

30/06/2022

# Pharus Asian Niches

## Portfolio Update

31<sup>st</sup> March 2022– 30<sup>th</sup> June 2022



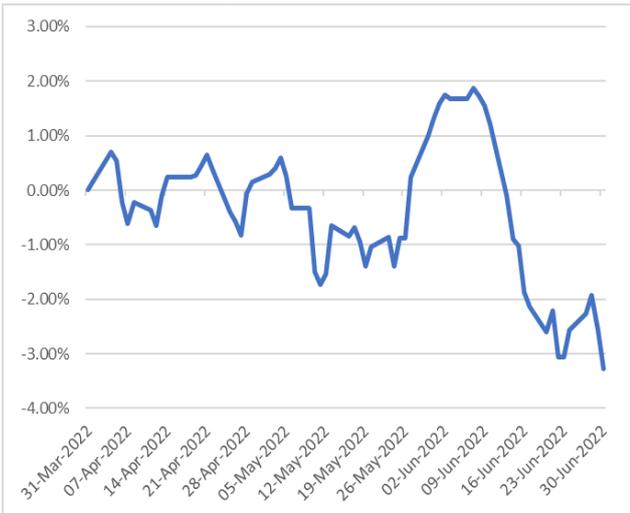
Launch date: 15.02.2019  
Total Net Asset value 30.06.22: € 26,764,269.06  
Currency: EUR

Net Asset Value per share	Class A – ISIN: LU1867072578	€ 116.22
As of 30.06.22:	Class B – ISIN: LU1867072651	€ 119.16
	Class Q – ISIN: LU1867072735	€ 119.04

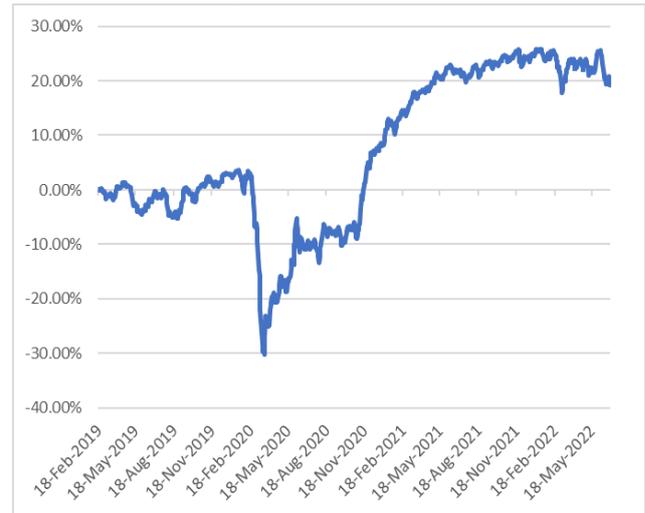
	Q2	Year to Date	1 Year	Since inception
Performance (class B)	-3,28%	-4,37%	-2,00%	+19,16%

### Net asset value per share

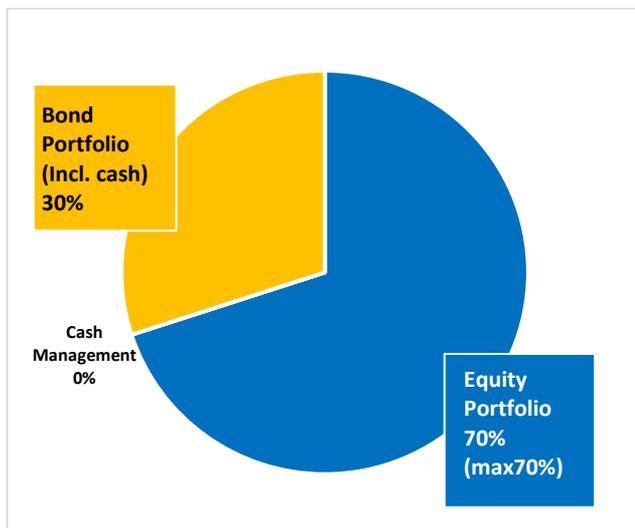
Performance second quarter 2022: -3.28%



Performance since inception: +19.16%



### Portfolio breakdown by asset class



The fund can invest the **Equity Portfolio** up to 70% of its NAV. This would be the case if every Niche was fully invested. The difference between 70% and the real investment in equity is managed in the **Cash Management Portfolio**, through a combination of cash and safe short-term bonds. The 30% of the NAV that makes up the rest of portfolio is managed in the **Bond Portfolio** that holds bonds and/or cash, with a total return goal and without any constraint.

## Quarterly comment

It was a difficult quarter for the stock market and for our product. Preceded by an equally difficult quarter. However, the Asian Niches fund has been defensive since the beginning of the year, outperforming both the MSCI ASIA PACIFIC TR and MSCI ASIA PACIFIC VALUE TR indices as well as Morningstar's ASIA BALANCED index of funds distributed in Italy. Three years and counting since its launch, the fund outperforms these indices and ranks first in its category, both in terms of performance and alpha. We can only be pleased to reciprocate the trust that our clients have given us and confirm to us on a daily basis.

During the quarter, we took profits from the 'Neglected Luxury' niche and launched the 'Champagne' niche. We are extremely positive on Champagne. We have been for five years and this certainly makes us less credible. However, we are seeing an alignment of positives that could lead the sector to at least double in the near future.

The fund is extremely diversified and contains around 300 equities, mostly Asian or exposed to Asian growth. This ensures significant risk control. At the same time, the different niches limit geographical risks and protect the investor over the long term. Despite the large number of stocks, Niche AM maintains a direct relationship with the companies it invests in, communicating with them and, when necessary, voting and/or doing direct engagement. We have about 300 documented contacts per year with companies. It is massive work that we invest in every day and that we are passionate about. Our goal is to continue to provide a product that is able to go where others don't go, to discover new opportunities, to think outside the box. A product through which clients can diversify their assets against an industry that offers an increasingly standardised allocation.

We also live in lucky times. Not because of what is happening or has happened, but because of what will inevitably happen. As long as we have been in business, we have never seen a market so full of bargains. With valuations so depressed across an endless array of sectors and geographies. An increasingly algorithm-based asset management industry and an increasingly speculative end-user attitude have ironically led us to monstrous excesses that will inevitably return. Like a spring. Violently. We are well positioned to allow our customers to benefit from this colossal adjustment, which we believe is not far off.

After an unexpectedly long procedure initiated by Pharus SICAV over a year ago, the Luxembourg regulator has approved Pharus SICAV's new prospectus. This provides for the name of the fund to be changed to ASIA VALUE NICHE. This was done at the request of some of you to make the very strong value characterisation of the product more obvious. We believe this is smart in a world with more and more new financial products and less time to study them. The new prospectus (effective from 5 September) will also allow the fund to invest in equity more flexibly by removing the upper limit of 70%. The fund will thus be able to invest from 0 to 100 per cent in equities.

In September, two of the Asian Niches, Japanese Orphan Companies and Korea Reunification, will be launched as UCITS on our innovative Irish ICAV NicheJungle which has recently been authorised by the Central Bank of Ireland. Like our fund's Niches, these are time-based projects that will see investments return to investors once the upside has been achieved. And for both the upside is in triple digits, this despite exit valuations being set at modest multiples. They are liquid, transparent, sophisticated and above all unique projects. Behind it is very thorough research shared with our clients. Nobody in the world can offer these products. In any form. We will be the first. Finally, we will close the projects to new investors once we have reached the optimal size. Investors will still be able to exit every day, T+3 currency.

This is the project Niche AM was born for. We thank all our partners, most of whom are also shareholders in Asian Niches, for making this project a reality.

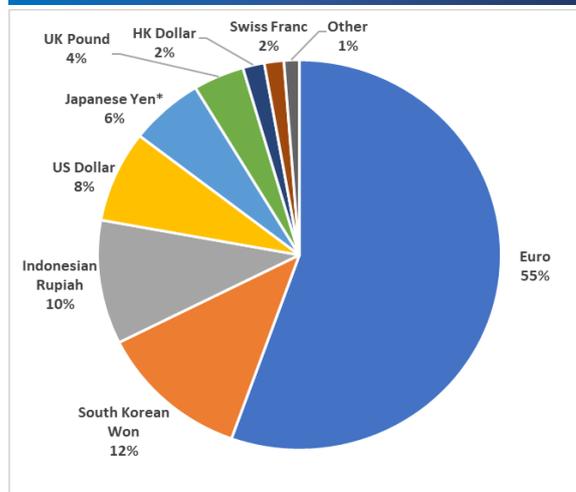
### Niche Performance first quarter 2022\*

NICHE	Return
Electric Mobility Value	-10,11%
5G Value	-9,81%
Internet Victims	-11,69%
Indonesian Infrastructure Small Caps	13,29%
Korea Reunification	-10,49%
Japanese Orphan Companies	-3,97%
Magic of Graphite	-8,09%
Champagne**	-0,88%

\*For a detailed performance breakdown of the niches and Market Indices please see table on Appendix page.

\*\* inception date 15 April 2022

### Portfolio breakdown by currency



\*net of JPY hedging.

