade wars, Chinese equities outperformed global equities during Trump's first term.

Significant Chinese stimulus

China not blind to Trump threat and has announced a significant stimulus package to keep GDP growth on target.

Higher tariffs and barriers to trade will be a negative for most regions, Asia included, but it seems that China, the motor of growth for the region, has not been blind to this threat and announced a significant domestic stimulus package in September in an effort to ensure its GDP growth comes in around its 5% target. While this was an unprecedented level of stimulus, the market nonetheless fretted about whether it was sufficient given the more challenging backdrop a Trump presidency seemed likely to provide. However, the benefits of this stimulus appear to have kicked in with China's fourth quarter 2024 GDP growth beating market estimates coming in at 5.4%.

There are still concerns about the outlook for China as further large stimulus will be required to sustain the recovery and build economic momentum, but inflation remains close to zero, real interest rates are positive, and China has plenty of reserves, giving it plenty of fire power to deploy in both conventional monetary policy and quantitative easing if it wishes to.

China's stimulus is co-ordinated.

PHI's managers observe that this stimulus is co-ordinated, comes down from the top (it has been signed off by the politburo – the principal policymaking committee of a communist party) and is also quite broad – using both monetary (money supply related policies) and fiscal (government spending) means – but has a big emphasis on financial markets and property.

The effects of China's stimulus could be dramatic.

PHI's managers think that, if sentiment turns positive, the effects of this stimulus could be dramatic. The outlook in the short term is very positive in their view, although time will tell what the longer-term impact looks like. They note that aggressive stance from the new US administration on trade could see the Chinese redouble their efforts to drive domestic economic growth.

Asia is not homogenous

Asia is not weighed down by the significant macroeconomic imbalances seen in the West.

It is also worth remembering that Asia is not uniform as a region. China's economy is more open than most, but there are other more domestically driven economies, such as India, that will be more insulated and could continue to benefit as companies look to diversify away from China. Although overall exports from Asia would likely drop under the imposition of hefty tariffs, most of the intra-regional trade should continue regardless.

There are still strong growth opportunities within Asia, and it is not weighed down by the significant macroeconomic imbalances that are seen in the West. PHI's managers comment that its long-term arguments for investing in growth companies in emerging Asia remain broadly unchanged (we recommend that readers see our previous notes for more discussion) and that, on balance, its companies should be well-placed to perform.

Investment philosophy and process

The underlying approach

Baillie Gifford believes that markets are inefficient at pricing long-term growth, especially over a time horizon of at least five years, and that this creates an opportunity to generate alpha. For this reason, it aims to encourage a culture of long-term thinking within the firm. Baillie Gifford believes there is persistence of good company management, business models and stock prices. This translates into a culture of 'sticking with the winners'.

The manager uses Baillie Gifford's own research. The team undertakes much of this, but will often commission research from local research teams, academics and industry experts. Baillie Gifford also subjects some companies to forensic analysis, using the services of investigative journalists and forensic accountants. When it is talking to companies, the conversations with their management teams focus on the long-term prospects of the business.

The managers are able to draw on the resources of the whole investment team when analysing companies, and can sit in on meetings with companies outside their geographic remit. This is especially beneficial when they are trying to identify how their companies compare with competitors domiciled in other markets.

Each member of the team is assigned a geographical focus for research, and these responsibilities are rotated every few years. Investment ideas are presented to the group, but the lead portfolio manager makes the final decision. Roderick usually spends four to five weeks visiting Asia each year, as does Ben Durrant.

The OEIC and PHI are run in parallel, with some exceptions; a key driver being the need to keep the OEIC's portfolio relatively liquid to allow for inflows and the funding of redemptions. There is an internal limit of holding no more than 10% of the portfolio in illiquid holdings, but within this constraint, PHI has greater freedom to hold more illiquid investments than the OEIC. The OEIC has ended up with more of a large-cap bias as a result, while PHI has more exposure to small-cap names. There is considerable commonality in the stocks held, although the individual weightings may differ. PHI, unlike the OEIC, also has the option of using gearing and invests in unlisted companies.

Building the portfolio

Baillie Gifford is an active investor and does not hold stocks just because they are large constituents of any benchmark. Consequently, there are few limits on country, sector or stock weightings imposed on managers. The initial size of a position will reflect the strength of the manager's belief in the potential risks and rewards of the investment. One of the guiding principles of investing at Baillie Gifford is to 'run the winners' (reflecting the belief in the persistency of good business models). However, PHI typically has a 'soft' upper limit of 10% exposure to any one stock. Roderick looks at the shape of the overall portfolio to ensure that he does not have too many companies exposed to similar thematic dynamics.

The mandate allows PHI's managers to use derivatives to control risk and to alter the portfolio's exposure to markets. In practice, the managers are not undertaking such activity. The managers have no plans to use hedging to alter the portfolio's currency exposure.

Sell discipline

Loss of faith in a company's management is an instant trigger for a sale. Roderick and Ben will also sell if they feel that the business model is not working, or if the market has caught up with their expectations.

Portfolio allocation

As at 31 December 2024, PHI held 62 companies in the portfolio, down from 71 a year prior. PHI believes that it can achieve an appropriate level of diversification for its strategy by holding 40–120 companies.

The process of rationalising the portfolio has continued during the last 12 months (as discussed in prior notes, the number of stocks peaked at around 110 following the market collapse in 2020 as the managers took advantage of a wide range of opportunities that became available but there have been marked reductions over the last couple of years).

In normal market conditions, the managers consider that, if a position is below half a percent, they need to have a strong view if it is to remain in the portfolio. As at the 31 July 2024, there were just seven positions that fell below this threshold. During the last financial year, positions in seven new names were initiated while complete sales numbered 24.

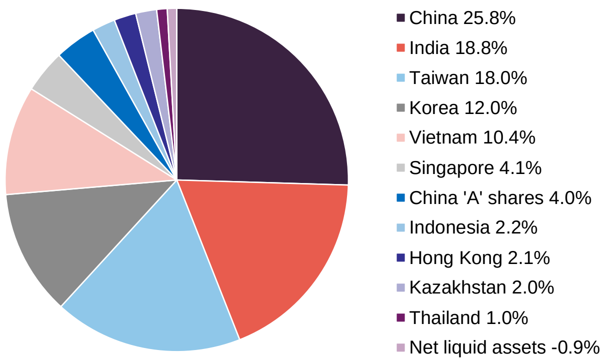
Portfolio activity – adding to growth pace with significant increase in semiconductors

In terms of portfolio activity, the managers have been adding to the 'growth pace' bucket, increasing exposure to technology, ecommerce and fintech stocks across the region. They have also been adding to semiconductor stocks, recognising the powerful tailwinds provided by the growth in the use of artificial intelligence.

The managers have also added to Vietnam, which it still considers to be Asia's best long-term growth story. This has been funded by reducing exposure to India, where the managers have been selectively taking profits reflecting the strong performance of that market and its fuller valuations.

