

*unique
investing*



NICHE
JUNGLE

PROJECT
NJ
Korea Reunification SDG



Bi-Weekly Risk Report

14 July 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](#)
- [Ex-ante analysis: VaR 1 month – 95%](#)

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:	12,15 mln € as of 14/07/2023
Project Max AUM:	25 mln
Project Liquidity 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)

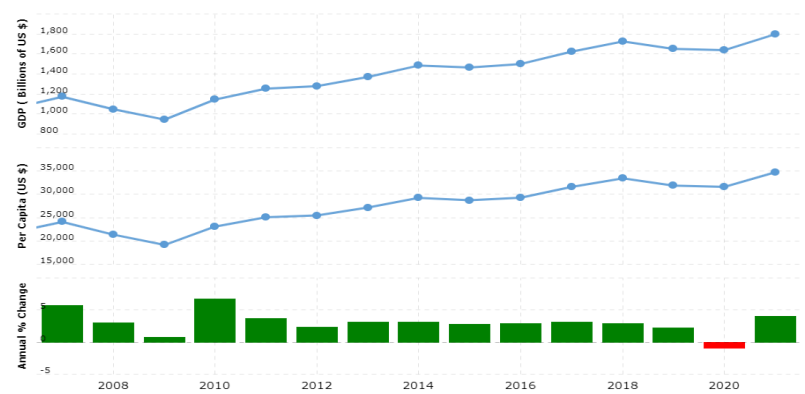


ANNUAL PERFORMANCE (%)

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 – 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, 1999	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)

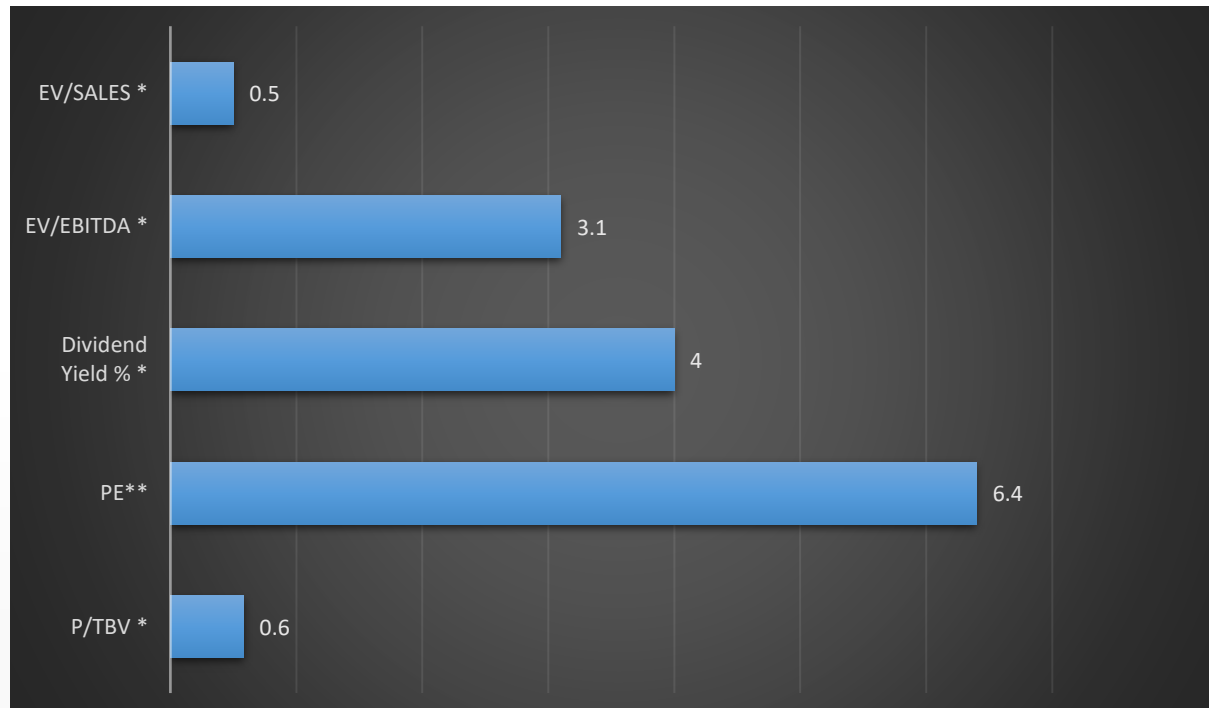
	ANNUALIZED											
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 31, 1999	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI Korea Value	-7.28	-1.84	-19.87	3.75	2.45	-5.39	-1.48	4.67	3.40	7.00	9.39	0.67