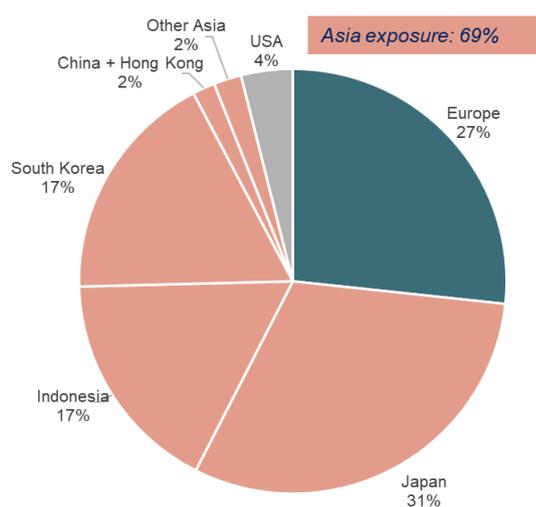
## Top holdings

ISIN	Security	Portfolio	%
LU1867072222	Pharus SICAV - Electric Mobility Niches b	Electric Mobility	8.30%
FR0013461274	Eramet 5.8750 19-25 21/05A	Bond	2.25%
XS1658012023	Barclays Bank Plc Fl.R 17-99 31/12Q	Bond	1.61%
IT0005283111	Il Sole 24 Ore Registered Shs	Internet Victims	1.56%
XS2271356201	Webuild S.P.A. 5.875 20-25 15/12A	Bond	1.42%
XS2189784288	Commerzbank AG Fl.R 20-99 31/12A	Bond	1.38%
XS1734886887	Banca Carige SPA 5.00 17-22 22/12A	Bond	1.18%
US345370CW84	Ford Motor Credit Co 9.00 20-25 22/04S	Bond	1.17%
US48268K1016	KT ADR	Korea Re-unification	1.10%
XS1945271952	SGL Carbon Se 4.6250 19-24 30/09S	Bond	1.09%

## Equity top holdings

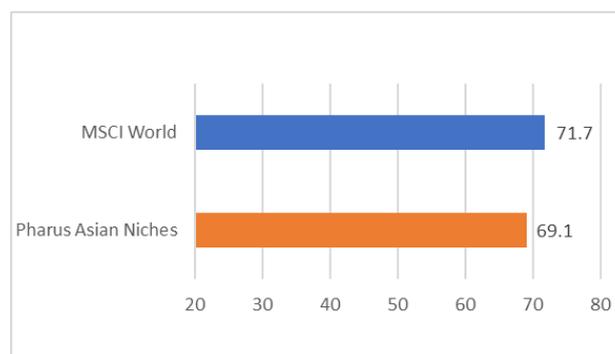
ISIN	Security	Niche	Sub-Niche	%
IT0005283111	Il Sole 24 Ore Registered Shs	Internet Victims	Publishers	1.56%
ID1000094204	Bank Danamon Indonesia	Indonesian Infrs S. C.	Banks	1.24%
US48268K1016	KT ADR	Korea Re-unification	Telecom	1.10%
JP3544000007	Teijin	Magic of Graphite	Composites	1.07%
ID1000104508	Pt Tempo Scan Pacific	Indonesian Infrs S. C.	Consumer Products	1.06%
FR0000051732	Atos SE	5G	5G Apps	1.05%
ES0178430E18	Telefonica SA	5G	Telecom Services	0.99%
FR0000133308	Orange	5G	Telecom Services	0.92%
FR0000062796	Vranken-Pommery Monopole	Champagne	Champagne	0.88%
BE0003008019	Banque Nationale De Belgique SA	Internet Victims	Financials	0.87%

## Equity breakdown by geographical exposure



Source: Niche AM

## Equity Portfolio ESG rating



Source: Niche AM, Thomson Reuters

# ASIAN NICHES



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# Electric Mobility

## Getting ready for a seismic change



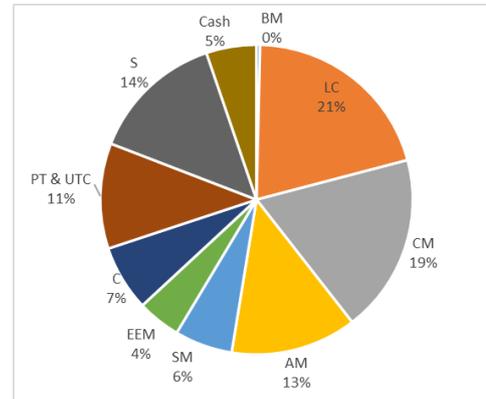
# stocks: 50

Average Market Cap (mln €) 9.647

Median Market Cap (mln €): 1.578

### Electric Mobility – segment breakdown

		Asian Niches Fund	EM Niche
Battery makers	BM	0.0%	0.4%
Lithium Cells	LC	2.1%	20.5%
Cathode makers	CM	1.9%	18.6%
Anode Makers	AM	1.3%	13.0%
Separators makers	SM	0.6%	6.0%
Electrolytes and Elecfoils	EEM	0.5%	4.5%
Commodities	C	0.7%	6.8%
Power Train & Ultracapacitors	PT & UTC	1.1%	11.0%
Satellites	S	1.4%	13.9%
Cash	Cash	0.5%	5.2%
<b>Total</b>		<b>10.0%</b>	<b>100.0%</b>



### Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Panasonic	Lithium Cells (LC)	0.7%	-7.7%
LG Chemical	Lithium Cells (LC)	0.6%	-11.9%
Toda Kogyo	Cathodes (CM)	0.5%	-19.3%
Sumitomo Metal Mining	Cathodes (CM)	0.5%	-31.0%
Teijin	Separators (SM)	0.4%	+3.7%

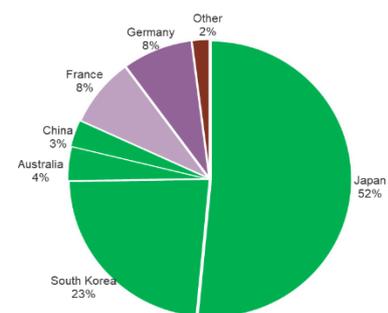
### Major increases in the quarter

Name	Weight at 31/03	Weight at 30/06
Valeo	0.2%	0.4%
Renault	0.1%	0.2%
Posco Holdings	0.2%	0.3%

### Major decreases in the quarter

Name	Weight at 31/03	Weight at 30/06	Total Return
SFA Engineering	0.5%	0.2%	+2.2%
IHI	0.2%	0.0%	+28.0%
Syrah Resources	0.3%	0.2%	+268.6%

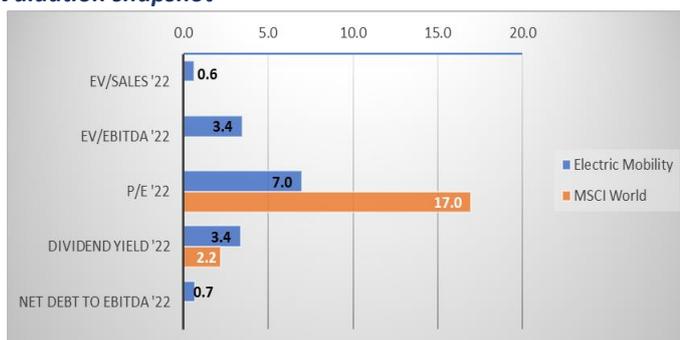
### Geographical breakdown



Source: Niche AM

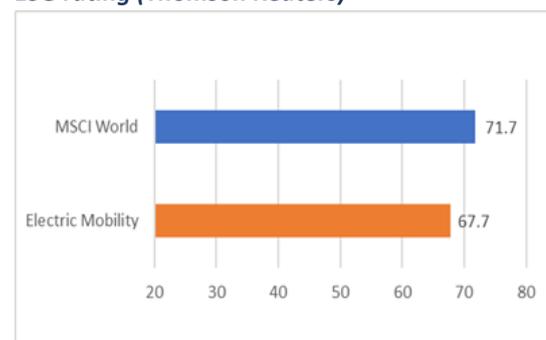
Source: Niche AM, Thomson Reuters

### Valuation snapshot



Source: Niche AM, Thomson Reuters

### ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

# Electric Mobility

## Getting ready for a seismic change



### Comment

It was a difficult quarter for the Niche (-10.11%), affected by the negative performance of global equity markets on recession fears. Recessionary fears are what bothered us the most as these were stocks from the cyclical sectors of chemicals, commodities, engineering, and capital goods. These stocks are far from being seen as growth stocks, although they are in fact significantly exposed to the e-mobility trend. Ironically, the phase of weakness was matched by an extremely positive news flow in the e-mobility sector. In May, global sales of electric vehicles rose 56% year-on-year. In China, the penetration of electric cars (Hybrids and BEVs) exceeded 30%, and that of pure electrics (BEVs) 20% (+150% year-on-year). In Europe, growth is slowing down, but only because of the reduced supply of cars. Here, the penetration of electric vehicles in sales is still around 20%, ready to jump as soon as supply normalises. In the quarter, the EU Council confirmed that from 2035 onwards cars and light commercial vehicles sold in the EU will not be allowed to release emissions, effectively banning the sale of internal combustion cars, including hybrid options.

