

*unique
investing*



NICHE
JUNGLE

PROJECT
NJ
Korea Reunification SDG



Bi-Weekly Risk Report

14 May 2023

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

Summary

- [Project characteristics](#)
- [Portfolio: Valuation](#)
- [Portfolio: Holdings](#)
- [Portfolio: Allocation & performance](#)
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NJ Korea Reunification SDG



Project characteristics

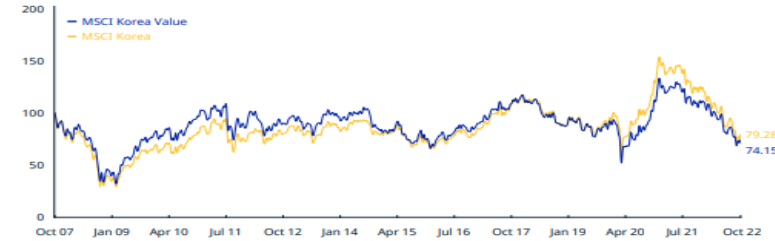
Instrument	UCITS Fund – Art.8 Plus SFDR
Project website	Link
Supplement	Link
ISIN	Class A – IE00007XSO15 Class I – IE0004F6ARY1 Class Q (listed class) - IE000ROCQO77
Project ICAV:	NicheJungle ICAV www.nichejungle.com
Project Inception date:	17/10/2022
Project AUM:	11,51 mln € as of 14/05/2023
Project Max AUM:	25 mln
Project Liquidability at max. AUM	97% 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 – www.nicheam.com



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)

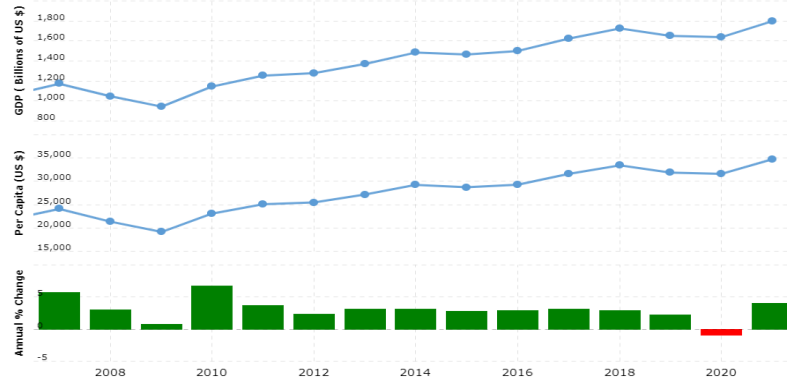


ANNUAL PERFORMANCE (%)

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 – PRICE RETURNS (%) (FEB 28, 2023)

	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 31, 1996
MSCI Korea Value	-7.28	-1.84	-19.87	3.75	2.45	-5.39	-1.48	4.67

FUNDAMENTALS (FEB 28, 2023)

	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI Korea Value	3.40	7.00	9.39	0.67

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

	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 31, 1996
MSCI World Value	-2.87	-0.73	-1.45	1.71	10.08	5.47	7.63	11.75
MSCI World	-2.37	0.17	-6.86	4.57	10.43	7.43	9.36	10.61

FUNDAMENTALS (FEB 28, 2023)

	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI World Value	3.26	13.45	12.26	1.86
MSCI World	2.15	18.23	15.91	2.77

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

	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 25, 2008
MSCI China A	-4.42	6.78	-16.91	4.68	5.64	1.63	5.56	6.90
MSCI ACWI	-2.83	0.10	-7.80	4.16	9.31	6.35	8.48	10.64
MSCI Emerging Markets	-6.48	-0.45	-14.91	0.92	1.34	-1.50	1.89	7.59

FUNDAMENTALS (FEB 28, 2023)

