

*unique  
investing*



NICHE  
JUNGLE

PROJECT  
NJ  
Korea Reunification SDG



## ***Bi-Weekly Risk Report***

*14 April 2023*

*Please refer to the UCITS fund prospectus and KIID before making any final investment decision*

# Summary

- [Project characteristics](#)
- [Portfolio: Valuation](#)
- [Portfolio: Holdings](#)
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- [Ex-ante analysis: VaR 1 month – 95%](#)

# NJ Korea Reunification SDG



## Project characteristics

Instrument	UCITS Fund – Art.8 Plus SFDR
Project website	<a href="#">Link</a>
Supplement	<a href="#">Link</a>
ISIN	Class A – IE00007XSO15 Class I – IE0004F6ARY1 Class Q (listed class) - IE000ROCQO77
Project ICAV:	NicheJungle ICAV <a href="http://www.nichejungle.com">www.nichejungle.com</a>
Project Inception date:	17/10/2022
Project AUM:	11,56 mln € as of 14/04/2023
Project Max AUM:	25 mln
Project Liquidity at max. AUM	96% 5 day – 100% 20 days
Project liquidity :	Daily
Project # stocks	Min: 100 Max: 150
Project currency hedging policy	No hedging policy
Institutional and listed classes fees	0% management fees 20% performance fees (absolute with HWM – no reset)
Project Investment Manager:	Niche Asset Management Ltd – <a href="http://www.nicheam.com">www.nicheam.com</a>



The project invests in south Korean companies that are significantly exposed to the domestic market and are operating in infrastructure and consumption businesses. These are the areas that could benefit the most from a reconciliation between South Korea and North Korea. Korean domestic stocks are the most attractive worldwide from a valuation standpoint and the likely imminent inclusion of South Korea among MSCI developed markets could be the catalyst for a significative repricing. The event of reconciliation provides the project portfolio with a further powerful free option to which today Mr Market assigns zero probability. However, as we are used to learn, geopolitical events can hardly be anticipated...

# Korean equity: a significant opportunity...

CUMULATIVE INDEX PERFORMANCE – PRICE RETURNS (USD)  
(OCT 2007 – OCT 2022)

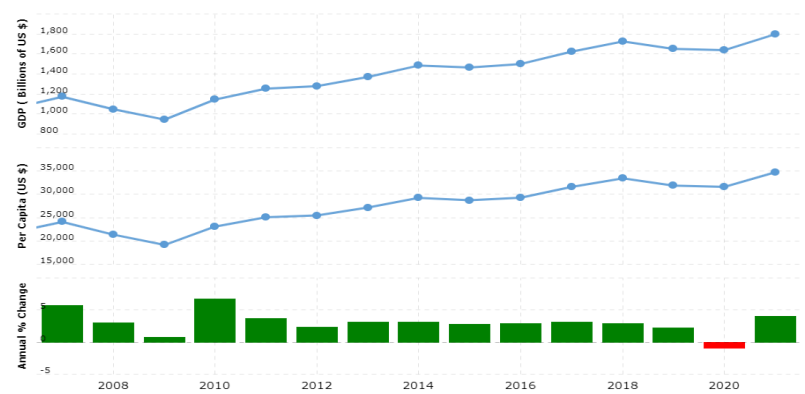


ANNUAL PERFORMANCE (%)

Year	MSCI Korea Value	MSCI Korea
2021	-6.26	-10.04
2020	28.35	42.63
2019	5.59	10.39
2018	-23.32	-22.60
2017	36.61	45.51
2016	11.79	6.98
2015	-8.41	-7.94
2014	-19.76	-12.61
2013	5.78	3.10
2012	11.55	20.16
2011	-13.39	-12.84
2010	25.44	25.29
2009	74.99	69.42
2008	-49.65	-55.87

Korean equity market (value and blended index) - 25%/-21% (USD) since 2007

BUT



Korean GDP +54% (USD) since 2007!!!

The most undervalued market worldwide

INDEX PERFORMANCE – GROSS RETURNS (%) (FEB 28, 2023)

FUNDAMENTALS (FEB 28, 2023)

	ANNUALIZED											
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 31, 1996	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI World Value	-2.87	-0.73	-1.45	1.71	10.08	5.47	7.63	11.75	3.26	13.45	12.26	1.86
MSCI World	-2.37	0.17	-6.86	4.57	10.43	7.43	9.36	10.6	2.15	18.23	15.91	2.77

INDEX PERFORMANCE – GROSS RETURNS (%) (FEB 28, 2023)

FUNDAMENTALS (FEB 28, 2023)

	ANNUALIZED											
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 25, 2008	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI China A	-4.42	6.78	-16.91	4.68	5.64	1.63	5.56	6.90	2.09	15.88	12.09	1.92
MSCI ACWI	-2.83	0.10	-7.80	4.16	9.31	6.35	8.48	10.64	2.27	17.24	15.32	2.56
MSCI Emerging Markets	-6.48	-0.45	-14.91	0.92	1.34	-1.50	1.89	7.59	3.32	11.96	11.78	1.59