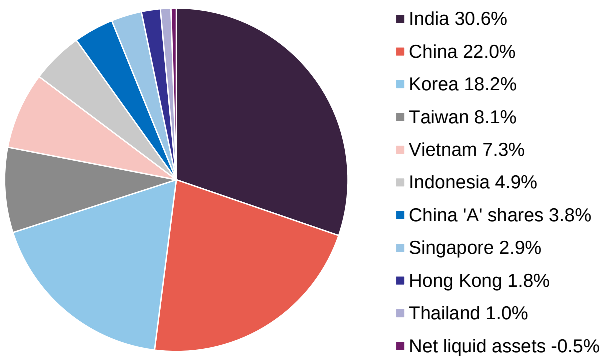
Previously, the managers had been rotating into Chinese names, reflecting their view that the economic picture was improving after a difficult period. The reality is that the macroeconomic backdrop has been more difficult than envisaged and the overall exposure to that market has not changed much over the year. However, the managers are adding selectively where they see bottom-up opportunities arising.

Figure 3: Geographic allocation as at 31 January 2025[1]



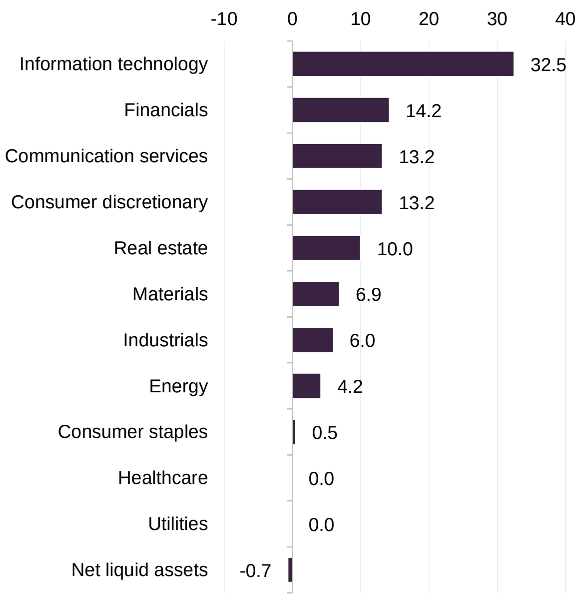
Source: Pacific Horizon Investment Trust. Note: 1) As a proportion of gross assets.

Figure 4: Geographic allocation as at 31 December 2023[1]



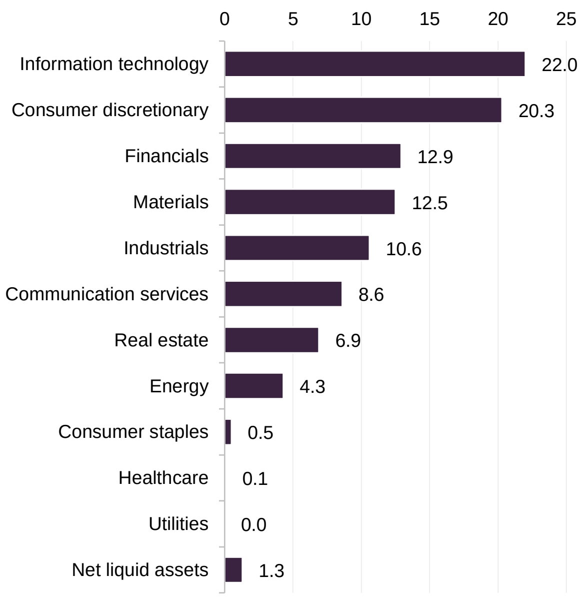
Source: Pacific Horizon Investment Trust. Note: 1) As a proportion of gross assets.

Figure 5: Industry sector allocation at 31 July 2024[1]



Source: Pacific Horizon Investment Trust. Note: 1) As a proportion of gross assets.

Figure 6: Industry sector allocation at 31 July 2023[1]



Source: Pacific Horizon Investment Trust. Note: 1) As a proportion of gross assets.

A comparison of the sector allocations above shows that the big change is the increase in the exposure to information technology (an increase of 10.5 percentage points) reflecting the increased exposure to semiconductors and companies supporting that industry. The next-largest increase is to communication services (4.6 percentage points), reflecting increased exposure to internet names, particularly in China; followed by real estate, which reflects the manager's positive outlook for Indian property. There has also been a modest increase in the allocation to financials.

These have been funded by a significant reduction to consumer discretionary stocks (down by 7.1 percentage points), materials (down by 5.6 percentage points) and industrials (down by 4.6 percentage points), reflecting the manager's decision to cut more cyclical names (those that tend to sensitive to the economic cycle).

Top 10 holdings

Figure 7 shows PHI's top 10 holdings as at 31 January 2025 and how these have changed over the previous 12 months. Holdings that have moved into the top 10 are TSMC, Tencent, Byte Dance, SEA Limited Accton Technology and PDD Holdings.

Names that have moved out of the top 10 are Ramkrishna Forgings, Tata Motors, Delhivery, Prestiges Estates Projects, EO Technics and Bank Rakyat Indonesia. India Bulls Real Estate has changed its name to Equinox India Developments since we last published, but the company continues to feature in PHI's top 10 holdings.

Figure 7: Top 10 holdings as at 31 January 2025

Holding	Sector	Business focus	Country	Allocation 31 January 2025 (%)	Allocation 31 December 2023 (%)	Percentage point change
TSMC	Technology	Internet services	China	10.8	1.3	9.5
Samsung Electronics	Technology	Electrical equipment manufacturer	Korea	5.6	7.4	(1.8)
Tencent	Technology	Online gaming/social networking	China	4.9	-	4.9
SEA Limited	Communication services	Online gaming/ecommerce	Singapore	3.4	1.2	2.2
Equinox India Developments	Real estate	Real estate developer	India	3.4	2.7	0.7
Daily Hunt	Media	Local news	India	3.3	3.6	(0.3)
ByteDance	Communications	Owner of TikTok	China	3.1	2.0	1.1
Zijin Mining	Materials	Gold and copper miner	China	2.7	2.9	(0.2)
Accton Technology	Communication services	Online gaming/ecommerce	Singapore	2.7	2.1	0.6
PDD Holdings	Consumer discretionary	E-commerce	China	2.5	-	2.5
Total of top 5				28.1	21.8	6.3
Total of top 10				42.3	35.2	7.1

Source: Pacific Horizon Investment Trust, Marten & Co *Note: as a proportion of gross assets

The Indian automotive parts company Ramkrishna Forgings performed strongly on the back of robust demand for autos and PHI's managers reduced the position significantly into this share price strength as it struggled to justify the valuation.

Tata Motors also performed strongly, and PHI's managers reduced the position size significantly as it struggled to justify the valuation. It was one of a number of industrial companies whose share price rose as the country's investment cycle continued to gather pace. It has benefitted from robust sales in both its cars and trucks as well as within JLR, its luxury car division. It is also reaping the benefits of cost-saving measures and enhanced operational efficiencies across all of its main business segments which improved overall profitability.

The position in the Indian property developer Prestige Estates Projects was reduced following a strong price performance on the back of strong momentum in Indian property as the property cycle finally turned.

We discuss some of the more interesting changes in the following pages. Readers interested in other names in the top 10 should see our previous notes, where many of these have been previously discussed (see page 25 of this note).