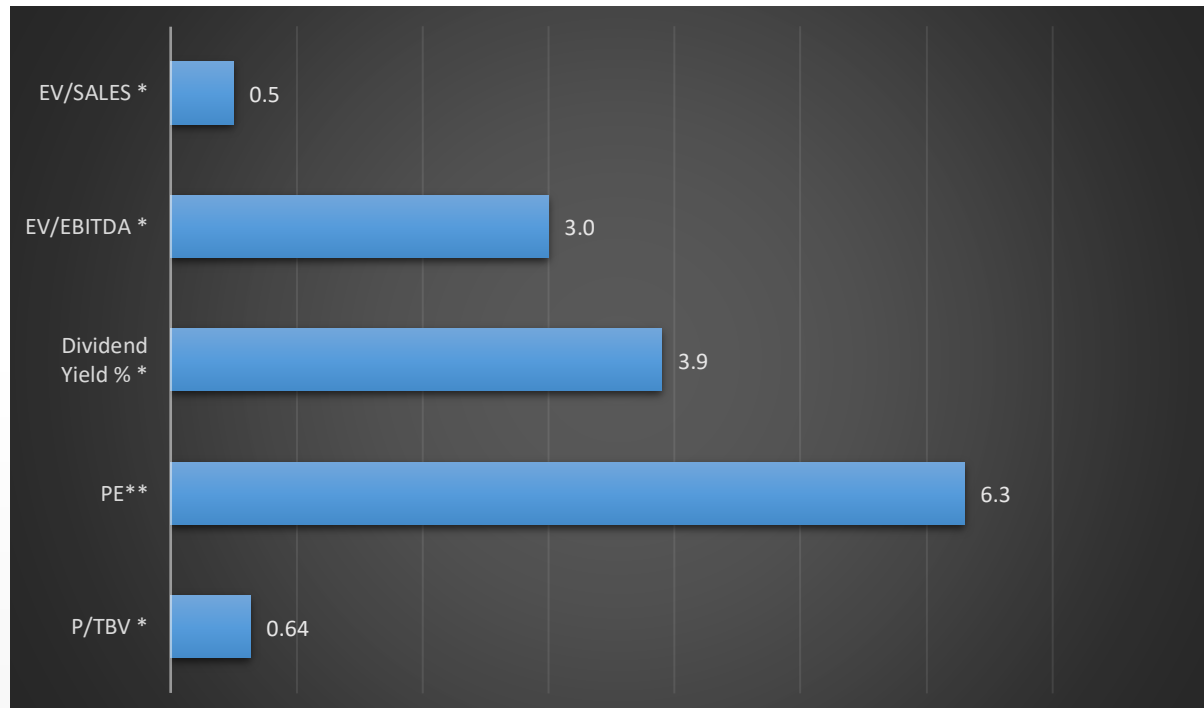
	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI China A	2.09	15.88	12.09	1.92
MSCI ACWI	2.27	17.24	15.32	2.56
MSCI Emerging Markets	3.32	11.96	11.78	1.59

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 May'23)

