

*unique
investing*



**NICHE
JUNGLE**

**PROJECT
NJ**
Korea Reunification SDG



Bi-Weekly Risk Report

14 October 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) - IE000ROCQ077
Project ICAV:	NicheJungle ICAV www.nichejungle.com
Project Inception date:	17/10/2022
Project AUM:	12,37 mln € as of 14/10/2023
Project Max AUM:	25 mln
Project Liquidity at max. AUM	89% 5 day – 97% 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 significant 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)



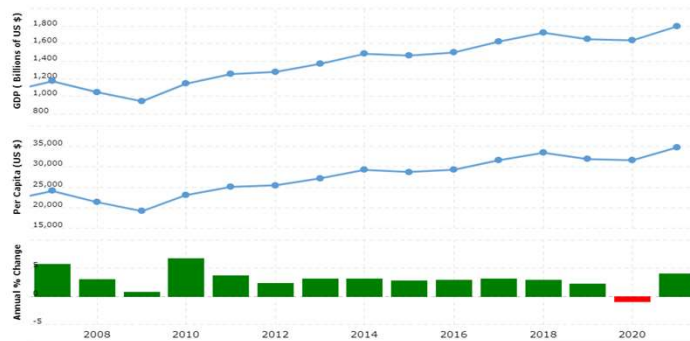
ANNUAL PERFORMANCE (%)

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)

	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	11.65	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 — 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

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

FUNDAMENTALS (FEB 28, 2023)

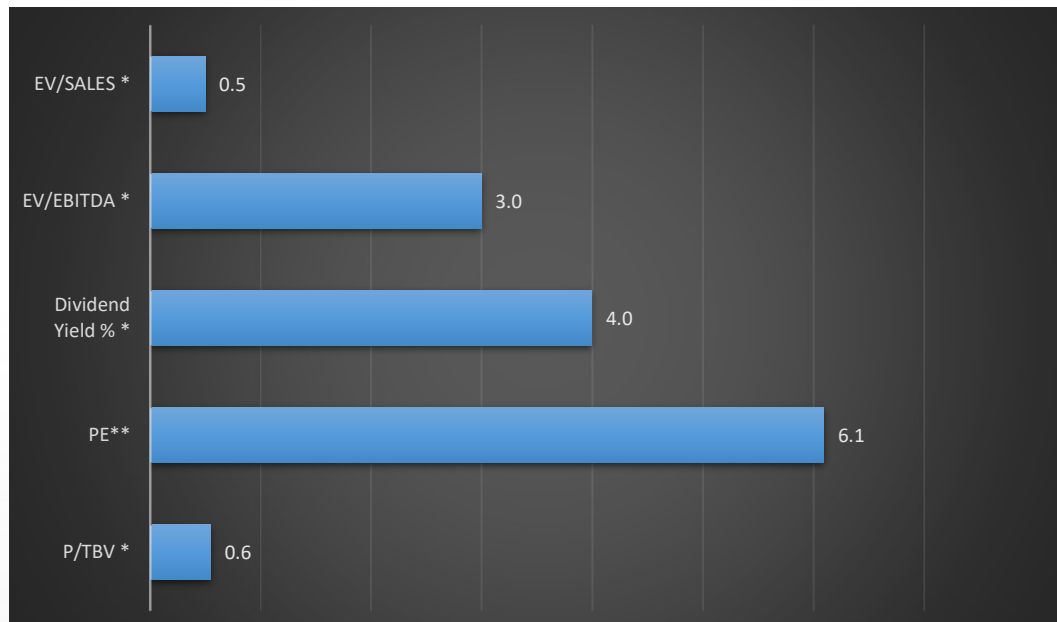
	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			Since Nov 25, 2008	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI China A	-4.42	6.78	-16.91	4.68	5.64	1.63	5.56	6.90	2.09	15.88	12.09	1.92
MSCI ACWI	-2.83	0.10	-7.80	4.16	9.31	6.35	8.48	10.64	2.27	17.24	15.32	2.56
MSCI Emerging Markets	-6.48	-0.45	-14.91	0.92	1.34	-1.50	1.89	7.59	3.32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

Source: NicheAM, WorldBank, MSCI

...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 October'23)