TSMC (10.8%) – position size increased significantly but underweight position still weighed on performance

Figure 8: TSMC share price (TWD)

Source: Bloomberg

Taiwan Semiconductor Manufacturing Company Limited (www.tsmc.com), or TSMC, is the world's biggest contract chipmaker and design company. It has long been a constituent of PHI's portfolio (we last discussed it in our December 2022 note – see page 13 of that note where we explained how PHI's manager had identified TSMC as a monopoly supplier of high-end services with a very strong structural growth outlook for the next decade – which continues to be true). We also explained why the managers felt that TSMC was possibly the best company in Asia at that time, and still think so, citing its strong track record in innovation that reflects the significant investment that the company makes each year (around US$40bn a year into the business).

Whilst the managers recognise that TSMC is a very high-quality business, it has frequently been fully priced, and the managers have often seen better opportunities elsewhere that have led to it being a significant underweight versus the benchmark (PHI's strategy being very much benchmark agnostic). TSMC is also the largest stock in the benchmark (accounting for 11.4% as at the end of October 2024), which also makes it difficult for the managers to be overweight TSMC, even if they wanted to.

This underweight exposure to TSMC was the largest detractor to PHI's performance during the last financial year as TSMC's share price rose nearly 60% during the period. Recognising that the investment case for TSMC has changed significantly with the advent of AI, PHI's managers have significantly increased the trust's exposure to TSMC (from 1.1% to 8.8% during the course of the last financial year) which has pushed it to the top of the trust's holdings.

Tencent (4.9%) – sitting at the heart of the Chinese consumer internet

Tencent Holdings (www.tencent.com) is a Chinese multinational technology company that operates the WeChat super app (also known as Weixin), which is the number one messaging platform and internet services portal in China – it is effectively multiple apps in one and has been designed specifically for the Chinese market, but has a strong presence in other Asian countries. Tencent is also China's leading gaming publisher. PHI has previously held Tencent (we last discussed it in our November 2019 – the manager was reducing the position then reflecting the rising popularity of ByteDance at that time and concerns about how this might impact WeChat) but has since exited that position.

PHI's managers say that Tencent sits at the heart of the Chinese consumer internet and has a broad range of growth opportunities ahead of it. They add that the company's platform business continues to do well, the state's campaign against technology companies has now passed – although they think that Tencent navigated these issues very well – and Tencent is very cash-generative and returning this to shareholders. With the company trading at c 15x P/E ratio and growing earnings at around 20% per annum for the foreseeable future, PHI's manager sees an opportunity to invest in a very high-quality business at a very compelling valuation.

With regards to previous concerns over the perceived threat from ByteDance, PHI's managers highlight that WeChat is now also doing TikTok-like short from videos that are generating strong advertising revenue and e-commerce sales. It is also gaining business in this area and thinks there is still much further to go for this sector and the WeChat app more generally.

Figure 9: Tencent share price (HKD)

Source: Bloomberg

SEA Limited (3.4%) – strong growth in all three business segments

SEA Limited (SEA) (www.sea.com) is one of South-East Asia's leading companies in gaming and online e-commerce and a long-time holding of PHI that we have discussed a number of times in previous notes – mostly recently in our December 2022 note where we explained how it had suffered heavily as interest rates had risen (something that had impacted unprofitable Asian companies with US listings).

Figure 10: SEA Limited share price (US$)

Source: Bloomberg

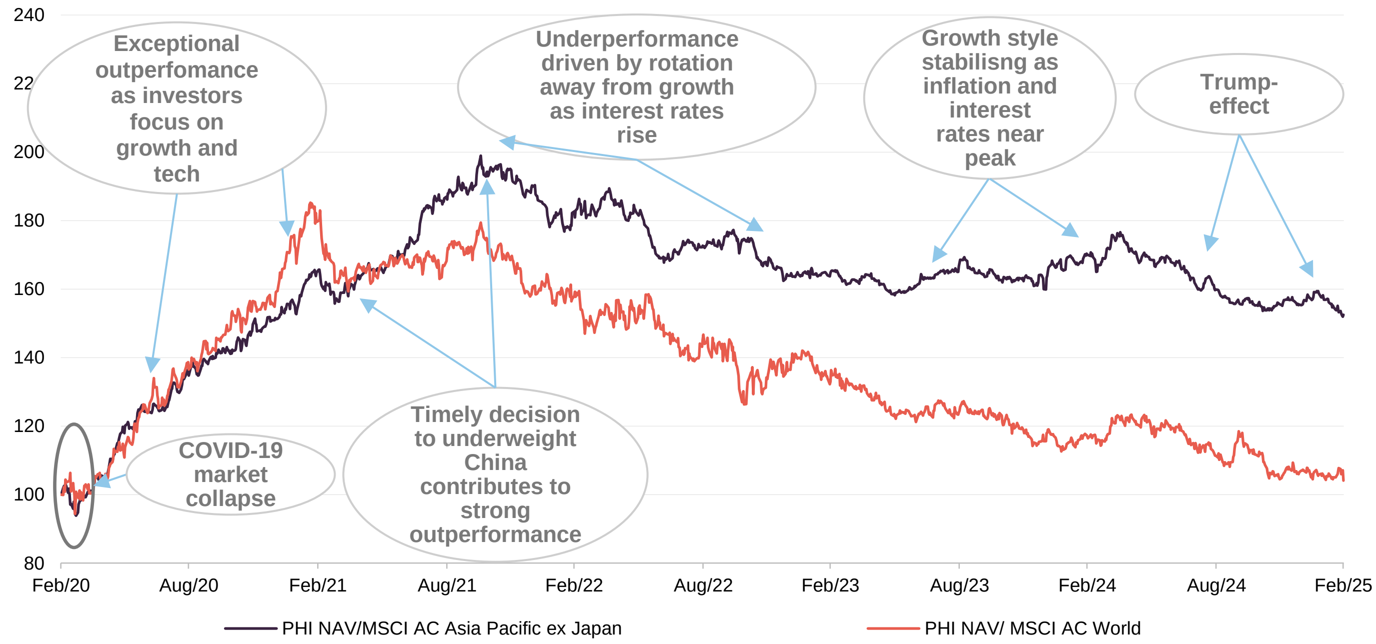
Today, things are markedly different. Interest rates have been receding and SEA Limited is now turning a profit and is growing strongly – Total GAAP revenue for the third quarter of 2024 (Q3 2024) was US$4.3bn, up 30.8% year-on-year; while total net income for the quarter was US$153.3m up from a total net loss of US$144.0m for the third quarter of 2023. More importantly, the company reported high growth across all three of its business segments, with more expected to come with strong performances from Shopee, SeaMoney, and Garena expected to deliver solid results for the second half of 2024. On the back of its operational performance, the share price has performed strongly during the last 12 months and PHI's managers have been reducing the position size into this strength.

Performance – stabilised as inflation and interest rates near peak

As we have highlighted in our previous notes, PHI has a good long-term record of outperformance of both its MSCI AC Asia Pacific ex Japan benchmark and the MSCI AC World Index, which is illustrated in Figure 12. This is particularly apparent in the five- and 10-year numbers, with the latter reflecting a significant improvement in performance that initially occurred as PHI rejigged its portfolio in 2018. PHI subsequently found itself in a performance sweet spot following the COVID-related market collapse in March 2020, which continued until the fourth quarter of 2021, aided by a timely decision by the managers to slash PHI's exposure to China.

