# NEF ETHICAL GLOBAL TRENDS SDG

NICHE ASSET MANAGEMENT

# *Monthly Risk Report*

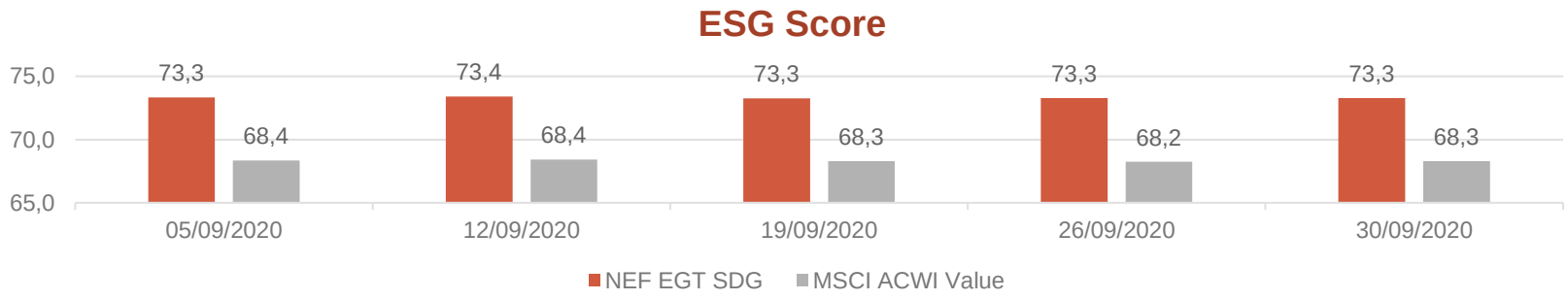
*31 October 2020*

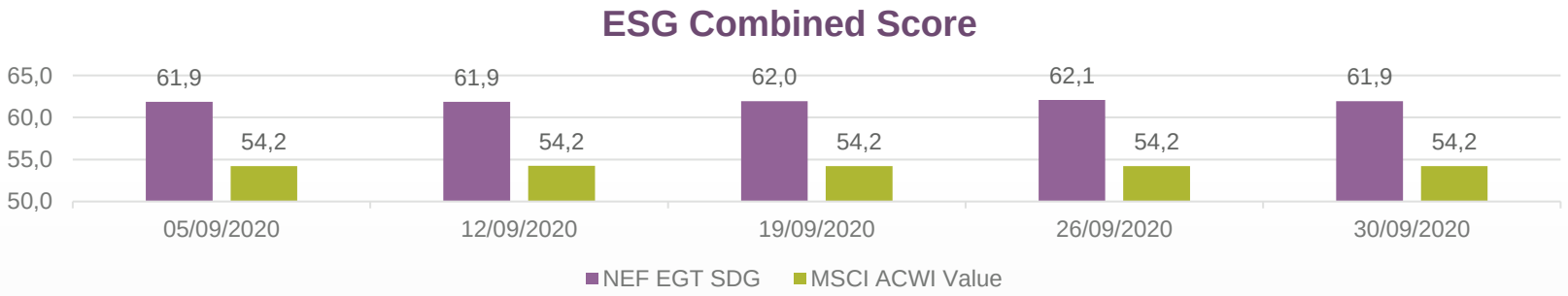
| | NEF – Ethical Global Trends SDG |
|---|---|
| ISIN | Class C – LU2051778764<br>Class I – LU2051778681<br>Class R – LU2051778178 |

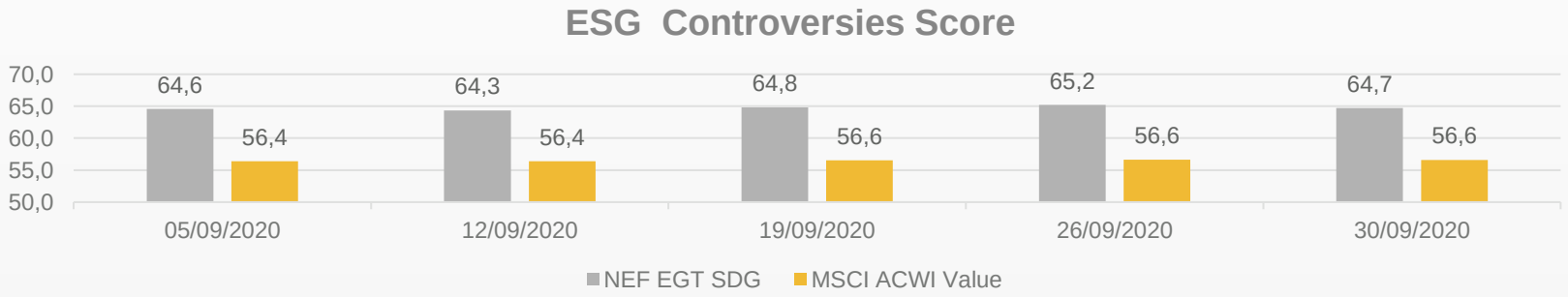
# Summary

- ESG analysis
- SDG analysis
- Controversial sectors
- Ex-ante analysis: VaR 1 month – 95%
- Portfolio: Allocation & performance summary
- Equity Portfolio
- Ex-ante analysis : VaR by sector and country
- Ex-ante analysis : Top securities which are contributing the most to total active risk active risk
- Ex-Ante analysis: size and style allocation
- Liquidation time horizon
- Portfolio: FX Hedging

# ESG Analysis *as of 31/10/20*




*Source: Thomson Reuters, Niche AM*

# ESG Analysis by trends *as of 31/10/20*

| List of Trends | Average of ESG Score | Average of Environment Score | Average of Social Score | Average of Governance Score |
|---|---|---|---|---|
| 5G | 76 | 69 | 72 | 71 |
| La Buona Banca | 78 | 74 | 76 | 71 |
| Mobilità Elettrica | 74 | 66 | 74 | 78 |
| Sostituzione della Plastica e dell'Acciaio | 76 | 72 | 76 | 78 |
| La Buona Assicurazione | 76 | 68 | 72 | 74 |
| Energie Rinnovabili | 70 | 70 | 71 | 73 |
| Globalizzazione dei Trasporti | 66 | 63 | 64 | 64 |
| Smart Mobility | 78 | 76 | 78 | 79 |
| Genetica e Diagnostica | 79 | 75 | 77 | 75 |
| Invecchiamento della Popolazione | 71 | 69 | 70 | 68 |
| Infrastrutture per il lavoro | 72 | 68 | 68 | 61 |
| Prevenzione Epidemie e Pandemie | 89 | 68 | 79 | 72 |
| Educazione Inclusiva | 79 | 57 | 68 | 60 |
| Agricoltura Sostenibile | 72 | 70 | 70 | 66 |
| Smart Housing | 78 | 72 | 75 | 73 |
| Infrastrutture civili | 78 | 58 | 73 | 79 |
| Allevamenti Etici | 73 | 68 | 70 | 66 |
| Trattamento delle Acque | 70 | 62 | 68 | 69 |
| Nuovi Stili di Vita | 58 | 63 | 62 | 66 |
| Le Fibre del Futuro | 62 | 61 | 66 | 73 |
| Gestione Responsabile del Risparmio | 63 | 53 | 60 | 69 |
| Nuovi Modelli Distributivi | 73 | 69 | 70 | 69 |
| Informazione Trasparente | 73 | 71 | 70 | 55 |
| Valorizzazione delle Risorse Locali | 72 | 46 | 65 | 72 |
| Gestione dei Rifiuti e degli Scarichi | 82 | 47 | 72 | 89 |
| Riciclo dell'Acciaio | 49 | 45 | 48 | 50 |
| ***PORTFOLIO AVERAGE*** | ***73*** | ***74*** | ***76*** | ***69*** |

*Source: Thomson Reuters, Niche AM*

# *ESG sub-par as of 31/10/20*

*From April 6° Thomson Reuters changed its methodology and this led to significant changes to the company scores, When the score seemed reliable, we sold the stocks or got in touch with the companies to understand whether they think to be able to go back to at least C+ rating, according to the new methodology,*

*Stocks marginally below the minimum threshold*

| | ESG Score |
|---|---|
| VEON | 41,3 (Minimum threshold = 41,67) |

Veon is one of the most dedicated companies we have in term of ESG among the emerging countries telcos, Once we have gathered all the information we will require a waiver,

*Waived sub-par Stocks*

| | ESG Score |
|---|---|
| GRAFTECH | 37,3 (Minimum threshold = 41,67) |

We requested a waiver in November for which we presented an analysis and was accepted – as anticipated, the company, following some structural changes in its organization, moved to B- (from C) in March, However it moved back to C after the 6th of April, following the change of methodology, The reasons for last year's request are still standing,

