

*unique  
investing*



**NICHE  
JUNGLE**

**PROJECT  
NJ**  
**Korea Reunification SDG**



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

*14 December 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	<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:	12.66 mln € as of 14/12/2023
Project Max AUM:	25 mln
Project Liquidity at max. AUM	90% 5 day – 95% 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)

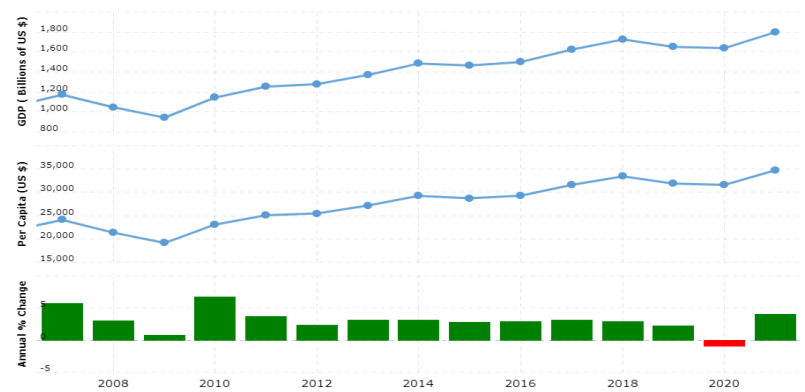


ANNUAL PERFORMANCE (%)

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

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED			Since Dec 31, 19%	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI Korea Value	-5.70	-13.06	14.54	5.72	-0.92	-0.64	-1.72	4.63	3.20	12.30	7.93	0.70

INDEX PERFORMANCE – GROSS RETURNS (%) (OCT 31, 2023)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Dec 31, 1974	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI World Value	-3.37	-8.58	3.90	-0.79	11.01	5.65	5.74	1.03	3.40	13.51	11.69	1.79	
MSCI World	-2.88	-9.22	11.05	8.34	8.66	8.82	8.11	10.95	2.12	18.73	15.59	2.81	

INDEX PERFORMANCE – NET RETURNS (%) (OCT 31, 2023)

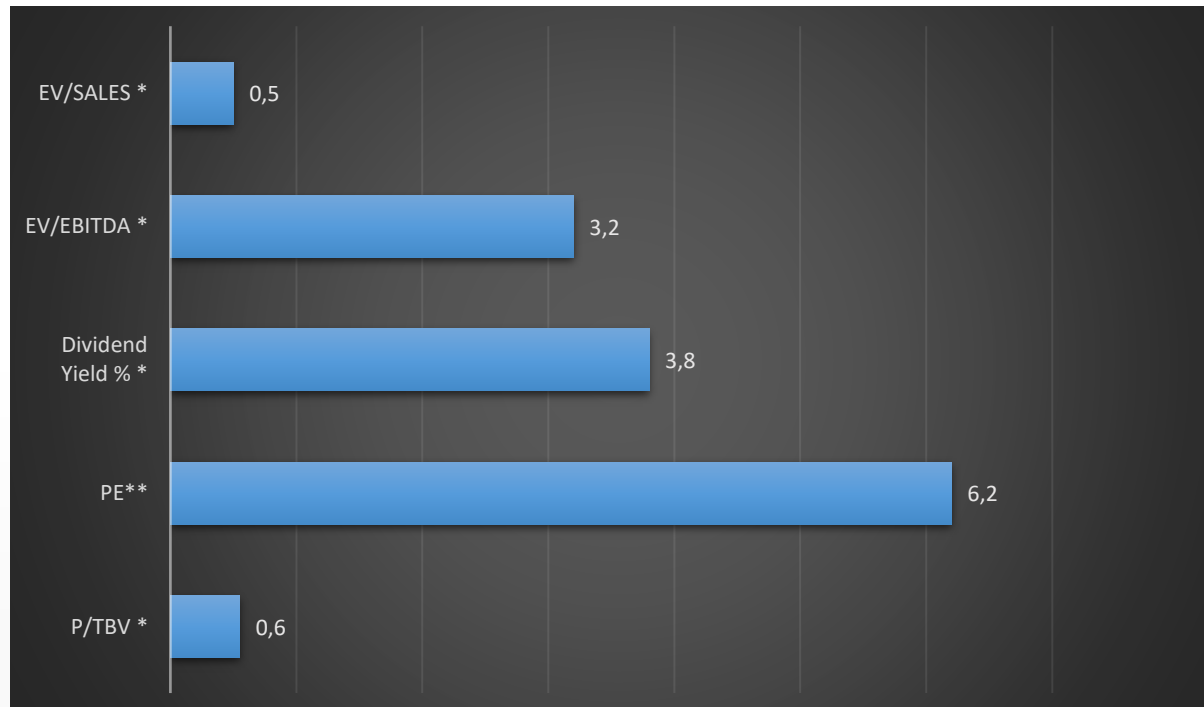
	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Nov 25, 200%	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI China A	-3.85	-13.09	-0.03	-13.25	-8.77	4.91	4.16	5.03	2.52	14.82	10.99	1.62	
MSCI China	-4.26	-15.24	21.12	-11.24	-16.95	-2.65	0.98	5.61	2.66	12.75	9.34	1.27	
MSCI Emerging Markets	-3.89	-12.16	10.80	-2.14	-3.67	1.59	1.19	6.67	3.18	13.52	11.04	1.54	