However, over the last three years, PHI has given back some of its previously strong outperformance. This was through a combination of both growth stocks moving out of favour (in an environment of higher interest rates) and heightened negativity towards Asia (a function of higher interest rates in the US and ongoing challenges within the Chinese economy).

Figure 11: PHI's total return NAV performance relative to its comparative benchmark (MSCI AC Asia ex Japan) and the MSCI AC World, over five years to 28 February 2025



Source: Morningstar, Marten & Co

Figure 12: Cumulative total return performance over periods ending 28 February 2025

	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Manager tenure[1] (%)
PHI NAV	(3.1)	0.9	1.5	2.9	(8.8)	92.6	217.7	279.5
PHI share price	(1.5)	2.5	(0.2)	(0.1)	(19.8)	86.3	211.9	271.7
MSCI AC Asia Pacific ex Japan	(0.3)	2.9	6.5	14.7	9.3	26.3	86.5	115.3
MSCI AC World	(1.9)	1.3	8.6	15.6	38.5	85.2	193.4	250.6
Peer group NAV[2]	(3.9)	(1.9)	(0.4)	6.0	5.1	58.3	153.5	209.8
Peer group share price[2]	(2.7)	(0.8)	(0.5)	6.1	(0.0)	58.2	147.1	202.9

Source: Morningstar, Marten & Co. Note: 1) Manager tenure is measured from the 11 September 2013, the date that Roderick Snell became co-manager of PHI's portfolio. Roderick subsequently became the lead manager on 30 June 2021. 2) The peer group is AIC's Asia Pacific sector – see page 15 for more details of the constituents and sector definition.

As Figure 11 shows, during the last couple of years there have been signs that PHI's relative performance is stabilising, which has coincided with signs of inflation easing and interest rates being at or close to their peaks in developed markets, most importantly in the US. However, more recently Asian stocks, and growth stocks in particular, have been once again weighed down by the prospects of higher interest rates in the US and other anticipated impacts from a Trump presidency.

More recently, considerable attention has been focused on the beneficiaries of AI, which have been predominantly based in the US. This has impacted the relative performance of other regions, despite the fact that all regions will ultimately benefit. There has also been growing concerns that the risk of a recession has increased, particularly in the West. This appears to be weighing on Asia stocks, particularly those that are more growth-orientated, but we think this could reverse quite quickly given the resilient nature of the stocks in PHI's portfolio. As noted earlier in this note, there are clear obstacles to Trump pursuing his most aggressive policies towards Asia and so there is considerable reversionary potential at current valuations.

PHI's managers still think that there could be some volatility to come, but over the long term, remains firmly of the view that that the performance of PHI's holdings should ultimately outpace the returns of structurally-challenged companies with lower or no growth prospects. It is worth noting that during the current lead manager's tenure, PHI's NAV and share price total returns have not only beaten both the benchmark and global equities by significant margins, but have also beaten the peer group averages very convincingly too (see Figure 12).

Peer group comparison – Asia Pacific sector

Please click here for an up-to-date peer group comparison of PHI versus its Asia Pacific peers.

PHI is a member of the AIC's Asia Pacific sector, which comprises four members, all of which are illustrated in Figures 13 to 15. There were five members of the peer group when we last wrote about PHI, but Asia Dragon is no longer a member following its merger with Invesco Asia Trust, which sits in the Asia Pacific Income sector. Members of the Asia Pacific sector will typically have:

- over 80% invested in quoted Asia Pacific shares;
- less than 80% in any single geographic area;
- an investment objective/policy to invest in Asia Pacific shares;
- a majority of investments in medium to giant cap companies; and
- an Asia Pacific benchmark.

It is worth noting that, whilst the peer group is fundamentally capital-growth-focused, the Baillie Gifford approach has traditionally been characterised by a particularly strong emphasis on growth.

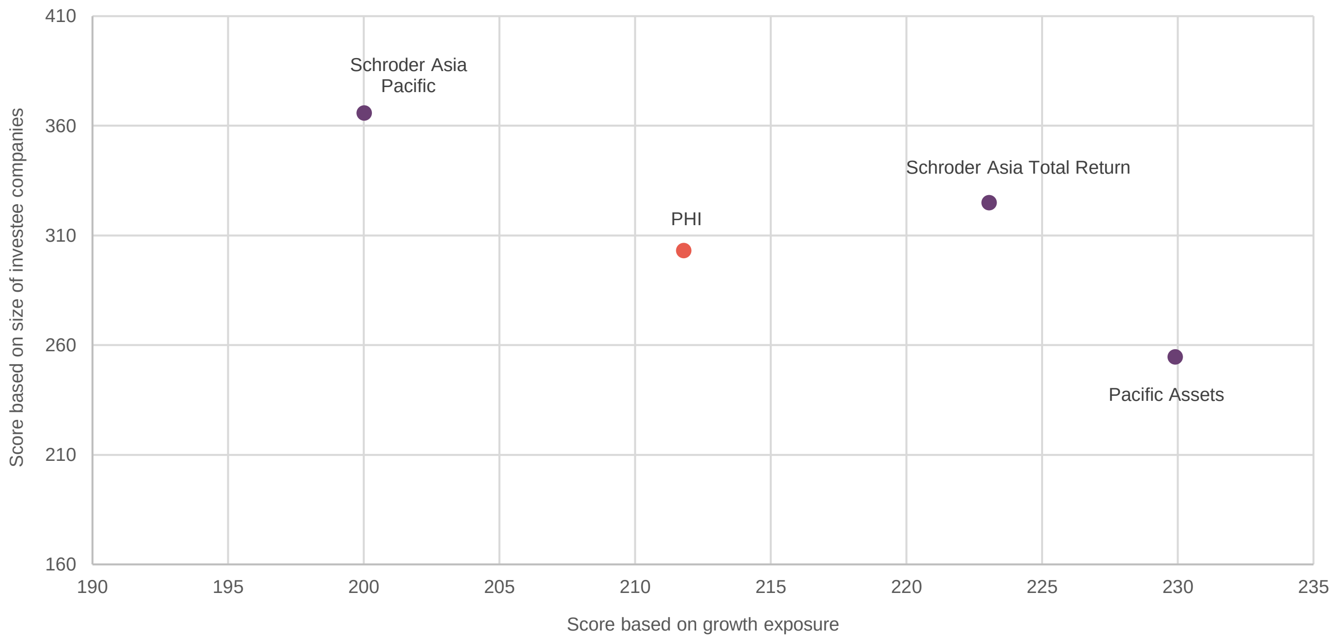
A range of styles within the peer group

The map in Figure 13 provides a graphical representation of PHI's investment style versus its Asia Pacific peers.

The Y-axis (or vertical axis) is a size score – the larger the score, the larger the underlying investments in the portfolio, while the X-axis (or horizontal axis) is a measure of the growth and value factors (the larger the score, the more growth orientated the trust's portfolio).

Looking at Figure 13, it can be seen that PHI continues to have the second-lowest size exposure within the peer group, and there is clear distance between it and Pacific Assets, whose strategy still has both the smallest size score and highest growth score of the group. All of the funds have higher growth scores when compared to when we last published (particularly in the case of Schroder Asia Toal Return, which previously had a much more value-focused portfolio than PHI). Schroder Asia Pacific continues to be the most value-orientated fund by some margin. However, by and large, the funds within the group are distinguished by both their growth exposures and their size exposures and there is a range of distinctly different propositions on offer.