Within the sub-category, the biggest detractor from performance was Sumitomo Metal Mining (SMM), which wiped out all the strong gains made in the first months of the year. This Japanese group is one of the largest producers of precursors used in the production of lithium battery cathodes and anodes. In addition, the company is one of the largest producers and refiners of nickel (ferronickel to nickel sulphate), an indispensable material for lithium batteries. The stock fell along with other commodity-related stocks due to recessionary fears, offering a beautiful entry point (>7x '22 earnings, 0.85x tangible equity). Also negative was the contribution of Toda Kogyo, a company that produces NCA and NCM-type cathode precursors through the joint venture formed in 2015 with BASF. This group trades at laughable valuations (less than 5x earnings '22), despite deriving most of its profits from these very materials. Moreover, this contribution is set to rise sharply: in July, the joint venture with BASF announced a major increase in production capacity by 2024 (from 35k to 60k tonnes). Similar stocks in Korea that we have had in our portfolio in the past (such as L&F, Cosmo Chem or Cosmo AM&T) have multiplied, from the levels at which Toda Kogyo and other small Japanese peers are sitting, by 5 times.

The contribution of the Commodities Niche was also particularly impactful, due to the negative sentiment throughout the sector. The only exception was Lithium (-3% in Q2, after +78% in Q1) where the fund had marginal exposure due to valuations no longer deemed attractive. In lithium, we still have two companies whose lithium reserves are not yet being analysed by the market, Eramet and, above all, Posco. Both have huge lithium deposits in Argentina that the market does not yet consider. In addition, Posco, one of the five largest steelmakers in the world, controls Posco Chemical, Korea's leading producer of cathodes and anodes, whose fat valuation is by no means taken for granted by its parent company, Posco. The latter in fact trades at 0.4x tangible book value, 3.5x earnings and has no debt.

Two Japanese stocks, Mitsubishi Materials and Dowa Holding, trade between 8 and 10 times earnings and well below tangible book value. This is a sector that is set to grow significantly, not least because of the significant technological developments that have taken place in the last two years, allowing more than 90% of EV batteries to be recycled.

Performance second quarter 2022 (31/03/22-30/06/22)

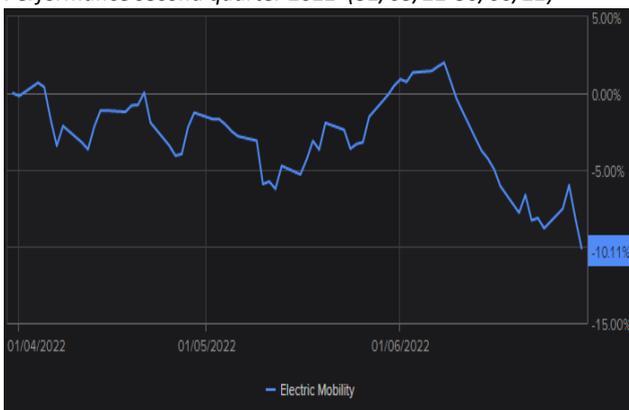


Chart since inception (21/02/19 – 30/06/22)



Source: Niche AM, Thomson Reuters

### Description of the Niche

Electric mobility will grow dramatically in the next few years, with a speed still unexpected by most and changing the world for good. The electric mobility will be pervasive, affecting land, air and water transportation. The batteries stocks, just a part of the broader electric mobility sector, will overcome the semiconductor sector by total sales in few years. We deem the sector a great opportunity for those who have a firm understanding of it, and potentially hazardous for those who do not. Niche Asset Management team boasts a long and successful experience in the electric mobility investing. Niche aims to give the investor exposure to this exciting sector through its value approach.

# 5G

## Moving to the next Internet investment chapter



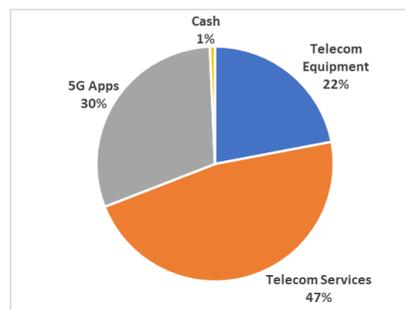
# stocks: 23

Average Market Cap (mln €) 44.169

Median Market Cap (mln €): 8.378

### 5G breakdown

	Asian Niches Fund	5G Niche
Telecom Equipment	2.2%	22.0%
Telecom Operators	4.7%	47.1%
5G Apps and IT Consultants	3.0%	30.2%
Cash	0.1%	0.7%
<b>Total</b>	<b>10.0%</b>	<b>100.0%</b>



Source: Niche AM

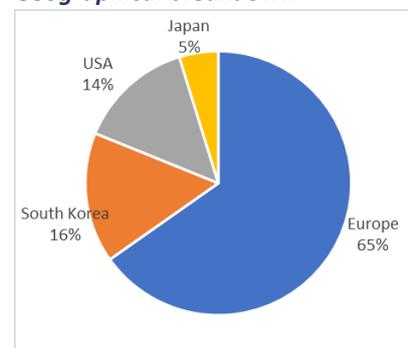
### Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Atos	5G Apps	1.1%	-48.4%
Telefonica	Telecom Services	1.0%	13.5%
Orange	Telecom Services	0.9%	4.8%
BT Group	Telecom Services	0.7%	2.3%
Nokia	Telecom Equipment	0.7%	-11.0%

### Major increases in the quarter

Name	Weight at 31/03	Weight at 30/06
Telefonica	0.80%	0.90%
Intel Corporation	0.30%	0.40%
Kyndryl Holdings	0.20%	0.30%

### Geographical breakdown



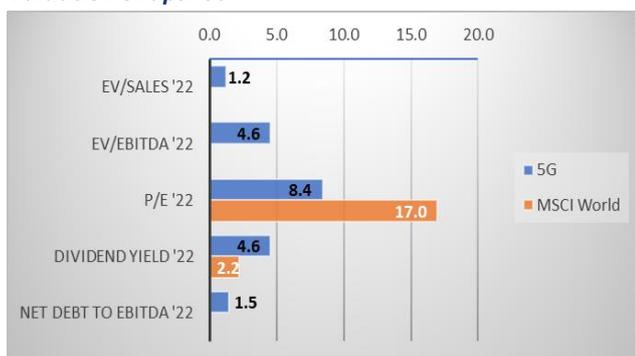
Source: Niche AM

### Major decreases in the quarter

Name	Weight at 31/03	Weight at 30/06	Total Return
China Mobile	1.00%	0.00%	+1.2%
Telefonica Deutschland	0.40%	0.00%	+12.9%
Fujikura	0.20%	0.00%	+56.3%

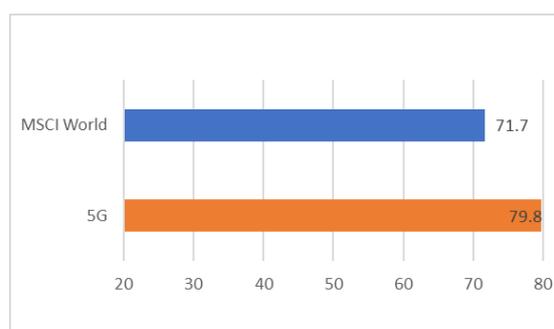
Source : Niche AM, Thomson Reuters

### Valuation Snapshot



Source: Niche AM, Thomson Reuters

### ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

# 5G

## Moving to the next Internet investment chapter



### Comment

During the quarter, the 5G niche lost 9.81%, suffering from the decline of the 5G Apps and Telecom Equipment sub-niches, which were not sufficiently offset by the good performance of Telecom Services.

With regard to the 5G Apps sub-niche, which assumes a central role in the integration of 5G within production systems, the weakness was largely attributable to the further derating of Atos. This IT consultancy company was affected by the unexpected exit of its managing director, Rodolphe Belmer, who had only a few months before embarked on a promising turnaround process. Balmer had intended to sell the cybersecurity division, which accounts for about 10% of revenues but, according to an offer received from a French company, the entire stock market value of the group. This transaction, however, was thwarted by the chairman of the board, Bertrand Meunier, who, moreover, had hired Balmer only six months earlier, highlighting unexpected governance issues. Atos offers enormous untapped value, given its solid customer base and top-notch products. In fact, the stock trades at less than 0.3 times sales, compared to 2 to 3 times for comparable operators.

Although to a lesser extent, the sub-niche of 5G equipment manufacturers also contributed negatively to the performance, due to the declines of Samsung, Nokia, Commscope and Ericsson, driven more by negative market sentiment on the technology, rather than by results or a deteriorating outlook.

Indeed, during 2022, 5G technology is accelerating its deployment phase, especially in the US, where all wireless operators are racing to expand their 5G coverage. According to Ericsson's recent Mobility Report 2022, the user base exceeded half a billion at the end of 2021 and is expected to increase to 1 billion by the end of 2022, and then reach 4.4 billion by the end of 2027. Unlike previous technologies, the investment cycle will be longer due to the different spectrum bands used to carry the signals, which implies more complex hardware instrumentation. A further element of complexity in the investment cycle will come from the need for indoor coverage through so-called small cells. At the recent investor day, Nokia predicted the peak of 5G investments between 2024 and 2028, so we are still at an early stage of the cycle, supporting a particularly constructive view on this industry.

Most stocks in the Telecom Services sub-niche, on the other hand, showed positive performances. In particular, Telefonica and Orange contributed positively, supported by improving trends in their main markets, against the backdrop of declining investments, which support robust cash generation. In this context, profits were taken on Telefonica Deutschland and the position on China Mobile was closed, as part of the general process of reducing exposure to this country.