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 December '23 )***

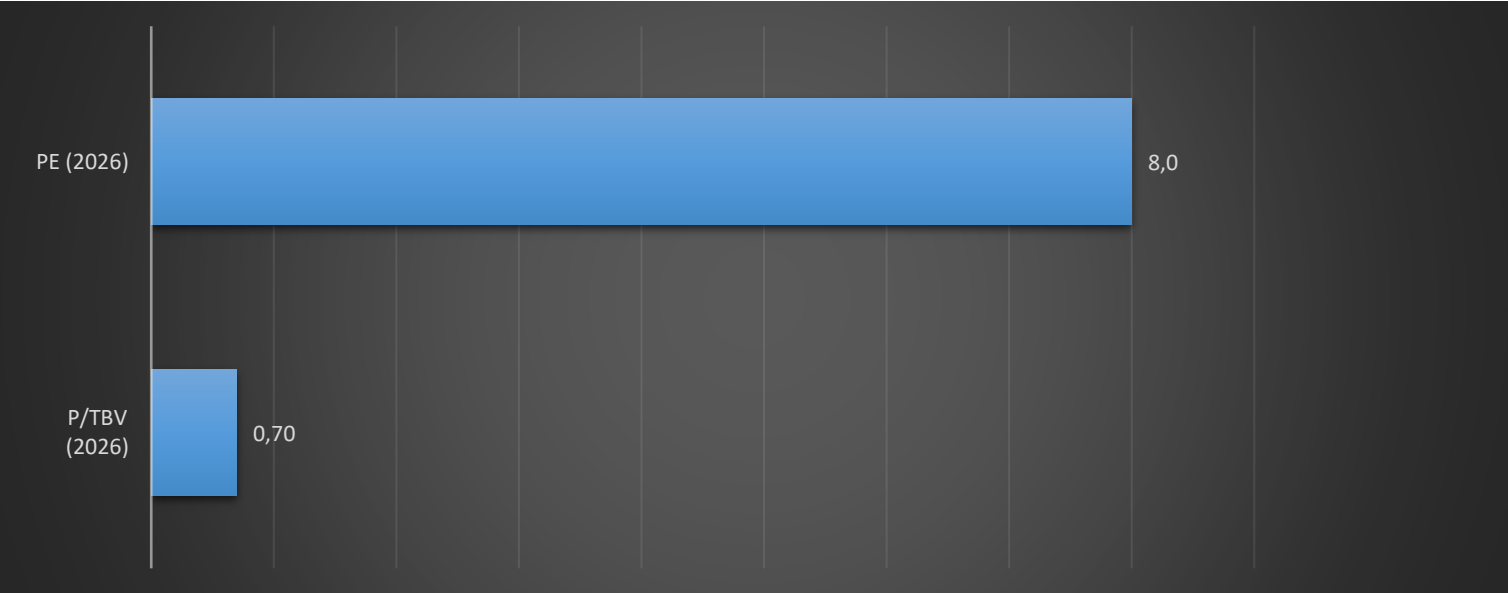


\* Last available

\*\* 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%)
25/10/2023	Mirae Asset Life	4490	59.1%	Total	4300	< +/- 5%	8x	-

