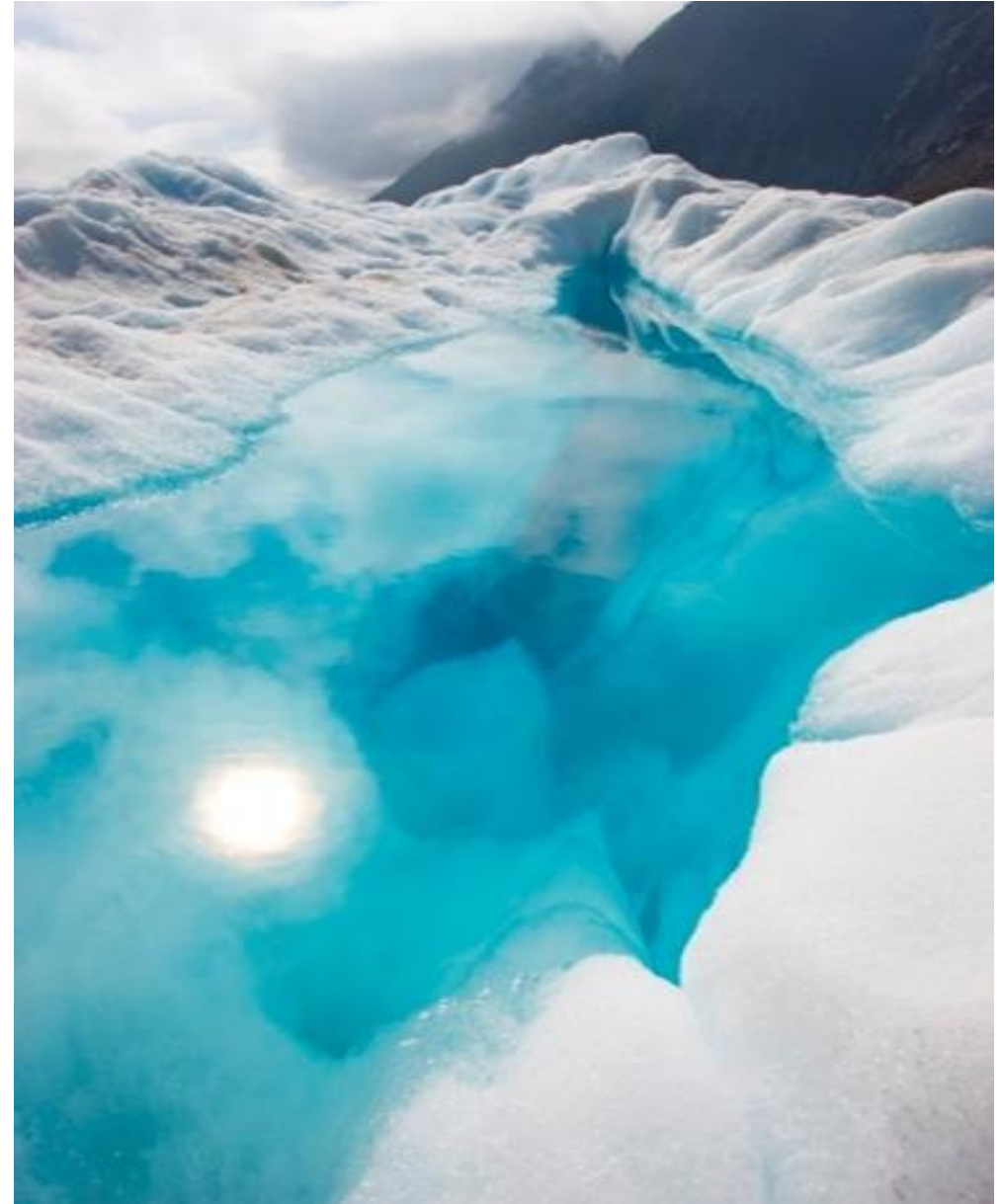
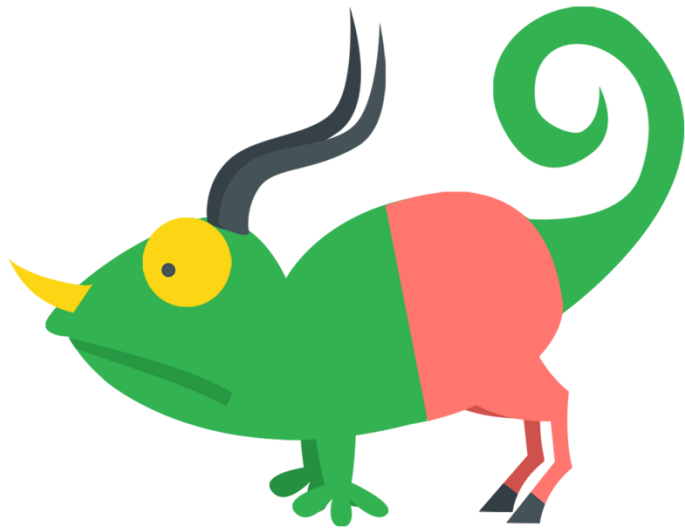