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 July'23)

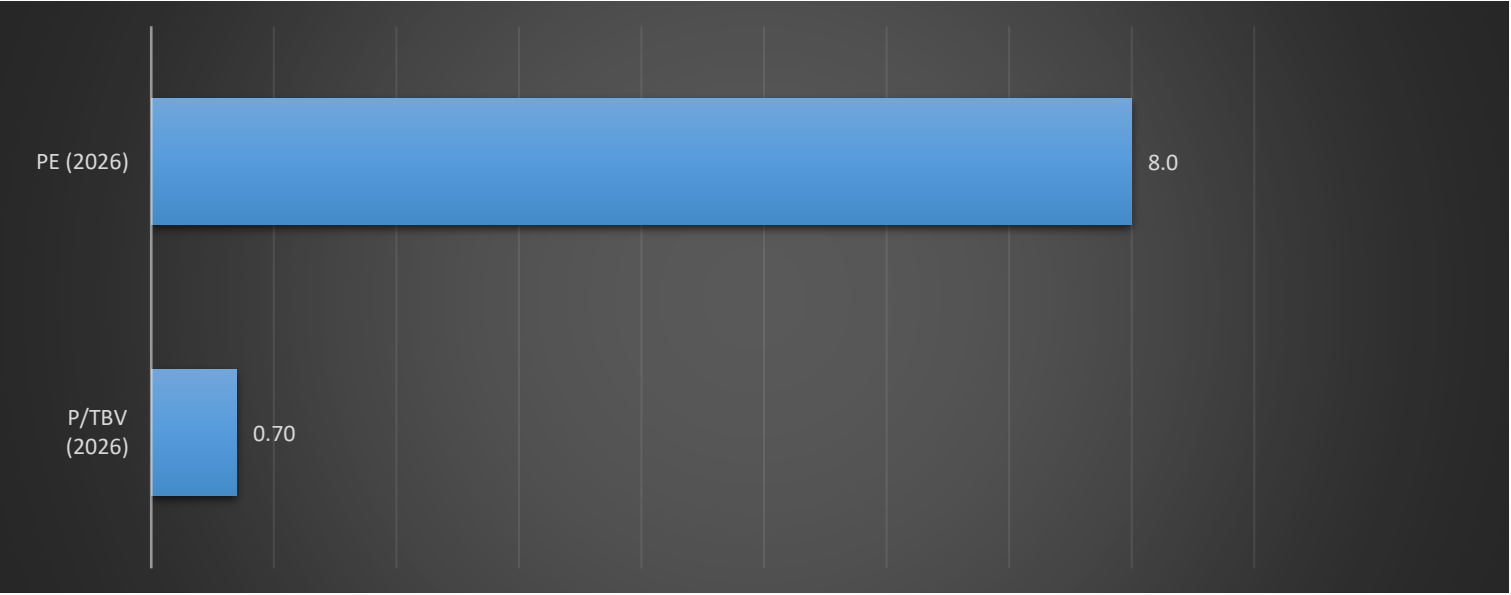


* Last available

** 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
15/05/2023	Oyang Corp	8180	3,4%	Total	14150	+73%	10x	The company doesn't want to engage with the IM on sustainability
01/06/2023	Hyundai Elevator	40532	+72.3%	Total	39600	< +/- 5%	12x	-
05/06/2023	SK RENT A CAR	9466	+43.8%	Total	9100	< +/- 5%	12x	-
03/07/2023	Hd Hyundai Electric	66102	+67.2%	Total	68000	< +/- 5%	12x	-
10/07/2023	Eugene Investment & Sec	4153	+65.0%	Total	4900	+18%	P/BVT 0,5x	The company doesn't want to engage with the IM