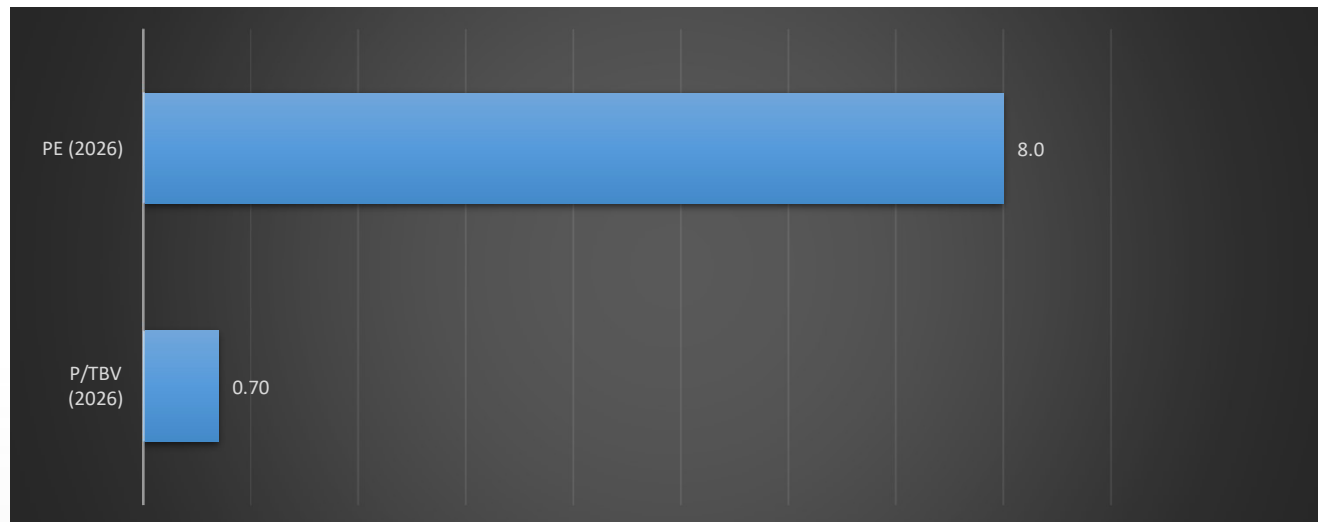
* Last available

** 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	+59,3%	Total	45000	< +/- 5%	8,0x	-
14/12/2022	Sebang	27539	+78,8%	Total	27200	< +/- 5%	10,0x	-
20/02/2023	Osstem Implant Co Ltd	188518	+62,4%	Total	190000	< +/- 5%	12,0x	-
19/04/2023	Rifa Industrial	25850	+68.4%	Total	30500	+18%	N.s.	The company doesn't want to engage with the IM
27/04/2023	KISCO Holdings	20123	+61.6%	Total	36620	+82%	3,5x	Switch with the operating company, Kisco, that presents better upside (>120%) and liquidity
15/05/2023	Oyang Corp	8180	+7,9%	Total	14150	+73%	10x	The company doesn't want to engage with the IM on sustainability
01/06/2023	Hyundai Elevator	40532	+74.0%	Total	39600	< +/- 5%	12x	-
05/06/2023	SK RENT A CAR	9466	+47.9%	Total	9100	< +/- 5%	12x	-
03/07/2023	Hd Hyundai Electric	66102	+73.1%	Total	68000	< +/- 5%	12x	-
10/07/2023	Eugene Investment & Sec	4153	+63.5%	Total	4900	+18%	P/TBV 0,5x	The company doesn't want to engage with the IM
24/07/2023	Posco Holdings	566000	+122.0%	Total	547220	< +/- 5%	P/TBV 1,0x	-
04/08/2023	LX Hausys	52711	+63.9%	Total	53700	< +/- 5%	7,0x	-
08/08/2023	Chinyang Holdings	3275	+9.6%	Total	4770	+46%	P/TBV 0,7x	The company doesn't want to engage with the IM
06/09/2023	KC Tech Co	22041	+36.7%	Total	27500	+25%	12x	The company doesn't want to engage with the IM
15/09/2023	Asia Holding	168462	+28.7%	Total	237000	+41%	N.s.	Switch with one of its main operating company, Asia Paper, that presents a more compelling risk/reward profile (upside>130%)