\* Local currency

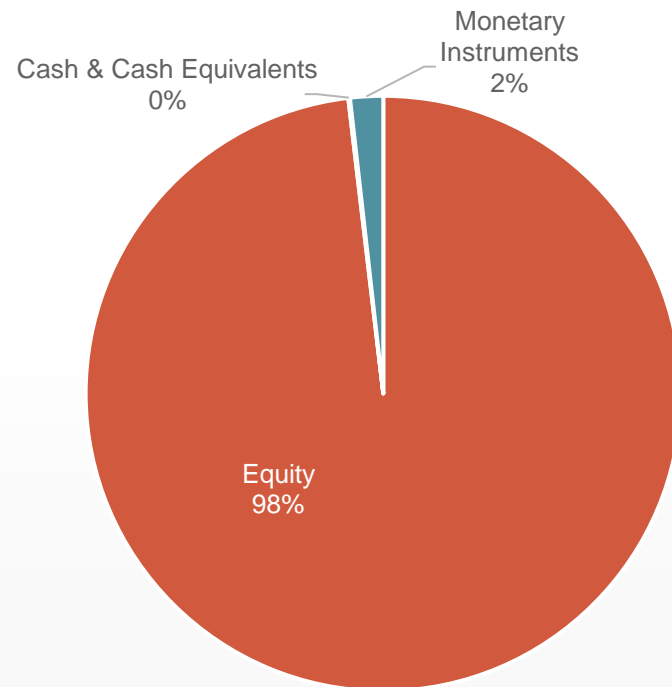
\*\* PE Adjusted for net cash

Source: NicheAM

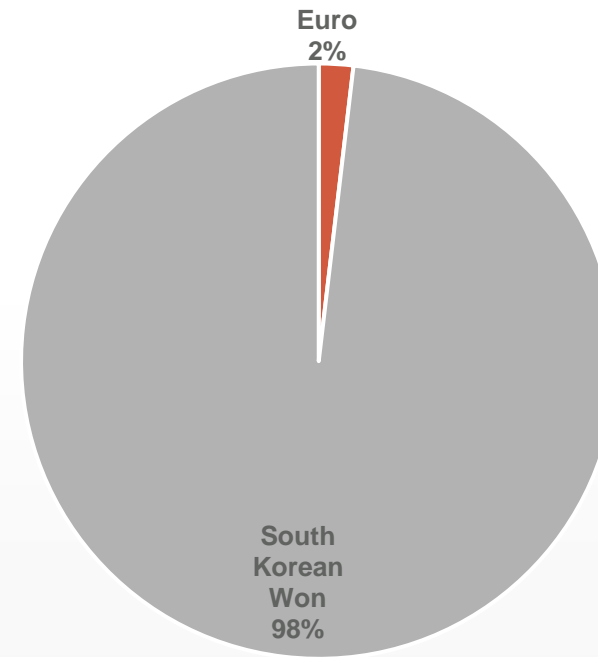


## PORTFOLIO: Allocation summary

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



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



Source: Niche AM, Thomson Reuters

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



Holding	Portfolio Weight
Kt Corporation	1.73%
Indust Bk Of Korea	1.72%
Woori Financial Group	1.61%
Soulbrain Holdings Co., Ltd.	1.58%
Korea Gas Corp	1.56%
Samsung Securities Co Ltd	1.49%
Kb Financial Group Inc	1.45%
Hana Financial Group Inc	1.39%
DI E And C - Registered Shs	1.39%
Hecto Innovation Co Ltd	1.36%
Cuckoo Electronics Co Ltd	1.35%
Bnk Financial Group Inc	1.31%
Hanwha Solutions Corporatio	1.20%
Asia Paper Manufacturing Co	1.19%
Dongwon Industries Co Ltd	1.19%
Handsome	1.18%
Kisco Corp Tentative	1.18%
Samsung Fire And Marine Insurance Pref.	1.17%
Gwangjushinsegae Co Ltd	1.16%
Shinsegae Information & Comm	1.16%
Daelim Industrial Pref/Non-Voting	1.15%
Skchem --- Non-Cum Pfd	1.13%
Tongyang Life	1.13%
Cj Freshway Corp	1.10%
Dgb Financial Group Ltd	1.10%
Kuhmo Industrial Co Ltd	1.09%
Hs Ad	1.09%
Hyundai G.F. Holdings	1.09%
Wimco Registered	1.08%
Ottogi Corporation	1.07%
Hyundai Fire Marine Insurance Co Ltd	1.05%
Lg Electronics Inc Pfd Shs.Non Voting	1.04%