# SDG Analysis by trends

| List of Trends | Average of SDG Score | Average of SDG Attitude | Average of SDG Impact |
|---|---|---|---|
| 5G | 9 | 67 | 156 |
| Agricoltura Sostenibile | 10 | 46 | 124 |
| Allevamenti Etici | 10 | 53 | 118 |
| La Buona Assicurazione | 10 | 56 | 111 |
| Educazione Inclusiva | 9 | 44 | 124 |
| Energie Rinnovabili | 10 | 68 | 109 |
| Genetica e Diagnostica | 10 | 76 | 107 |
| Gestione dei Rifiuti e degli Scarichi | 10 | 75 | 145 |
| Globalizzazione dei Trasporti | 9 | 45 | 108 |
| Informazione Trasparente | 10 | 41 | 130 |
| Infrastrutture civili | 9 | 58 | 126 |
| Infrastrutture per il lavoro | 9 | 35 | 113 |
| Invecchiamento della Popolazione | 9 | 57 | 145 |
| Le Fibre del Futuro | 10 | 64 | 170 |
| La Buona Banca | 10 | 57 | 101 |
| Mobilità Elettrica | 9 | 62 | 125 |
| Nuovi Modelli Distributivi | 10 | 62 | 90 |
| Nuovi Stili di Vita | 10 | 59 | 146 |
| Prevenzione Epidemie e Pandemie | 10 | 80 | 102 |
| Riciclo dell'Acciaio | 8 | 31 | 120 |
| Smart Housing | 10 | 59 | 115 |
| Smart Mobility | 9 | 78 | 127 |
| Sostituzione della Plastica e dell'Acciaio | 10 | 59 | 160 |
| Trasformazione del Risparmio Gestito | 8 | 34 | 91 |
| Trattamento delle Acque | 9 | 51 | 135 |
| Valorizzazione delle Risorse Locali | 9 | 45 | 150 |
| ***AVERAGE PORTFOLIO*** | 9,3 | 58,7 | 122,2 |

*Source: Niche AM*

Our SDG internal analysis is divided in 3 parts:

1) revenue exposure (the % of sales exposed to the SDGs) – this is taken by the company's financial report;
2) company attitude (the sensitivity of the company to environmental and social themes) – this is taken by an extraction from the ESG analysis of several points deemed fundamentally embedded in the SDG agenda;
3) company impact (the repercussion/impact of the company's activity on the achievement of the SDGs)

Those 3 factors determine the SDG scoring, In the table we put the SDG scoring together with the scoring of two of three components of the analysis,

***Score range:***
SDG: 0-10
SDG Attitude: 0-100
SDG Impact: 0-170

# Controversial sectors *as of 31 Oct 2020*

| | Pornography | Tobacco | Gambling | Armaments | Cluster Bombs |
|---|---|---|---|---|---|
| | TR Product Responsability | Revenues generated | 5% revenues | 5% revenues | TR Product Responsability |
| # companies exposed to: | 3 | 0 | 0 | 0 | 0 |

## Engagement activity

- According to TR Product Responsibility Screening, Telefonica, Deutsche Telekom, Telecom Italia are flagged as exposed to pornography
- We believe that this red flag is due to a misinterpretation:
  - none of those companies produce any pornographic contents (they just manage platforms through which all different contents can be bought);
  - each of those companies provides strict restrictions to prevent access to age-sensitive content;
  - the adult content can be accessed directly by the consumer without the telecom operator platform; accessing it through the Telecom platform is just safer
- All the companies are still working with Refinitiv in order to have the flags taken off
- Refinitiv acknowledges the fact that the companies has effectively adopted multiple initiatives to ensure this content is protected against unintended use. They are pointing out that the reference to pornography is only made to the fact that some adult content can be found in the telecom operators' platform

# *Ex-ante analysis: VaR* *as of 31/10/2020*

| *NEF Ethical Global Trends SDG* | VaR Alert Level | | VaR 95% 1M Fund | VaR 95% 1M Fund *(prev, month)* |
|---|---|---|---|---|
| | I° | II° | | |
| *As of 31/10/2020* | -10,0% | -13,0% | -11,18% | -11,00% |

- A Bod called on 09th October has approved the proposal of Risk management team to rescale the absolute VaR internal limit to a different confidence interval from 99% to 95% in line with the industry standard
- The current VaR is slightly below the second rescaled alert level, almost unchanged compared to the previous month
- The Bod has confirmed the waiver to risk budget until 13th November

# EQUITY PORTFOLIO: Indices % price changes

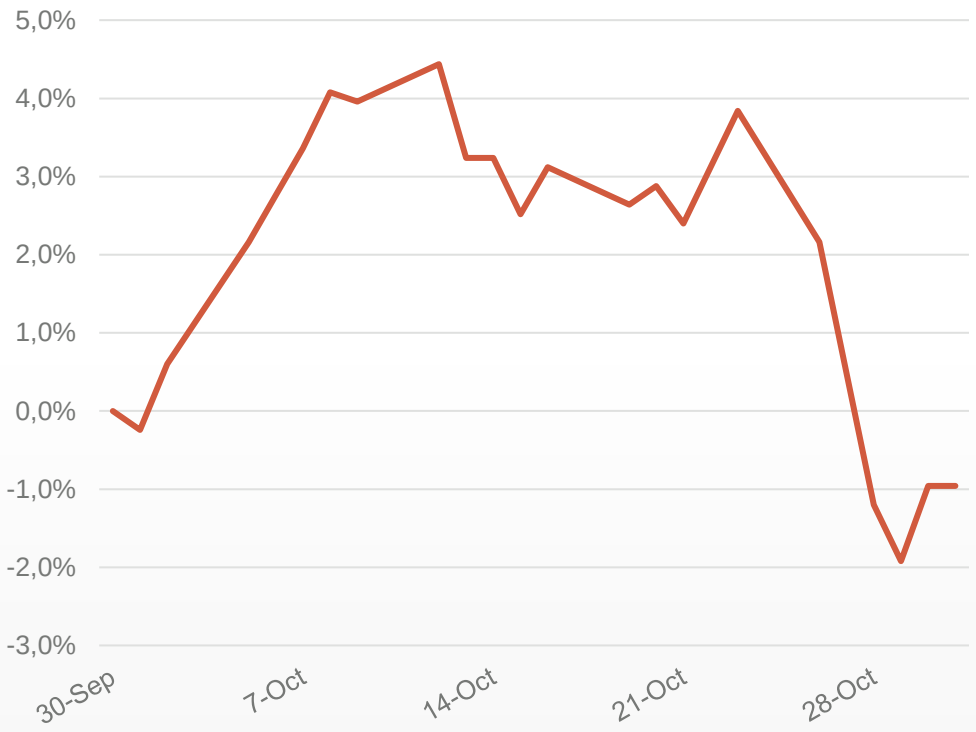
| Index | Price as of 31/10/2020 | % Price Change 1 month | % Price Change 1 month (€) | % Price Change Year to Date | % Price Change Year to Date (€) | % Price Change Since inception * | % Price Change Since inception * (€) |
|---|---|---|---|---|---|---|---|
| ***NEF Ethical Global Trends SDG*** | ***8,25*** | ***-*** | ***-0,96%*** | ***-*** | ***-18,88%*** | ***-*** | ***-17,50%*** |
| *Infrastrutture* | *-* | *-* | *0,32%* | *-* | *-13,03%* | *-* | *-10,94%* |
| *Finanza* | *-* | *-* | *0,98%* | *-* | *-28,49%* | *-* | *-26,24%* |
| *Comunicazione* | *-* | *-* | *-1,35%* | *-* | *-18,64%* | *-* | *-17,19%* |
| *Mobilità* | *-* | *-* | *0,48%* | *-* | *-6,43%* | *-* | *-6,33%* |
| *Salute* | *-* | *-* | *-5,57%* | *-* | *-11,12%* | *-* | *-8,20%* |
| *Materiali* | *-* | *-* | *-3,39%* | *-* | *-12,15%* | *-* | *-12,09%* |
| *Alimentazione* | *-* | *-* | *-0,98%* | *-* | *-13,30%* | *-* | *-6,83%* |
| ***MSCI ACWI VALUE NET TR (.dMIWD0000VNUS)*** | ***217,78*** | ***-2,43%*** | ***-1,84%*** | ***-16,62%*** | ***-19,75%*** | ***-13,49%*** | ***-17,36%*** |
| MSCI ACWI NET TR EUR (.MIWD00000NEU) | 225,05 | - | -1,78% | - | -4,69% | - | -0,90% |
| USA (.SPX) | 3269,96 | -2,77% | -2,17% | 1,21% | -2,59% | -0,90% | 1,48% |
| Europe (.STOXX) | 342,36 | - | -5,19% | - | -17,67% | - | -15,13% |
| Emerging Markets (EEM) | 44,71 | 1,41% | 2,02% | -0,36% | -4,10% | 3,05% | -1,56% |