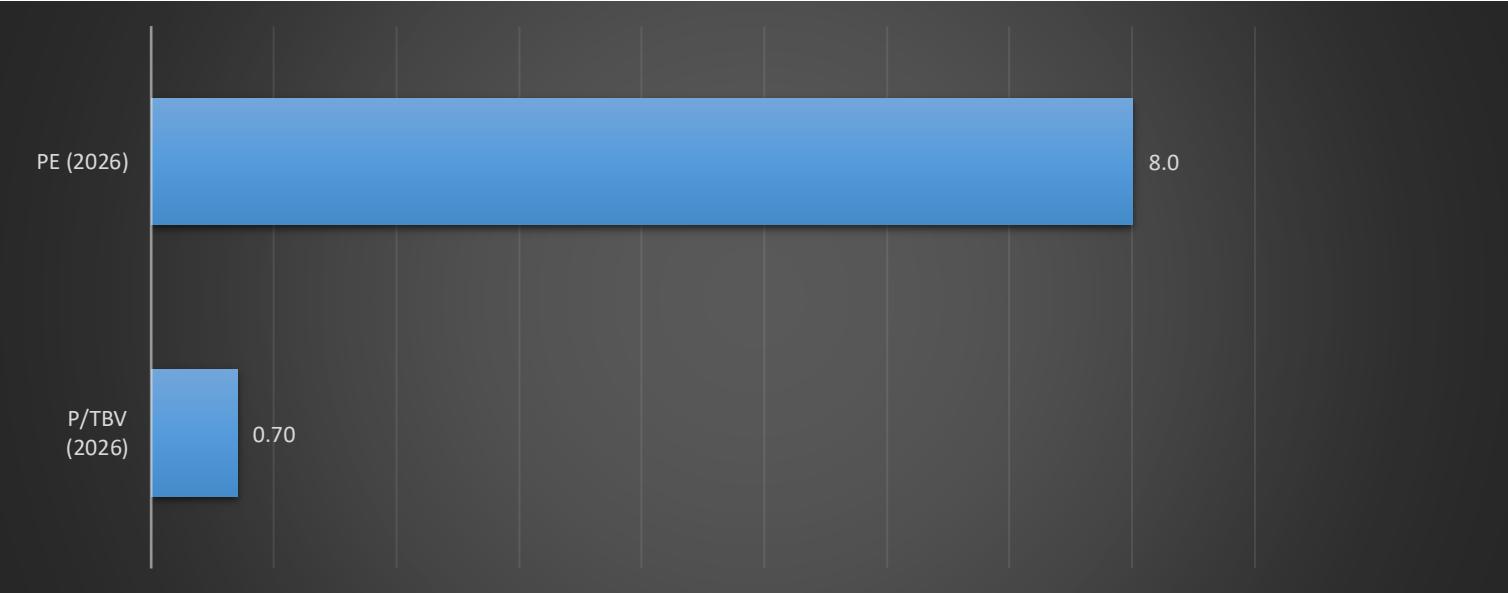


* Last available

** 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	Notes (if sold before reaching the target)
07/11/2022	Manho Rope & Wire Ltd	44922	59,7%	Total	45000	< +/- 5%	8,0x	-
14/12/2022	Sebang	27539	82,6%	Total	27200	< +/- 5%	10,0x	-
20/02/2023	Osstem Implant Co Ltd	188518	61,0%	Total	190000	< +/- 5%	12,0x	-
19/04/2023	Rifa Industrial	25850	63.1%	Total	30500	+18%	N.s.	The company doesn't want to engage with the IM
27/04/2023	KISCO Holdings *	20123	54.2%	Total	36620	+82%	3,5x	Switch with the operating company, Kisco, that presents better upside (>120%) and liquidity

* PE Adjusted for net cash

Source: NicheAM

EQUITY PORTFOLIO: Holdings (as of 14 May'23)



Holding	Portfolio Weight
KT Corporation	1.64%
Indust Bk Of Korea	1.58%
Woori Financial Group	1.58%
Hana Financial Group Inc	1.48%
KB Financial Group Inc	1.47%
Korea Gas Corp	1.44%
DI E And C - Registered Shs	1.40%
Samsung Securities Co Ltd	1.40%
Dongwon Industries Co Ltd	1.27%
Hyundai Fire Marine Insurance Co Ltd	1.27%
Hwacheon Machine	1.21%
LG Uplus Corp	1.14%
Samsung Fire And Marine Insurance Pref.	1.11%
Cuckoo Electronics Co Ltd	1.10%
SK Telekom	1.08%
Kuhmo Industrial Co Ltd	1.08%
Lotte Rental Co Ltd	1.07%
Bnk Financial Group Inc	1.07%
Hyundai Elevator	1.06%
Wimco Registered	1.05%
Daishin Securities Pref.Non.Voting	1.04%
Kyungdong City G	1.01%
Vieworks	1.00%
Hyundai Home Shopping	0.99%
Sam Jung Pulp	0.99%
Pharmgen Science Inc	0.97%
Shinsegae Information & Comm	0.96%
G2R Incorp	0.94%
Hyundai Electric & Energy Systems Co Ltd	0.94%
Korean Air	0.94%
Maeil Dairies Co Ltd	0.92%
Samsung Life Insurance Co Ltd	0.92%
Posco Holdings Inc.	0.91%