INDEX PERFORMANCE – PRICE RETURNS (%) (FEB 28, 2023)

FUNDAMENTALS (FEB 28, 2023)

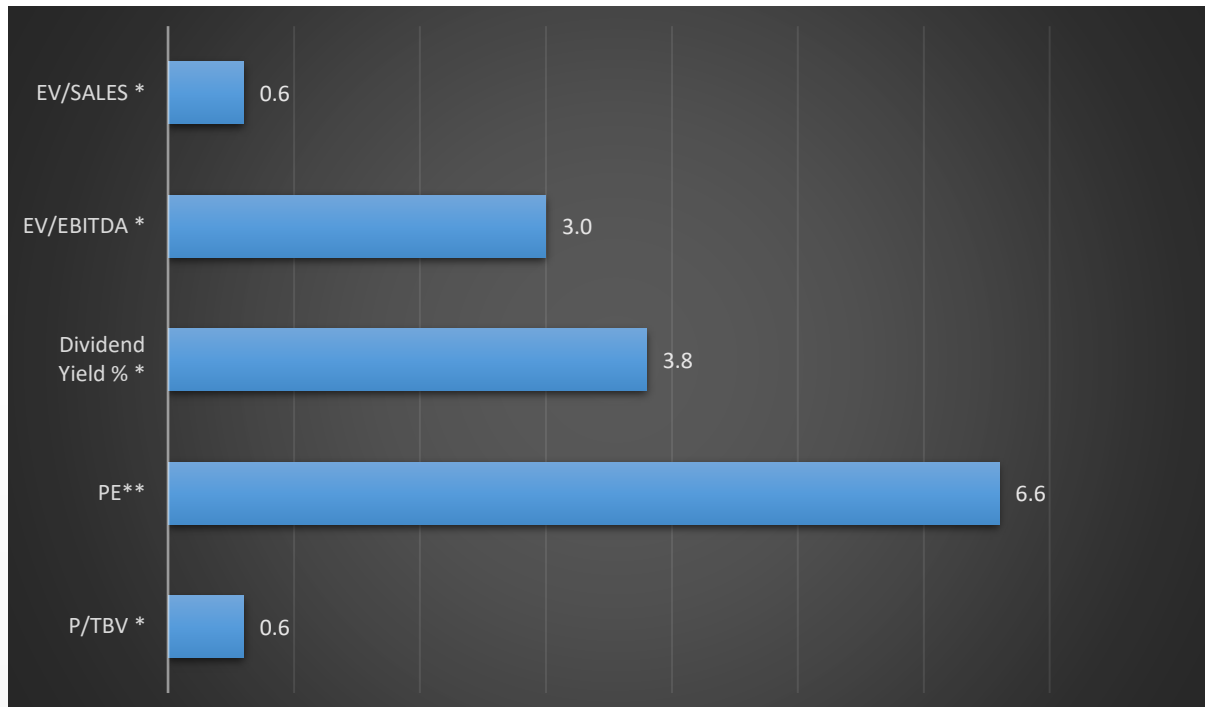
	ANNUALIZED											
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 31, 1996	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI Korea Value	-7.28	-1.84	-19.87	3.75	2.45	-5.39	-1.48	4.67	3.40	7.00	9.39	0.67

On top of this, a cheaper, safer and politically/ethically more acceptable indirect exposure to China

***...an even better opportunity if played through domestic exposed companies, those you cannot buy through funds or ETFs***