Holding	Portfolio Weight
Daishin Securities Pref.Non.Voting	1.03%
Sk Telekom	1.00%
Lotte Rental Co Ltd	0.99%
Kyungdong City G	0.99%
Maeil Dairies Co Ltd	0.99%
Coway Co Ltd	0.99%
Lg Uplus Corp	0.97%
Ace Bed Co Ltd	0.97%
Hyundai Home Shopping	0.96%
Hwacheon Machine	0.96%
Sk Square Co., Ltd.	0.93%
Sam Jung Pulp	0.91%
Daesang Corp	0.90%
Whan In Pharmaceutic	0.89%
Korean Air	0.89%
Samsung Life Insurance Co Ltd	0.89%
Korean Reinsurance Co	0.89%
Hyundai Energy Solutions	0.89%
Pharmgen Science Inc	0.88%
Hwa Sung Industrial	0.88%
Shinhan Financial Group	0.88%
Bookook Secs Co	0.87%
Interlark Holding	0.85%
Hyosung Corp	0.83%
Youngone Corp	0.83%
Cj Cheiljedang Corp	0.83%
Megastudy	0.81%
Yesco Shs	0.79%
Hyundai Engineering Construction	0.78%
Hyundai Department Store Shs	0.76%
Vieworks	0.75%
Tae Kwang Industrial Co Ltd	0.74%

Equity Exposure: 98%  
No of holdings: 125  
Average Weight: 0.78%  
Median Weight: 0.75%