* PE Adjusted for net cash

Source: NicheAM

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



Holding	Portfolio Weight
Indust Bk Of Korea	1.57%
Woori Financial Group	1.53%
Kt Corporation	1.48%
Samsung Securities Co Ltd	1.43%
Kb Financial Group Inc	1.42%
Hecto Innovation Co Ltd	1.41%
Hana Financial Group Inc	1.36%
Korea Gas Corp	1.35%
Cuckoo Electronics Co Ltd	1.34%
Bnk Financial Group Inc	1.29%
DI E And C - Registered Shs	1.21%
Wimco Registered	1.18%
Hwacheon Machine	1.15%
Samsung Fire And Marine Insurance Pref.	1.11%
Posco Holdings Inc.	1.09%
Lg Uplus Corp	1.05%
Korean Air	1.04%
Hyundai Fire Marine Insurance Co Ltd	1.04%
Daishin Securities Pref.Non.Voting	1.03%
Maeil Dairies Co Ltd	1.02%
Sam Jung Pulp	1.02%
Dgb Financial Group Ltd	1.01%
Vieworks	1.00%
Lotte Rental Co Ltd	1.00%
Kuhmo Industrial Co Ltd	0.98%
Asia Paper Manufacturing Co	0.96%
Sk Telekom	0.95%
Dongwon Industries Co Ltd	0.94%
Samsung Life Insurance Co Ltd	0.94%
Kyungdong City G	0.91%
Handsome	0.90%
Sk Square Co., Ltd.	0.90%
Bookook Secs Co	0.89%

Holding	Portfolio Weight
Pharmgen Science Inc	0.89%
Hyundai Home Shopping	0.88%
Whan In Pharmaceutic	0.88%
Coway Co Ltd	0.87%
Hwa Sung Industrial	0.86%
G2R Incorp	0.85%
Cj Cheiljedang Corp	0.84%
Hyundai Department Store Shs	0.83%
Shinhan Financial Group	0.83%
Shinsegae Information & Comm	0.82%
Gwangjushinsegae Co Ltd	0.80%
Imarketkorea Inc	0.80%
E-Mart	0.78%
Value Added Technology Co Ltd	0.78%
Hyosung Corp	0.76%
Daesang Corp	0.76%
Geumhwa Psc Co Ltd	0.75%
Yesco Shs	0.74%
Db Financial Inv	0.74%
Cs Holdings Co Ltd	0.74%
Tongyang Life	0.74%
Kyobo Securities	0.73%
Korean Reinsurance Co	0.73%
Korea Electric Power Corp	0.73%
Ottogi Corporation	0.73%
Skchem --- Non-Cum Pfd	0.73%
Seegene Inc	0.69%
Kctech --- Registered Shs	0.68%
Mirae Asset Life	0.68%
Hyundai Steel Co	0.66%
Daihan Pharmaceutical Co Ltd	0.66%
Ace Bed Co Ltd	0.65%
Korea Electric Terminal	0.64%

Equity Exposure: 87%
No of holdings: 128
Average Weight: 0.66%
Median Weight: 0.68%