Holding	Portfolio Weight
Ottogi Corporation	0.91%
Daesang Corp	0.89%
Hyosung Corp	0.88%
Asia Paper Manufacturing Co	0.88%
Shinhan Financial Group	0.87%
Hwa Sung Industrial	0.87%
Bookook Secs Co	0.86%
Korean Reinsurance Co	0.86%
Imarketkorea Inc	0.84%
Skchem --- Non-Cum Pfd	0.84%
Sk Square Co., Ltd.	0.83%
Gwangjushinsegae Co Ltd	0.83%
Hyundai Department Store Shs	0.83%
Dgb Financial Group Ltd	0.82%
Hecto Innovation Co Ltd	0.81%
Ace Bed Co Ltd	0.81%
Seegene Inc	0.81%
Yesco Shs	0.80%
Geumhwa Psc Co Ltd	0.79%
Tongyang Life	0.79%
Handsome	0.78%
Value Added Technology Co Ltd	0.77%
Gs Engineering & Construction	0.76%
Db Financial Inv	0.75%
Korea Electric Power Corp	0.73%
Cs Holdings Co Ltd	0.73%
Daihan Pharmaceutical Co Ltd	0.72%
Korea Electric Terminal	0.71%
Kt Skylife	0.71%
Kisco Corp Tentative	0.71%
Coway Co Ltd	0.70%
Hyundai Steel Co	0.69%
Whan In Pharmaceutic	0.67%

Equity Exposure: 90%
 No of holdings: 129
 Average Weight: 0.69%
 Median Weight: 0.69%

TOP 5 : 7.75%
 TOP 10: 14.53%
 TOP 25: 30.53%
 TOP 50: 52.47%

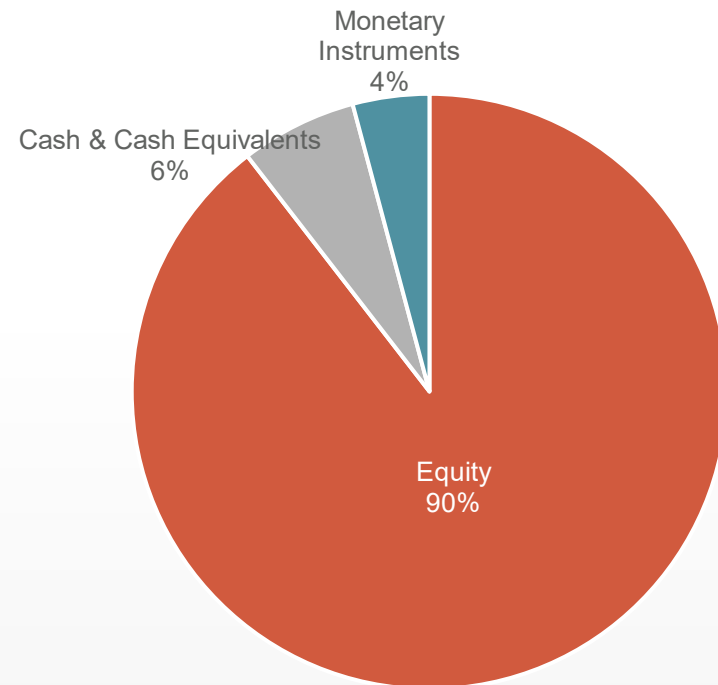
EQUITY PORTFOLIO: Holdings (as of 14 May'23)