TOP 5 : 8.20%  
TOP 10: 15.28%  
TOP 25: 34.07%  
TOP 50: 58.41%

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

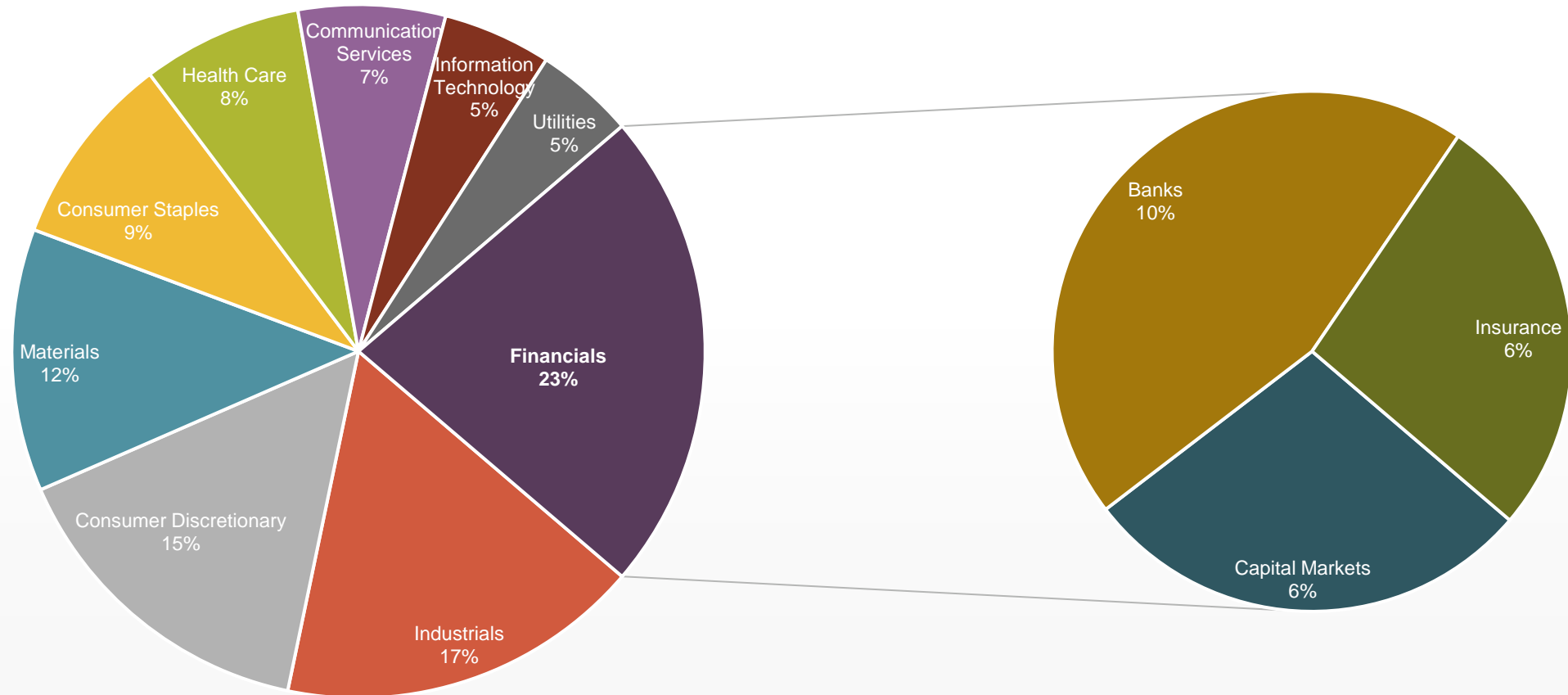


Holding	Portfolio Weight	Holding	Portfolio Weight
Korea Electric Terminal	0.73%	Shinsegae Food Co Ltd	0.49%
Seegene Inc	0.73%	Global Enterprise Co Ltd	0.46%
Cs Holdings Co Ltd	0.72%	Nong Shim Holdings Co Ltd	0.45%
Multicampus	0.70%	Kwang Dong Pharmaceutical Co Ltd	0.45%
E-Mart	0.69%	HI Mando Co. Ltd	0.44%
Imarketkorea Inc	0.69%	Kt Adr	0.42%
Bgf Rg Registered Shs	0.69%	Saraminhr Co Ltd	0.41%
Kyobo Securities	0.67%	Sindoricom	0.40%
Db Financial Inv	0.66%	Fursys Inc	0.39%
Korea Electric Power Corp	0.66%	Gabia Inc	0.39%
Hyundai Steel Co	0.65%	Dongbu Engineering Construction	0.38%
Daihan Pharmaceutical Co Ltd	0.65%	Dongwon F And B	0.37%
Geumhwa Psc Co Ltd	0.62%	Ssangyong Fire Marine Insurance	0.37%
Woori Investment & Securities Pfd N.Vot	0.61%	Shinhan Financial Group Co Ltd Repr.2Shs	0.36%
Value Added Technology Co Ltd	0.60%	Kyeryong Construction Industrial Co Ltd	0.35%
Yuhwa Securities Co Ltd	0.60%	JI Co Ltd	0.35%
Woongjin Thinkbig Co	0.60%	Sk Telecom Co Ltd-Spon Adr	0.34%
Daehan Flour Mills	0.59%	Daehan Synthetic	0.32%
Kt Skylife	0.57%	Youngone Corporation	0.31%
Dongkook Pharmaceutical Co Ltd	0.57%	Kpc Holdings Corp	0.31%
Kpx Chemical Co Ltd	0.54%	Hyundai Livart	0.30%
Ilshin Spinning Co Ltd	0.54%	Namhae Chemical Corp	0.29%
Lock & Lock	0.53%	Hyundai Green Food Co. Ltd	0.28%
Shin Heung Energy And Electronics Co Ltd	0.53%	Korea Circuit Co Ltd-Pref	0.28%
Incheon City Gas Co Ltd	0.52%	Lg Haussys Prf Shs N.Vtg	0.27%
Huons Co Ltd	0.52%	Lotte Chilsung Beverage Co Pfd Shs N.Vtg	0.26%
Suheung Capsule Co Ltd	0.52%	Korea Life Insurance Co Ltd	0.25%
Gs Engineering & Construction	0.52%	Interflex Co Ltd	0.25%
Megastudyedu Co Ltd	0.51%	Daewoo Securities - Pfd Shs Non Voting	0.24%
Cell Biotech Co Ltd	0.51%	Ezweel Co Ltd	0.22%
		Huons Global Co Ltd	0.21%

Source: NicheAM, Refinitiv

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

as 14 December '23



## ***EQUITY PORTFOLIO: Change in holdings (30 November '23 - 14 December '23)***

Holding	Trade	End Portfolio Weight	Change in Weight*	Total Return on sold positions**
Youngone Corp	BUY	0.83%	0.83%	