TOP 5 : 7.43%
TOP 10: 14.18%
TOP 25: 31.07%
TOP 50: 52.22%

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

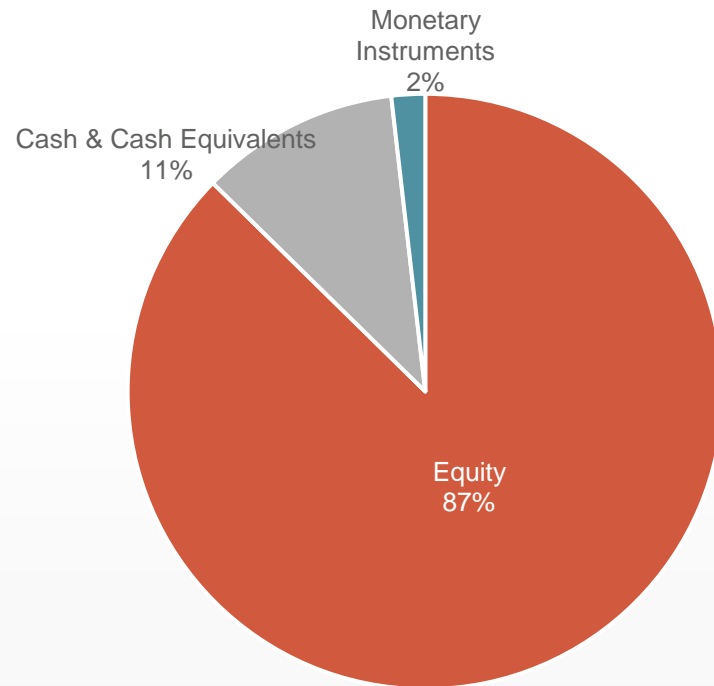


Yuhwa Securities Co Ltd	0.64%
Kt Skylife	0.64%
Shin Heung Energy And Electronics Co Ltd	0.63%
Kisco Corp Tentative	0.62%
Woori Investment & Securities Pfd N.Vot	0.60%
Lock & Lock	0.59%
Cell Biotech Co Ltd	0.58%
Asia Cement Co Ltd	0.57%
Hanwha Solutions Corporatio	0.57%
Cj Freshway Corp	0.55%
Shinsegae Food Co Ltd	0.54%
Megastudy	0.53%
Incheon City Gas Co Ltd	0.53%
Dongkook Pharmaceutical Co Ltd	0.53%
Suheung Capsule Co Ltd	0.52%
Gs Engineering & Construction	0.49%
Global Enterprise Co Ltd	0.48%
Nong Shim Holdings Co Ltd	0.48%
Soulbrain Holdings Co., Ltd.	0.47%
Daehan Flour Mills	0.47%
Tae Kwang Industrial Co Ltd	0.46%
Huons Co Ltd	0.43%
Sindoricom	0.43%
Megastudyedu Co Ltd	0.43%
Kyeryong Construction Industrial Co Ltd	0.42%
Dongbu Engineering Construction	0.42%
Kwang Dong Pharmaceutical Co Ltd	0.41%
Multicampus	0.41%
Daelim Industrial Pref/Non-Voting	0.40%
Ilshin Spinning Co Ltd	0.40%
Ssangyong Fire Marine Insurance	0.39%
Kpx Chemical Co Ltd	0.39%

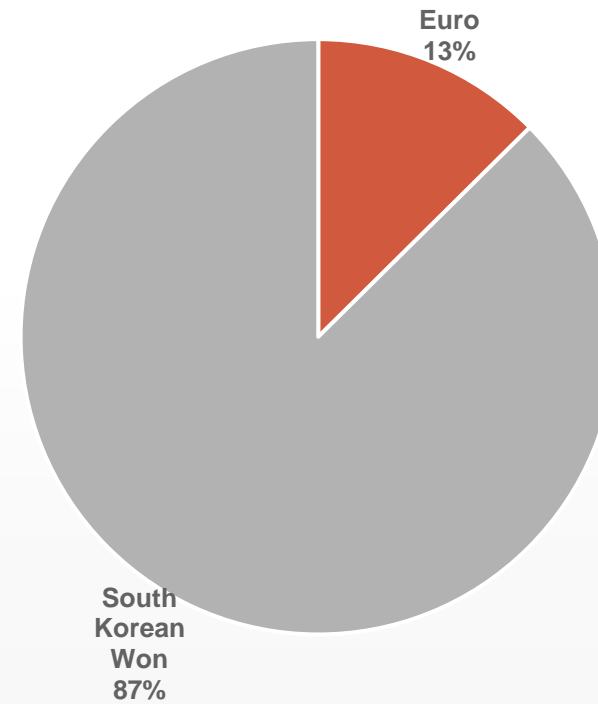
Holding	Portfolio Weight
Fursys Inc	0.38%
Hyundai Engineering Construction	0.37%
Jls Co Ltd	0.36%
Kt Adr	0.36%
Bgf Rg Registered Shs	0.36%
Namhae Chemical Corp	0.34%
Dongwon F And B	0.34%
Shinhan Financial Group Co Ltd Repr.2Shs	0.33%
Hyundai Livart	0.33%
Gabia Inc	0.32%
Kpc Holdings Corp	0.32%
Sk Telecom Co Ltd-Spon Adr	0.32%
Hyundai Green Food Co. Ltd	0.31%
Youngone Corporation	0.31%
Lg Haussys	0.30%
Interflex Co Ltd	0.30%
Saraminhr Co Ltd	0.29%
Charm Engineering	0.28%
Ezweel Co Ltd	0.28%
Korea Circuit Co Ltd-Pref	0.27%
Lg Haussys Prf Shs N.Vtg	0.25%
Korea Life Insurance Co Ltd	0.25%
Daewoo Securities - Pfd Shs Non Voting	0.25%
Lotte Chilsung Beverage Co Pfd Shs N.Vtg	0.25%
Woongjin Thinkbig Co	0.21%
Huons Global Co Ltd	0.20%
Digital Daesung Co Ltd	0.20%
Hyundai G.F. Holdings	0.17%
Chinyang Holdings Co	0.16%
Daehan Synthetic	0.13%