KOREA REUNIFICATION

NICHE
ASSET MANAGEMENT ■





NJ Korea Reunification



➤ Category:

- UCITS Equity Fund
- South Korea Equities
- Investment Style: **Deep Value**
- Small/Mid cap > 2/3 of portfolio
- **Article 8+ SFDR**

➤ Where the fund invests:

- South Korean companies exposed to the domestic market
- Domestic players neglected by both international and domestic investors, and not held (or marginally held) by other Korean funds or ETFs
- High quality companies trading at depressed multiples
- Companies instrumental to the achievement of the UN's SDGs
- Companies open to collaborative ESG engagement with our Team



South Korea's Discount Conundrum



One of the most developed economies in the world ...yet also the cheapest market in the world

Rank	Country	GDP per Capita (Nominal USD)
1	United States	65,020
2	Australia	61,341
3	United Kingdom	47,005
4	Canada	44,388
5	Germany	42,879
6	France	38,976
7	European Union	38,000
8	Japan	37,079
9	South Korea	34,121
10	Italy	33,774
11	Saudi Arabia	21,006
12	Russia	10,421
13	Mexico	10,327
14	Turkey	14,630
15	Argentina	12,625
16	China	12,174
17	Brazil	9,032
18	South Africa	6,006
19 ₃	Indonesia	4,248
20	India	2,239

Index	Price-to-Earnings	Price-to-Book	Dividend Yield (%)
MSCI World	18,6x	4,1x	1,5%
MSCI EM	10,1x	2,4x	2,0%
S&P 500	20,0x	5,6x	1,2%
STOXX Europe 600	14,7x	2,4x	3,4%
TOPIX	16,7x	1,8x	2,3%
MSCI Korea	5,1x	2,3x	0,8%

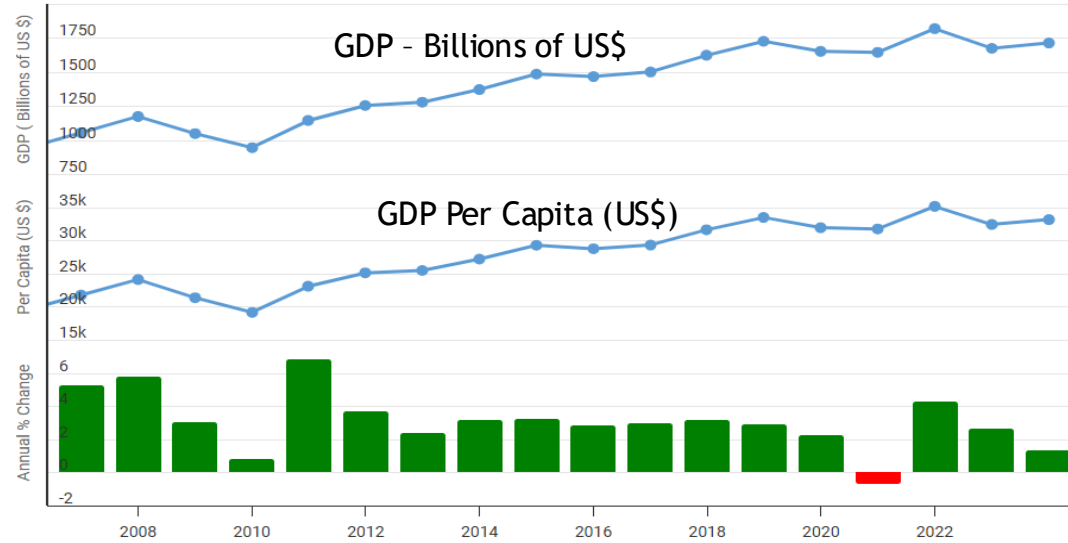
Source: IMF, MSCI, Bloomberg, Niche AM analyses as of 31.08.26