Performance second quarter 2022 (31/03/22-30/06/22)

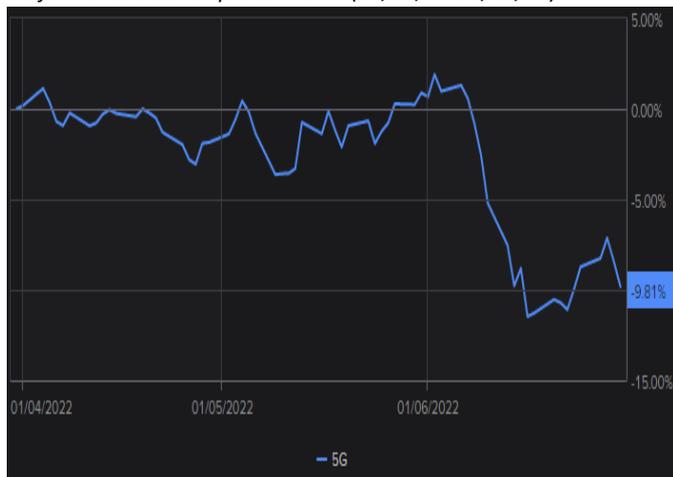
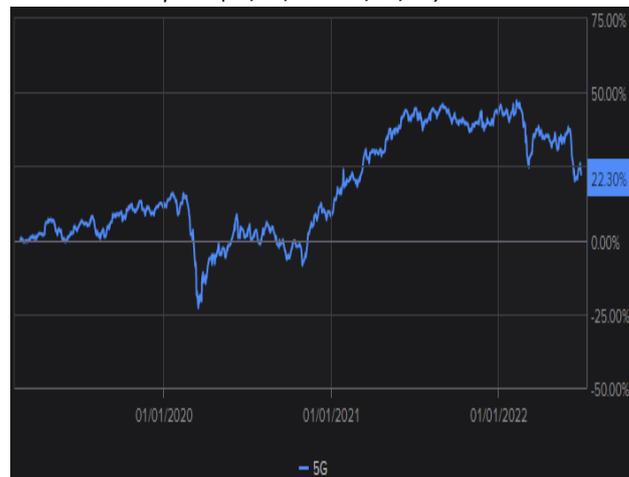


Chart since inception (21/02/19 – 30/06/22)



Source: Niche AM, Thomson Reuters

### Description of the Niche

Every technology revolution, and the ongoing huge internet revolution is no exception, makes corporate victims; business models are replaced; many of the old players fail to adapt early, while new players are ushered in, thriving and gaining market share,

This slow and cruel process is well known by investors, who, however, normally tend to be late in fully understanding the depth and the breath of the shift. Once the trend is established most of the investors sell the old players and gain exposure to the new ones. The old players have to live through a prolonged period of restructuring and reinvention; valuations are squeezed, failures and consolidation are common. We call them the (internet revolution) VICTIMS. At the end of a technology revolution a new class of companies emerges; this class is composed by the old players which have learnt to live through the change, thriving in a less competitive environment and/or through an adapted business model. We call them the (internet revolution) SURVIVORS. Finding survivors can be even more rewarding than finding winners.

The niche aims to gain exposure to the survivors of the internet revolution

# Internet Victims

## Chasing the survivors



# stocks: 30

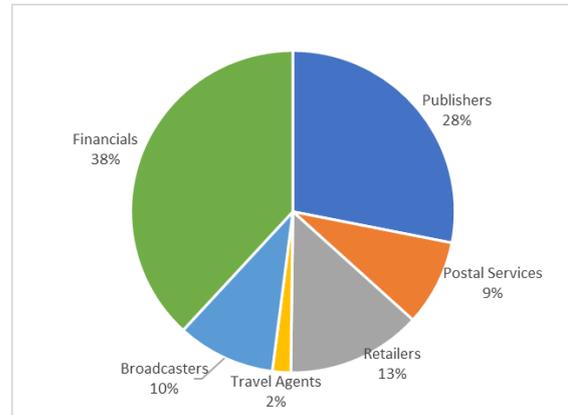
Average Market Cap (mln €) 9.509

Median Market Cap (mln €): 2.996

### Internet Victims breakdown

	Asian Niches Fund	Internet Victims Niche
Publishers	2.8%	28.1%
Postal Services	0.9%	8.6%
Retailers	1.3%	13.5%
Travel Agents	0.2%	1.8%
Broadcasters	1.0%	9.8%
Financials	3.8%	38.2%
Cash	0.0%	0.0%
<b>Total</b>	<b>10.0%</b>	<b>100.0%</b>

Source: Niche AM



### Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Il Sole 24 Ore	Publishers	1.6%	-4.6%
Banque Nationale De Belgique	Financials	0.9%	-6.0%
Credit Suisse Group	Financials	0.8%	-26.2%
RCS Mediagroup	Publishers	0.7%	-17.9%
Societe Generale	Financials	0.5%	-14.6%

### Major increases in the quarter

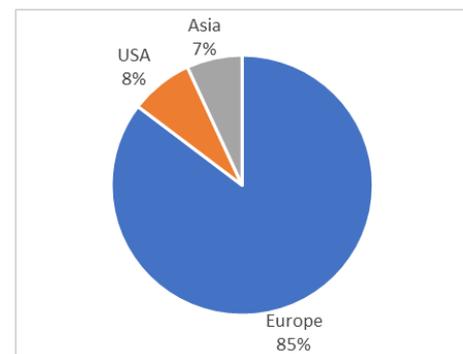
Name	Weight at 31/03	Weight at 30/06
Royal Mail	0.0%	0.1%
ProSieben Sat Media	0.0%	0.1%
ITV	0.0%	0.1%

### Major decreases in the quarter

Name	Weight at 31/03	Weight at 30/06	Total Return
Standard Chartered	0.7%	0.1%	+20.4%

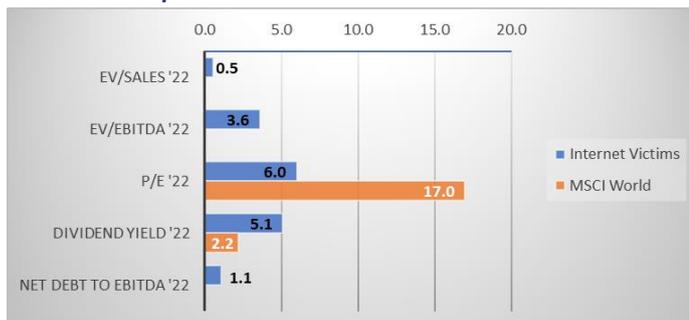
Source: Niche AM, Thomson Reuters

### Geographical breakdown



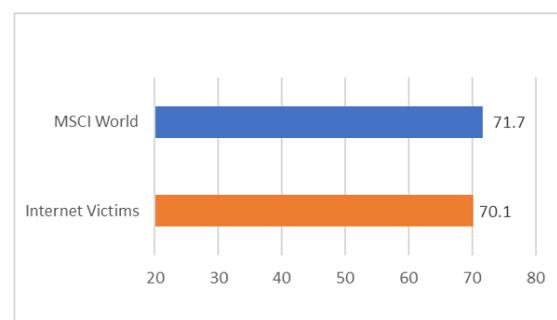
Source: Niche AM

### Valuation Snapshot



Source: Niche AM, Thomson Reuters

### ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

# Internet Victims

## Chasing the survivors



### Comment

The Niche lost 11.7% during the second quarter. This negative trend was mainly caused by the sub-niche of Financials and the sub-niche of Publishers and TV Operators, which together account for about 2/3 of the niche.

As far as Financials are concerned, they were affected by recessionary fears as a result of inflationary dynamics and the decisive counteractions by Central Banks. This was frankly an overreaction, linked to negative market sentiment rather than substantive reasons. In fact, the abandonment of the zero interest policy implies substantial benefits for the profitability of bank accounts in terms of higher interest margins, as well as for the insurance industry, including the elimination of the objective reinvestment difficulty that emerged in the context of negative real interest rates. This is associated with high levels of capitalisation, both in banking and insurance.

With reference to banking institutions, which are most represented within the Niche, capital levels seem largely capable of supporting a context of increasing non-performing loans and securities trade on average between 5 and 8 times '23 earnings, well below previous historical periods characterised by high inflation ('70s, '80s). The picture described, therefore, seems once again to be the result of dislike for an industry that has suffered more than ten years of de-risking driven by the regulator's action. Despite the fact that the earnings turnaround finally seems close.

Stocks exposed to the advertising outlook, i.e. the sub-niches Publishers and Television Operators, also corrected due to recessionary fears, despite already extremely compressed starting valuations. In the Television Operators sub-niche, we reinstated Germany's ProSieben and included the UK's ITV, both of which are trading at around five times '22 earnings.

In the Postal Operators sub-branch, we have reinserted Royal Mail, which, like other players in the sector, is suffering from the expected slowdown in ecommerce post-pandemic boom and the process of insourcing part of the distribution from Amazon, as well as the expected continued decline in the traditional postal business. Again, however, these expectations seem to be well embedded in the share price, which offers a dividend close to 7%, expected to grow to over 8% in 2024.