PORTFOLIO: Allocation summary

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



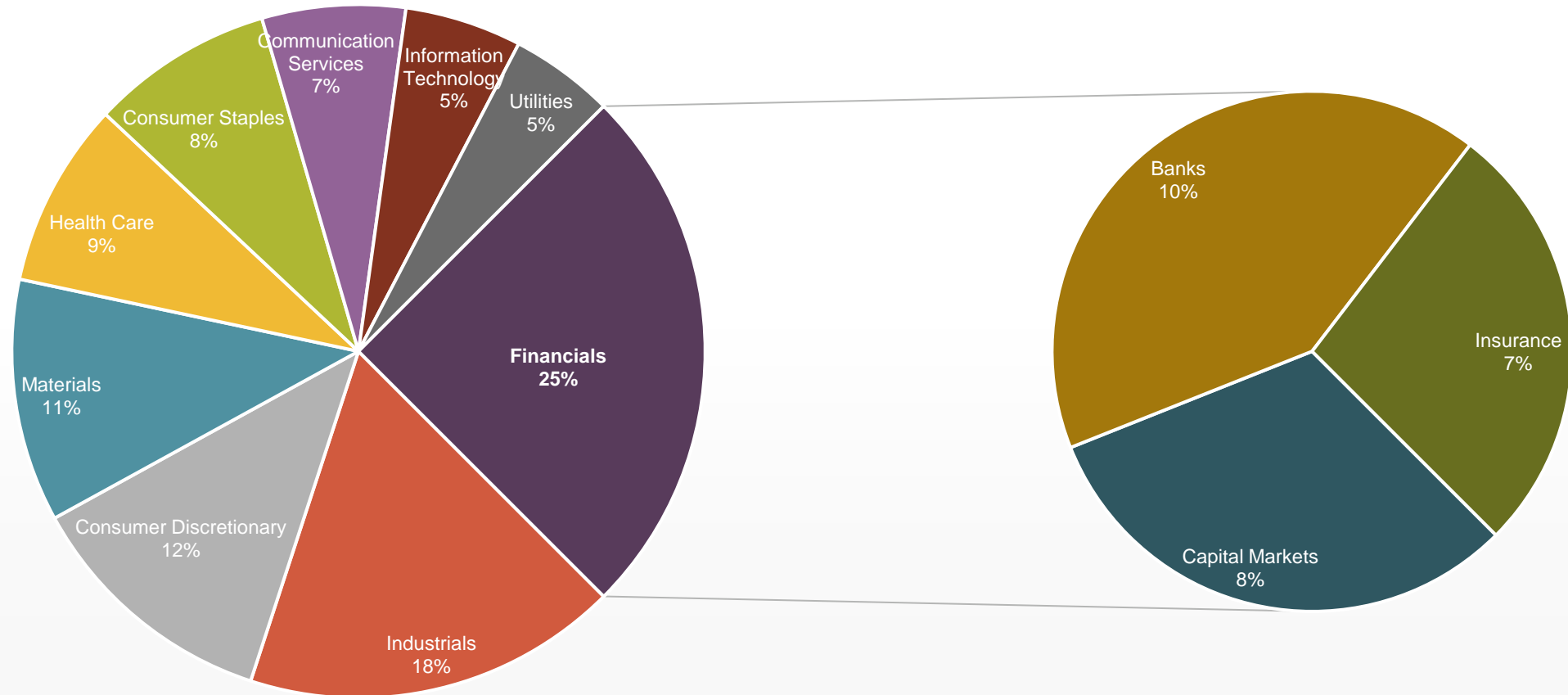
**Breakdown by Currency
as of 14 July'23**