South Korea's domestic companies (i.e.: those oriented to the internal market) are even cheaper

South Korean equities have massively lagged the country's GDP trajectory

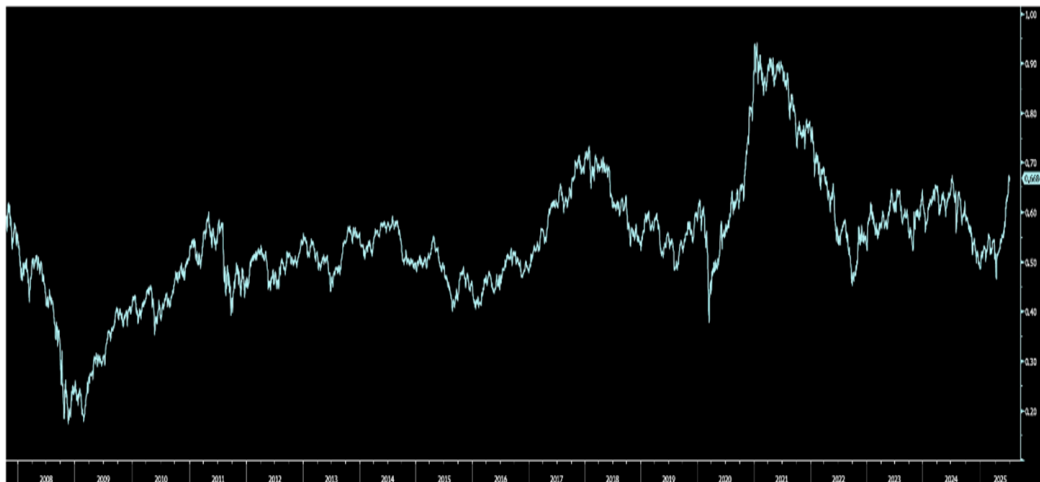


South Korea GDP (2007-2024)



South Korea's GDP +48% in US\$ since 2007

Performance MSCI Korea (17/10/2007 - 15/07/2025)