Performance second quarter 2022 (31/03/22-30/06/22)

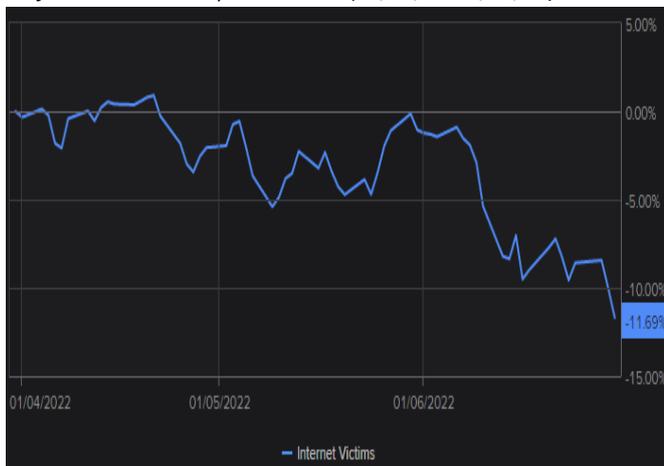
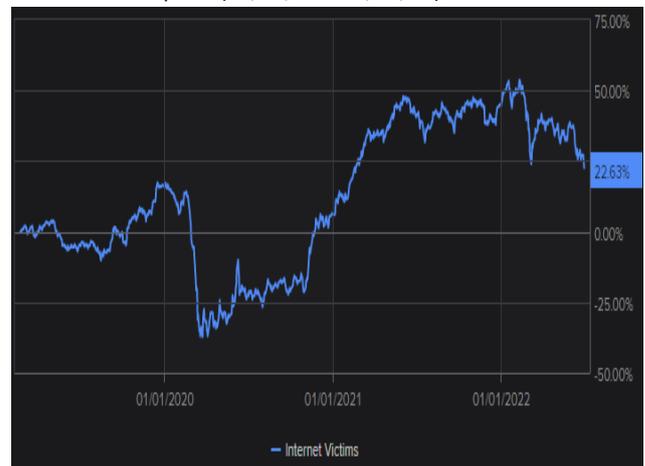


Chart since inception (21/02/19 – 30/06/22)



Source: Niche AM, Thomson Reuters

### Description of the Niche

Every technology revolution, and the ongoing huge internet revolution is no exception, makes corporate victims; business models are replaced; many of the old players fail to adapt early, while new players are ushered in, thriving and gaining market share, This slow and cruel process is well known by investors, who, however, normally tend to be late in fully understanding the depth and the breath of the shift. Once the trend is established most of the investors sell the old players and gain exposure to the new ones. The old players have to live through a prolonged period of restructuring and reinvention; valuations are squeezed, failures and consolidation are common. We call them the (internet revolution) VICTIMS. At the end of a technology revolution a new class of companies emerges; this class is composed by the old players which have learnt to live through the change, thriving in a less competitive environment and/or through an adapted business model. We call them the (internet revolution) SURVIVORS. Finding survivors can be even more rewarding than finding winners. The niche aims to gain exposure to the survivors of the internet revolution.

# Indonesian Infrastructure Small Caps

*A tremendous opportunity*



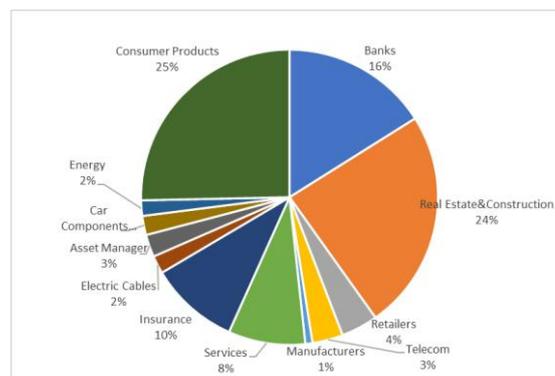
# stocks: 34

Average Market Cap (mln €): 660

Median Market Cap (mln €): 315

## Indonesian Infrastructures Small Caps breakdown

	Asian Niches Fund	Indonesian Infrastructures Small Caps
Banks	1.6%	16.0%
Real Estate & Construction	2.4%	24.1%
Retailers	0.4%	4.0%
Telecom	0.3%	3.3%
Manufacturers	0.1%	0.8%
Services	0.8%	8.4%
Insurance	1.0%	9.8%
Electric Cables	0.2%	2.0%
Asset Manager	0.2%	2.5%
Car Components	0.2%	2.1%
Energy	0.2%	1.7%
Consumer Products	2.5%	25.3%
Cash	0.0%	0.0%
<b>Total</b>	<b>10.0%</b>	<b>100.0%</b>



Source: Niche AM

## Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Bank Danamon Indonesia	Banks	1.2%	-3.7%
Pt Tempo Scan Pacific	Consumer Products	1.1%	-5.1%
Panin Insurance	Insurance	0.8%	27.4%
Wijaya Karya Beton	Real Estate& Construction	0.7%	-3.7%
Pt Hexindo Adiperkasa	Services	0.6%	-3.7%

## Major increases in the quarter

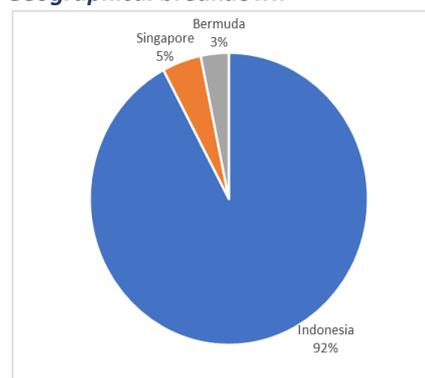
Name	Weight at 31/03	Weight at 30/06
Tempo Scan Pacific	0.8%	1.1%
Wijaya Karya Beton	0.5%	0.7%
Lippo Karawaci	0.3%	0.4%

## Major decreases in the quarter

Name	Weight at 31/03	Weight at 30/06	Total Return
Panin Financial	0.5%	0.1%	+58.7%
Bank Pan Indonesia	0.6%	0.2%	+101.1%

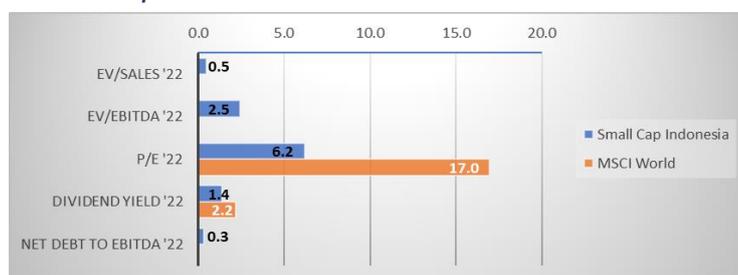
Source: Niche AM, Thomson Reuters

## Geographical breakdown



Source : Niche AM

## Valuation Snapshot



Source: Niche AM, Thomson Reuters

# Indonesian Infrastructure Small Caps

*A tremendous opportunity*



## Comment

After achieving one of the best performances among emerging markets in the first months of the year, the Indonesian equity market outperformed again in the second quarter, with both the overall index (-1.4%) and the small companies index (-0.6%) performing only slightly negatively.

Our Niche managed to significantly outperform these markets, advancing 13.1%.

Since the beginning of the year, this equity market has still shown significant inflows from foreign investors on a number of positive drivers that we have already mentioned in previous notes: the good recovery in consumption post Covid 19; the contribution to the macro recovery resulting from high commodity prices, which have also favoured an improvement in the balance of payments; the structurally positive growth dynamics resulting from solid domestic demand supported by positive demographic dynamics.

The positive performance was mainly driven by the rerating of Bank Pan Indonesia and its related holding companies, namely Panin Financial and Paninvest. Bank Pan Indonesia is controlled by the Indonesian Gunawan family with a 46% stake, while the second largest shareholder is the Australian Anz Bank Group with 39% of the capital. The latter announced a few days after the end of the quarter that it was considering selling its stake. Bank Pan Indonesia was not the only company to stand out, as there were other companies that made double-digit gains, including Cikarang Listrindo. The latter company is a utility trading at a significant discount (>30%) to the replacement value of its plants, mainly combined cycle gas plants. Finally, it should be noted that Cikarang Listrindo won several awards in the area of social sustainability.

Positive contributions were also made by operators in the food sector such as Indofood or players in the industrial sector such as Kmi Wire and Cable. On the other hand, some stocks exposed to consumption (Ramayana Lestari Sentosa in distribution) and construction (Lippo Cikarang in real estate, PP Presisi in construction equipment) contributed negatively.

Performance second quarter 2022 (31/03/22-30/06/22)

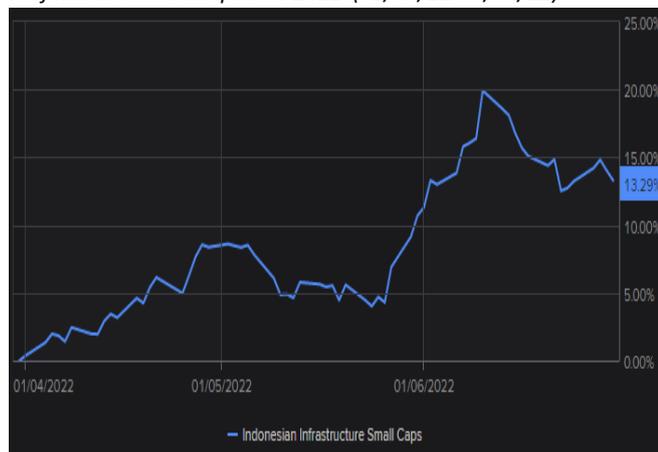
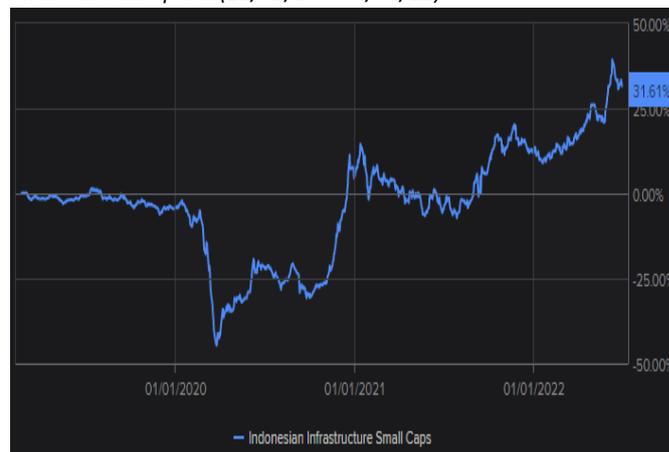


Chart since inception (21/02/19 – 30/06/22)



Source: Niche AM, Thomson Reuters

## Description of the Niche

Indonesia is a land with incredible potential. Its territory is huge, highly fertile, and beautiful. The weather is ideal for agriculture and tourism. There are plenty of natural resources. The population is tame and friendly, corporate governance is decent by emerging markets standards. The Central Bank is independent and from a political perspective the democracy system is maturing rapidly, while corruption is decreasing. The public debt is very low, inflation under control and growth is healthy. While this is well reflected in the valuation of big caps, it is not in small caps. The discount of Indonesian small caps vs big caps is stunning, which is a legacy of the low visibility and reliability of those stocks in the past. Things have changed, and we expect a rapid catch up in the next few years, as it has happened in India.