Source: Niche AM, Thomson Reuters

EQUITY PORTFOLIO: Allocation summary: Breakdown by Sector

as 14 July'23



EQUITY PORTFOLIO: Change in holdings (30 June'23 - 14 July'23)

Holding	Trade	End Portfolio Weight	Change in Weight*	Total Return on sold positions
Sebang	BUY	0.48%	0.48%	
CJ Freshway	ADD	0.55%	0.55%	
Shinsegae Food	ADD	0.54%	0.54%	
Whanin Pharm	ADD	0.88%	0.29%	
Maeil Dairies	ADD	1.02%	0.19%	
Hd Hyundai Electric	SELL	0.00%	-1.25%	+67.19%
Eugene Investment & Securities	SELL	0.00%	-0.76%	+65.03%

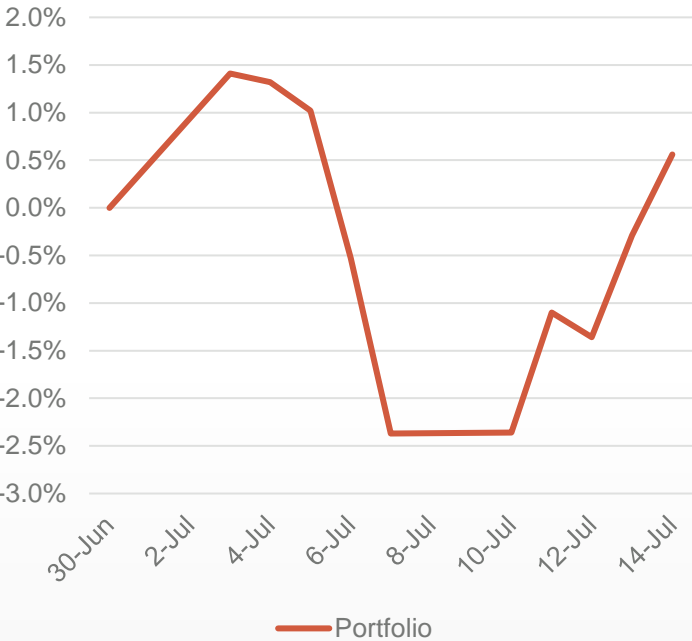
*Not adjusted for subscriptions/redemptions and changes in market value