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

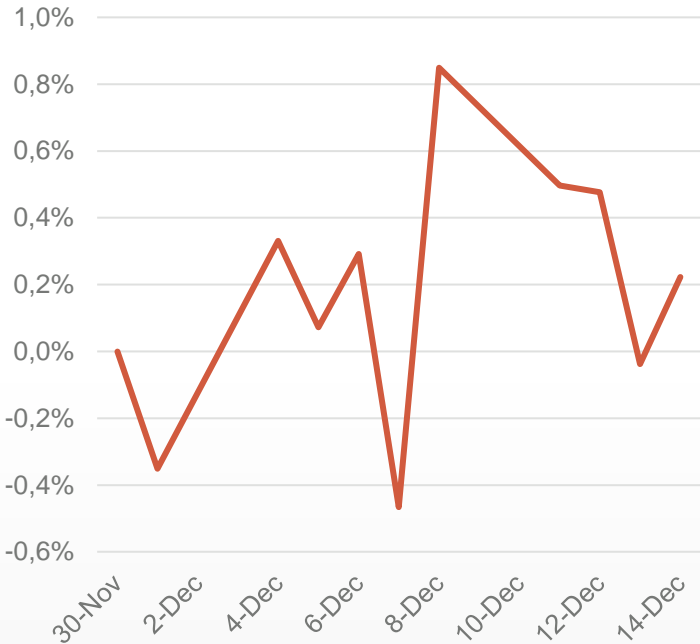
*\*\*Local Currency*

*Source: NicheAM, Refinitiv*

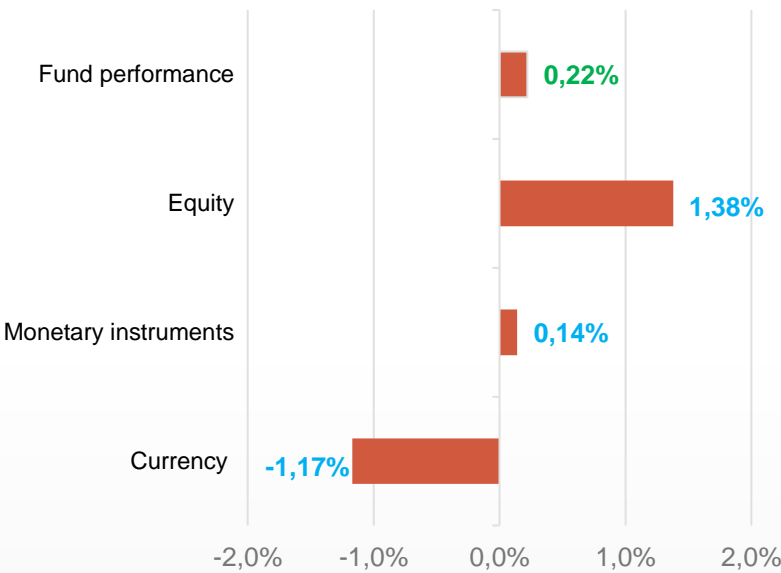


# PORTFOLIO: Allocation & Performance summary

Fund\* Chart (30 November '23- 14 December '23)



Performance by Asset Class  
(30 November '23 - 14 December '23)



Performance contribution by Asset Class and Sector  
(30 November '23 - 14 December '23)

	Avg Weight (a)	2 weeks Return (b)	Contribution (c = a*b)
<u>Contribution by asset class</u>			
Equity*	96.8%	1.42%	1.38%
Cash & monetary instruments	3.2%	0.21%	0.01%
Currency		-1.17%	-1.17%
<b>Total performance</b>			<b>+0.22%</b>
<u>Equity Contribution by sector</u>			
Financials	21.8%	-6.19%	-1.35%
Industrials	16.5%	-3.69%	-0.61%
Consumer Discretionary	14.7%	5.94%	0.87%
Materials	11.8%	9.14%	1.08%
Consumer Staples	8.7%	-2.89%	-0.25%
Health Care	7.2%	7.96%	0.58%
Communication Services	6.6%	-0.90%	-0.06%
Information Technology	4.9%	20.86%	1.02%
Utilities	4.5%	2.07%	0.09%

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: 12,27 mln €  
Project closure at 25 mln €

\*class I.