Figure: 13 Holdings-based style map[1]



Source: Morningstar, Marten & Co. Note: 1) Scores use information retrieved on 10 March 2025.

Peer group performance

In our previous notes (see page 25 of this note), we have discussed how PHI's strong emphasis on growth has been very successful for the trust over the longer term.

Given PHI's traditional emphasis on growth, it is not surprising that for some of the periods in Figure 14, PHI's NAV has underperformed the sector averages – particularly the three-year period. The rotation away from growth has eaten into the long-term performance records of all members of the peer group and it is the more growth-focused funds that have suffered the most. However, PHI still has a commanding outperformance of its peers over the longer-term five- and 10-year periods and has outperformed the fund with the highest growth score, Pacific Assets by a significant margin.

We think that longer-term periods are generally better suited to assessing a long-term strategy such as PHI's. It is worth remembering that PHI's managers want to be invested in the top 20% of the fastest-growing companies in the Asia Pacific region and say that they explicitly look for companies that they believe can double their earnings over a five-year time horizon.

Figure 14: Peer group cumulative NAV total return performance to 28 February 2025

	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	10 years (%)
PHI	(3.1)	0.9	1.5	2.9	(8.8)	92.6	217.7
Pacific Assets	(7.1)	(8.4)	(7.5)	(2.5)	10.3	45.8	107.9
Schroder Asia Total Return	(4.0)	(2.2)	0.7	9.5	12.1	56.8	163.9
Schroder AsiaPacific	(1.4)	2.1	3.9	14.1	6.7	38.0	124.5
PHI rank	2/4	2/4	2/4	3/4	4/4	1/4	1/4
Sector arithmetic avg.	(3.9)	(1.9)	(0.4)	6.0	5.1	58.3	153.5

Source: Morningstar, Marten & Co

The average market cap for the peer group at £524.7m is comparable to the last time we published (£528.7m). PHI remains the second-largest fund in terms of market capitalisation.

Figure 15: Peer group comparison – size, fees, discount, yield and gearing as at 17 March 2025

	Market cap (£m)	St. dev. of NAV returns over 5 years	Ongoing charges (%)	Perf. fee	Premium/ (discount) (%)	Dividend yield (%)	Gross gearing (%)[2]	Net gearing (%)[2]
PHI	527.0	19.66	0.74	No	(12.0)	0.45	5.2	3.1
Pacific Assets	398.6	13.66	1.10	No	(12.2)	1.20	Nil	(0.1)
Schroder Asia Total Return	445.8	16.04	0.87/0.87[1]	Yes	(3.5)	2.47	4.8	7.8
Schroder AsiaPacific	749.3	16.80	0.88	No	(11.0)	2.33	3.7	4.5
PHI rank[3]	2/4	4/4	1/5		3/4	4/4	4/4	2/4
Sector arithmetic avg.	530.2	16.54	0.90/0.90[1]		(9.7)	1.61	3.4	3.8

Source: Morningstar, The AIC, Marten & Co 1) Schroder Asia Total Return's ongoing charges ratio is 0.87% excluding performance fee and 0.87% including performance fee. The average ongoing charges ratio for the sector is 0.90% excluding performance fees and 0.90% including performance fees. 2) Gross and net gearing figures as at 28 February 2025. 3) Market cap and dividend yield are ranked in increasing size order (the larger the market cap or dividend yield, the higher the ranking). All other rankings are in decreasing size order (the lower the standard deviation of returns, the lower the ongoing charges ratio, the lower the value of the premium/(discount), the lower the gross and net gearing, all correspond to a higher ranking).

As discussed on page 21, while PHI's ongoing charges ratio has seen a small uptick for its last financial year (20 basis points – 0.2%), it has otherwise been on a declining trend in recent years and remains the lowest in the sector by a margin at 0.74% (the next lowest being Schroder Asia Total Return at 0.87%). The average ongoing charges ratio is in line with the move within the peer group where the average has also increased fractionally from 0.88% to 0.90%.

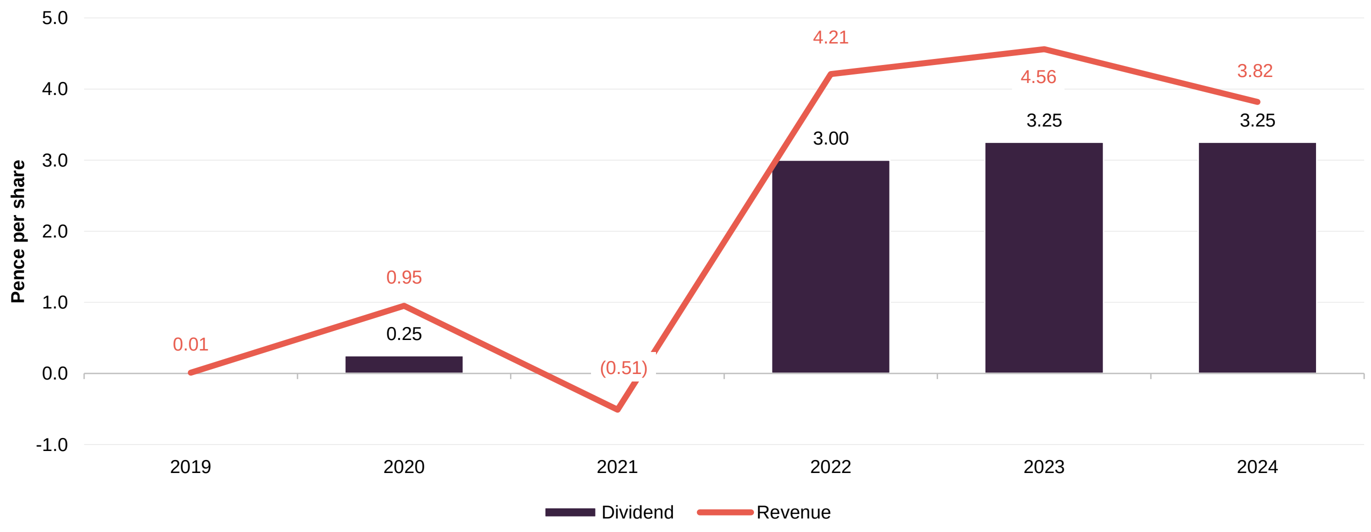
All members of the peer group continue to trade at a discount, although the sector average discount has widened marginally from 9.4% to 9.7% (as at 17 March 2025). PHI has tended to trade at a small premium to the sector average historically, which we think reflects its peer-group-beating performance over the longer term, as well the board's efforts at repurchasing PHI stock, but its discount is currently 2.3 percentage points above the sector average – offering an additional opportunity in our view.

As we have previously noted, it is little surprise that, given its focus on capital growth, PHI's dividend yield remains the lowest in the sector (PHI pays dividends to the extent required to maintain its investment trust status – see below – and whilst it paid one for the year ended 31 July 2024, there have been years where it has not paid a dividend).