South Korea equity market
roughly flat in US\$ since 2007



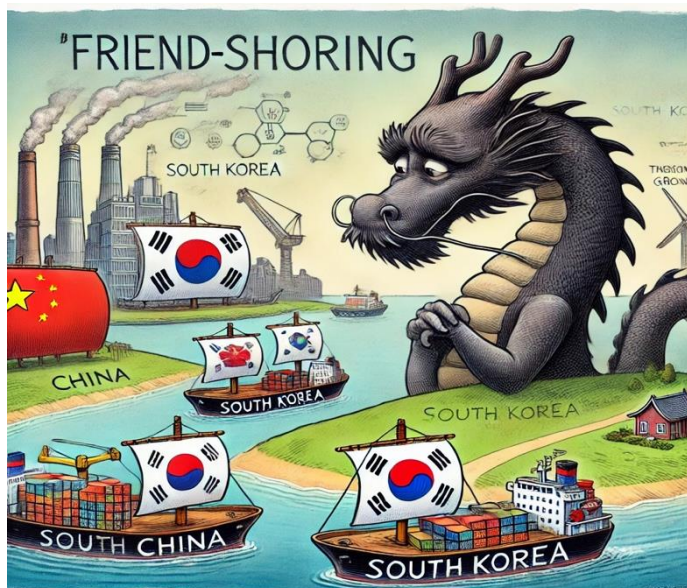
Why the discount? The long-term view



Reasons for the discount	Reasons for being optimistic (and catalysts)
➤ Regulations which restrict market access - the legacy of the Asian Financial Crisis of 1997, and the main reason why South Korea is still classified as an Emerging Market.	➤ South Korea has already eased restrictions on the currency market and is gradually aligning market mechanisms to OECD standards. This process should sooner or later merit a re-classification of South Korea as a Developed Equity Market by MSCI, which - according to Goldman Sachs - should attract around US\$50 billion into South Korean equities.
➤ Somewhat poor corporate governance at South Korean conglomerates ("chaebols")	➤ The "Value-Up" governance-improvement program launched by Government in 2024. The plan offers tax incentives to companies that implement measures to enhance investor communication and governance (for example, by increasing dividends and buybacks).
➤ An exaggerated perception of the military threat from North Korea	➤ The current situation is probably as bad as it gets. In South Korea there is a considerable US Army presence, and China and Russia are unlikely to want World War 3. More crucially, does someone not invest in Germany because it is dangerously close to Ukraine & Russia?



The opening of North Korea to capitalism (evolving towards a Vietnamese or Chinese model) and/or the repair of ties with South Korea would provide a massive boost to South Korean equities (mainly those of domestic companies). **A valuable free option** to which the market is assigning today 0% probability.



Friend-shoring of global supply chains away from China. The ongoing technology and geostrategic war between the West and China, likely to worsen under new President Trump, could play in favour of 3rd countries such as South Korea.



The K-wave, the global explosion of enthusiasm about anything South Korea (from food to music and fashion) could eventually and gradually move on to South Korean equities as well?



The short & medium view



- The enthusiasm for AI (semiconductor) stocks and exporters, which drove the main Kospi index stocks, is yet to spread to the rest of the stocks exposed to the domestic economy, which are the focus of the fund
- The domestic equity universe, which is significantly underrepresented in the main index, has been affected by a slow recovery in domestic consumption to date but....
- Private consumption is now expected to accelerate to 2%, compared to growth of just over 1% in 2025, supported by easier financial conditions as well as Government support. Household consumption recovery could also be supported by the equity upsurge
- Construction is expected to bottom out in H1 2026 and gradually recover, supporting GDP growth
- The Government is expected to confirm its commitment to supporting domestic recovery from a fiscal perspective
- Tax incentives on dividends should encourage a significant increase in capital returns, supported by a growing commitment to the Value-up Program (180 companies joined Value-up, 51% of Kospi mkt cap)
- The Central Bank could implement a further rate cut, in the absence of volatility in FX or accelerating property prices in the Seoul area

The industry's ONLY vehicle for investing in South Korea's domestic companies



Replicating the MSCI Korea or the Kospi won't do the trick

MSCI Korea and Kospi

- Are mostly invested in South Korean exporters & Tech
- Are much more concentrated
- Are on average much more expensive
- Are mostly not sustainable

(31 August '26)	Number of stocks	Weight Top 10 stocks	Price / Earnings	Price to Book	Weight Technology Sector
MSCI Korea	77	77%	5.1x	2.3x	69%
Kospi	730	64%	5,5x	1,7x	59%
NJ Korea Reunification	111	22%	7,0%	0,7x	4%