Through this niche NAM aims to give the investor exposure to this resourceful country through an actively managed small caps portfolio that offers absolute low valuations and a huge discount versus the Indonesia big caps

# Japanese Orphan Companies

## Thinking outside the box



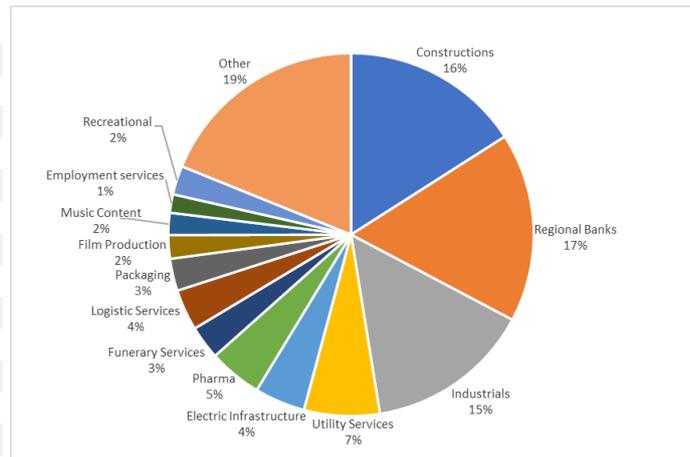
# stocks: 89

Average Market Cap (mln €) 259

Median Market Cap (mln €): 84

### Japanese Orphan Companies breakdown

	Asian Niches Fund	Jap. Orphan Companies Niche
Constructions	2.0%	15.9%
Regional Banks	2.1%	16.9%
Industrials	1.8%	14.7%
Utility Services	0.8%	6.7%
Electric Infrastructure	0.6%	4.5%
Pharma	0.6%	4.7%
Funerary Services	0.4%	3.0%
Logistic Services	0.5%	3.7%
Packaging	0.4%	2.9%
Film Production	0.3%	2.1%
Music Content	0.2%	2.0%
Employment services	0.2%	1.6%
Recreational	0.3%	2.6%
Other	2.4%	18.8%
Cash	0.0%	0.0%
<b>Total</b>	<b>12.5%</b>	<b>100.0%</b>



Source: Niche AM

### Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Hachijuni Bank	Regional Banks	0.6%	22.9%
Akita Bank	Regional Banks	0.5%	-1.5%
Heian Ceremony Service Co Ltd	Funerary Services	0.4%	-6.3%
Tokyo Sangyo Co Ltd	Utility Services	0.4%	-2.1%
Bank Of Iwate Ltd	Regional Banks	0.4%	8.7%

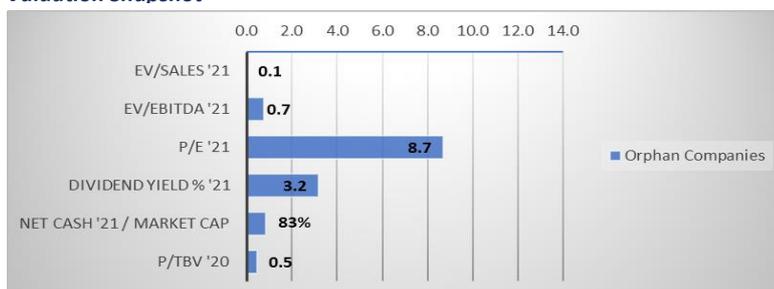
### Major increases in the quarter

Name	Weight at 31/03	Weight at 30/06
Furukawa	0.0%	0.2%
Takamatsu Construction	0.0%	0.2%
Techno Smart	0.0%	0.1%

### Major decreases in the quarter

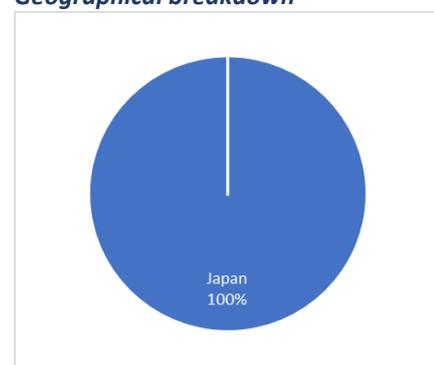
Name	Weight at 31/03	Weight at 30/06	Total Return
Comany	0.2%	0.0%	+66.6%
Mutual	0.1%	0.0%	+119.6%

### Valuation Snapshot



Source: Niche AM, Thomson Reuters

### Geographical breakdown



Source: Niche AM

# Japanese Orphan Companies

*Thinking outside the box*



## Comment

The Niche lost 4.0% over the quarter, performing similarly to the Topix Small Cap index.

The Niche invests in around 120 companies with a value/deep value profile, which are not covered by brokers and are overlooked in spite of their history of stable and consistent earnings, but above all their extremely rich liquidity, which often exceeds their capitalisation. The weakness that occurred in the Niche during the quarter was due to the cyclical nature that characterises an important share of its industrial stocks, particularly in the capital goods sector, as well as consumer discretionary goods.

This weakness was then only partially offset by the rerating of banking stocks within the Niche, which traded at extremely depressed levels (0.15/0.25 times tangible equity) on improved interest rate expectations. A further positive contributor to performance came from extraordinary transactions on two portfolio companies: Mutual Corp and Comany.

In the case of Mutual Corp, a company active in the production of industrial machinery for packaging plants for medical, cosmetic and food products, a leverage buy out was announced with a premium of over 150% by a vehicle controlled by the Development Bank of Japan. In the case of Comany, on the other hand, a company active in the construction sector (partitions), it was an offer by management at a premium of 77%.

This type of news, which had already involved a number of companies in the Niche in previous quarters, only confirms the valuation anomaly that characterises this universe of companies, unfairly distant from the attention of investors. Finally, it should be noted that these are companies that are following a path of improvement in corporate governance and sustainability that characterises the entire Japanese stock market. And how this is associated with an openness towards investors, which NicheAM exploits through constant engagement activities with promising results.

**Niche AM will launch on its innovative Irish structure, NICHEJUNGLE ICAV, in early September, a product focused solely on this niche.**

Performance second quarter 2022 (31/03/22-30/06/22)



Chart since inception (21/02/19 – 30/06/22)



Source: Niche AM, Thomson Reuters

## Description of the Niche

Brokers coverage is essential when attracting investors interest, improving liquidity and valuations. However, there are many companies in Japan that don't have any coverage or are covered just by one local broker, we call them "orphan companies". Reason being coverage can be expensive, time demanding, brokers have cut the number of analysts and now focus on fewer companies, etc. As the result the uncovered or under-covered companies trade a huge discount versus their peers. Normally this undue discount will be closed by the restart of the broker coverage or by corporate action. Those are deep value opportunities; however, investor has to be patient to reap the reward.

The niche aims to give investors an exposure to deeply undervalued orphan companies.