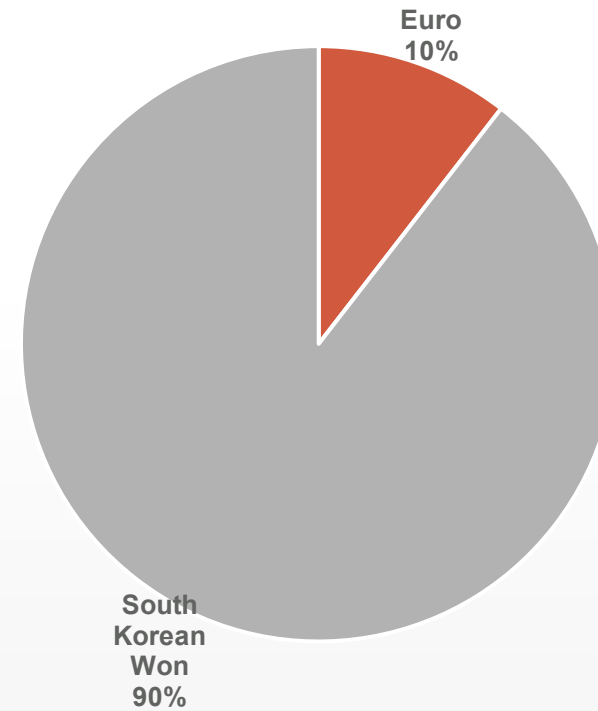
		Holding	Portfolio Weight
Cj Cheiljedang Corp	0.66%	Hyundai Engineering Construction	0.40%
Cell Biotech Co Ltd	0.66%	Dongkook Pharmaceutical Co Ltd	0.38%
Yuhwa Securities Co Ltd	0.63%	Jls Co Ltd	0.37%
Woori Investment & Securities Pfd N.Vot	0.62%	Sk Telecom Co Ltd-Spon Adr	0.37%
Seoul Securities Co Ltd	0.61%	Hyundai Green Food Co. Ltd	0.37%
Shin Heung Energy And Electronics Co Ltd	0.61%	Namhae Chemical Corp	0.36%
Megastudy	0.61%	Shinhan Financial Group Co Ltd Repr.2Shs	0.35%
Asia Cement Co Ltd	0.60%	Kpc Holdings Corp	0.34%
Lock & Lock	0.59%	Daelim Industrial Pref/Non-Voting	0.33%
Suheung Capsule Co Ltd	0.58%	Oyang Corp	0.33%
Kctech --- Registered Shs	0.57%	Saraminhr Co Ltd	0.32%
Mirae Asset Life	0.56%	Interflex Co Ltd	0.30%
Incheon City Gas Co Ltd	0.56%	Gabia Inc	0.29%
Megastudyedu Co Ltd	0.53%	Daewoo Securities - Pfd Shs Non Voting	0.27%
Tae Kwang Industrial Co Ltd	0.53%	Youngone Corporation	0.27%
Daehan Flour Mills	0.53%	Ezweel Co Ltd	0.27%
Kyobo Securities	0.51%	Charm Engineering	0.27%
Nong Shim Holdings Co Ltd	0.51%	Lg Haussys	0.27%
Ilshin Spinning Co Ltd	0.50%	Lotte Chilsung Beverage Co Pfd Shs N.Vtg	0.27%
Soulbrain Holdings Co., Ltd.	0.49%	Korea Life Insurance Co Ltd	0.26%
Sk Rent A Car Shares	0.47%	Woongjin Thinkbig Co	0.25%
Sindoricom	0.46%	Lg Haussys Prf Shs N.Vtg	0.25%
Ssangyong Fire Marine Insurance	0.46%	Korea Circuit Co Ltd-Pref	0.24%
Dongbu Engineering Construction	0.46%	Fursys Inc	0.22%
Huons Co Ltd	0.46%	Hyundai G.F. Holdings	0.20%
Kyeryong Construction Industrial Co Ltd	0.45%	Huons Global Co Ltd	0.20%
E-Mart	0.43%	Digital Daesung Co Ltd	0.19%
Bgf Rg Registered Shs	0.42%	Chinyang Holdings Co	0.16%
Korea Polyol Co Ltd	0.41%	Daehan Synthetic	0.15%
Kt Adr	0.40%	Multicampus	0.15%
Kwang Dong Pharmaceutical Co Ltd	0.40%	Hyundai Livart	0.08%
Dongwon F And B	0.40%		