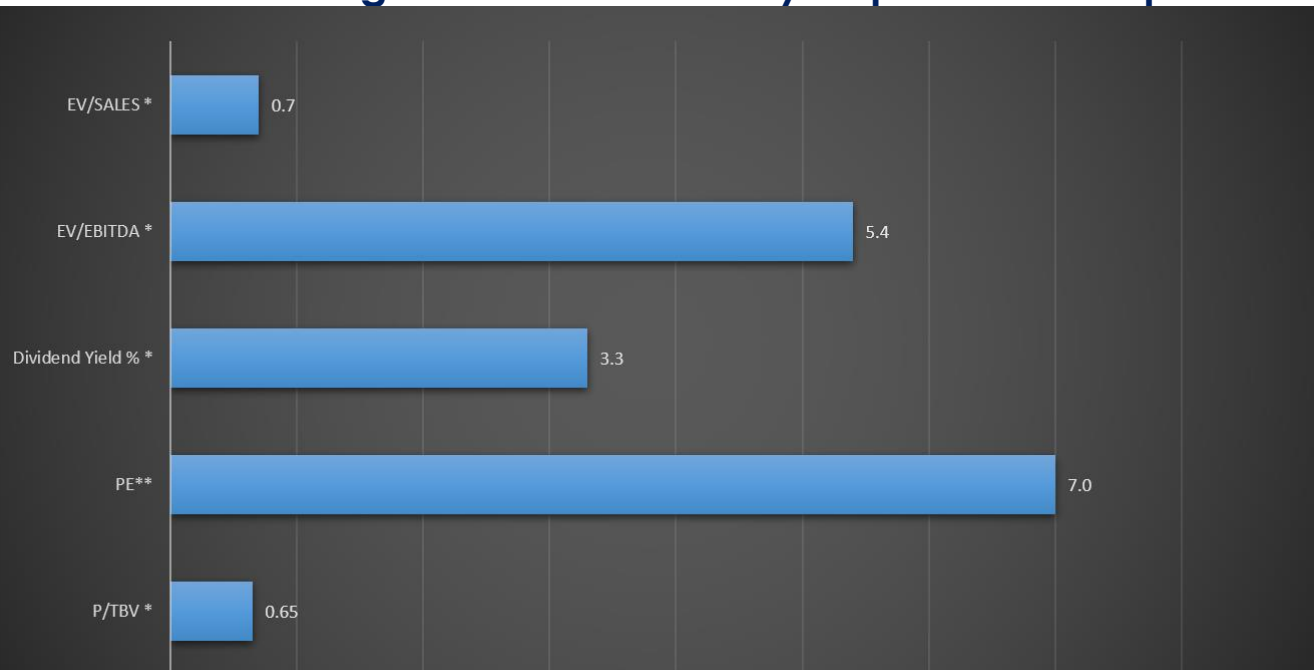
Source: Niche AM, MSCI, Bloomberg



Domestic companies are a valuation anomaly within an anomaly



The fund's holdings trade at extremely depressed multiples



The Investment Manager will liquidate the fund and return the cash proceeds to investors once the valuation target is reached. There is no "milking" of investors.

+50% upside at exit

Exit multiples

Price / Earnings: 10x
EV/EBITDA: 5x
Tangible Book Value: 1x

* Latest available
Source: Niche AM, Refinitiv

A clear misvaluation

Over 50% of companies are net-cash positive. And the remaining companies have extremely low financial leverage.