** 04/11/2019*

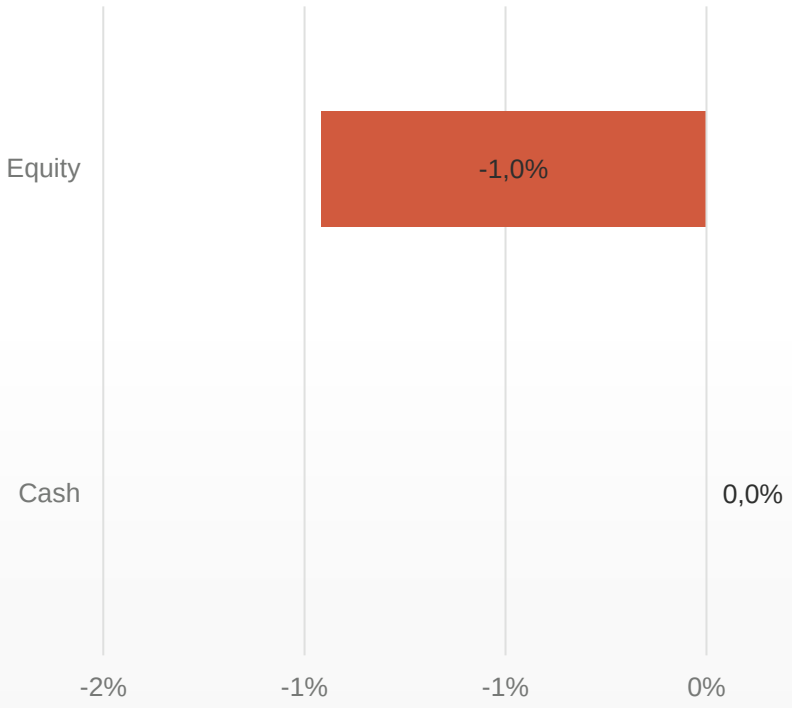
*Source: Niche AM, Thomson Reuters*

# PORTFOLIO: Allocation & Performance Summary

***NAVps: -0,96% (30 Sept – 31 Oct '20)***




***Performance Breakdown by Asset Class (30 Sept – 31 Oct '20)***




| | *As of 31 Oct '20* |
|---|---|
| AUM (€ mln) | 131,923 mln |

# PORTFOLIO: Relative Performance by Sector

***Relative Monthly Performance by Sector***
***(30 Sept – 31 Oct '20)***

| | Average Portfolio Weight | MSCI ACWI Value Weight | Average Weight Difference | Portfolio Return | MSCI ACWI Value Return | Return Difference | Active Contribution | Allocation Effect | Selection Effect |
|---|---|---|---|---|---|---|---|---|---|
| **NEF ETHICAL GLOBAL TRENDS SDG** | **100%** | **100%** | **0%** | **-1,0** | **-1,8** | **0,9** | **0,9** | **0,2** | **0,7** |
| Financials | 20% | 22% | -3% | 1,0 | 0,7 | 0,3 | 0,0 | -0,1 | 0,1 |
| Industrials | 14% | 12% | 3% | -0,8 | -1,7 | 0,9 | 0,1 | 0,0 | 0,1 |
| Communication Services | 13% | 7% | 6% | 0,1 | -2,1 | 2,2 | 0,3 | 0,0 | 0,3 |
| Information Technology | 12% | 9% | 3% | -0,7 | -3,2 | 2,5 | 0,3 | 0,0 | 0,3 |
| Materials | 10% | 6% | 4% | -0,9 | -1,9 | 1,0 | 0,1 | 0,0 | 0,1 |
| Consumer Discretionary | 8% | 8% | 0% | 1,0 | -0,6 | 1,7 | 0,1 | 0,0 | 0,1 |
| Health Care | 7% | 11% | -4% | -7,5 | -6,2 | -1,3 | 0,1 | 0,2 | -0,1 |
| Consumer Staples | 7% | 9% | -2% | -1,8 | -3,1 | 1,3 | 0,1 | 0,0 | 0,1 |
| Utilities | 5% | 6% | -2% | -4,4 | 2,4 | -6,8 | -0,4 | -0,1 | -0,3 |
| Real Estate | 2% | 4% | -2% | -2,1 | -2,1 | 0,0 | 0,0 | 0,0 | 0,0 |
| Energy | 0% | 5% | -5% | -7,0 | -5,5 | -1,5 | 0,2 | 0,2 | 0,0 |
| Fund* | 1% | - | 1% | 0,0 | - | 0,0 | 0,0 | 0,0 | 0,0 |
| Cash & Equivalents | 0% | - | 0% | 0,0 | - | 0,0 | 0,0 | 0,0 | 0,0 |

**Pharus Electric Mobility Niches*
*Source: Niche AM, Thomson Reuters*

# PORTFOLIO: Relative Performance by Country

## *Relative Monthly Performance by Country (30 Sept – 31 Oct '20)*

| Issue Name | Average Weight | Average MSCI ACWI Value Weight | Average Weight Difference | Portfolio Return | MSCI ACWI Value Return | Return Difference | Active Contribution | Allocation Effect | Selection Effect |
|---|---|---|---|---|---|---|---|---|---|
| **NEF ETHICAL GLOBAL TRENDS SDG** | **100%** | **100%** | **0%** | **-1,0** | **-1,8** | **0,9** | **0,9** | **-0,9** | **1,8** |
| USA | 19% | 55% | -36% | 1,6 | -1,6 | 3,2 | 0,6 | -0,1 | 0,6 |
| Japan | 17% | 7% | 10% | -1,0 | -1,2 | 0,2 | 0,1 | 0,1 | 0,0 |
| France | 12% | 3% | 9% | -3,9 | -6,9 | 3,0 | -0,1 | -0,5 | 0,4 |
| UK | 11% | 5% | 6% | 0,2 | -4,4 | 4,6 | 0,4 | -0,1 | 0,5 |
| South Korea | 7% | 2% | 6% | 3,7 | 2,9 | 0,8 | 0,3 | 0,3 | 0,1 |
| Germany | 6% | 3% | 2% | -4,5 | -7,8 | 3,3 | 0,1 | -0,1 | 0,2 |
| Spain | 3% | 1% | 3% | -1,2 | -1,8 | 0,6 | 0,0 | 0,0 | 0,0 |
| Finland | 3% | 0% | 3% | -6,5 | -5,0 | -1,4 | -0,1 | -0,1 | 0,0 |
| Netherlands | 2% | 1% | 2% | -2,2 | -0,9 | -1,3 | 0,0 | 0,0 | 0,0 |
| Hong Kong | 2% | 1% | 1% | 1,3 | -0,2 | 1,5 | 0,1 | 0,0 | 0,0 |
| China | 2% | 5% | -3% | 0,9 | 2,3 | -1,3 | -0,1 | -0,1 | 0,0 |
| Italy | 2% | 1% | 1% | -10,3 | -8,6 | -1,7 | -0,1 | -0,1 | 0,0 |
| Switzerland | 2% | 2% | 0% | -5,9 | -5,6 | -0,3 | 0,0 | 0,0 | 0,0 |
| Belgium | 2% | 0% | 1% | 1,6 | -3,6 | 5,2 | 0,1 | 0,0 | 0,1 |
| N/A | 1% | 0% | 1% | -0,1 | -11,6 | 11,5 | 0,0 | -0,1 | 0,2 |
| Norway | 1% | 0% | 1% | -5,4 | -6,2 | 0,9 | 0,0 | 0,0 | 0,0 |
| Indonesia | 1% | 0% | 1% | 13,3 | 11,3 | 2,0 | 0,1 | 0,1 | 0,0 |
| Canada | 1% | 3% | -2% | -9,1 | -0,7 | -8,4 | -0,1 | 0,0 | 0,0 |
| Malaysia | 1% | 0% | 0% | -6,6 | -4,7 | -1,9 | 0,0 | 0,0 | 0,0 |
| Thailand | 1% | 0% | 0% | 2,6 | 0,7 | 1,9 | 0,0 | 0,0 | 0,0 |
| Other | 4% | 9% | -5% | -2,4 | -0,2 | -2,1 | -0,2 | -0,1 | -0,1 |
| Cash & Cash Equivalents | 0% | - | 0% | - | - | - | 0,0 | 0,0 | 0,0 |

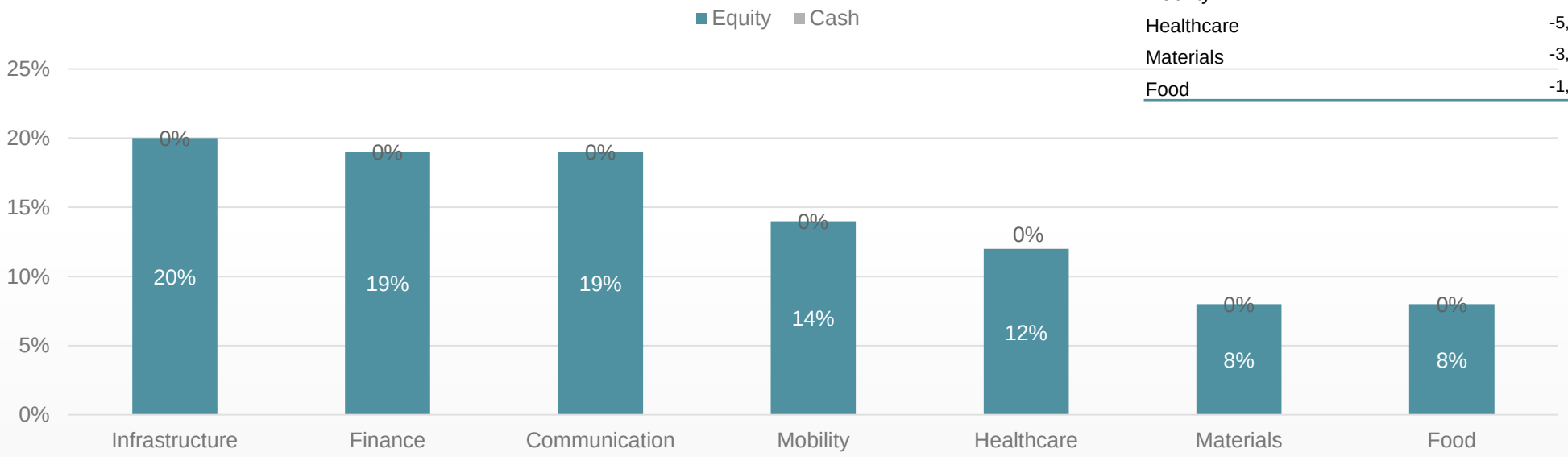
*Other = ADR & OICR + Pharus Electric Mobility Niches*