PORTFOLIO: Allocation summary

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



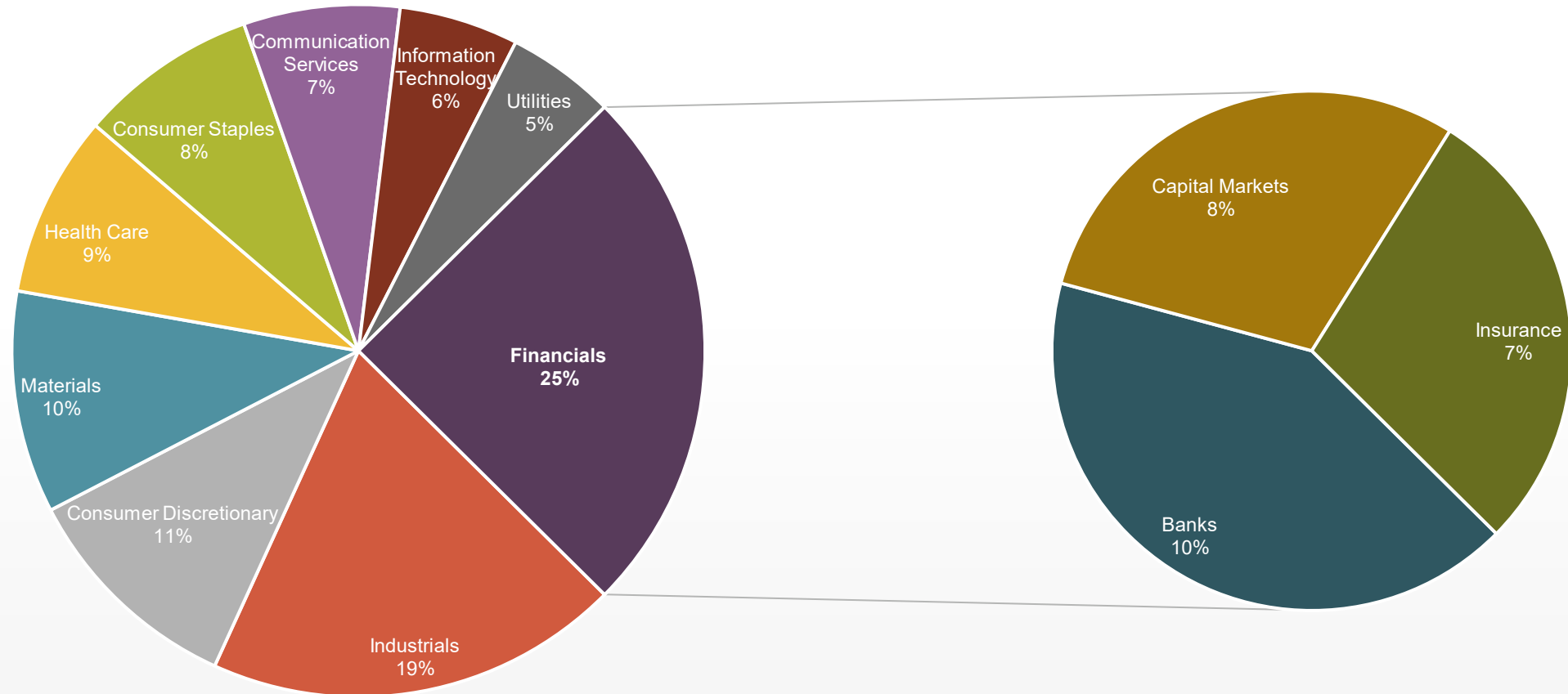
**Breakdown by Currency
as of 14 May'23**



Source: Niche AM, Thomson Reuters

EQUITY PORTFOLIO: Allocation summary: Breakdown by Sector

as 14 May'23





EQUITY PORTFOLIO: Change in holdings (30 April'23 - 14 May'23)

Holding	Trade	End Portfolio Weight	Change in Weight*	Total Return on sold positions
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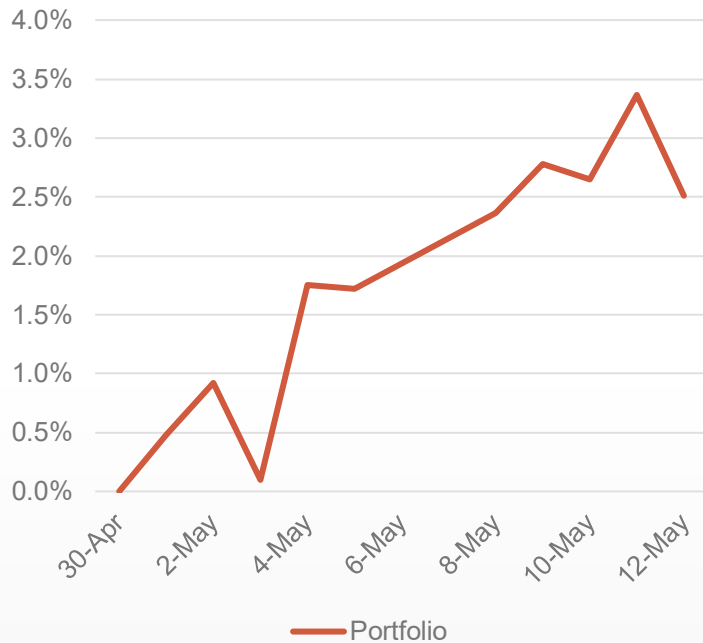
No trades during the period.