# Korea Reunification

*A free option on an already attractive market*



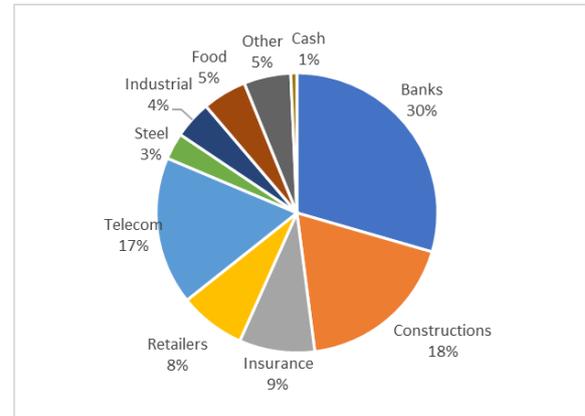
# stocks: 40

Average Market Cap (mln €) 5.123

Median Market Cap (mln €): 560

## Korea Reunification breakdown

	Asian Niches Fund	Korea Reunification Niche
Banks	2.9%	29.7%
Constructions	1.8%	18.6%
Insurance	0.9%	8.7%
Retailers	0.8%	7.7%
Telecom	1.7%	17.2%
Steel	0.3%	3.1%
Industrial	0.4%	4.4%
Food	0.5%	5.1%
Other	0.5%	5.4%
Cash	0.1%	0.7%
<b>Total</b>	<b>10.0%</b>	<b>100.0%</b>



Source: Niche AM

## Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
KT ADR	Telecom	1.1%	-2.6%
Hana Financial Group	Banks	0.7%	-19.0%
Samsung Fire And Marine Insurance	Insurance	0.5%	-4.3%
Daishin Securities	Banks	0.4%	-12.4%
LG Uplus	Telecom	0.4%	-8.9%

## Major increases in the quarter

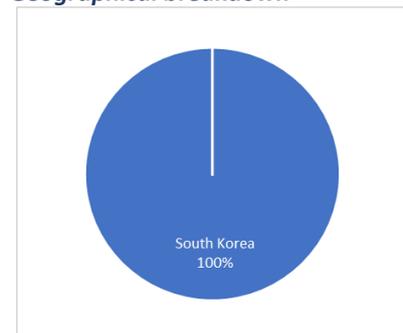
Name	Weight at 31/03	Weight at 30/06
Posco Holdings	0.0%	0.3%
SK Square	0.0%	0.2%
SK Chemicals	0.0%	0.2%

## Major decreases in the quarter

Name	Weight at 31/03	Weight at 30/06	Total Return
KT	1.5%	1.1%	+20.1%
Shinhan Financial	0.5%	0.3%	+24.7%

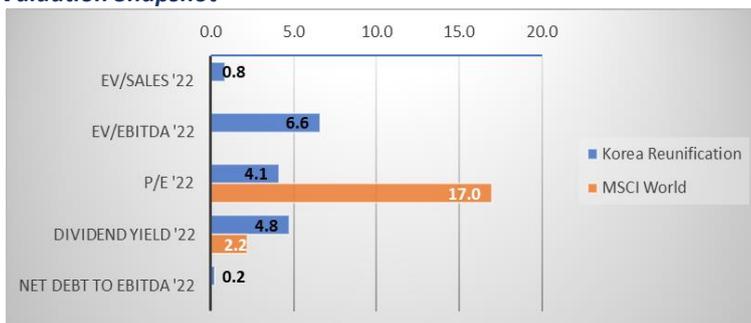
Source: Niche AM, Thomson Reuters

## Geographical breakdown



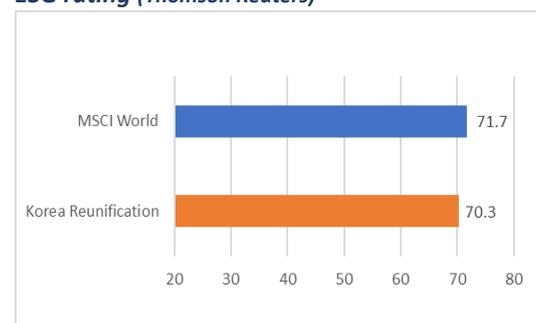
Source: Niche AM

## Valuation Snapshot



Source: Niche AM, Thomson Reuters

## ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

# Korea Reunification

*A free option on an already attractive market*



## Comment

During the second quarter, the Niche lost 10.5%, penalised to a large extent by the weakness of financial stocks. This was mainly due to the decline of several banking companies, despite the positive earnings results, characterised by an improvement in net interest income (higher interest rates combined with an increase in corporate loans). This trend, moreover, looks set to improve further, creating a buffer to raise capital reserves and manage prudential provisions. Recall that the banking institutions within the Niche are characterised by solid levels of capital, valuations between 0.3 and 0.4 times tangible equity, and a generous (dividends +buyback) shareholder remuneration policy (average dividends between 6 and 11%) and increasing. In addition to banks, some stocks exposed to consumer goods, such as E-Mart and Hyundai Home Shopping, were also negative in the quarter on fears arising from the inflationary environment.

Marginally positive, on the other hand, was the contribution of the telecommunications sector, whose investment case remains particularly interesting, not only because of the ridiculous valuation starting levels (EV/EBITDA around 2/3x), but also because of the expected improvement in revenues, thanks to the high 5G coverage, which reached levels of over 90% (the relatively small territory and high population density favoured coverage). Although on the consumer side, the migration to 5G has so far only guaranteed a partial improvement in ARPU (average revenue per customer), the creation of a 5G infrastructure creates the foundations for an acceleration of technological innovations, not only in the consumer, but also in the industrial sphere, and thus for an increase in volumes.

Although down, the Niche outperformed the domestic market, which declined by more than 16% in euro terms. The Korean stock market continued to suffer from further weakness in technology stocks, to which the Niche has no exposure. This is not only due to its value style, but also to the fact that it wants to provide exposure to traditional industries exposed to the domestic economy that would benefit from a rapprochement between the two Koreas (direct reunification or opening up to the market economy).

There was no major news on this front during the quarter. North Korea continued its strategy of tension, on the one hand with new missile tests, and on the other hand with resolutions to strengthen its war deterrence, highlighting the regime's determination to acquire further nuclear weapons. In contrast, the US has responded that it will evaluate the deployment of strategic assets in the region and push for new UN Security Council resolutions in the event of a nuclear test or major missile provocations.

Pending potential future positive developments, Korea remains a market with extremely attractive valuations, not justified by the leadership it can boast in many industries, thanks to its undoubted know-how. We took advantage of the period's weakness to introduce some 20 companies with clear value/deep value.

**Niche AM will launch on its innovative Irish structure, NICHEJUNGLE ICAV, in early September, a product focused solely on this niche.**

Performance second quarter 2022 (31/03/22-30/06/22)

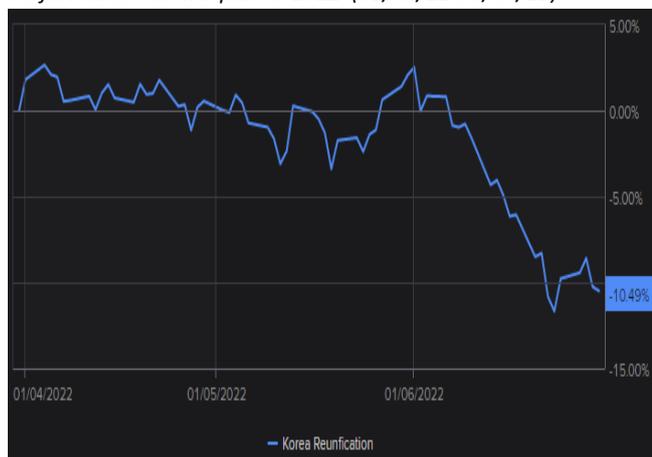
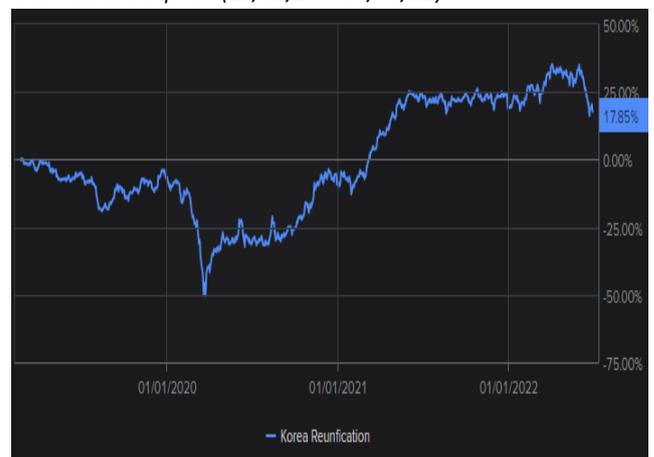


Chart since inception (21/02/19 – 30/06/22)



Source: Niche AM, Thomson Reuters

## Description of the Niche

South Korea is the ideal market to play through a value approach, as it is cheap, and its economy is growing healthy. Beside this, it has a terrific catalyst, this being a reunification or some form of rapprochement, with its half (North Korea). This event could be able to increase the long-term growth potential of the country and to free the market animal spirits. The Korea reunification is a way to add a free option to an already attractive market.

The niche aims to give the investor an exposure to the main beneficiaries of the reunification or of a rapprochement between the South and the North Korea.