In terms of net gearing levels (a measure of indebtedness after allowing for any cash on the balance sheet – calculated by taking any borrowings and deducting cash, and expressing as a percentage of the trust's net assets), PHI continues to have one of the lowest levels in the sector. When we last published PHI was running a small net cash position, as was Pacific Assets, but while PHI now has a modest level of net gearing Pacific Assets continues to operate with a tiny net cash position. PHI's NAV returns continue to exhibit the greatest volatility within the peer group, but as we have previously commented, this is by no means high, and we think it is more than compensated for by its superior long-term performance.

Dividend

Figure 16: PHI ordinary dividends over the last five financial years (ended 31 July)



Source: Pacific Horizon Investment Trust, Marten & Co

PHI's primary objective is to generate capital growth. Any dividend paid is by way of one final payment per year, following approval at the annual general meeting (AGM). For the avoidance of doubt, PHI's board has made it clear that investors should not consider investing in the company if they require income from their investment (in four of the last 10 years – 2017, 2018, 2019 and 2021 – PHI did not pay a dividend at all). In years of a revenue deficit, PHI is not required to pay a dividend and the board has also said that it does not intend to draw on PHI's revenue reserve to pay or maintain dividends.

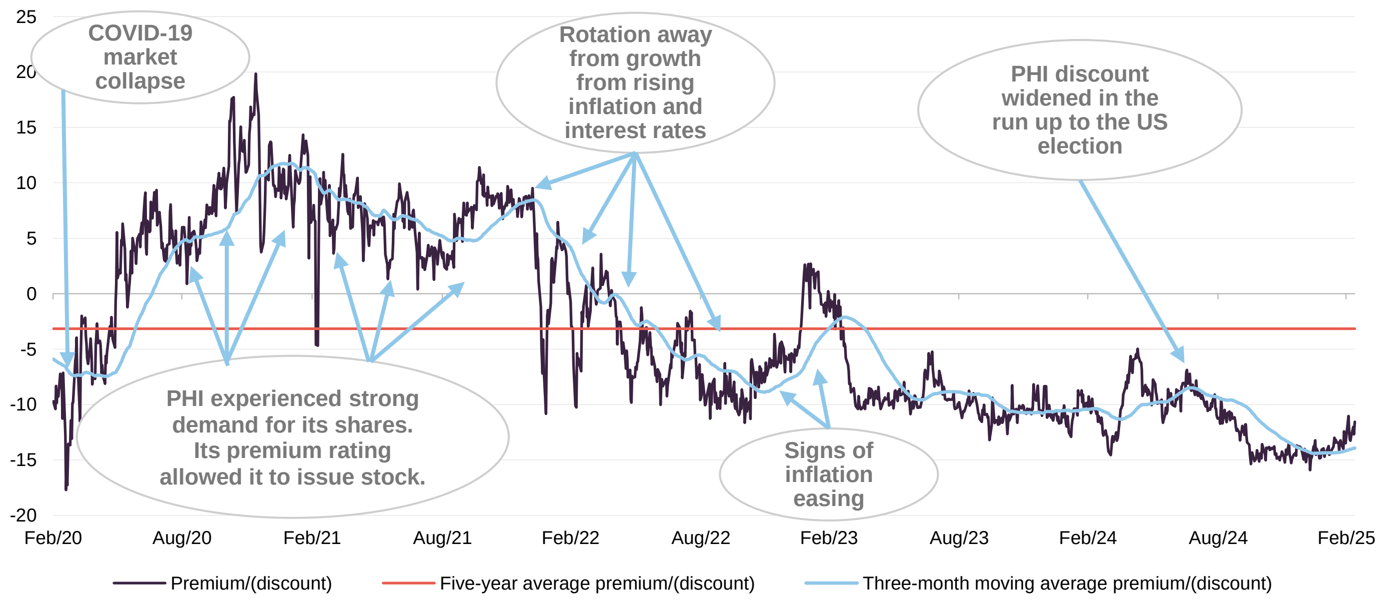
Capital-growth-focused; any dividend is the minimum required to maintain PHI's investment trust status.

For the year ended 31 July 2024, PHI generated a revenue surplus of £3.6m, equivalent to 3.82p per share (2023: a revenue surplus of £4.16m, equivalent to 4.56p per share), which is a 16.2% decrease over the prior year. Reflecting this, the board proposed a final dividend of 2.65p per share (payable on 28 November 2024) for the 2024 financial year. The 2.65p, which is a dividend yield of 0.45% on PHI's share price of 587.0p as at 17 March 2025, represents a decrease of 18.5% over the prior year.

Premium/(discount)

As at 17 March 2025, PHI was trading at a discount to NAV of 12.0%, which is markedly wider than its one-, three- and five-year discount averages of 11.7%, 8.7% and 3.2% respectively. PHI's one-year trading range is between discounts to NAV of 5.0% and 15.9%.

Figure 17: PHI premium/(discount) over five years



Source: Morningstar, Marten & Co

As illustrated in Figure 17, prior to 2022 when rising inflation and interest rates saw growth stocks move out of favour, PHI had enjoyed a prolonged period during which it consistently traded at a premium. Many of the events highlighted in Figure 17 have been discussed in our previous notes (see page 25 of this note) but, to summarise, while PHI has traded at a premium to NAV for a significant portion of the last five years, macroeconomic considerations have tended to outweigh micro considerations with PHI's premium/(discount) to NAV being sensitive to changes in the market's perception of inflation and interest rates (it has tended to derate as the market has anticipated higher inflation and interest rates, which tend to weigh on growth stock, although the reverse has also been true). The discount to NAV has also tended to widen during periods of increased risk aversion generally, and particularly when the market has been more concerned about the outlook for Asia.

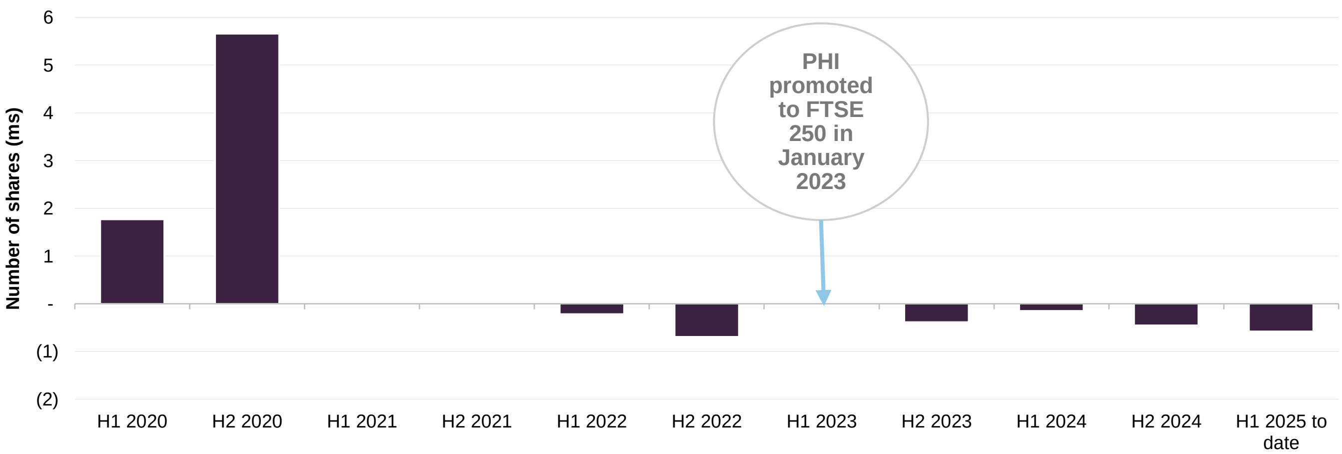
The moves in PHI's discount have reflected these factors. For example, a clear tightening was seen during April and early May 2024 as inflation showed signs of easing, followed by a trend of broad widening during the run-up to the US election.