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

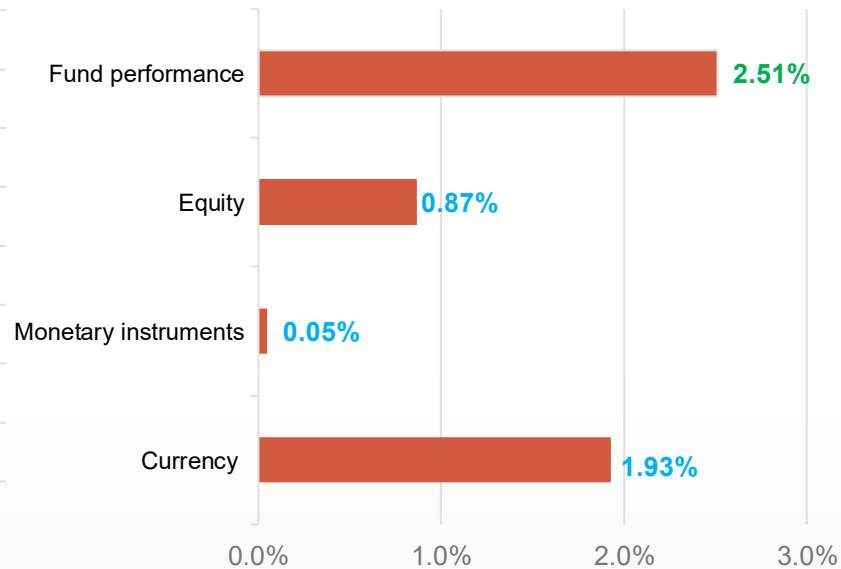
Source: NicheAM, Refinitiv

PORTFOLIO: Allocation & Performance summary

Fund* Chart (30 April '23- 14 May'23)



Performance by Asset Class (30 April '23- 14 May'23)



Performance contribution by Asset Class and Sector (30 April '23- 14 May'23)

	2 weeks		
	Avg Weight (a)	Return (b)	Contribution (c = a*b)
<u>Contribution by asset class</u>			
Equity*	89.6%	0,87%	0,78%
Cash & monetary instruments	10.4%	0.05%	0,01%
Currency		1,93%	1,72%
Total performance			+2,51%
<u>Equity Contribution by sector</u>			
Industrials	17.3%	1.7%	0.30%
Communication Services	6.5%	2.7%	0.17%
Consumer Discretionary	9.4%	1.5%	0.14%
Consumer Staples	7.5%	1.6%	0.12%
Information Technology	5.0%	1.1%	0.06%
Financials	22.2%	0.1%	0.03%
Utilities	4.6%	0.5%	0.03%
Health Care	7.8%	-0.3%	-0.03%
Materials	9.4%	-0.4%	-0.04%

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: 11,51 mln €
Project closure at 25 mln €

EQUITY PORTFOLIO: Performance (30 April '23 - 14 May'23)

Top performers*

	Avg Weight	Return	Contribution
Hyundai Elevator	0.9%	28.1%	0.25%
Eugene Investment & Securities	0.5%	24.3%	0.13%
KT	1.6%	8.0%	0.13%
Dongwon Industries	1.2%	10.4%	0.12%
Cuckoo Holdings	1.0%	9.3%	0.10%
Lotte Rental	1.0%	7.6%	0.08%
Sk Telecom	1.0%	7.5%	0.08%
Korea Electric Terminal	0.7%	10.1%	0.07%
Samsung Securities	1.4%	4.8%	0.07%
Asia Cement	0.6%	10.8%	0.06%
Interflex	0.3%	24.7%	0.06%
HD Home Shopping	1.0%	6.4%	0.06%
SK RENT A CAR	0.4%	13.4%	0.06%
Hwacheon Machine Tool	1.2%	4.7%	0.06%
Hyundai Green Food	0.4%	15.7%	0.06%

Bottom performers

	Avg Weight	Return	Contribution
Hyundai Marine & Fire Insurance	1.3%	-3.9%	-0.05%
E-Mart	0.5%	-9.9%	-0.05%
Hd Hyundai Electric	1.0%	-4.5%	-0.05%
Tong Yang Life Insurance	0.8%	-3.9%	-0.03%
Shin Heung	0.6%	-4.6%	-0.03%
Ilshin Spinning	0.5%	-5.1%	-0.03%
Hyundai Steel	0.7%	-2.5%	-0.02%
PharmGen Science	1.0%	-1.7%	-0.02%
KPX Holdings	0.4%	-4.3%	-0.02%
Hyundai Engineering & Construction	0.4%	-2.5%	-0.01%
Posco Holdings	0.9%	-1.0%	-0.01%
Seegene	0.8%	-1.0%	-0.01%
Huons	0.5%	-1.8%	-0.01%
Saramin	0.3%	-2.3%	-0.01%
Viewworks	1.0%	-0.5%	0.00%

