

# NicheJungle Korea Reunification SDG

Class I



Key Information	
Fund Type	UCITS
Fund Currency	EUR
Net Asset Value per share	1024.90 EUR
Fund Size (mln)	8.83 EUR
Inception Date	17.10.2022
Benchmark	No
ISIN	IE0004F6ARY1
Refinitiv	LP68732508
Bloomberg	NIJUKRI ID
Management Company	Carne Global Fund Managers (Ireland)
Investment Manager	Niche Asset Management

Entry/Exit Charge	0%
Minimum initial subscription	1000 EUR
Management Fee	0%
Ongoing Charge	0.98%
Performance Fee	20% absolute yearly HWM
Income	Reinvested

Fund Characteristics	
Number of Holdings	130 – (set range 100-150)
Average holding weight	0.60%
Average Market Cap (Bln. Euro)	1.66
% Large Cap > € 5bln	12%
% Mid Cap € 1bln - € 5bln	39%
% Small Cap < € 1bln	49%

Fundamentals	
EV/SALES '21	0,6x
EV/EBITDA '21	2.3x
P/E '21	7,6x
Div Yield '22	3.8%
P/TBV '21	0,6x

## INVESTMENT OBJECTIVE

The investment objective of the Project is to seek to achieve capital growth over the medium to long term.

The Project is actively managed and not with reference to a Benchmark. The Fund will invest from 65% - 100% of its net assets in equity securities of South Korean Companies.

The project invests in South Korean companies that would benefit from the reconciliation between North and South Korea. Those are companies with a strong domestic business. The investee companies must be functional to the achievement of the SDGs and are responsive to direct engagement on sustainability.

The project AUM is capped at 25 mln EUR, at which point it will close to new investors. The reason for this is that above a certain AUM the approach cannot be consistent, and the liquidity deteriorates.

The project will return funds to investors once the valuation target is reached (set by the investment team in the "valuation gap report").

The investment approach is fundamental and value.

The portfolio is well diversified and classified as art. 8 SFDR.