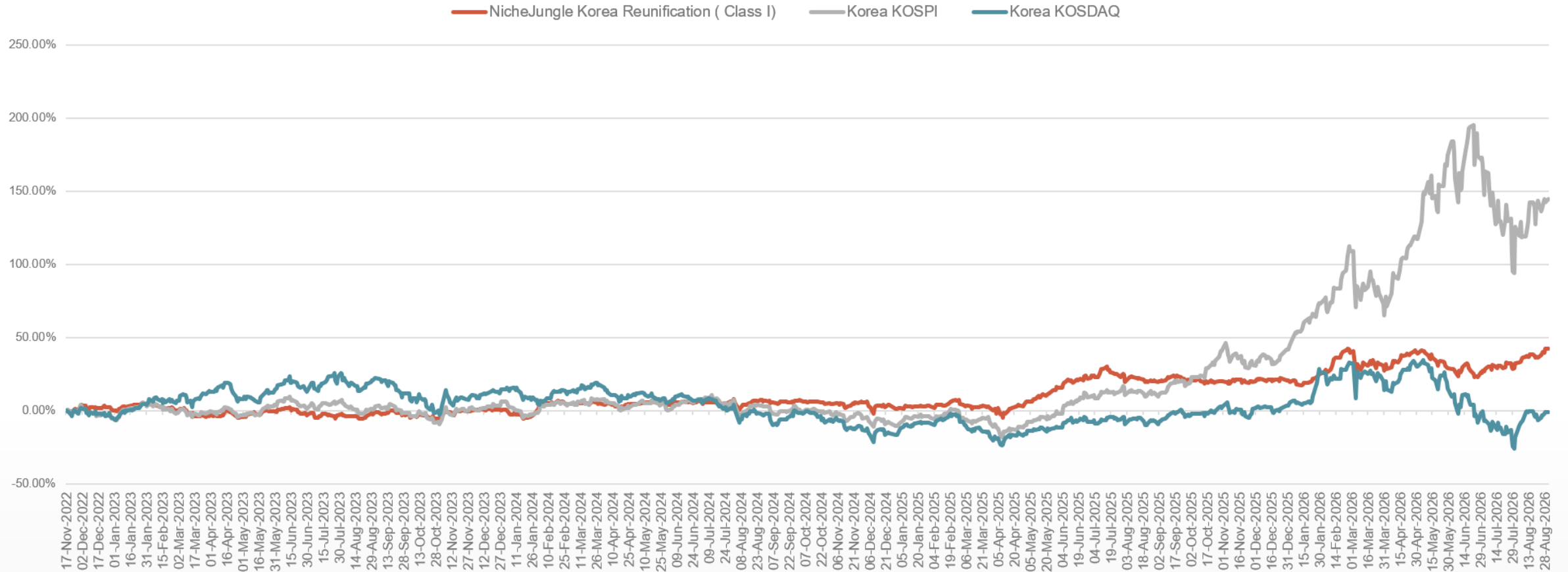
Upside does not include potential opening of North Korea to capitalism





Performance since inception(€)*

As of 31/08/2026



Index	YTD	3 Years				Since Inception*			
	Total Return	Annualized Return	Annualized St Deviation ²	Sharpe Ratio ³	Max Drawdown	Annualized Return	Annualized St Deviation ²	Sharpe Ratio ³	Max Drawdown
NicheJungle Korea Reunification ¹	17.55%	13.11%	13.61%	0.76	-13.65%	9.71%	16.16%	0.44	-13.65%
Korea KOSPI	72.17%	34.14%	33.76%	0.93	-34.25%	26.62%	31.01%	0.77	-34.25%
Korea KOSDAQ	-4.09%	-6.67%	32.57%	-0.29	-44.87%	-0.24%	30.76%	-0.09	-44.87%

1 - Class I (Institutional)