Source: NicheAM, Refinitiv

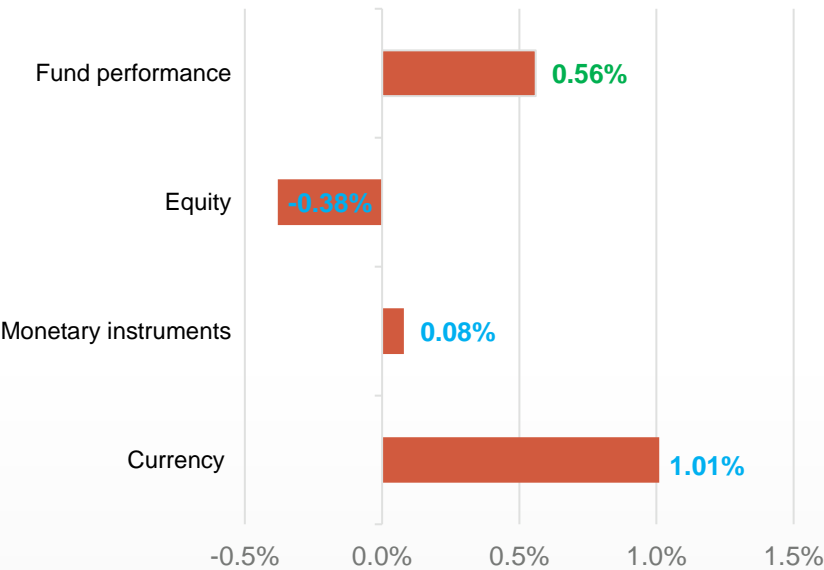


PORTFOLIO: Allocation & Performance summary

Fund* Chart (30 June '23- 14 July'23)



Performance by Asset Class (30 June '23- 14 July'23)



Performance contribution by Asset Class and Sector (30 June '23- 14 July'23)

	Avg Weight (a)	2 weeks Return (b)	Contribution (c = a*b)
<u>Contribution by asset class</u>			
Equity*	87.4%	-0,38%	-0,34%
Cash & monetary instruments	12.6%	0.08%	0,01%
Currency		1,01%	0,89%
Total performance			+0,56%
<u>Equity Contribution by sector</u>			
Information Technology	4.7%	3.4%	0.16%
Materials	9.9%	1.2%	0.12%
Financials	22.2%	0.2%	0.04%
Health Care	7.5%	-0.2%	-0.02%
Utilities	4.3%	-0.7%	-0.03%
Communication Services	5.9%	-0.7%	-0.04%
Consumer Discretionary	10.2%	-0.5%	-0.05%
Consumer Staples	7.0%	-1.3%	-0.09%
Industrials	15.8%	-2.7%	-0.43%

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: 12,15 mln €
Project closure at 25 mln €

*class I.

*Equity Performance is net of fees

Source: NicheAM, Refinitiv

EQUITY PORTFOLIO: Performance (30 June '23 - 14 July'23)

Top performers*

	Avg Weight	Return	Contribution
Value Added Technologies	0.7%	25.6%	0.18%
Posco Holdings	1.0%	16.4%	0.16%
Asia Paper Manufacturing	0.9%	16.6%	0.14%
Hecto Innovation	1.4%	7.2%	0.10%
Korean Air Lines	1.0%	8.3%	0.08%
Hyundai Department Store	0.8%	10.4%	0.08%
SK Square	0.9%	7.4%	0.06%
Samsung Life	0.9%	6.6%	0.06%
KC Tech	0.7%	7.7%	0.05%
Samsung Securities	1.4%	3.5%	0.05%
KB Financial Group	1.4%	3.1%	0.04%
Asia Cement	0.5%	7.7%	0.04%
Coway	0.8%	4.9%	0.04%
Korea Circuit Pref Shs	0.2%	15.4%	0.04%
Hanwha Solutions	0.5%	6.3%	0.03%

Bottom performers

	Avg Weight	Return	Contribution
Gs Engineering & Construction	0.6%	-23.2%	-0.13%
DL E&C	1.3%	-7.9%	-0.10%
SK Chemicals Pre Shs	0.8%	-7.6%	-0.06%
Hwacheon Machine Tool	1.2%	-4.4%	-0.05%
Whanin Pharm	0.8%	-5.2%	-0.04%
Lotte Rental	1.0%	-4.1%	-0.04%
Maeil Dairies	0.9%	-4.6%	-0.04%
Vieworks	1.0%	-3.7%	-0.04%
Cuckoo Holdings	1.4%	-2.6%	-0.04%
Hyosung	0.8%	-4.6%	-0.04%
Ace Bed	0.7%	-5.0%	-0.03%
DL 1P Pref Shs	0.4%	-8.1%	-0.03%
KumhoE&C	1.0%	-2.9%	-0.03%
Mirae Asset Life	0.7%	-3.6%	-0.02%
Sam Jung Pulp	1.1%	-2.3%	-0.02%