* Local currency

** PE Adjusted for net cash

Source: NicheAM

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

Holding	Portfolio Weight	Holding	Portfolio Weight
Indust Bk Of Korea	1.76%	Wimco Registered	0.99%
Kb Financial Group Inc	1.63%	Lotte Rental Co Ltd	0.99%
Woori Financial Group	1.60%	Ace Bed Co Ltd	0.96%
Kt Corporation	1.60%	Hyundai Home Shopping	0.95%
Hana Financial Group Inc	1.49%	Samsung Life Insurance Co Ltd	0.95%
Korea Gas Corp	1.49%	Pharmgen Science Inc	0.95%
Samsung Securities Co Ltd	1.44%	Sam Jung Pulp	0.93%
Cuckoo Electronics Co Ltd	1.43%	Korean Reinsurance Co	0.92%
Hecto Innovation Co Ltd	1.40%	Daelim Industrial Pref/Non-Voting	0.90%
Bnk Financial Group Inc	1.35%	Mirae Asset Life	0.88%
Tongyang Life	1.30%	Hwa Sung Industrial	0.87%
Kisco Corp Tentative	1.21%	Bookook Secs Co	0.86%
Gwangjushinsega Co Ltd	1.17%	Vieworks	0.86%
Handsome	1.17%	Shinhan Financial Group	0.85%
Samsung Fire And Marine Insurance Pref.	1.17%	Whan In Pharmaceutic	0.85%
Shinsega Information & Comm	1.16%	Daesang Corp	0.84%
Hyundai Fire Marine Insurance Co Ltd	1.15%	Sk Square Co., Ltd.	0.84%
DI E And C - Registered Shs	1.15%	Hyundai Department Store Shs	0.84%
Asia Paper Manufacturing Co	1.15%	Cj Cheiljedang Corp	0.82%
Skchem --- Non-Cum Pfd	1.13%	Hyundai Engineering Construction	0.80%
Lg Electronics Inc Pfd Shs.Non Voting	1.13%	Korean Air	0.79%
Soulbrain Holdings Co., Ltd.	1.12%	Coway Co Ltd	0.79%
Dgb Financial Group Ltd	1.11%	Megastudy	0.79%
Hs Ad	1.09%	Yesco Shs	0.76%
Daishin Securities Pref.Non.Voting	1.05%	Cj Freshway Corp	0.75%
Ottogi Corporation	1.05%	Hyosung Corp	0.74%
Maeil Dairies Co Ltd	1.04%	Tae Kwang Industrial Co Ltd	0.74%
Kyungdong City G	1.04%	Hanwha Solutions Corporatio	0.73%
Hyundai G.F. Holdings	1.03%	Dongwon Industries Co Ltd	0.72%
Kuhmo Industrial Co Ltd	1.02%	Multicampus	0.71%
Sk Telekom	1.00%	Cs Holdings Co Ltd	0.70%
Hwacheon Machine	1.00%	E-Mart	0.69%
Lg Uplus Corp	0.99%	Db Financial Inv	0.69%

Equity Exposure: 94%
No of holdings: 125
Average Weight: 0.75%
Median Weight: 0.71%