*Source: Niche AM, Thomson Reuters*

# EQUITY PORTFOLIO: Breakdown by Themes

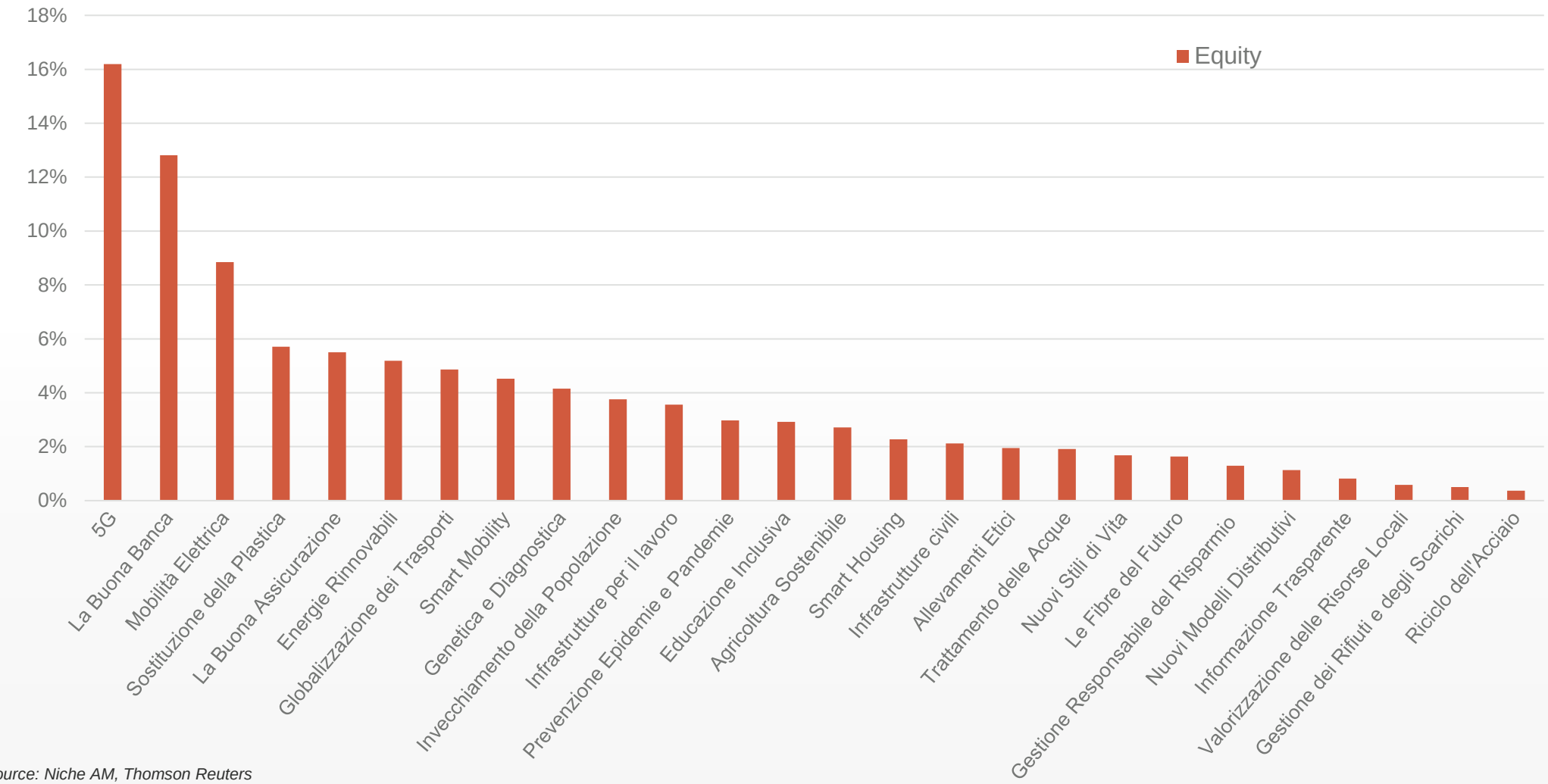
| Niches Performance | 1 Month |
|---|---|
| Infrastructure | 0,3% |
| Finance | 1,0% |
| Communication | -1,4% |
| Mobility | 0,5% |
| Healthcare | -5,6% |
| Materials | -3,4% |
| Food | -1,0% |