## ***PROJECT NJ KR EQUITY PORTFOLIO Valuation (as of 14 April'23 )***

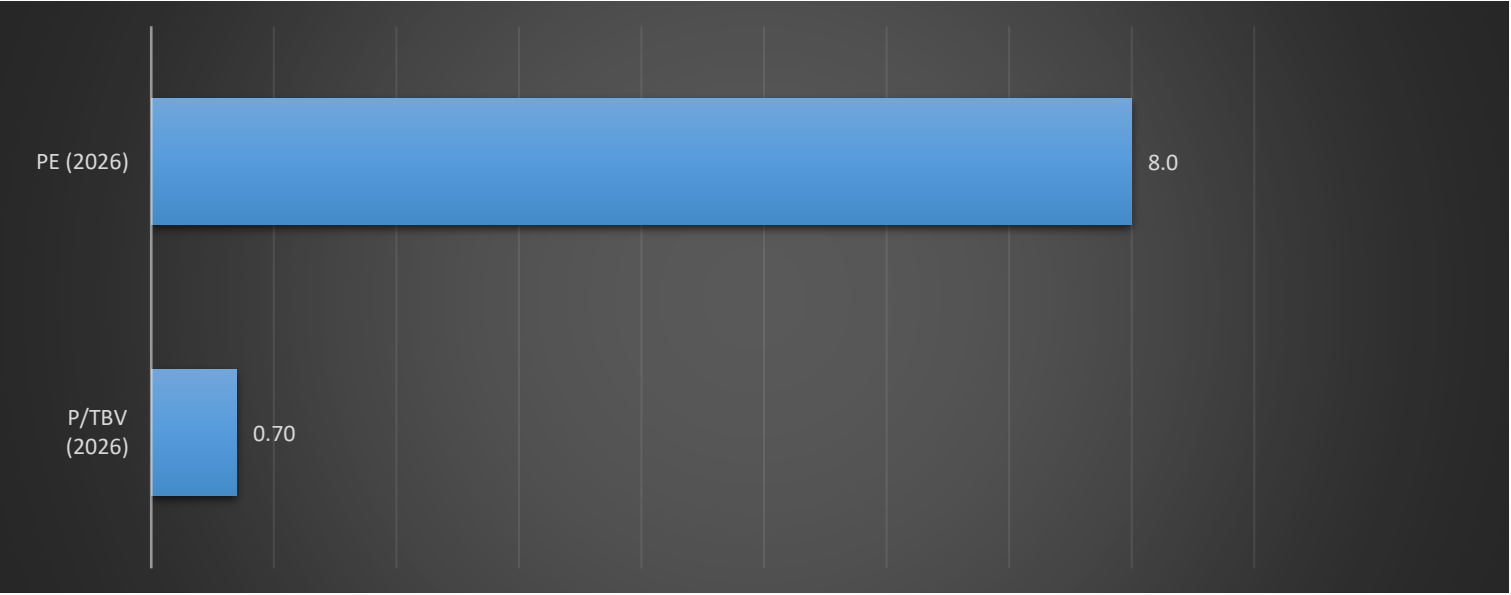


\* Last available

\*\* Forward estimate, if available, otherwise the latest data

Source: NicheAM, Refinitiv

# PROJECT NJ KR Portfolio Valuation at exit (as for valuation gap report) after rerating of 90% on cautious assumptions



Source: NicheAM

90% potential rerating on following assumptions:

Exit 2026

**No** reunification/reconciliation (rapprochement)

**No** inclusion of SKorea in the MSCI Developed Countries

Nominal EPS growth '22-'26E of just 8%

Modest market rerating of 20% (still >30% upside to MSCI World Value despite better growth outlook)

**+ FREE OPTION**

In case of reconciliation (rapprochement) between North and South Korea the upside could be above 150% for the portfolio (see presentation for further details). In fact it is composed by companies that would benefit from the massive investments in infrastructure and the increase in consumptions related to the North Korea opening of the economy (as it was the case decades ago for countries like China and Vietnam)

## Kospi general Index vs NJ Korea Reunification portfolio

- The **Kospi** general index, the most popular and inclusive index of South Korea equity, includes in weight less than 10% of the stocks that are part of **NJ Korea Reunification** portfolio
- 100% of the companies included in the portfolio of **NJ Korea Reunification** project record more than 30% of total sales in the domestic market, and more than 85% in weight of the companies included in the portfolio of **NJ Korea Reunification** project record more than 50% of sales in the domestic market
- Less than 25% in weight of the companies included in the **Kospi** have more than 50% of sales in the South Korean market
- The portfolio of **NJ Korea Reunification** suffers more than the Kospi from a weakening of the Korean currency, and viceversa, as its investee companies are more domestic oriented
- The portfolio of the **Kospi** benefits more than the **NJ Korea Reunification** from the global economic expansion and viceversa
- The portfolio of **NJ Korea Reunification** benefits more than the portfolio of **Kospi** from the Korean economic expansion and viceversa
- The portfolio of **NJ Korea Reunification** will benefit more than the portfolio of **Kospi** from the inclusion of South Korea in the MSCI Developed Countries Index
- The portfolio of **NJ Korea reunification** will benefit extremely more than the portfolio of **Kospi** from a rapprochement between North Korea and South Korea

## Investee companies divested so far

### Closed trades

Date	<u>Stock</u>	Selling price (KRW)	Performance	Take Profit (Partial/Total)	Valuation Target (KRW)	Further upside at exit, according to valuation gap report	P/E Adj. at exit
07/11/2022	Manho Rope & Wire Ltd	44922	59,7%	Total	45000	-	8,0x
14/12/2022	Sebang	27539	82,6%	Total	27200	-	10,0x
20/02/2023	Osstem Implant Co Ltd	188518	61,0%	Total	190000	-	12,0x