\*Equity Performance is net of fees

Source: NicheAM, Refinitiv

# EQUITY PORTFOLIO: Performance (30 November '23 - 14 December '23)

## Top performers\*

	Avg Weight	Return	Contribution
Soulbrain Holdings	1.5%	18.2%	0.28%
Gradient	0.7%	23.7%	0.17%
KT	1.6%	6.9%	0.11%
Hd Hyundai Energy Solutions	0.8%	12.5%	0.10%
Wonik Materials	1.0%	6.7%	0.07%
Coway	1.0%	6.9%	0.07%
Gabia	0.4%	17.1%	0.06%
Hecto Innovation	1.3%	4.5%	0.06%
MegaStudyEdu	0.5%	11.8%	0.06%
Daesang	0.9%	5.8%	0.05%
Seegene	0.8%	6.0%	0.05%
Korea Circuit Pref Shs	0.3%	14.0%	0.04%
Imarketkorea	0.7%	4.8%	0.03%
SK Chemicals Pre Shs	1.1%	2.5%	0.03%
Korea Gas	1.5%	1.8%	0.03%

## Bottom performers

	Avg Weight	Return	Contribution
Korean Reinsurance	0.9%	-8.2%	-0.08%
Lg Electronics Pref Shs	1.1%	-6.1%	-0.06%
Hanwha Solutions	1.2%	-4.1%	-0.05%
Hyundai G F Holdings	1.1%	-3.9%	-0.04%
Sk Telecom	1.0%	-4.2%	-0.04%
Dongwon Industries	1.2%	-3.4%	-0.04%
Woongjin Thinkbig	0.6%	-6.4%	-0.04%
Korea Electric Terminal	0.7%	-5.2%	-0.04%
LG Uplus	1.0%	-3.6%	-0.04%
Tong Yang Life Insurance	1.2%	-2.8%	-0.03%
DL E&C	1.4%	-2.3%	-0.03%
E-Mart	0.7%	-4.6%	-0.03%
KB Financial Group	1.5%	-2.1%	-0.03%
DGB Financial Group	1.1%	-2.7%	-0.03%
Maeil Dairies	1.0%	-2.9%	-0.03%

\*Sorted from highest to lowest by Contribution

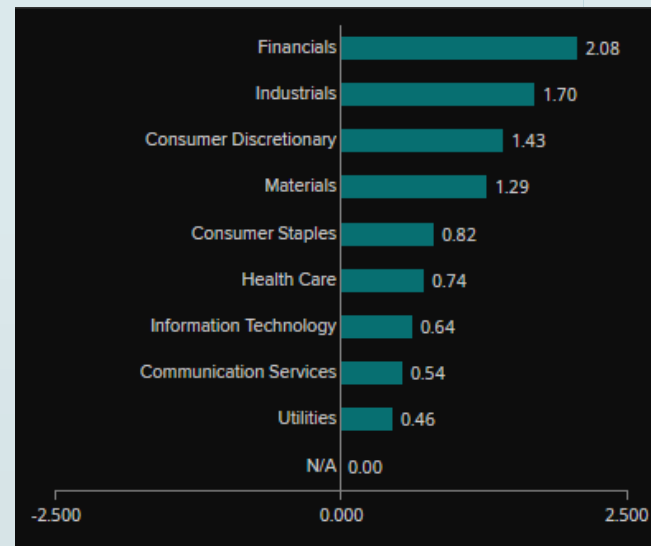
Source: NicheAM, Refinitiv

# Ex-ante analysis: VaR 1 month 95% as of 14/12/2023

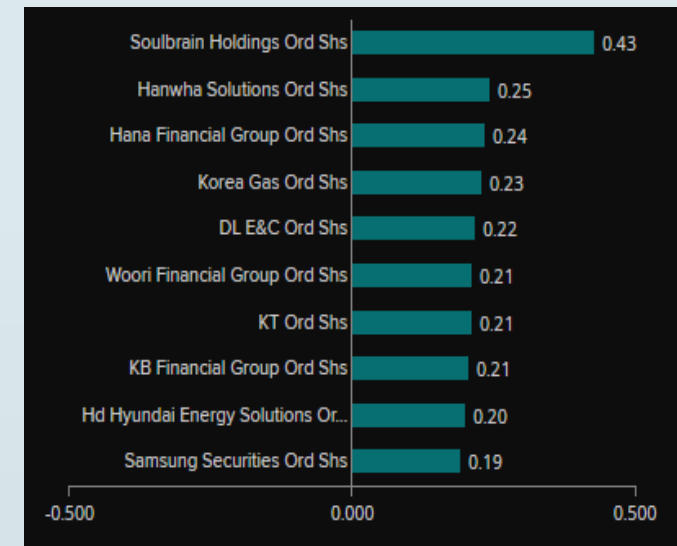
## Portfolio VaR Sensitivity

KR	95% VaR	99% VaR
Historical 1D	-2,09%	-2,82%
Historical 1W	-4,68%	-6,31%
Historical 1M	-9,83%	-13,23%