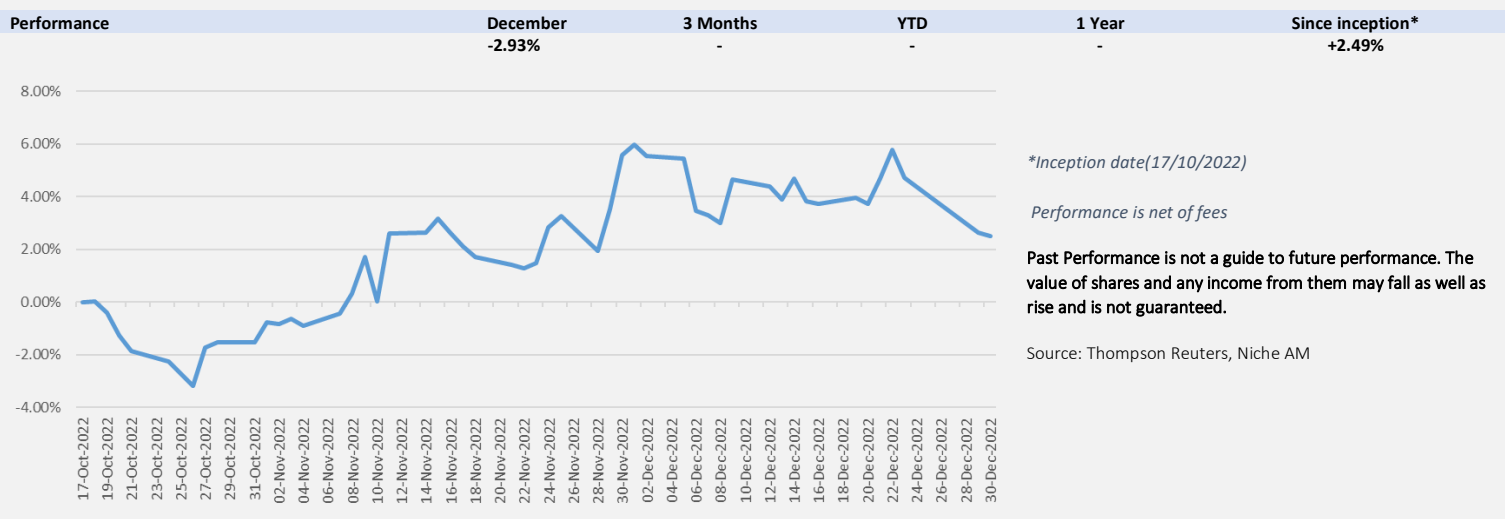
## MANAGER COMMENT

The project, launched at the end of October, ends the year with a slightly positive performance (around 2.5%) and having reached EUR 8.8m in assets, equal to the expected seed. The fund will remain open to new investments until it reaches EUR 25m in AUM.

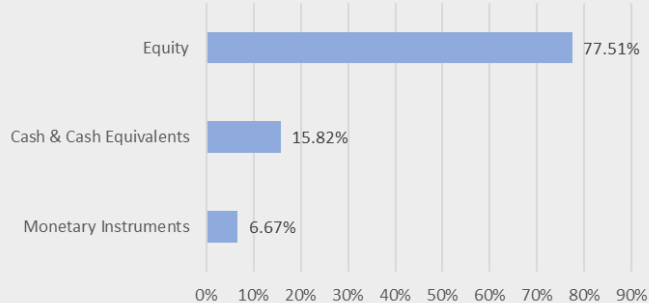
During the month of December, the project recorded a negative performance of 2.93%, given by a negative equity component performance of 3.10% and a marginally positive currency component performance, +0.17%. Actually, the performance should be adjusted for dividends. In fact, Korea is one of the very few developed countries in the world that detaches dividends before they are officially confirmed. The market anticipates the ex-dividend, thus pushing stocks down by the expected (but unofficial) dividend, yet the custodian banks cannot include these dividends in the NAV because the final figure is not available. The phenomenon is magnified by the fact that in Korea, over 70% of all dividends are paid at the end of December. This gives rise to a period when our project is undervalued relative to its real NAV, which we estimate to be around 2%.

During the month, we sold our first stock, Sebang, having reached our valuation gap report target and performed above 80%. We also added a new stock, Multicampus Holding, operating in the education sector.

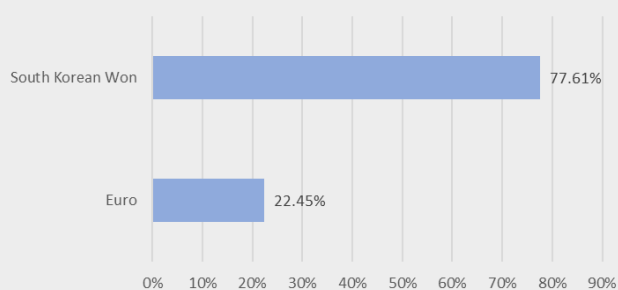
Since its inception, there have been no major narrative changes between North and South Korea. On the contrary, North Korea seems to be raising the tone of aggressive rhetoric. This is a clear sign of weakness. The North Korean regime survives because it is based on repression and isolation from the rest of the world. However, if history is any indication, this cannot last. In the meantime, South Korea is set to benefit from the reopening of China, a market to which it is structurally exposed and to which it has a number of advantages: lower valuations, less indebted system, developed country, more reliable corporate balance sheets, positively exposed to onshoring, politically and ethically less risky.