\* PE Adjusted for net cash

Source: NicheAM



# EQUITY PORTFOLIO: Holdings (as of 14 April'23)



Holding	Portfolio Weight	Holding	Portfolio Weight
Indust Bk Of Korea	1.61%	G2R Incorp	0.94%
KT Corporation	1.60%	Seegene Inc	0.94%
Woori Financial Group	1.59%	Sd Biosensor Inc	0.91%
Hana Financial Group Inc	1.54%	Daesang Corp	0.90%
KB Financial Group Inc	1.49%	Hwa Sung Industrial	0.90%
Samsung Securities Co Ltd	1.39%	Hyosung Corp	0.90%
DI E And C - Registered Shs	1.34%	Samsung Life Insurance Co Ltd	0.90%
Dongwon Industries Co Ltd	1.29%	Shinhan Financial Group	0.90%
Hwacheon Machine	1.25%	Ottogi Corporation	0.90%
Hyundai Fire Marine Insurance Co Ltd	1.24%	Hyundai Elevator	0.88%
Inbody Co Ltd	1.23%	Bookook Secs Co	0.87%
LG Uplus Corp	1.17%	Kuhmo Industrial Co Ltd	0.87%
Korea Gas Corp	1.15%	Imarketkorea Inc	0.86%
Wimco Registered	1.13%	Hyundai Department Store Shs	0.86%
Pharmgen Science Inc	1.11%	Gwangjushinsegae Co Ltd	0.84%
Bnk Financial Group Inc	1.10%	Ace Bed Co Ltd	0.83%
Samsung Fire And Marine Insurance Pref.	1.07%	Korean Reinsurance Co	0.83%
Lotte Rental Co Ltd	1.07%	Dgb Financial Group Ltd	0.82%
Daishin Securities Pref.Non.Voting	1.06%	Sk Square Co., Ltd.	0.81%
Posco Holdings Inc.	1.06%	Tongyang Life	0.80%
SK Telekom	1.05%	Gs Engineering & Construction	0.79%
Cuckoo Electronics Co Ltd	1.05%	Yesco Shs	0.79%
Vieworks	1.05%	Value Added Technology Co Ltd	0.78%
Kyungdong City G	1.04%	Handsome	0.78%
Sam Jung Pulp	1.02%	Db Financial Inv	0.78%
Shinsegae Information & Comm	1.01%	Geumhwa Psc Co Ltd	0.76%
Korean Air	0.97%	Kt Skylife	0.76%
Hyundai Home Shopping	0.97%	Cs Holdings Co Ltd	0.75%
Maeil Dairies Co Ltd	0.95%	Cell Biotech Co Ltd	0.75%
Hyundai Electric & Energy Systems Co Ltd	0.95%	Coway Co Ltd	0.75%

Equity Exposure: 92%  
 No of holdings: 133  
 Average Weight: 0.69%  
 Median Weight: 0.66%

TOP 5 : 7.83%  
 TOP 10: 10.56%  
 TOP 25: 30.70%  
 TOP 50: 53.01%

# EQUITY PORTFOLIO: Holdings (as of 14 April'23)



Holding	Portfolio Weight	Holding	Portfolio Weight
Shin Heung Energy And Electronics Co Ltd	0.74%	Kyeryong Construction Industrial Co Ltd	0.47%
Hyundai Steel Co	0.73%	Bgf Rg Registered Shs	0.46%
Daihan Pharmaceutical Co Ltd	0.73%	Sindoricom	0.45%
Korea Electric Power Corp	0.70%	Sk Rent A Car Shares	0.45%
Korea Electric Terminal	0.69%	Korea Polyol Co Ltd	0.43%
Whan In Pharmaceutic	0.69%	Ssangyong Fire Marine Insurance	0.43%
Yuhwa Securities Co Ltd	0.66%	Dongkook Pharmaceutical Co Ltd	0.41%
Cj Cheiljedang Corp	0.65%	Hyundai Engineering Construction	0.41%
Kctech --- Registered Shs	0.62%	Kwang Dong Pharmaceutical Co Ltd	0.40%
Skchem --- Non-Cum Pfd	0.62%	Dongwon F And B	0.40%
Woori Investment & Securities Pfd N.Vot	0.62%	Kt Adr	0.39%
Lock & Lock	0.62%	Jls Co Ltd	0.37%
Megastudy	0.60%	Namhae Chemical Corp	0.37%
Suheung Capsule Co Ltd	0.60%	Sk Telecom Co Ltd-Spon Adr	0.36%
Asia Cement Co Ltd	0.58%	Asia Paper Manufacturing Co	0.36%
Incheon City Gas Co Ltd	0.57%	Kpc Holdings Corp	0.36%
Daehan Flour Mills	0.56%	Saraminhr Co Ltd	0.36%
Tae Kwang Industrial Co Ltd	0.56%	Shinhan Financial Group Co Ltd Repr.2Shs	0.36%
Soulbrain Holdings Co., Ltd.	0.55%	Daelim Industrial Pref/Non-Voting	0.35%
Kyobo Securities	0.54%	Kisco Holdings	0.33%
Mirae Asset Life	0.54%	Oyang Corp	0.32%
Ilshin Spinning Co Ltd	0.53%	Hyundai Green Food Co. Ltd	0.31%
Nong Shim Holdings Co Ltd	0.53%	Charm Engineering	0.30%
Hecto Innovation Co Ltd	0.53%	Gabia Inc	0.30%
Seoul Securities Co Ltd	0.51%	Woongjin Thinkbig Co	0.29%
Huons Co Ltd	0.51%	Lotte Chilsung Beverage Co Pfd Shs N.Vtg	0.28%
E-Mart	0.51%	Daewoo Securities - Pfd Shs Non Voting	0.28%
Megastudyedu Co Ltd	0.50%	Youngone Corporation	0.27%
Dongbu Engineering Construction	0.49%	Interflex Co Ltd	0.27%
Kisco Corp Tentative	0.48%	Korea Circuit Co Ltd-Pref	0.26%