## VAR 1M – 95% BY SECTOR AS OF 14/12/2023



## VAR 1M-95% TOP 10 SECURITIES AS OF 14/12/2023





## EQUITY PORTFOLIO: Indices % price changes

Index	Price as of 14/12/2023	% 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>1026.56</b>	-	<b>0.22%</b>	-	<b>0.16%</b>	-	<b>2.66%</b>
MSCI ACWI Net (.dMIWD00000NUS)	382.23	3.22%	2.23%	20.35%	17.19%	29.64%	16.04%
MSCI Asia Pacific Value (.dMIAP0000VPUS)	153.14	1.38%	0.41%	7.46%	4.64%	21.73%	8.96%
MSCI Asia Pacific (.MIAP00000PUS)	164.02	1.10%	0.14%	5.32%	2.55%	19.69%	7.13%
Korea KOSPI (.KS11)	2544.18	0.35%	0.22%	13.76%	7.97%	14.62%	13.90%
Tokyo Stock Exchange (.TOPX)	2321.35	-2.26%	1.12%	22.71%	10.42%	23.50%	16.13%
Indonesia (.JKSE)	7176.02	1.35%	0.44%	4.75%	2.46%	5.05%	-6.03%
China (.HSI)	16402.19	-3.76%	-4.64%	-17.08%	-19.24%	-1.27%	-11.14%

\* 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.

## DISCLAIMER

This document, any presentation made in conjunction herewith and any accompanying materials are preliminary and for information only. They are not an offering memorandum, do not contain any representations and do not constitute or form part of an offer or invitation to subscribe for any of Niche's funds (each, the "Fund"). Further they do not constitute or form part of any solicitation of any such offer or invitation, nor do they (or any part of them) or the fact of their distribution, form the basis of, or can they be relied on, in connection with any contract therefore, the information contained in this report has been compiled exclusively by Niche Asset Management Ltd which is authorised and regulated by the Financial Conduct Authority (RN783048) and is registered in England & Wales 10805355. The information and views contained in this document are not intended to be complete and may be subject to change at any time. No representation, warranty or undertaking, stated or implied, is given as to the accuracy of the information or views in this document and no liability for the accuracy and completeness of information is accepted by Niche Asset Management Ltd and/or its partners. The investment strategy of the Fund is speculative and involves a substantial degree of risk of losing some or all of the capital invested. Market, political, counterparty, liquidity and other risk factors may have a significant impact on the investment objectives of the Fund, while past performance is not a guide or otherwise indicative of future results. **The distribution of this document and the offering of the Fund's shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.** The Fund is not yet available for distribution in all countries, it will be only subject to registration with the local supervisory Authority. Potential investors are invited to contact Niche Asset Management Ltd, in order to check registration countries. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction. Any reproduction of this information, in whole or in part, without the prior consent of Niche Asset Management Ltd is also prohibited. This document may only be communicated or passed to persons to whom Niche Asset Management Ltd is permitted to communicate financial promotions pursuant to an exemption available in Chapter 4,12 of the Financial Conduct Authority's Conduct of Business Sourcebook ("COBS") ("Permitted Recipients"). In addition, no person who is not an authorised person may communicate this document or otherwise promote the Fund or shares therein to any person in the United Kingdom unless such person is both (a) a Permitted Recipient and (b) a person to whom an authorised person is permitted to communicate financial promotions relating to the Fund or otherwise promote the Fund under the rules in COBS 4,12 applicable to such authorised person. The securities referenced in this document have not been registered under the Securities Act of 1933 (the "1933 Act") or any other securities laws of any other US jurisdiction. Such securities may not be sold or transferred to US persons unless such sale or transfer is registered under the 1933 Act or exemption from such registration. **This document is intended for professional investors only. Potential investors are recommended to read carefully the Prospectus and the Key Investor Information Document (KIID) before subscribing.**