

Niche Asset Management launches Indonesia fund under Jungle Project

Fund to focus on Indonesian small caps



07 DECEMBER 2023 – Hannah Williford

Niche Asset Management has launched an Indonesian infrastructure fund with the goal of offering investment opportunities in Indonesian small caps, creating the first fund of its kind in this arena.

The fund, named the NJ Indonesian Infrastructure Small Caps SDG, will be the third strategy under the Niche Jungle Projects branch. It will qualify as an Article 8 SFDR fund and will maintain high liquidity, with 95% of the portfolio able to be made liquid within two weeks, and will not go above €20m to ensure this.

The fund will hold between 80-120 companies weighted at an average 0.8% each. Currently, the average holding in Indonesian Infrastructure Small Caps trades at below 6.5x 2023 earnings, as opposed to Indonesia's large caps trading around 13.8x and India's small caps at 23.5x. The project will aim to meet the 13.8x earnings mark, at which point it will be sold and returns will be given to investors.

While the fund has no management fee, it will charge an annual performance fee of 20%. Niche Jungle said it will give investors bi-weekly reports on the investment to include performance and risk analysis, as well as show all holdings and trades.

“(Indonesia’) territory is huge, fertile and rich in commodities,” a spokesperson explained.

“The weather and thousands of pristine beaches make it ideal for tourism. By emerging market standards, both the institutional framework and corporate governance are good. The Central Bank is independent, public debt is low, inflation is under control and economic growth healthy. The country has also embarked on a massive infrastructure plan.”

Niche Asset Management’s jungle products are highly liquid funds which invest in unique areas of the market. The company advertises its ability to liquidate 99% of the portfolio within a month and allow investors to withdraw funds at anytime during the business day, with cash proceeds made available within three days. They also run the Niche Jungle Japanese Orphan Companies SDG and the Niche Jungle Korea Unification SDG.



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