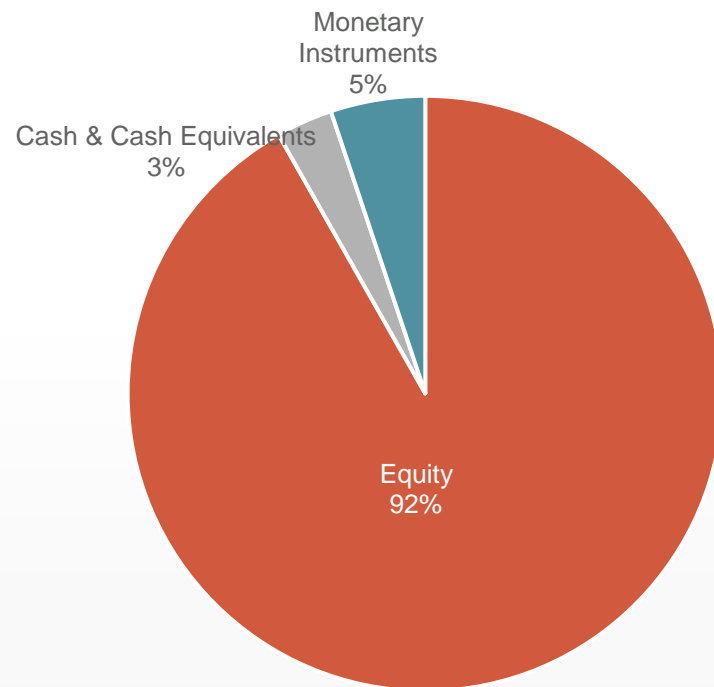
## EQUITY PORTFOLIO: Holdings (as of 14 April'23)



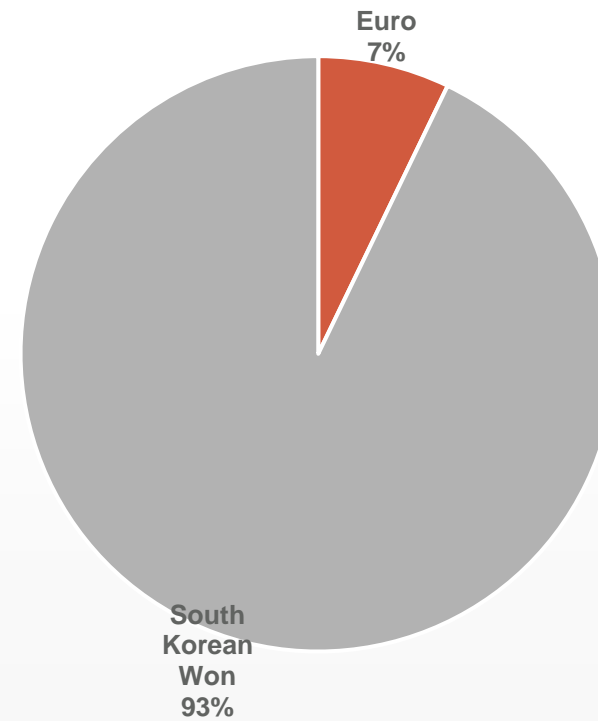
Holding	Portfolio Weight	Holding	Portfolio Weight
Ezwe Co Ltd	0.26%	Digital Daesung Co Ltd	0.19%
Korea Life Insurance Co Ltd	0.25%	Multicampus	0.17%
Lg Haussys	0.24%	Chinyang Holdings Co	0.17%
Lg Haussys Prf Shs N.Vtg	0.24%	Daehan Synthetic	0.16%
Fursys Inc	0.23%	Rifa Co.Ltd.	0.13%
Huons Global Co Ltd	0.22%	Hyundai Livart	0.08%
Hyundai G.F. Holdings	0.21%		