## *Niches equity exposure as of 31 Oct '20*



# EQUITY PORTFOLIO: Equity Breakdown by Trends

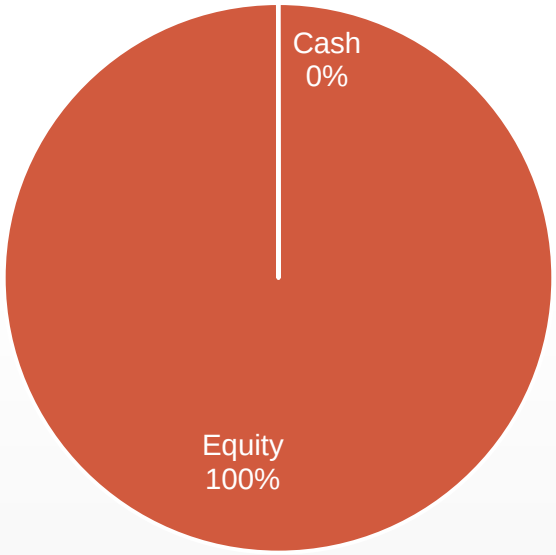
***as of 31 Oct '20***
*Rebased*



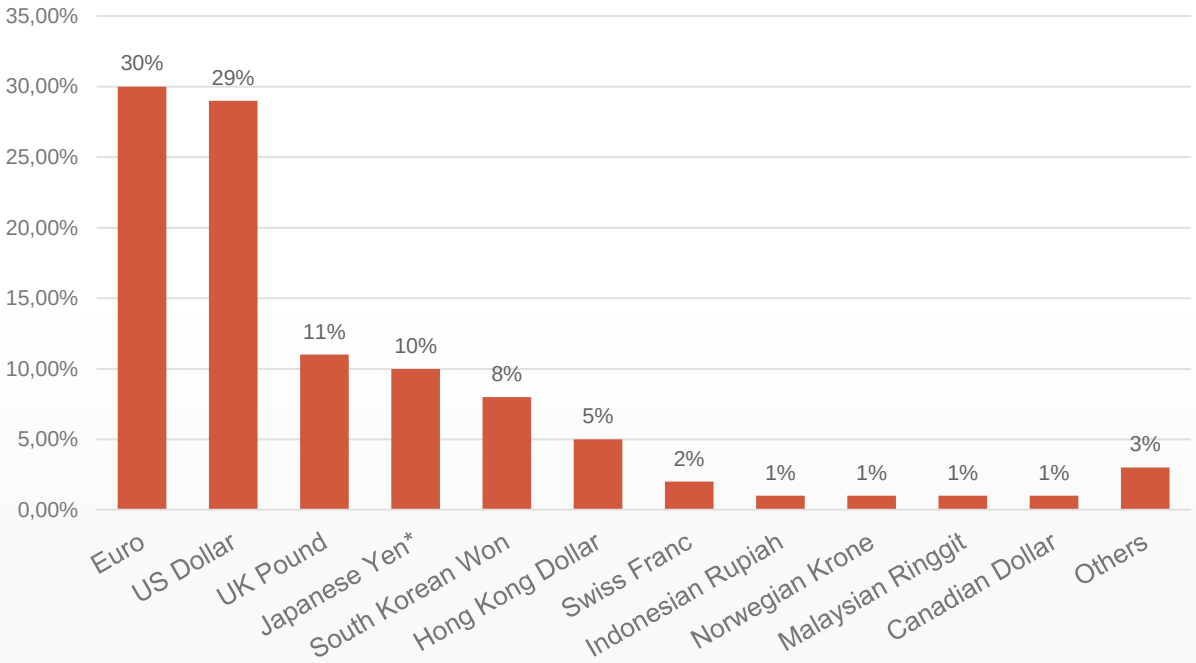

*Source: Niche AM, Thomson Reuters*
**Pharus Electric Mobility*

# PORTFOLIO: Allocation summary

## Breakdown by Asset Class
*as of 31 Oct '20*



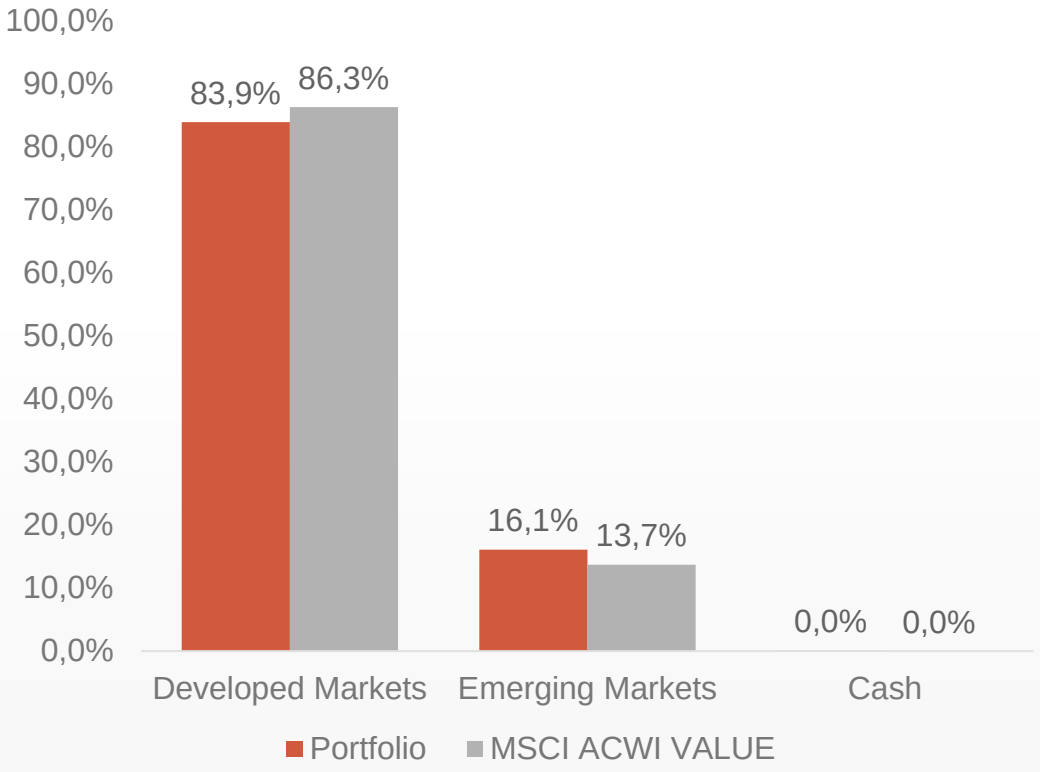

## Breakdown by Currency
*as of 31 Oct '20*



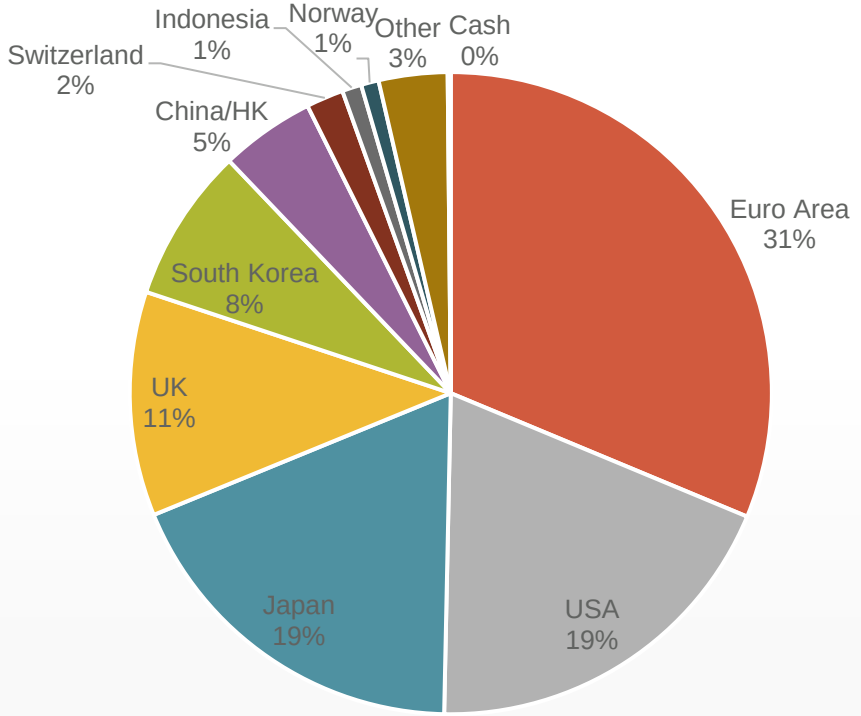

** net of JPY hedging*

# PORTFOLIO: Allocation summary

## Breakdown by Economy Development
*as of 31 Oct '20*




## Breakdown by Country
*as of 31 Oct '20*

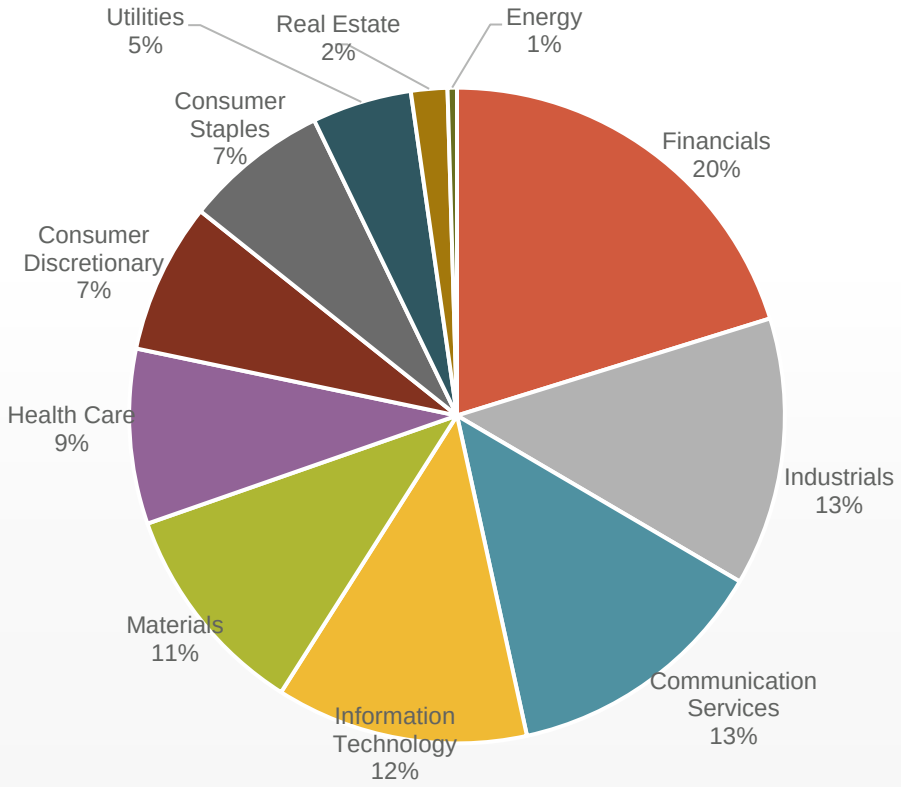



*Source: Niche AM, Thomson Reuters*
**Pharus Electric Mobility*

# *EQUITY PORTFOLIO: allocation summary*

**Equity Exposure: 99%**
**Equity Exposure previous month: 99%**

***Equity Breakdown by Sector as of 31 Oct '20***
*Rebased*




***Average Equity Breakdown by sector VS benchmark as of 31 Oct '20***
*Not Rebased*

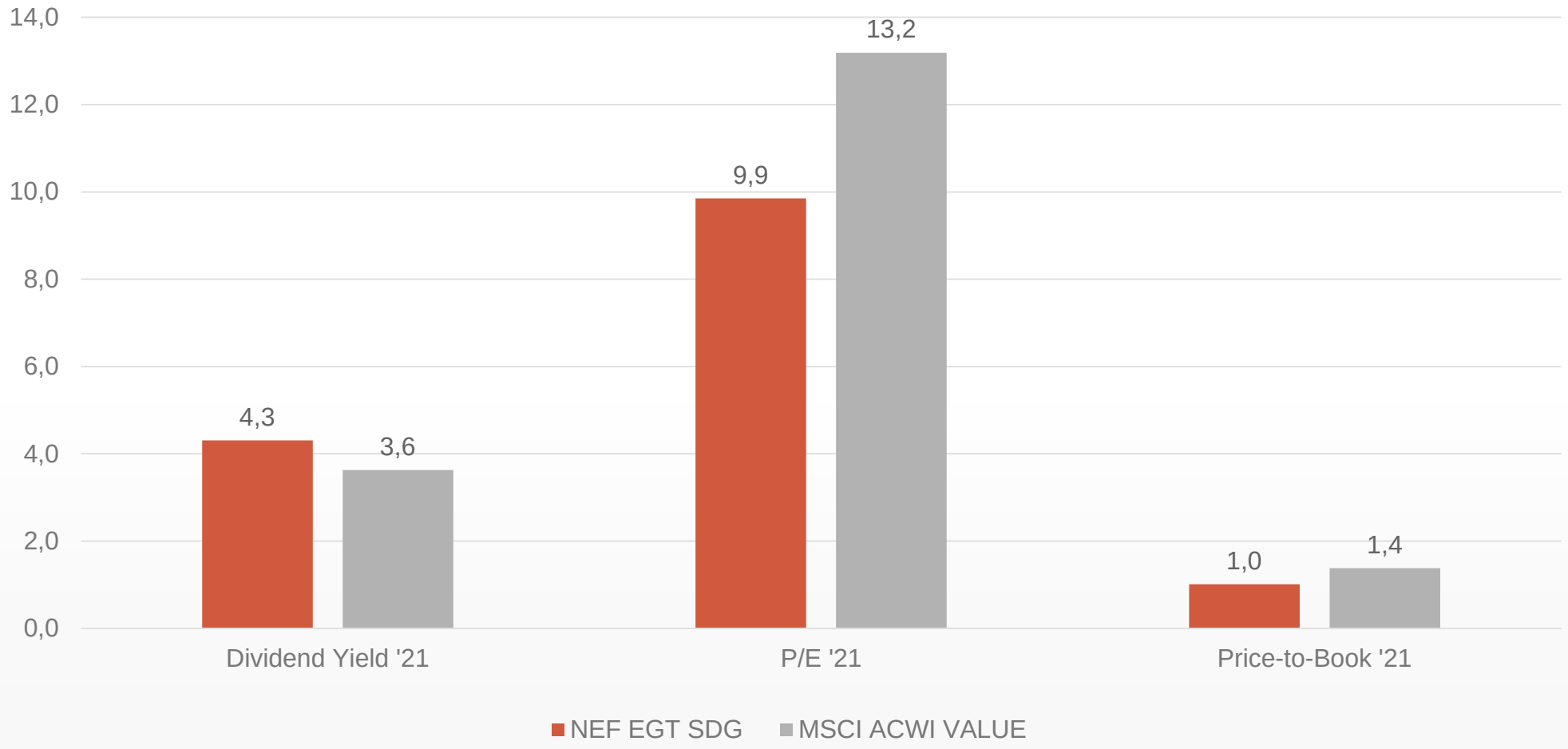
| | Portfolio Weight | MSCI ACWI VALUE Weight | Weight Difference |
|---|---|---|---|
| **Portfolio** | **100%** | **100%** | **0%** |
| Financials | 20% | 23% | -2% |
| Industrials | 13% | 12% | 2% |
| Communication Services | 13% | 7% | 6% |
| Information Technology | 12% | 9% | 4% |
| Materials | 11% | 6% | 5% |
| Consumer Discretionary | 9% | 8% | 0% |
| Health Care | 7% | 11% | -4% |
| Consumer Staples | 7% | 9% | -2% |
| Utilities | 5% | 6% | -2% |
| Real Estate | 2% | 4% | -2% |
| Energy | 0% | 5% | -5% |
| Cash & Equivalents | 0% | 0% | 0% |

** o/w Traditional Telecomunication 8,9% Vs 3,9% bench*

*Source: Niche AM, Thomson Reuters*

*Source: Niche AM, Thomson Reuters*

# PORTFOLIO: Valuation snapshot




*Source: Niche AM, Thomson Reuters, MSCI*

# EQUITY PORTFOLIO: Change in holdings *(30 Sept – 31 Oct '20)*

| | Trade | End Portfolio Weight |
|---|---|---|
| Enel Ord Shs | BUY | 0,48% |
| WEBUILD Ord Shs | ADD | 0,65% |
| Enel Chile ADR Representing 50 Ord Shs | ADD | 0,37% |
| GAM Holding Ord Shs | ADD | 0,33% |
| Wartsila Ord Shs | ADD | 0,64% |
| Micro Focus International Ord Shs | ADD | 0,27% |
| Mazda Motor Ord Shs | ADD | 0,29% |
| Nokia Ord Shs | ADD | 1,14% |
| Nikon Ord Shs | ADD | 0,64% |
| Panasonic Ord Shs | ADD | 1,56% |
| Pearson Ord Shs | ADD | 0,81% |
| Axa Ord Shs | ADD | 1,22% |
| Metro Ord Shs | ADD | 0,46% |
| Bayer Ord Shs | ADD | 0,74% |
| Toshiba Ord Shs | ADD | 0,90% |
| Teijin Ord Shs | ADD | 1,02% |

| | Trade | End Portfolio Weight |
|---|---|---|
| China Mobile ADR Representing 5 Ord Shs | ADD | 0,36% |