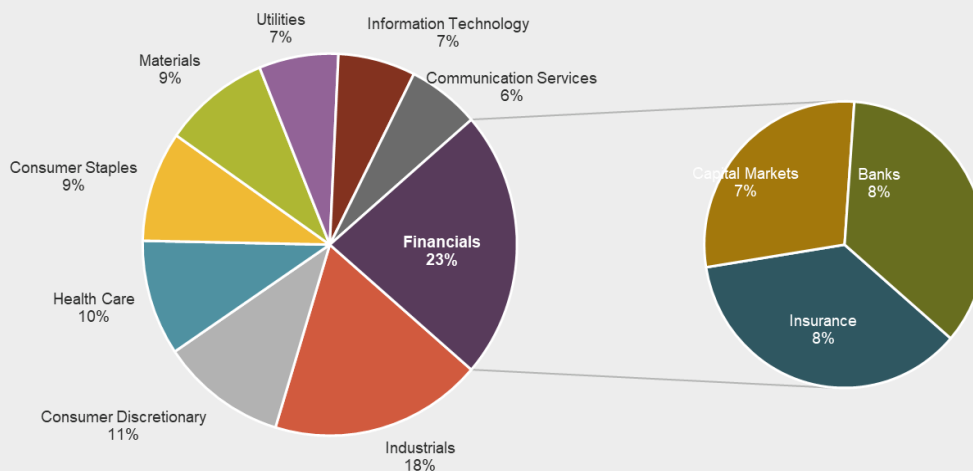
**Asset Allocation**



**Currency Exposure**



**Breakdown by Sector**



**Top Holdings**

Rank	Company	Weight at 31/12/2022
Top 5 7.2%	Korea Gas Corp	1.7%
	Hana Financial Group Inc	1.5%
	Kyungdong City G	1.4%
	Samsung Fire And Marine Insurance Pref.	1.4%
	Cuckoo Electronics Co Ltd	1.2%
Top 10 12.9%	Shinsegae Information & Comm	1.2%
	Hyundai Fire Marine Insurance Co Ltd	1.2%
	Inbody Co Ltd	1.1%
	Korea Electric Power Corp	1.1%
	Sk Telekom	1.1%
Top 25 27.2%	Korean Reinsurance Co	1.1%
	Lg Uplus Corp	1.0%
	Daishin Securities Pref.Non.Voting	1.0%
	Hyundai Elevator	1.0%
	Posco Holdings Inc.	1.0%
	Maeil Dairies Co Ltd	1.0%
	Hwa Sung Industrial	1.0%
	Imarketkorea Inc	1.0%
	Samsung Life Insurance Co Ltd	1.0%
	DI E And C - Registered Shs	0.9%
	Kuhmo Industrial Co Ltd	0.9%
	Kb Financial Group Inc	0.9%
	G2R Incorp	0.9%
	Ottogi Corporation	0.9%
	Sam Jung Pulp	0.9%

**Portfolio Liquidity**

*Liquidation time horizon*

1 day	5 days	10 days	30 days
92%	99%	100%	100%

Assumptions for the time it takes to liquidate assets for cash on a daily basis:

- Equity: orders placed on the market at 25% of volumes; average 3 months volumes considered
- Fixed income: 0,05% amount outstanding



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## Fund presentation

### KIID

### Key Risks

**Market Risk:** The value of investments and the income from them can fall and investors may get back less than the amount invested. The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

**Counterparty risk:** which may occur due to the exposure the Fund might have through contracts with third parties.

**Credit risk:** which are linked to the debt securities the Fund may invest in.

**Currency risk:** when the Fund invests in assets denominated in a different currency. A devaluation of the asset's currency relative to the currency of the Fund will lead to a reduction in the value of the Fund.

**Liquidity risk:** which may occur when investments are made in financial instruments that could have a lower level of liquidity in some circumstances for example in the case of a market crash or default of issuers; due to significant redemptions by shareholders resulting in a potential decrease of the value of certain of the Fund's investments.

**Operational risk:** which may occur due to technical issues for example natural disasters, misunderstandings, and fraud.

**Full details of all risks the Fund is exposed to are provided in the prospectus.**