## PORTFOLIO: Allocation summary

**Breakdown by Asset Class  
as of 14 April'23**



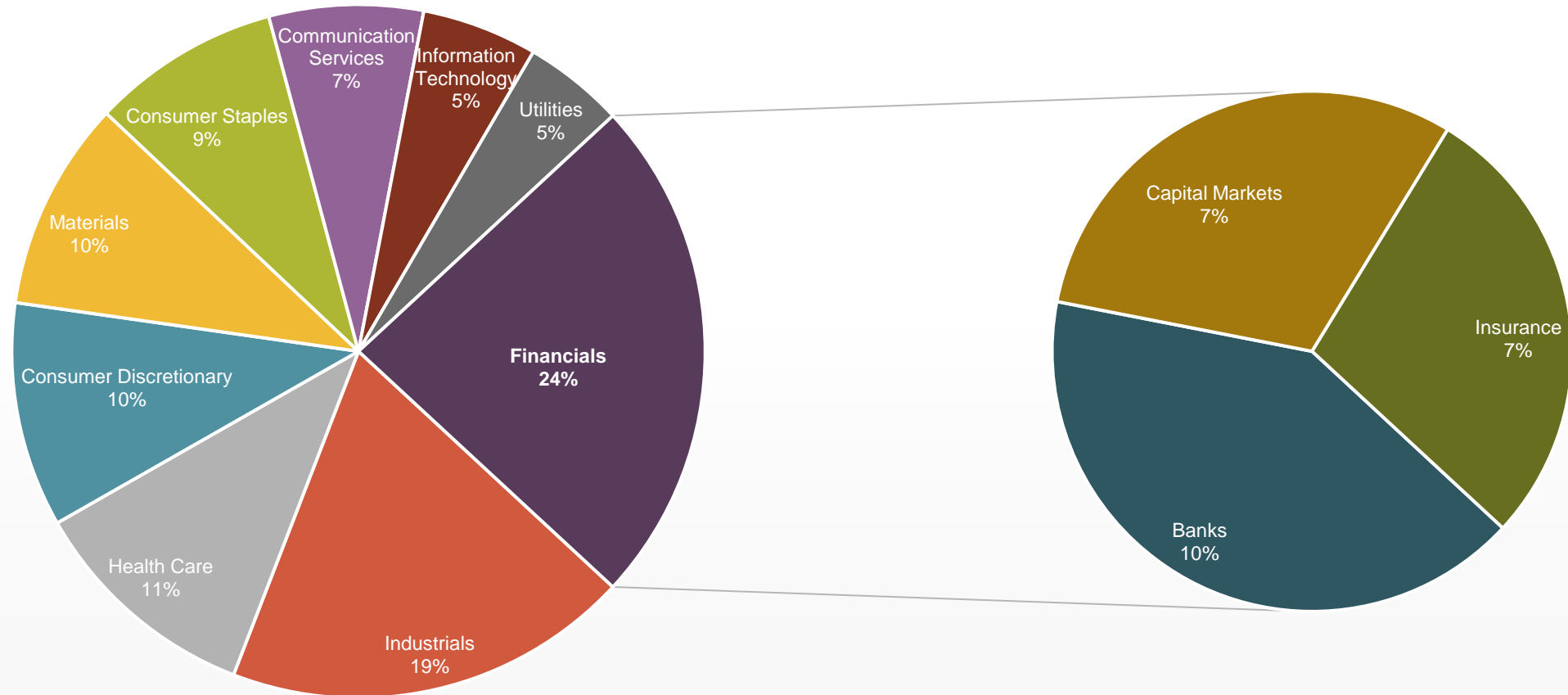
**Breakdown by Currency  
as of 14 April'23**



Source: Niche AM, Thomson Reuters

# ***EQUITY PORTFOLIO: Allocation summary: Breakdown by Sector***

***as 14 April'23***



## ***EQUITY PORTFOLIO: Change in holdings (31 March'23 - 14 April'23)***

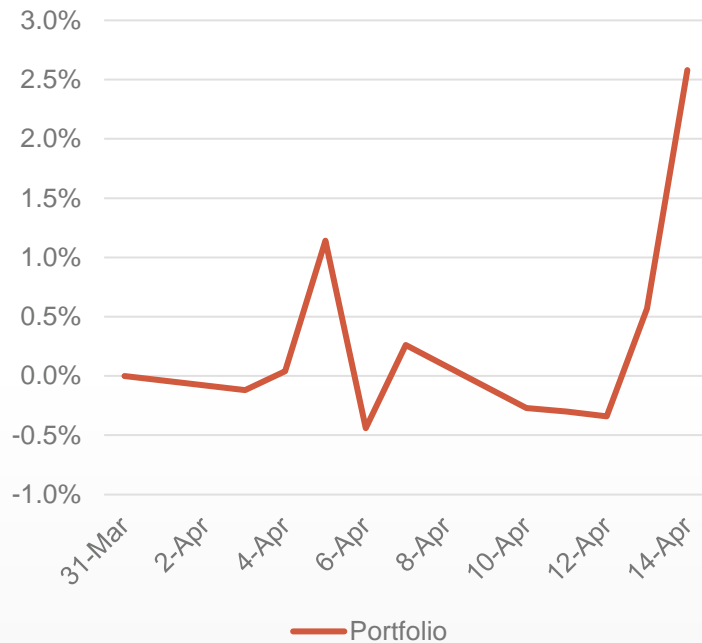
Holding	Trade	End Portfolio Weight	Change in Weight*	Total Return on sold positions
Daihan Pharmaceutical	ADD	0.73%	0.36%	
Hana Financial Group	ADD	1.54%	0.24%	
DGB Financial Group	ADD	0.82%	0.23%	
Handsome	ADD	0.78%	0.20%	
Industrial Bank Of Korea	ADD	1.61%	0.20%	
Woori Financial Group	ADD	1.59%	0.20%	