TOP 5 : 8.08%
TOP 10: 15.19%
TOP 25: 33.50%
TOP 50: 56.85%



Source: NicheAM, Refinitiv

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

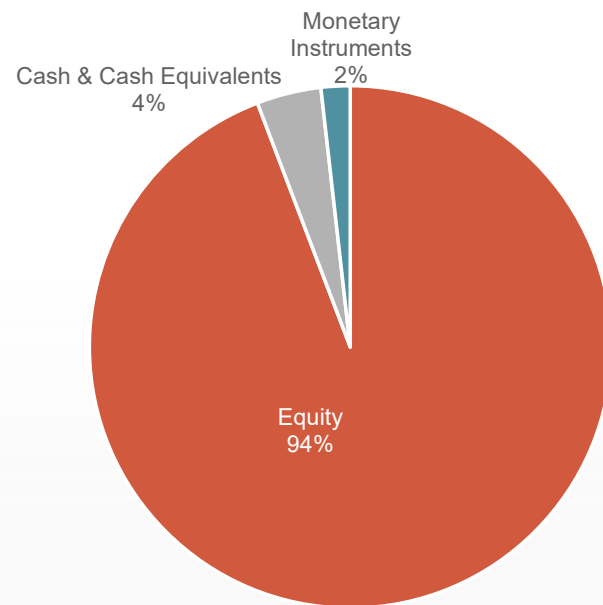
Holding	Portfolio Weight	Holding	Portfolio Weight
Kyobo Securities	0.69%	Nong Shim Holdings Co Ltd	0.44%
Imarketkorea Inc	0.67%	Global Enterprise Co Ltd	0.42%
Seegene Inc	0.67%	Ssangyong Fire Marine Insurance	0.41%
Daihan Pharmaceutical Co Ltd	0.66%	Sindoricom	0.40%
Bgf Rg Registered Shs	0.64%	Kt Adr	0.39%
Geumhwa Psc Co Ltd	0.63%	Dongbu Engineering Construction	0.37%
Hyundai Steel Co	0.63%	Fursys Inc	0.37%
Dongkook Pharmaceutical Co Ltd	0.63%	Dongwon F And B	0.36%
Woori Investment & Securities Pfd N.Vot	0.63%	Gabia Inc	0.36%
Korea Electric Power Corp	0.62%	Jls Co Ltd	0.35%
Value Added Technology Co Ltd	0.60%	Sk Telecom Co Ltd-Spon Adr	0.34%
Kt Skylife	0.59%	Shinhan Financial Group Co Ltd Repr.2Shs	0.34%
Korea Electric Terminal	0.59%	Hyundai Livart	0.33%
Daehan Flour Mills	0.59%	Kyeryong Construction Industrial Co Ltd	0.33%
Woongjin Thinkbig Co	0.58%	Daehan Synthetic	0.32%
Huons Co Ltd	0.58%	Youngone Corporation	0.31%
Lock & Lock	0.57%	Kpc Holdings Corp	0.31%
Yuhwa Securities Co Ltd	0.56%	Namhae Chemical Corp	0.30%
Shin Heung Energy And Electronics Co Ltd	0.56%	Hyundai Green Food Co. Ltd	0.29%
Kpx Chemical Co Ltd	0.55%	Korea Life Insurance Co Ltd	0.28%
Ilshin Spinning Co Ltd	0.55%	Lotte Chilsung Beverage Co Pfd Shs N.Vtg	0.26%
Incheon City Gas Co Ltd	0.54%	Interflex Co Ltd	0.24%
Suheung Capsule Co Ltd	0.54%	Lg Haussys Prf Shs N.Vtg	0.24%
Cell Biotech Co Ltd	0.52%	Ezweel Co Ltd	0.24%
Interlark Holding	0.47%	Daewoo Securities - Pfd Shs Non Voting	0.23%
Shinsegae Food Co Ltd	0.47%	Korea Circuit Co Ltd-Pref	0.23%
Kwang Dong Pharmaceutical Co Ltd	0.47%	Huons Global Co Ltd	0.21%
Saraminhr Co Ltd	0.47%	Digital Daesung Co Ltd	0.17%
Megastudyedu Co Ltd	0.45%	Charm Engineering	0.17%
Gs Engineering & Construction	0.45%		