| Fresh Del Monte Produce Ord Shs | ADD | 0,67% |
| Hitachi Ord Shs | ADD | 1,47% |
| Samsung Electronics Non Voting Pref Shs | ADD | 1,21% |
| BNP Paribas Ord Shs | ADD | 1,01% |
| Maple Leaf Foods Ord Shs | ADD | 0,58% |
| International Business Machines Ord Shs | ADD | 1,17% |
| SMA Solar Technology Ord Shs | REDUCE | 0,36% |
| Georg Fischer Ord Shs | SELL | 0,00% |
| Fedex Ord Shs | SELL | 0,00% |
| Merck Ord Shs | SELL | 0,00% |
| GS Yuasa Ord Shs | SELL | 0,00% |
| ViacomCBS Ord Shs Class B | SELL | 0,00% |
| Siemens Gamesa Renewable Energy Ord Shs | SELL | 0,00% |

# EQUITY PORTFOLIO: Monthly performance *(30 Sept – 31 Oct '20)*

### *Top performers**

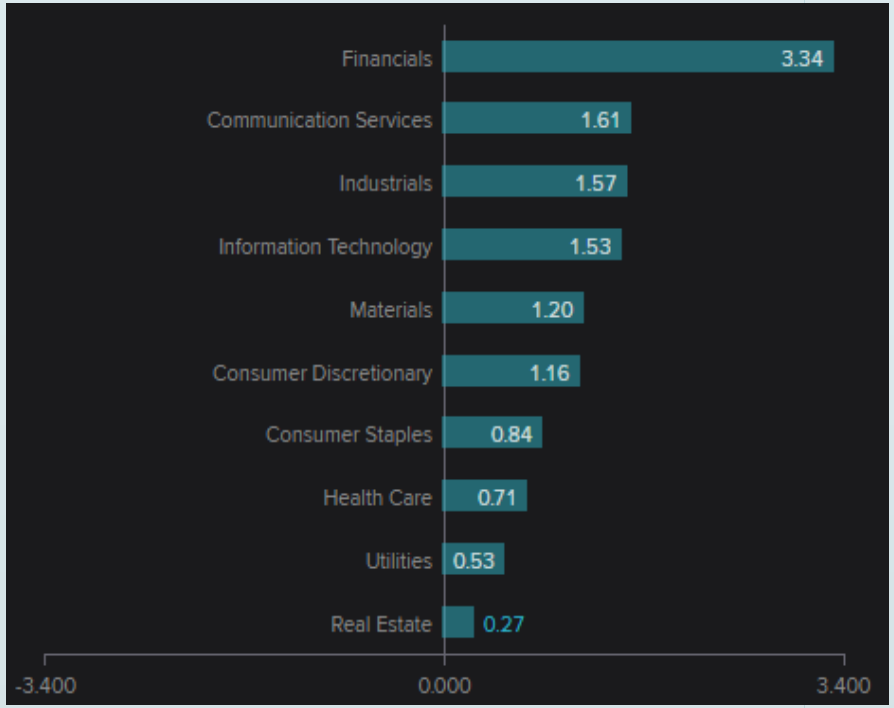
| | 1 Month (Portfolio) | | |
|---|---|---|---|
| | Avg Weight | Return | Contribution |
| First Solar Ord Shs | 1,1% | 32,4% | 0,31% |
| Panasonic Ord Shs | 1,3% | 9,8% | 0,14% |
| Bunge Ord Shs | 0,5% | 25,0% | 0,11% |
| Orange Ord Shs | 1,2% | 8,4% | 0,09% |
| Natwest Group Ord Shs | 0,5% | 17,9% | 0,08% |
| Reach Ord Shs | 0,2% | 43,0% | 0,07% |
| First Pacific Ord Shs | 0,5% | 15,0% | 0,07% |
| Unisys Ord Shs | 0,3% | 24,0% | 0,07% |
| Ford Motor Ord Shs | 0,4% | 16,8% | 0,06% |
| American International Group Ord Shs | 0,4% | 15,2% | 0,06% |
| Barclays Ord Shs | 0,6% | 9,9% | 0,06% |
| Fluor Ord Shs | 0,2% | 29,7% | 0,06% |
| Siemens Gamesa Renewable Energy Ord Shs | 0,9% | 6,1% | 0,05% |
| China Longyuan Power Group Ord Shs H | 0,6% | 10,2% | 0,05% |
| Alphabet Ord Shs Class A | 0,5% | 11,0% | 0,05% |
| POSCO Ord Shs | 0,5% | 10,1% | 0,05% |
| BT Group Ord Shs | 1,3% | 3,8% | 0,05% |
| Bank Tabungan Negara (Persero) Ord Shs | 0,3% | 18,6% | 0,05% |
| Alcoa Ord Shs | 0,4% | 11,8% | 0,05% |
| Fedex Ord Shs | 0,2% | 12,9% | 0,04% |
| Publicis Groupe Ord Shs | 0,5% | 8,0% | 0,04% |
| General Motors Ord Shs | 0,2% | 17,5% | 0,04% |
| Hana Financial Group Ord Shs | 0,3% | 12,2% | 0,04% |
| Shinhan Financial ADR Representing 1 Ord Shs | 0,2% | 17,9% | 0,04% |
| Bank Mandiri (Persero) Ord Shs | 0,2% | 19,3% | 0,03% |
| Samsung Electronics Non Voting Pref Shs | 1,2% | 3,6% | 0,03% |
| HSBC Holdings Ord Shs | 0,4% | 8,4% | 0,03% |
| Sony Ord Shs | 0,3% | 9,7% | 0,03% |
| Orange Belgium Ord Shs | 0,9% | 3,8% | 0,03% |
| Shinhan Financial Group Ord Shs | 0,2% | 14,1% | 0,03% |
| Gs Engineering & Construction Ord Shs | 0,2% | 14,7% | 0,03% |
| Samsung Life Ord Shs | 0,4% | 7,5% | 0,03% |
| Bank Danamon Indonesia Ord Shs | 0,2% | 16,1% | 0,03% |
| SMA Solar Technology Ord Shs | 0,5% | -2,7% | 0,03% |
| KB Financial Group Ord Shs | 0,3% | 10,8% | 0,03% |