*\*Not adjusted for subscriptions/redemptions and changes in market value*

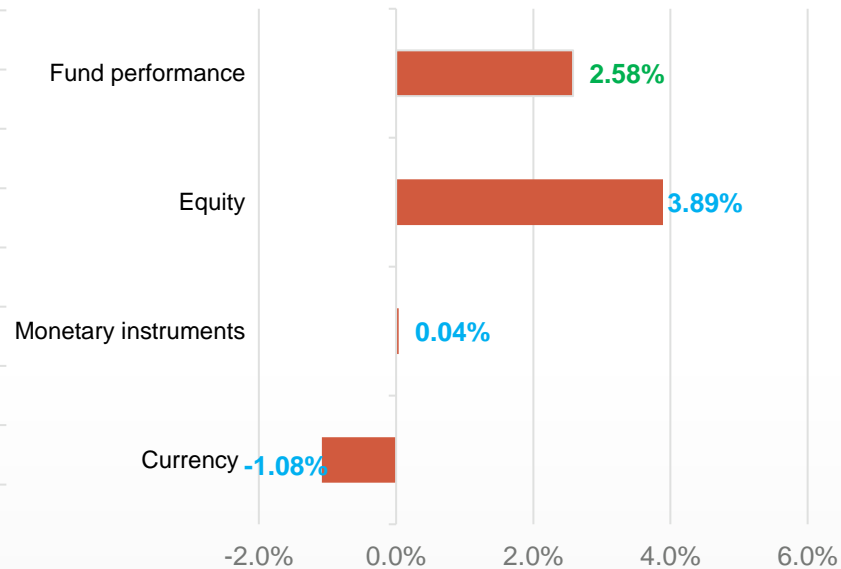
*Source: NicheAM, Refinitiv*

# PORTFOLIO: Allocation & Performance summary

**Fund\* Chart (31 March '23- 14 April'23)**



**Performance by Asset Class (31 March '23- 14 April'23)**



**Performance contribution by Asset Class and Sector (31 March '23- 14 April'23)**

	Avg Weight (a)	2 weeks Return (b)	Contribution (c = a*b)
<b>Contribution by asset class</b>			
Equity*	91.8%	3.89%	3.57%
Cash & monetary instruments	8.2%	0.04%	0.00%
Currency		-1.08%	-0.99%
<b>Total performance</b>			<b>+2.58%</b>
<b>Equity Contribution by sector</b>			
Health Care	10.0%	21.6%	2.15%
Industrials	17.4%	8.7%	1.51%
Financials	21.8%	3.8%	0.83%
Materials	9.0%	5.3%	0.47%
Utilities	4.3%	9.1%	0.40%
Communication Services	6.7%	3.7%	0.25%
Information Technology	5.0%	-6.5%	-0.32%
Consumer Staples	8.1%	-6.8%	-0.55%
Consumer Discretionary	9.7%	-12.1%	-1.17%

Past performance is not indicative or a guarantee of future returns. The currency component may increase or decrease returns. The investment involves taking a risk and possible loss of capital.

AUM: 11,56 mln €  
Project closure at 25 mln €

# EQUITY PORTFOLIO: Performance (31 March '23 - 14 April'23)

## Top performers\*

	Avg Weight	Return	Contribution
Hyundai Electric & Energy Systems	0.8%	24.1%	0.19%
Yesco Holdings	0.8%	19.1%	0.15%
PharmGen Science	1.0%	13.1%	0.14%
Value Added Technologies	0.7%	18.7%	0.13%
Vieworks	1.0%	13.2%	0.13%
Cell Biotech	0.7%	17.3%	0.12%
Posco Holdings	1.0%	11.8%	0.12%
Samsung Securities	1.3%	6.4%	0.09%
Seegene	0.9%	7.3%	0.07%
Hyundai Elevator	0.9%	7.3%	0.07%
Dongbu Engineering and Construction	0.5%	11.8%	0.06%
KT	1.6%	3.3%	0.05%
SD Biosensor	0.9%	5.5%	0.05%
Inbody	1.3%	3.3%	0.04%
Soulbrain Holdings	0.6%	7.8%	0.05%