*Sorted from highest to lowest by Contribution

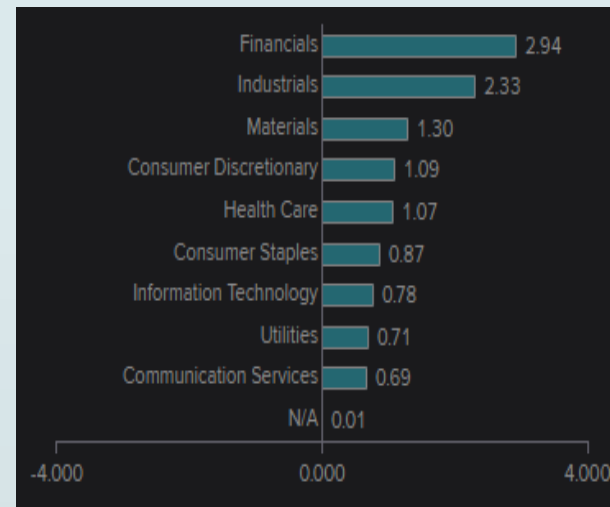
Source: NicheAM, Refinitiv

Ex-ante analysis: VaR 1 month 95% as of 14/05/2023

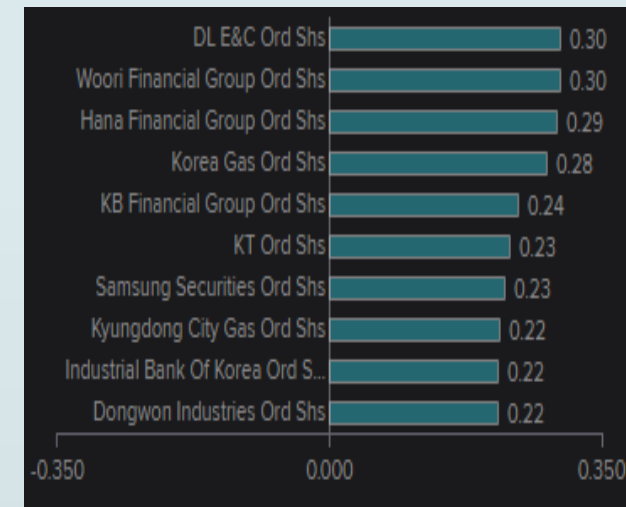
Portfolio VaR Sensitivity

	95% VaR	99% VaR
Historical 1D	-2,38%	-3,51%
Historical 1W	-5,32%	-7,85%
Historical 1M	-11,16%	-16,46%

VAR 1M – 95% BY SECTOR AS OF 14/05/2023



VAR 1M-95% TOP 10 SECURITIES AS OF 14/05/2023



EQUITY PORTFOLIO: Indices % price changes

Index	Price as of 14/05/2023	% 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 ** (€)
NicheJungle Korea Reunification SDG*	1000.50	-	2.51%	-	-2.38%	-	0.05%
MSCI ACWI Net (.dMIWD00000NUS)	343,06	-0,76%	0,81%	8,02%	6,56%	16,35%	5,52%
MSCI Asia Pacific Value (.dMIAP0000VPUS)	147.39	0,52%	2,12%	3,43%	2,04%	17,16%	6,25%
MSCI Asia Pacific (.MIAP00000PUS)	160,78	0,29%	1,88%	3,24%	1,85%	17,32%	6,40%
Korea (.KS200)	323,61	-0,87%	0,35%	11,17%	2,61%	11,76%	8,02%
Tokyo Stock Exchange (.TOPX)	2096,39	1,89%	3,94%	10,82%	5,62%	11,54%	11,08%
Indonesia (.JKSE)	6707,76	-3,01%	-2,00%	-2,09%	1,97%	-1,81%	-6,48%
China (.HSI)	19627,24	-1,34%	0,32%	-0,78%	-2,52%	18,15%	7,25%

* 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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