### *Bottom performers*

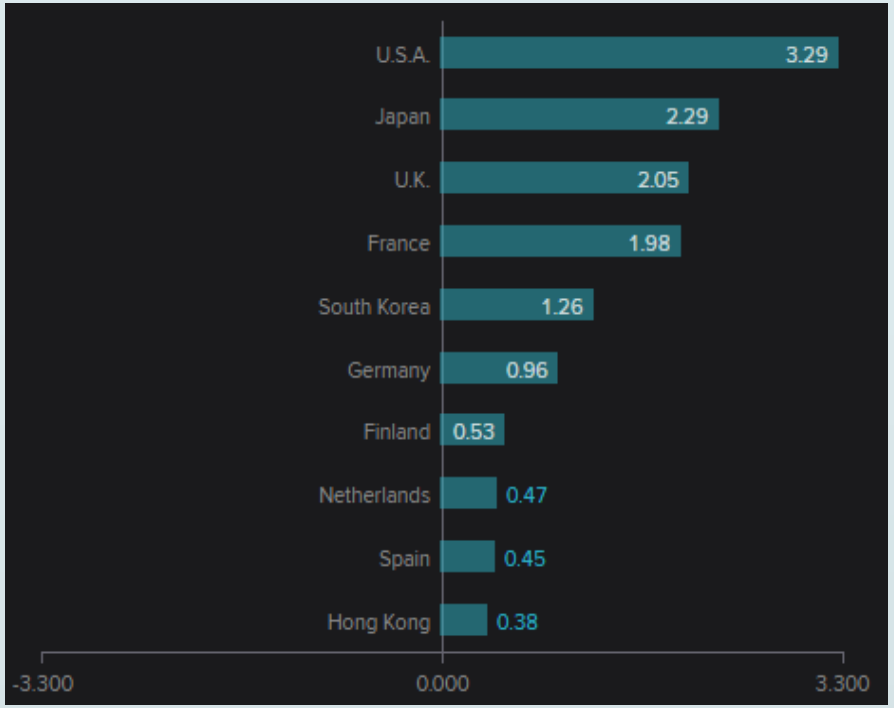
| | 1 Month (Portfolio) | | |
|---|---|---|---|
| | Avg Weight | Return | Contribution |
| Nokia Ord Shs | 1,3% | -13,4% | -0,18% |
| Axa Ord Shs | 1,2% | -12,5% | -0,17% |
| Intel Corporation Ord Shs | 1,0% | -13,9% | -0,14% |
| Bayer Ord Shs | 0,5% | -24,3% | -0,13% |
| Veolia Environ, Ord Shs | 0,9% | -13,2% | -0,12% |
| International Business Machines Ord Shs | 1,1% | -7,6% | -0,09% |
| GlaxoSmithKline Ord Shs | 0,8% | -10,4% | -0,09% |
| WEBUILD Ord Shs | 0,6% | -8,0% | -0,08% |
| Hewlett Packard Enterprise Ord Shs | 1,1% | -7,2% | -0,07% |
| Engie Ord Shs | 0,8% | -9,1% | -0,07% |
| Otsuka Holdings Ord Shs | 0,5% | -11,9% | -0,07% |
| Atos Ord Shs | 0,4% | -14,8% | -0,06% |
| Maple Leaf Foods Ord Shs | 0,6% | -9,9% | -0,06% |
| Nikon Ord Shs | 0,6% | -9,7% | -0,06% |
| Sanofi Ord Shs | 0,6% | -9,3% | -0,05% |
| Telecom Italia Saving Shs | 0,6% | -9,4% | -0,05% |
| GAM Holding Ord Shs | 0,3% | -16,4% | -0,05% |
| Telefonica Ord Shs | 1,2% | -4,5% | -0,05% |
| Bankia Ord Shs | 0,3% | -15,3% | -0,05% |
| Domtar Ord Shs | 0,6% | -8,3% | -0,05% |
| Pearson Ord Shs | 0,7% | -6,5% | -0,05% |
| Telecom Italia Ord Shs | 0,3% | -14,8% | -0,05% |
| Glaxosmithkline ADR Representing 2 Ord Shs | 0,4% | -10,6% | -0,04% |
| Aviva Ord Shs | 0,4% | -9,3% | -0,04% |
| Fresh Del Monte Produce Ord Shs | 0,7% | -5,4% | -0,04% |
| BNP Paribas Ord Shs | 1,0% | -3,6% | -0,04% |
| Imerys Ord Shs | 0,2% | -19,3% | -0,04% |
| Yara International Ord Shs | 0,4% | -8,9% | -0,04% |
| China Everbright Environment Group Ord Shs | 0,4% | -10,8% | -0,04% |
| SK Telecom ADR repsg 1/9 Ord Shs | 0,7% | -5,4% | -0,04% |
| Stora Enso Ord Shs Class R | 0,7% | -6,4% | -0,04% |
| Enel Ord Shs | 0,4% | -7,6% | -0,04% |
| Biogen Inc Ord Shs | 0,4% | -10,5% | -0,04% |
| Micro Focus International Ord Shs | 0,2% | -11,7% | -0,04% |
| Walgreen Boots Alliance Ord Shs | 0,8% | -4,6% | -0,04% |