Source: NicheAM, Refinitiv

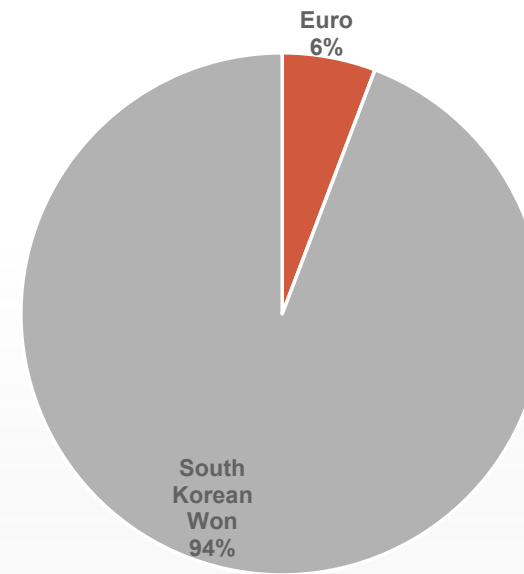


PORTFOLIO: Allocation summary

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

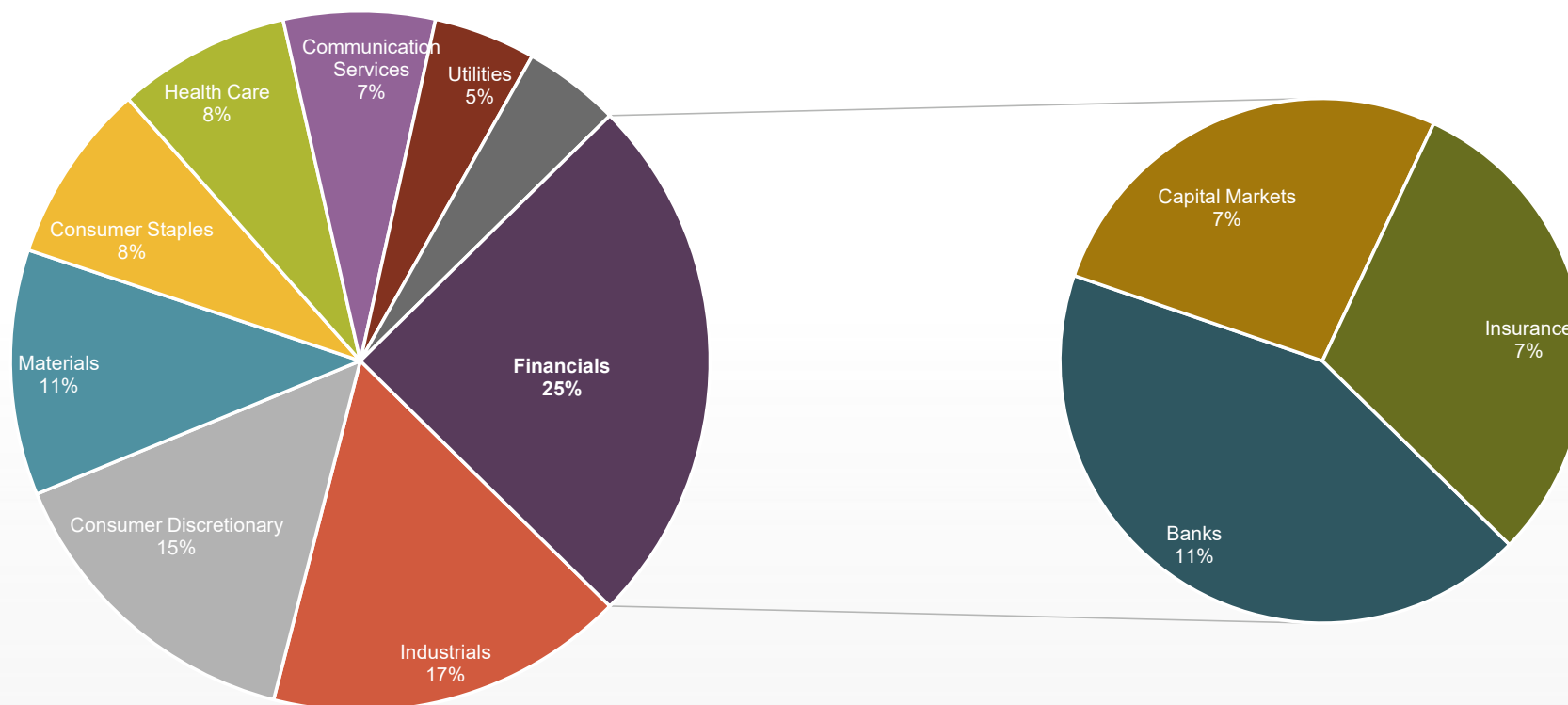


**Breakdown by Currency
as of 14 October'23**



Source: Niche AM, Thomson Reuters

EQUITY PORTFOLIO: Allocation summary: Breakdown by Sector ***as 14 October'23***



Source: NicheAM, Refinitiv

EQUITY PORTFOLIO: Change in holdings (30 September'23 - 14 October'23)

Holding	Trade	End Portfolio Weight	Change in Weight*	Total Return on sold positions
Lg Electronics Pref Shs	BUY	1.13%	1.13%	
DL 1P Pref Shs	ADD	0.90%	0.10%	