2- Based on daily returns

3- Based on average 1-Year Germany Gov Bond Yield

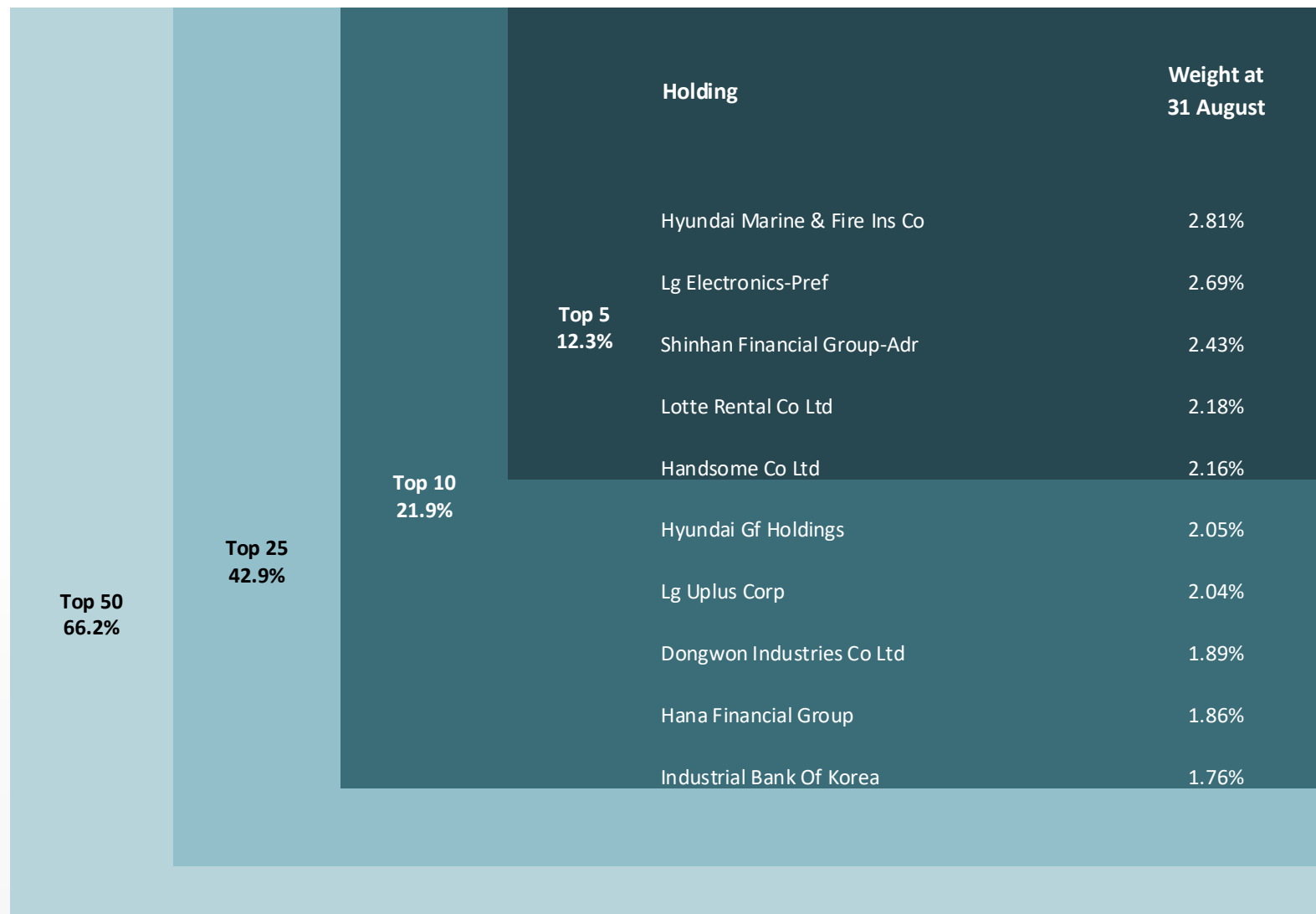
This performance is net of fees, refers to the past and is not an indication of future performance. Currency movements could increase or decrease fund returns. Fees and charges will also affect performance.

*Performance measurement begins one month after inception to minimise any distortions caused by the portfolio construction phase

Source: Niche AM, Refinitiv



Fund Concentration



Equity Exposure: 93%

No of Holdings : 111

Average Holding Weight: 0.82%

Median Holding Weight : 0.67%

* The holdings comprise ordinary, preferred and ADR/GDR shares.

Source: Niche AM, Refinitiv



Fund's Technicals



➤ Instrument	UCITS Fund – Art.8 Plus SFDR
➤ Benchmark	No benchmark
➤ ISIN	Class A – IE00007XSO15 Class I – IE0004F6ARY1 Class Q (listed class)* - IE000ROCQO77
➤ Fund ICAV	NicheJungle www.nichejungle.com
➤ Inception Date	17/10/2022
➤ AuM	€19.38m at 31/08/2026
➤ Income	Reinvested
➤ Liquidity	Daily
➤ Number of stocks	111
➤ Currency Hedging Policy	No hedging policy
➤ Investment Manager	Niche Asset Management Ltd – www.nicheam.com

** The Q Share Class can only be purchased through Intermediaries via the ATFund market of the Italian Stock Exchange*

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