# Ex-ante analysis: VaR 1 month 95%
## *as of 31/10/2020*

**VAR 1M – 95% TOP 10 BY GICS SECTOR AS OF 31/10/2020**



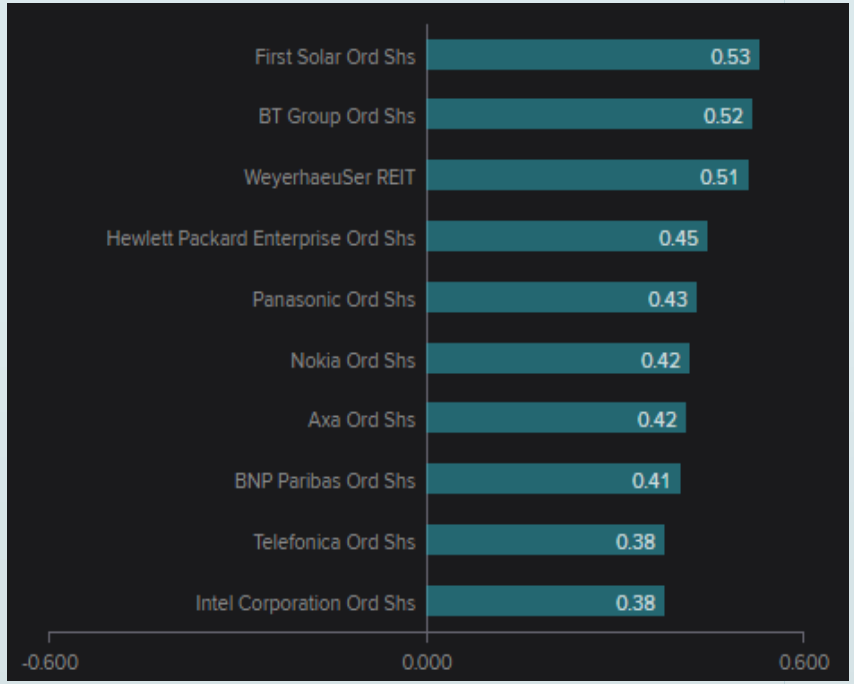

**VAR 1M – 95% TOP 10 BY COUNTRY AS OF 31/10/2020**



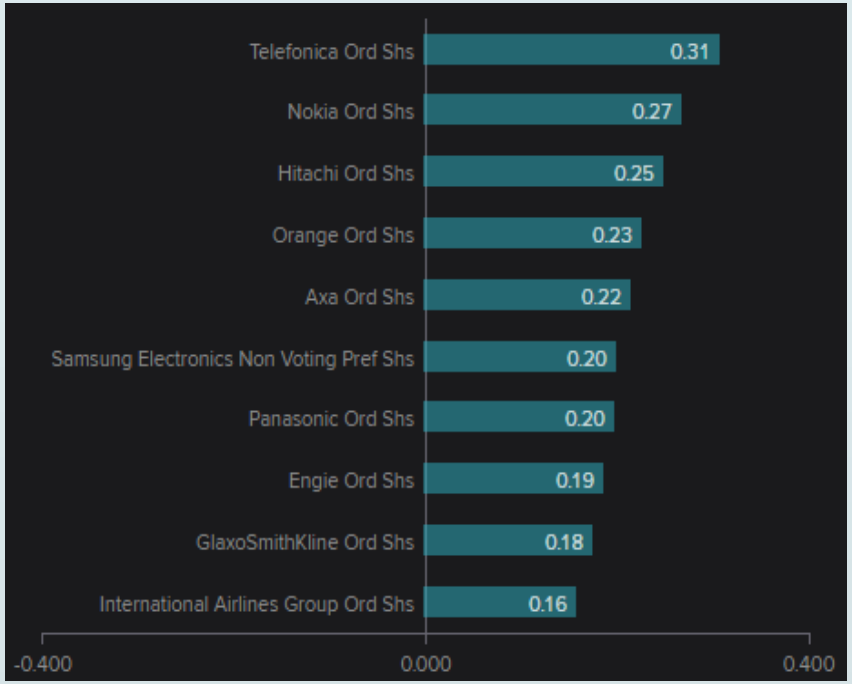

*Source: MSCI RIskMetrics, Niche*

# Ex-ante analysis: Top securities which are contributing the most to total active risk

**CVAR 1M – 95% TOP 10 SECURITIES AS OF 31/10/2020**




**MVAR 1M – 95% TOP 10 SECURITIES AS OF 31/10/2020**




*Source: MSCI RIskMetrics, Niche*

# Ex-ante analysis: Top securities which are contributing the most to total active risk (sorted by Expected Shortfall 1M 95%) *as of 31/10/2020*

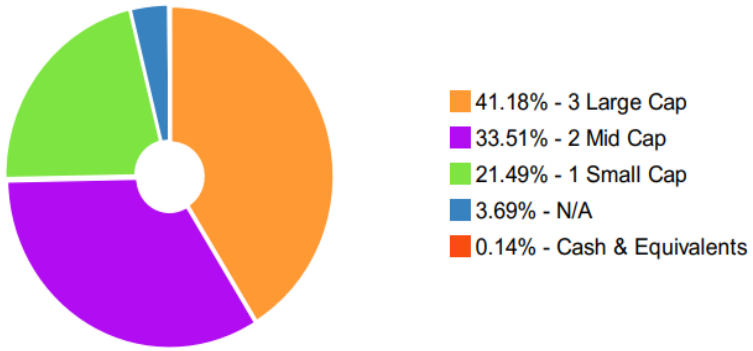
| | *VaR 1M 95%* | *CVaR 1M 95%* | *MVaR 1M 95%* | *Portfolio Weight %* |
|---|---|---|---|---|
| **NEF ETHICAL GLOBAL TRENDS SDG** | **11,18** | **22,29** | **11,18** | **100,00%** |
| First Solar Ord Shs | 0,32 | 0,53 | -0,19 | 1,33% |
| BT Group Ord Shs | 0,30 | 0,52 | -0,02 | 1,40% |
| WeyerhaeuSer REIT | 0,27 | 0,51 | 0,08 | 0,96% |
| Hewlett Packard Enterprise Ord Shs | 0,26 | 0,45 | -0,06 | 1,04% |
| Panasonic Ord Shs | 0,27 | 0,43 | 0,20 | 1,58% |
| Nokia Ord Shs | 0,23 | 0,42 | 0,27 | 1,15% |
| Axa Ord Shs | 0,22 | 0,42 | 0,22 | 1,24% |
| BNP Paribas Ord Shs | 0,26 | 0,41 | 0,15 | 1,03% |
| Telefonica Ord Shs | 0,23 | 0,38 | 0,31 | 1,21% |
| Intel Corporation Ord Shs | 0,18 | 0,38 | 0,02 | 0,90% |
| Hitachi Ord Shs | 0,29 | 0,37 | 0,25 | 1,49% |
| International Business Machines Ord Shs | 0,20 | 0,36 | 0,12 | 1,18% |
| Natixis Ord Shs | 0,22 | 0,36 | 0,13 | 0,61% |
| Societe Generale Ord Shs | 0,21 | 0,31 | 0,11 | 0,61% |
| Orange Ord Shs | 0,21 | 0,31 | 0,23 | 1,27% |
| Fresh Del Monte Produce Ord Shs | 0,19 | 0,31 | 0,14 | 0,68% |
| Citigroup Ord Shs | 0,18 | 0,30 | 0,05 | 0,62% |
| Barclays Ord Shs | 0,19 | 0,30 | 0,14 | 0,67% |
| Samsung Electronics Non Voting Pref Shs | 0,20 | 0,29 | 0,20 | 1,23% |
| WEBUILD Ord Shs | 0,16 | 0,29 | 0,06 | 0,66% |

*Source: MSCI RIskMetrics, Niche*

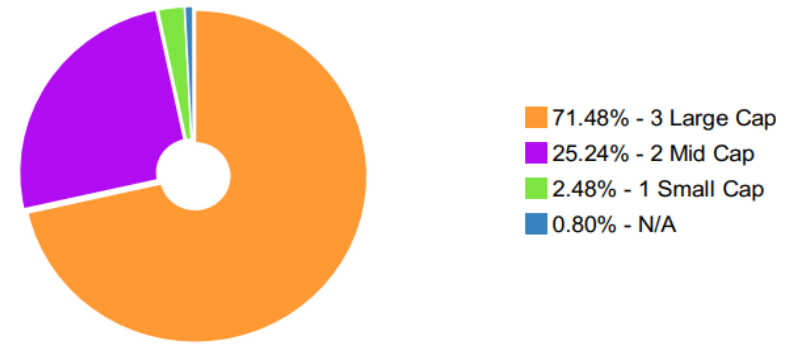
# Ex-ante analysis Multi-Factor risk *as of 31/10/2020*

***Size Allocation***

*Portfolio*

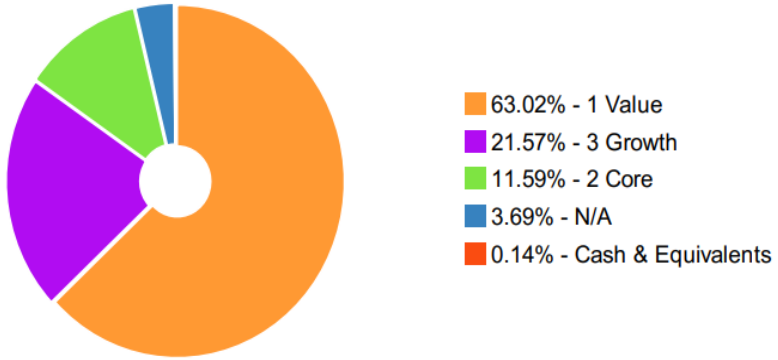



*Benchmark: MSCI ACWI VALUE*

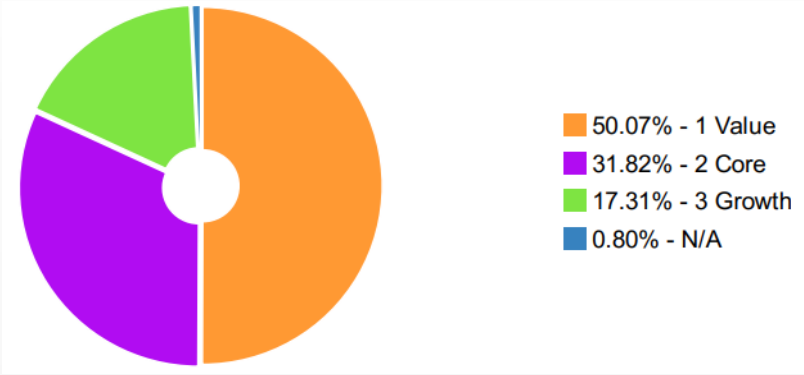



***Style Allocation***

*Portfolio*




*Benchmark: MSCI ACWI VALUE*




*Source: Thomson Reuters, Niche AM*

# Liquidation time horizon and stress test

| | 1 day | 5 days | 10 days | 30 days |
|---|---|---|---|---|
| NEF Ethical Global Trends SDG | 94% | 99% | 100% | 100% |

*Source: Niche AM, Thomson Reuters*

*Assumptions for what regards the time it takes to liquidate assets for cash on a daily basis:*

- *Equity: orders placed on the market at 20% of volumes; average 3 months volumes considered*

*Internal Liquidity requirement: at least 10% can be liquidated in one week and 40% in one month*

| | |
|---|---|
| **Number of days necessary to liquidate 20% of the portfolio:** | **1 day** |

# PORTFOLIO: FX hedging

***Forex outright  trades in place:***

| Currency Pair | Average RATE | Amount sold | Amount bought | Maturity |
|---|---|---|---|---|
| JPY / EUR | 123,082 | -JPY 1,429,000,000 | € 11,610,146 | 18/12/2020 |
| EUR / USD | 0,8556 | -€ 13,000,000 | $15,194,016 | 18/12/2020 |

*JPY Exposure as a % of NAV: 18,4%*

*JPY Exposure as a % of NAV net of hedging: 9,6%*

*USD Exposure as a % of NAV: 20%*

*USD Exposure as a % of NAV net of hedging: 29,8%*

**DISCLAIMER**

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