*Sorted from highest to lowest by Contribution

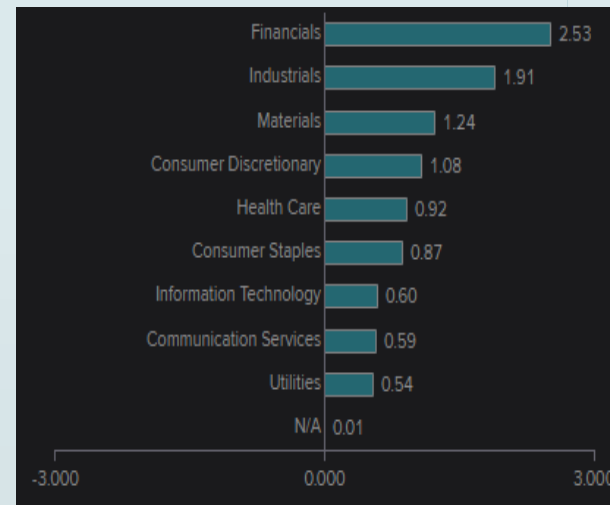
Source: NicheAM, Refinitiv

Ex-ante analysis: VaR 1 month 95% as of 14/07/2023

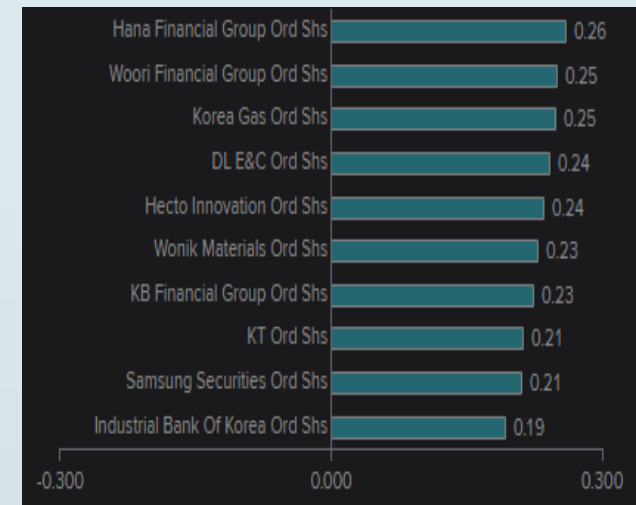
Portfolio VaR Sensitivity

	95% VaR	99% VaR
Historical 1D	-2,11%	-3,21%
Historical 1W	-4,71%	-7,19%
Historical 1M	-9,88%	-15,08%

VAR 1M – 95% BY SECTOR AS OF 14/07/2023



VAR 1M-95% TOP 10 SECURITIES AS OF 14/07/2023



EQUITY PORTFOLIO: Indices % price changes

Index	Price as of 14/07/2023	% 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*	999.36	-	0.56%	-	-2.49%	-	-0.06%
MSCI ACWI Net (.dMIWD00000NUS)	369.21	2.03%	-0.85%	16.25%	10.81%	25.22%	9.73%
MSCI Asia Pacific Value (.dMIAP0000VPUS)	153.85	3.06%	0.15%	7.96%	2.91%	22.29%	7.16%
MSCI Asia Pacific (.MIAP00000PUS)	168.75	3.37%	0.45%	8.35%	3.29%	23.14%	7.90%
Korea KOSPI (.KS11)	2628.30	2.50%	3.28%	17.52%	10.94%	18.41%	17.04%
Tokyo Stock Exchange (.TOPX)	2239.10	-2.16%	-1.09%	18.36%	6.63%	19.13%	12.14%
Indonesia (.JKSE)	6869.57	3.12%	0.89%	0.28%	-0.51%	0.56%	-8.76%
China (.HSI)	19413.78	2.63%	0.01%	-1.86%	-6.50%	16.86%	2.87%

* 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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