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

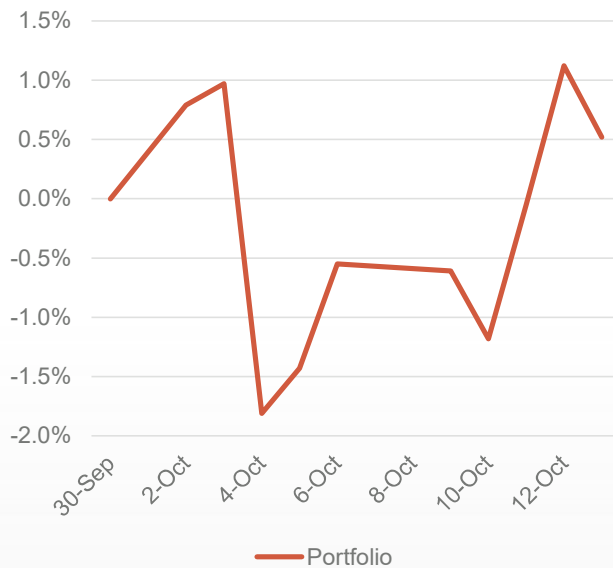
***Local Currency*

Source: NicheAM, Refinitiv

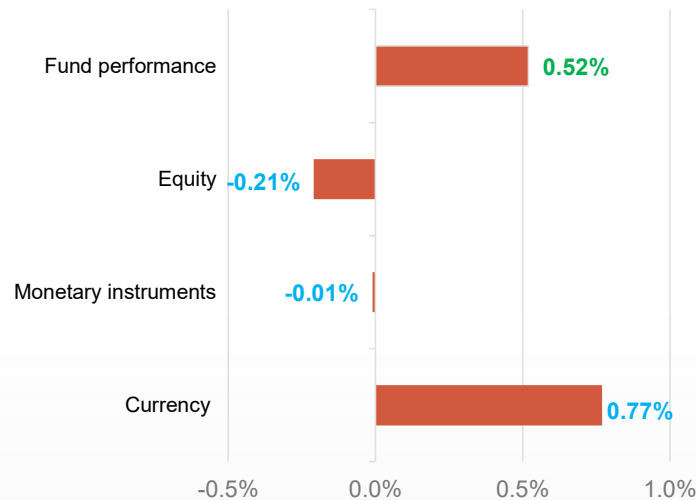


PORTFOLIO: Allocation & Performance summary

Fund* Chart (30 September '23- 14 October'23)



**Performance by Asset Class
(30 September '23- 14 October'23)**



**Performance contribution by Asset Class and Sector
(30 September '23- 14 October'23)**

	Avg Weight (a)	2 weeks Return (b)	Contribution (c = a*b)
Contribution by asset class			
Equity*	93.9%	-0.21%	-0.20%
Cash & monetary instruments	6.1%	-0.01%	0.00%
Currency		0.77%	0.72%
Total performance			+0.52%
Equity Contribution by sector			
Financials	23.1%	2.38%	0.55%
Utilities	4.4%	0.49%	0.02%
Information Technology	4.2%	-0.20%	-0.01%
Health Care	7.6%	-0.23%	-0.02%
Materials	10.6%	-0.64%	-0.07%
Consumer Staples	7.9%	-1.12%	-0.09%
Consumer Discretionary	13.5%	-0.75%	-0.10%
Communication Services	6.7%	-2.20%	-0.15%
Industrials	15.8%	-2.16%	-0.34%

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: 12,37 mln €
Project closure at 25 mln €

*class I.

*Equity Performance is net of fees

Source: NicheAM, Refinitiv



EQUITY PORTFOLIO: Performance (30 September '23 - 14 October'23)

Top performers*

	Avg Weight	Return	Contribution
Kwangdong Pharmaceutical	0.4%	27.0%	0.10%
Industrial Bank Of Korea	1.7%	5.6%	0.10%
Dongkook Pharmaceutical	0.6%	11.9%	0.07%
Korea Electric Terminal	0.5%	12.8%	0.07%
Bnk Financial Group	1.3%	5.2%	0.07%
Tong Yang Life Insurance	1.3%	5.1%	0.07%
DGB Financial Group	1.1%	5.5%	0.06%
Korean Reinsurance	0.9%	6.0%	0.06%
KB Financial Group	1.6%	3.1%	0.05%
Samsung Securities	1.4%	3.5%	0.05%
SK Square	0.8%	6.0%	0.05%
Woori Financial Group	1.6%	3.1%	0.05%
Lg Electronics Pref Shs	0.7%	7.1%	0.05%
Hana Financial Group	1.5%	3.3%	0.05%
Kyungdong City Gas	1.0%	4.7%	0.05%