## Bottom performers

	Avg Weight	Return	Contribution
Hyundai Department Store	0.9%	-26.3%	-0.23%
KT Skylife	0.8%	-7.2%	-0.06%
Hyundai G F Holdings	0.5%	-11.9%	-0.06%
Cj Cheiljedang Pref Shs	0.7%	-7.0%	-0.05%
Wonik Materials	1.2%	-3.2%	-0.04%
KC Tech	0.7%	-5.6%	-0.04%
Gwangjushinsegae	0.9%	-3.7%	-0.03%
E-Mart	0.5%	-5.7%	-0.03%
Dongwon Industries	1.3%	-2.2%	-0.03%
Daesang	0.9%	-3.1%	-0.03%
Tong Yang Life Insurance	0.8%	-3.4%	-0.03%
Megastudy	0.6%	-3.8%	-0.02%
Gabia	0.3%	-6.3%	-0.02%
Coway	0.8%	-2.6%	-0.02%
HYUNDAI EZWEL	0.3%	-6.8%	-0.02%

\*Sorted from highest to lowest by Contribution

Source: NicheAM, Refinitiv

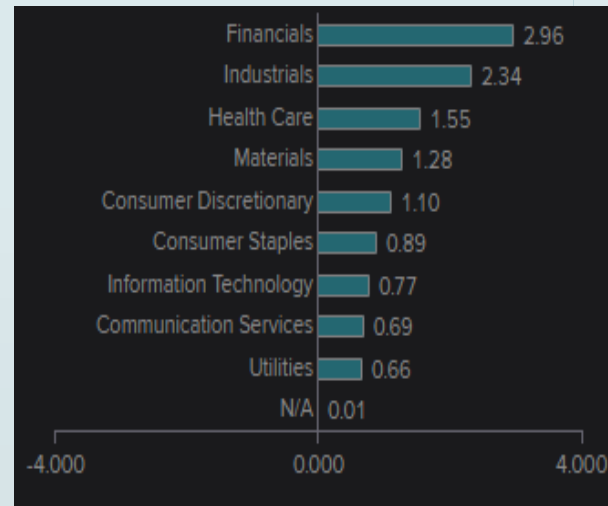


# Ex-ante analysis: VaR 1 month 95% as of 14/04/2023

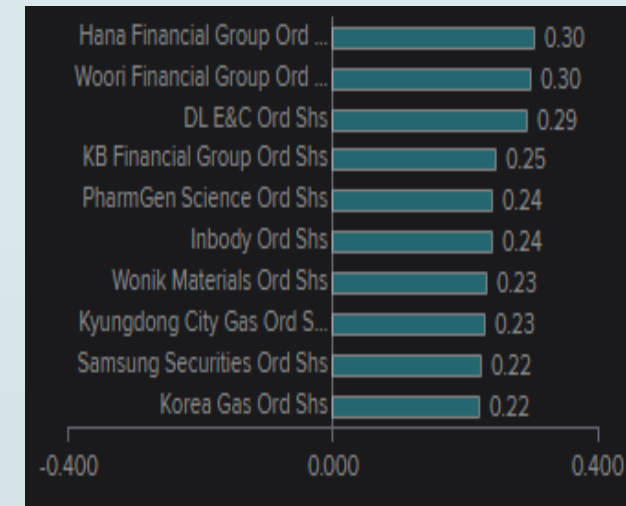
## Portfolio VaR Sensitivity

	95% VaR	99% VaR
Historical 1D	-2,46%	-3,60%
Historical 1W	-5,49%	-8,06%
Historical 1M	-11,52%	-16,90%

## VAR 1M – 95% BY SECTOR AS OF 14/04/2023



## VAR 1M-95% TOP 10 SECURITIES AS OF 14/04/2023



## EQUITY PORTFOLIO: Indices % price changes

Index	Price as of 14/04/2023	% Price Change 2 weeks (local currency)	% Price Change 2 weeks (€)	% Price Change Year to Date (local currency)	% Price Change Year to Date (€)	% Price Change Since inception ** (local currency)	% Price Change Since inception ** (€)
<b>NicheJungle Korea Reunification SDG*</b>	<b>1018.22</b>	-	<b>2.58%</b>	-	<b>-0.65%</b>	-	<b>1.82%</b>
MSCI ACWI Net (.dMIWD00000NUS)	345,16	1,28%	-0,20%	8,68%	5,73%	17,06%	4,70%
MSCI Asia Pacific Value (.dMIAP0000VPUS)	148.82	1,36%	-0,12%	4,04%	1,60%	18,29%	5,80%
MSCI Asia Pacific (.MIAP00000PUS)	163,29	0,73%	-0,74%	4,85%	2,01%	19,16%	6,57%
Korea (.KS200)	333,68	3,62%	2,27%	14,63%	7,42%	15,23%	13,08%
Tokyo Stock Exchange (.TOPX)	2018,72	0,76%	-1,44%	6,71%	1,76%	7,40%	7,02%
Indonesia (.JKSE)	6818,57	0,20%	0,71%	-0,47%	2,57%	-0,18%	-5,93%
China (.HSI)	20438,81	0,19%	-1,26%	3,32%	0,02%	23,03%	10,05%

\* class I

\*\* Inception date: 17/10/2022

Source: Niche AM, Thomson Reuters

Past performance is not indicative or a guarantee of future returns. The currency component may increase or decrease returns. The investment involves taking a risk and possible loss of capital.

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