PHI is now trading at discounts to NAV that are at the wide end of its five-year discount range, with the current discount only being surpassed by the levels seen in the aftermath of the COVID-related market rout of March 2020. At this level, there is significant discount narrowing potential, particularly if China's stimulus continues to have the desired effect, Trump's tariffs turn out to be less onerous than expected and PHI's managers are correct that we are close to an inflection point that could a sharp reversal in China's and Asia's performance more generally. Regardless, valuations are very cheap, and we continue to think that, if PHI's holdings are able to achieve a decent level of performance a return to decent NAV growth should follow, which should support discount to NAV compression.

Premium/(discount) management

PHI has authority to repurchase up to 14.99% of its issued share capital, as well as to issue up to 10% at a premium to NAV. These authorities give the board mechanisms through which it can manage PHI's discount or moderate any premium that should arise. Shares repurchased can be held in treasury and reissued by the company to meet demand. Any reissue of treasury shares would only be undertaken at a premium to NAV.

Figure 18: Net share issuance, by half-year, since 2020[1]



Source: Pacific Horizon, Marten & Co Note:1) Index buying following PHI's promotion to FTSE 250 in January 2023 just offset any repurchases during H1 2023 so that overall net issuance was a small positive.

PHI's board continues to proactively repurchase PHI shares to help moderate the discount. PHI repurchased some 493k shares during 2024 (equivalent to 0.65% of its issued share capital at the start of the year) and has already repurchased 574.9k shares so far this year (equivalent to 0.64% of issued share capital). These repurchases not only provide liquidity to exiting shareholders, but also benefit remaining shareholders as repurchasing shares at a discount is NAV accretive.

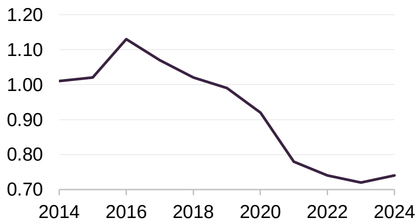
Fees and costs

Tiered management fee structure, with no performance fee.

Baillie Gifford & Co Limited acts as PHI's alternative investment fund manager and has delegated portfolio management services to Baillie Gifford & Co. PHI has a tiered management fee that is 0.75% on the first £50m of net assets, 0.65% on the next £200m of net assets and 0.55% on the remaining net assets.

Management fees are calculated and paid quarterly in arrears and there is no performance fee. The managers may terminate the management agreement on six months' notice and the company may terminate it on three months' notice.

Figure 19: Ongoing charges ratio (%)[1]



Source: Pacific Horizon Investment Trust Note: 1) For financial years ended 31 July.

Reflecting both its tiered fee structure, a reduction in the management fee and strong share issuance up until the end of 2021, PHI's ongoing charges ratio has been on a declining trend in recent years but, as is illustrated in Figure 19, ticked up by 20 basis points for the last financial year to 0.74% (from 0.72% for FY 2023) putting it back to its 2022 level. Baillie Gifford & Co Limited also provides company secretarial services to PHI, which are included as part of the management agreement.

Looking at FY 2024, the management fee was £3.46m, up fractionally from £3.42m for the year prior, reflecting an increase in average net assets, which puts downwards pressure on the ongoing charges ratio. However, the effect of this was offset by an increase in other administrative expenses (from £762k to £830k) so that the ongoing charges increased marginally. PHI continues to have the lowest ongoing charges ratio in its peer group (see Figure 15 in the peer group comparison on page 17) with its ongoing charges ratio being 16 basis points below the sector average).

Capital structure and trust life

PHI has a simple capital structure with one class of ordinary share in issue.

PHI has a simple capital structure with just one class of ordinary share in issue. Its ordinary shares have a premium main market listing on the London Stock Exchange and, as at 17 March 2025, there were 92,074,961 of these in issue, of which 2,439,388 were held in treasury. The number of shares in issue with voting rights was 89,635,573.

Each year, the company takes powers to buy back up to 14.99% of its shares at a discount to NAV. It also asks for permission to issue up to 10% of its issued share capital at a premium to NAV. As discussed on page 20, these authorities give the board a means by which they can manage PHI's premium/discount.

Gearing (borrowing)

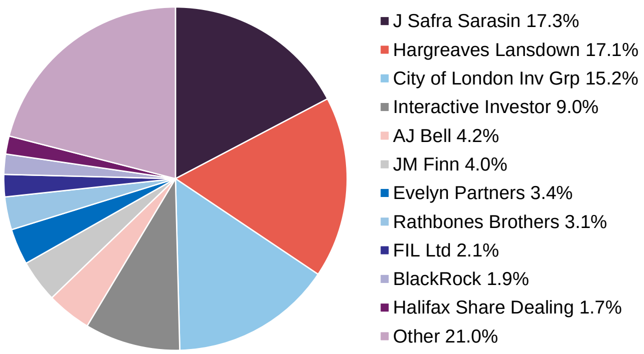
PHI has a three-year £100m multi-currency revolving credit facility.

PHI has a £100m multi-currency revolving credit facility (RCF) with The Royal Bank of Scotland International Limited that expires on 14 March 2025. Gearing parameters are set by the board and the managers operate within these, currently the range is set at -15% (i.e. a net cash position) to +15%.

At the end of February 2025, PHI had gross gearing of 5.2% and net gearing of 3.1%. Although gearing is still relatively modest in absolute terms, this is a difference versus when we last published as PHI was running a net cash position of 1.0%. The main covenants (restrictions imposed on PHI) relating to the RCF are that PHI's borrowings should not exceed 30% of its adjusted net asset value, and its net asset value should be at least £300m. The facility has a non-utilisation fee of 0.4%.

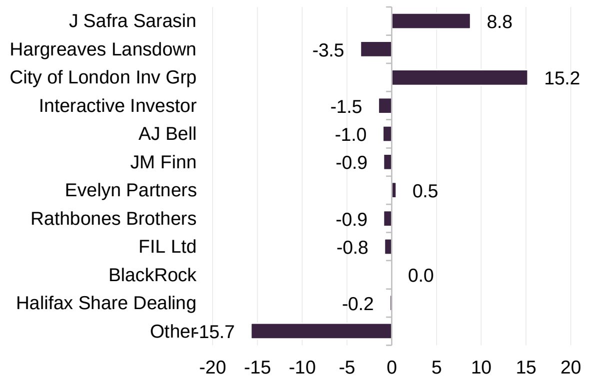
Major shareholders

Figure 20: Major shareholders as at 12 March 2025



Source: Bloomberg, Marten & Co

Figure 21: Percentage point changes in shareholdings since 1 December 2023[1]



Source: Bloomberg, Marten & Co. Note: 1) The date of the shareholder data used when we last published on PHI.