Bottom performers

	Avg Weight	Return	Contribution
Hyundai Department Store	0.9%	-12.2%	-0.11%
Hyundai Steel	0.7%	-10.9%	-0.08%
Korean Air Lines	0.8%	-6.6%	-0.06%
Sk Telecom	1.0%	-4.8%	-0.05%
Cuckoo Holdings	1.5%	-3.3%	-0.05%
PharmGen Science	1.0%	-4.2%	-0.04%
CJ Freshway	0.8%	-5.4%	-0.04%
Imarketkorea	0.7%	-5.7%	-0.04%
Saramin	0.5%	-6.7%	-0.03%
Hyosung	0.8%	-4.1%	-0.03%
Seegene	0.7%	-4.2%	-0.03%
Kyeryong Construction Industrial	0.3%	-7.7%	-0.03%
Gs Engineering & Construction	0.5%	-5.4%	-0.03%
Huons	0.6%	-4.0%	-0.02%
Dongwon Industries	0.7%	-3.0%	-0.02%

*Sorted from highest to lowest by Contribution

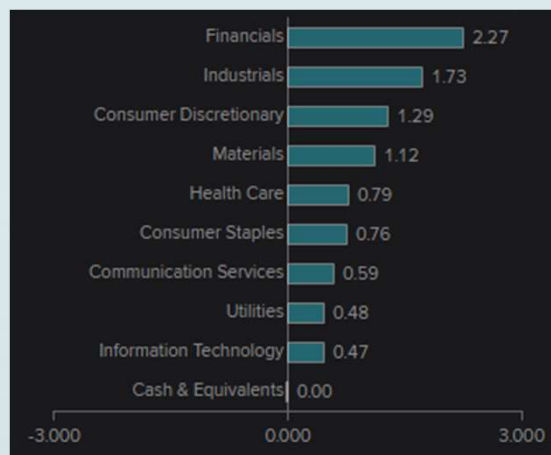
Source: NicheAM, Refinitiv

Ex-ante analysis: VaR 1 month 95% as of 14/10/2023

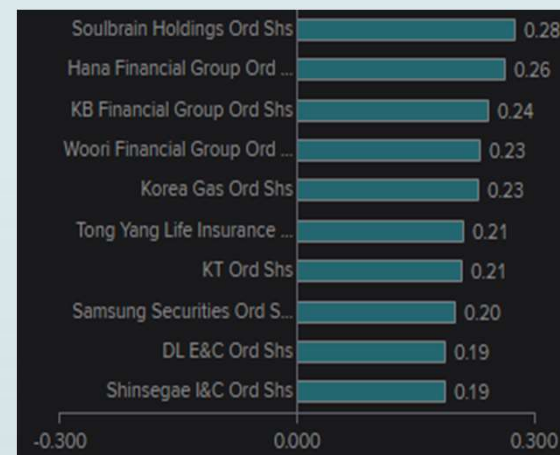
Portfolio VaR Sensitivity

	95% VaR	99% VaR
Historical 1D	-2,04%	-2,72%
Historical 1W	-4,57%	-6,07%
Historical 1M	-9,59%	-12,74%

VAR 1M – 95% BY SECTOR AS OF 14/10/2023



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





EQUITY PORTFOLIO: Indices % price changes

Index	Price as of 14/10/2023	% 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*	994.95	-	0.52%	-	-2.92%	-	-0.51%
MSCI ACWI Net (.dMIWD00000NUS)	350.58	0.30%	0.88%	10.39%	12.41%	18.90%	11.31%
MSCI Asia Pacific Value (.dMIAP00000VPUS)	147.72	-0.85%	-0.28%	3.66%	5.56%	17.42%	9.92%
MSCI Asia Pacific (.MIAP00000PUS)	157.10	-0.15%	0.43%	0.87%	2.73%	14.64%	7.32%
Korea KOSPI (.KS11)	2456.15	-0.36%	-0.28%	9.83%	3.89%	10.65%	9.60%
Tokyo Stock Exchange (.TOPX)	2308.75	-0.63%	-0.19%	22.05%	8.96%	22.83%	14.59%
Indonesia (.JKSE)	6926.78	-0.19%	-1.08%	1.11%	2.21%	1.40%	-6.25%
China (.HSI)	17813.45	0.02%	0.68%	-9.95%	-8.47%	7.23%	0.71%

* 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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