Figure 20 illustrates that PHI has a significant retail presence within its share register, reflected by the prominence of the major platforms, which account for over 40%. Wealth managers are also a significant element, accounting for over 20%. Since we last published, J Safra Sarasin, a Swiss private bank that has a strong focus on sustainability, and City of London Investment Group, an asset-management group focused on closed-end funds, have been the two largest buyers (based on Bloomberg data) and the sales have mainly come from smaller holdings. There has also been a trend of gradual selling from the retail platforms.

Five-yearly continuation votes

> The next continuation vote is due at the 2026 AGM.

Shareholders are given the opportunity to vote on the continuation of the company every five years. Most recently, shareholders approved PHI's continuation at the trust's annual general meeting on 17 November 2021. The next continuation vote is due at the 2026 AGM.

Financial calendar

PHI's financial year-end is 31 July. It usually publishes its annual results in September (interims in March) and holds its AGMs in November. Where applicable, it pays its annual dividend shortly after its AGM.

Board

All directors submit themselves for re-election annually.

PHI's board comprises five directors, all of which are non-executive, considered to be independent of the investment manager and do not sit together on other boards. The directors put themselves forward for re-election at the first AGM following their appointment. Thereafter, directors submit themselves annually for re-election.

On 13 March 2024, Angus Macpherson stepped down from PHI's board as had been previously announced, while Roger Yates was appointed, taking up the position of chairman in his stead. Following Macpherson's departure, Angela Lane is now the longest-serving director, with just over six years of service under her belt, while the average length of director service is 4.6 years.

Figure 22: Board member – length of service and shareholdings

Director	Position	Date of appointment	Length of service (years)	Annual fee (£)[1]	Share-holding [2]	Years of fee invested[3]
Roger Yates	Chairman	13 March 2024	1.0	45,000	15,000	2.0
Angela Lane	Audit committee chairman and senior independent director	1 October 2018	6.5	37,500	8,923	1.4
Sir Robert Chote	Director	25 November 2020	4.3	30,000	500	0.1
Wee-Li Hee	Director	1 June 2020	4.8	30,000	10,000	2.0
Joe Studwell	Director	9 November 2018	6.3	30,000	5,000	1.0
Average (service length, annual fee, shareholding, years of fee invested)			4.6	34,500	7,885	1.3

Source: Pacific Horizon Investment Trust, Marten & Co Notes: 1) For PHI's financial year ended 31 July 2025. 2) Shareholdings as per most recent company announcements as at 17 March 2025. 3) Years of fee invested based on PHI's ordinary share price of 578.00p as at 17 March 2025.

Directors' fees

There is a limit of £200,000 for the aggregate of fees paid to directors, which forms part of the company's articles of association. Shareholders would have to vote to approve any change to this limit (the last change was at the November 2020 AGM, where the limit was increased from £150,000).

For the current financial year, the fee rates for the directors have remained unchanged over the prior year (the chairman's fee is £45,000; the fee for the audit committee chair is £37,500; and the fee for other directors is £30,000. At these fee rates, the total directors' fees amount to £172,500, which is comfortably within the £200,000 limit.

Recent share purchase activity by directors

Since we last published in December 2023, Roger Yates has made his inaugural purchase of PHI shares, acquiring 15,000 shares on 25 June 2024, while Angela Lane's holding increased by 35 shares due to dividend re-investment on 12 December 2023. All other directors' holdings have remained the same. All of the directors have personal investments in the trust and the average level of fees invested is 1.3 years; both of which are favourable in our view, as it shows commitment to PHI and helps to align directors' interests with those of shareholders.

As we have previously observed, against a challenging backdrop for growth-orientated investments since early 2022, the board has been steadfast in its commitment to PHI, with not a single share being sold.

Roger Yates (chairman)

Roger was chief executive of Henderson Global Investors from 1999 to 2008, prior to which he had fund management roles at Invesco/LGT and Morgan Grenfell Asset Management. He is currently the senior independent director of both Jupiter Fund Management Plc and Mitie Group Plc, as well as the chair of British Biotech Trust. Roger was previously the senior independent director of both St James's Place and IG Group Plc. He was also previously the chair for Electra Private Equity Plc and was a non-executive director of JP Morgan Elect Plc.

Angela Lane (audit committee chair and senior independent director)

Angela became both PHI's audit committee chair and senior independent director on 10 November 2020. She is a qualified accountant and previously spent 18 years working as a private equity investor for 3i Plc.

Angela has held several non-executive and advisory roles for small and medium capitalised companies across a range of industries. She is a non-executive director and chair of the audit committee of BlackRock Throgmorton Trust Plc and Dunedin Enterprise Investment Trust Plc, Seraphim Space Investment Trust Plc. Previously, Angela was non-executive chairman of Huntswood CTC.

Sir Robert Chote (director)

Sir Robert is an economist, journalist and academic.

He became chairman of the Northern Ireland Fiscal Council in 2021 and chairman of the UK Statistic Authority in 2022, and was chair of the Office for Budget Responsibility from 2010 to 2020.

Sir Robert served as director of the Institute for Fiscal Studies from 2002 to 2010, as an advisor to the International Monetary Fund from 1999 to 2002, and as economics editor of the *Financial Times* from 1995 to 1999.

He is a visiting professor at the Department of Political Economy, Kings College London. Sir Robert also serves on advisory boards at the Warwick Manufacturing Group and the Centre for Economic Performance at the London School of Economics.

Wee-Li Hee (director)

Wee-Li is an experienced Asian analyst, fund manager and CFA Charterholder. Brought up in Singapore, she speaks fluent Mandarin and studied in the UK at the University of Leeds and the London School of Economics and Political Science.

After graduation in 2002, she joined First State Investments in Singapore as an analyst, subsequently moving to the firm's Edinburgh office in 2005. Having co-managed Scottish Oriental Smaller Companies Trust Plc, Wee-Li became lead manager in 2014, stepping back due to family commitments to return to a co-manager role in 2017 and retiring at the end of 2019. She is a director of Melville Paisley Investments.

Joe Studwell (director)

Richard Frank ('Joe') Studwell has spent over 25 years working in East Asia as a journalist, independent researcher at Dragonomics, and author under the name of Joe Studwell. His published works include *Asian Godfathers: Money and Power in Hong Kong and South East Asia* and *How Asia Works: Success and Failure in the World's Most Dynamic Region*.

Previous publications

Readers interested in further information about PHI may wish to read our previous notes (details are provided in Figure 23 below). You can read the notes by clicking on them in Figure 23 or by visiting our website.

Figure 23: QuotedData's previously published notes on PHI

Title	Note type	Publication date
Invest in Asian growth	Initiation	21 March 2016
Brave new world	Update	10 October 2016
Top of the pops!	Annual overview	30 October 2017
Pause for breath?	Annual overview	8 November 2018
2018 re-calibration paying off	Annual overview	8 November 2019
Powered by technology	Annual overview	20 January 2021
Blistering performance	Annual overview	25 November 2021
Convergence opportunity	Annual overview	8 December 2022
Consistent growth and quality bias	Annual overview	6 December 2023

Source: Marten & Co

IMPORTANT INFORMATION

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