# Champagne



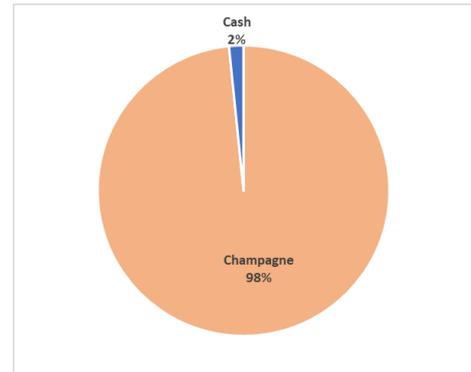
# stocks: 3

Average Market Cap (mln €) 264

Median Market Cap (mln €): 196

## Champagne breakdown

	Asian Niches Fund	Neglected Luxury Niche
Champagne & Wines	2.5%	98.4%
Cash	0.0%	1.6%
<b>Total</b>	<b>2.5%</b>	<b>100.0%</b>



Source: Niche AM

## Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Vranken-Pommery Monopole	Champagne	0.9%	-3.6%
Boizel Chanoine Champagne	Champagne	0.4%	-8.0%
Laurent Perrier	Champagne	0.4%	1.7%

## Major increases in the quarter

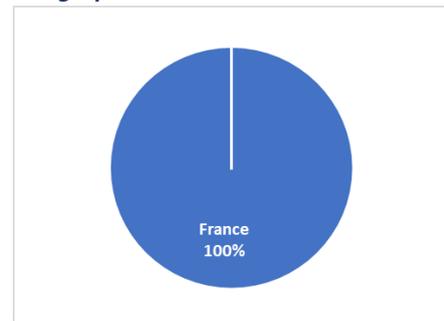
Name	Weight at 31/03	Weight at 30/06
N/A		

## Major decreases in the quarter

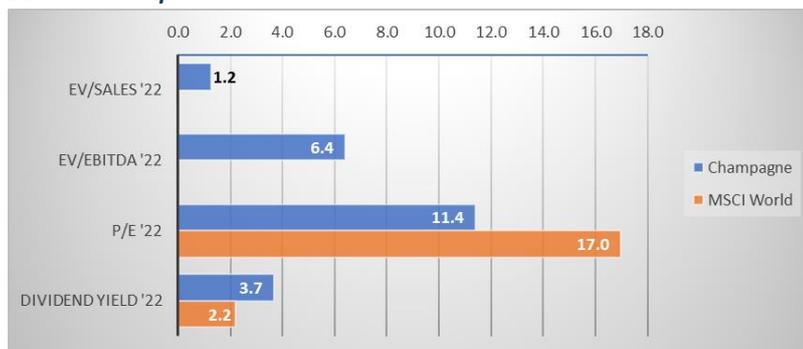
Name	Weight at 31/03	Weight at 30/06	Total Return
N/A			

Source: Niche AM

## Geographical breakdown



## Valuation Snapshot



Source: Niche AM, Thomson Reuters

# Champagne



## Comment

The Niche posted a moderate decline during the quarter (-0.9%).

The stocks within it did not suffer from the hostile scenario characterising the equity markets, supported by the positive momentum the sector is experiencing.

In the first half of 2022, Champagne volumes were close to 130 million bottles, up 13.8% compared to the same period in 2021 (around 50 million bottles in France, +9.3%, around 80 million bottles exported, +16.8%). The current trend suggests that the year could end with very high sales levels, after 2021 closed with volumes of 320 million bottles, the highest level in a decade.

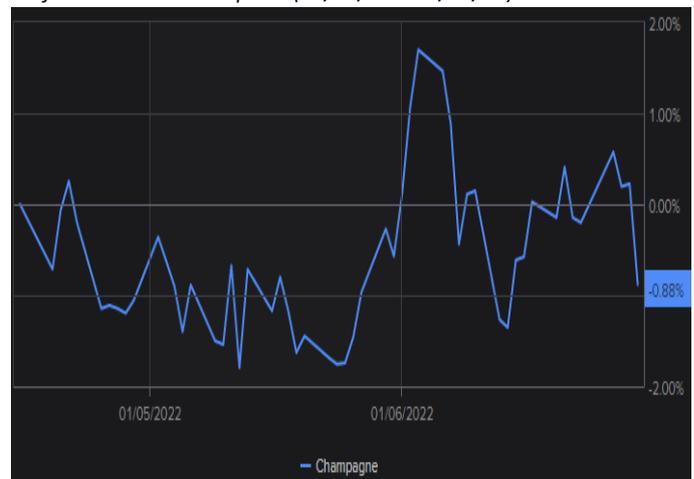
The particularly supportive sales trend, coupled with the particularly modest harvest in 2021, meant that the region's growers and producers increased the available yield per hectare for this year's harvest by around 20 per cent (from 10,000 to 12,000 kg/ha).

The stocks in the Niche are characterised by a marked sensitivity to the selling price of wine: an increase of about 10% in Champagne prices implies an increase in profits of between 50% and 100%. The current favourable environment seems likely to bring out the industry's strong operating leverage, with an improvement in earnings that would allow for a substantial re-rating, making it clear that the unfair discount these producers are quoting compared to luxury goods producers is unfair.

Performance second quarter 2022 (31/03/22-30/06/22)

N/A.

Performance since inception (15/04/22 – 30/06/22)



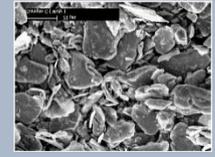
Source: Niche AM, Thomson Reuters

## Description of the Niche

2021 was a particularly good year for the champagne industry. Demand increased despite the lingering impact of Covid restrictions. Over 320 million bottles were sold (+32%, recovering Covid's losses of the previous year). Despite the war in Ukraine, the recovery in tourism is expected to add demand. Meanwhile, the slow penetration of champagne in Asia continues, driven by investments in marketing by the big houses, such as LVMH. This is compounded by the low inventory levels of the past two years, which will presumably lead to a further upward revision of prices, which we believe will translate into improved industry profits. Champagne has staggering operating leverage. A 10% increase in price can triple profits, given that we start from a low margin. Since we are not far from the maximum number of bottles that can be produced, we believe there is room for a significant price increase. The first step could be the elimination of the discount sales campaigns we are used to. Champagne companies trade at or below tangible net worth. However, if we adjust this net worth for the selling price of the finished products in the huge warehouses, the price/tangible net worth ranges from 0.3x to 0.6x. Furthermore, by owning valuable vineyards, caves, vintage stocks and old buildings, these stocks are a clear anti-inflationary asset.

# The Magic of Graphite: Carbon fibre & steel recycling

*The best is yet to come*



# stocks: 9

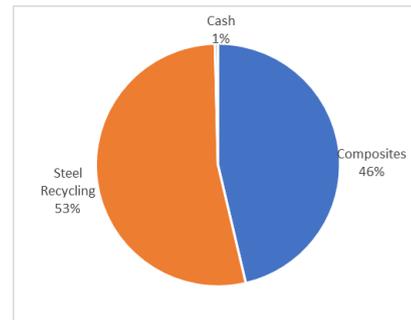
Average Market Cap (mln €): 2.304

Median Market Cap (mln €): 1.865

## The Magic of Graphite breakdown

	Asian Niches Fund	The Magic of Graphite Niche
Composites	2.2%	44.9%
Steel Recycling	2.7%	53.7%
Cash	0.1%	1.4%
<b>Total</b>	<b>5.0%</b>	<b>100.0%</b>

Source: Niche AM



## Top Holdings

Name	Sub- Niche	Asian Niches Weight	Return Q2
Teijin	Composites	1.1%	3.7%
Graftech	Steel Recycling	0.6%	-26.5%
Nippon Carbon	Steel Recycling	0.4%	-4.8%
Showa Denko	Steel Recycling	0.4%	-5.1%
Danieli And Co Spa	Steel Recycling	0.3%	-6.9%

## Major increases in the quarter

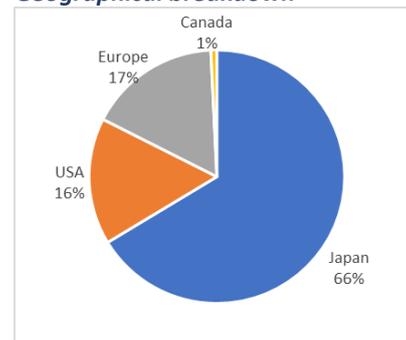
Name	Weight at 31/03	Weight at 30/06
Kobe Steel	0.0%	0.1%
GrafTech International	0.5%	0.6%

## Major decreases in the quarter

Name	Weight at 31/03	Weight at 30/06	Total Return
N/A	-	-	-

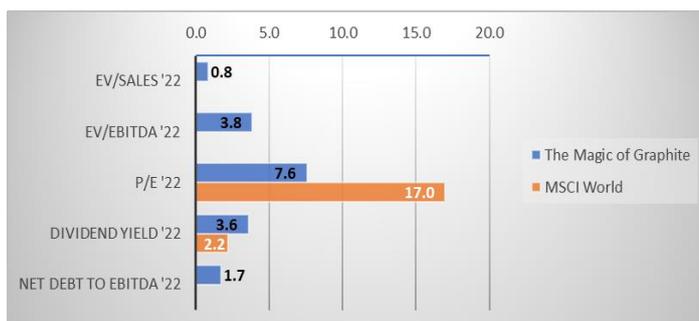
Source: Niche AM

## Geographical breakdown



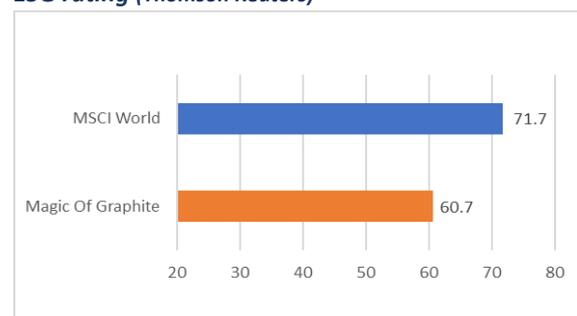
Source: Niche AM

## Valuation Snapshot



Source: Niche AM, Thomson Reuters

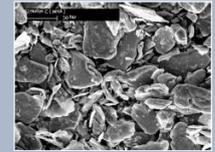
## ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

# The Magic of Graphite: Carbon fibre & steel recycling

*The best is yet to come*



## Comment

During the second quarter, the Niche lost 8.1%, again affected by weakness in the Steel Recycling sub-niche. The steel sector is experiencing volatility due to inflationary effects on raw materials, energy and logistics costs. These elements have caused world steel production, ex-China, to fall in volume terms by around 6% in the first half of the year. These dynamics have obviously affected demand and prices for graphite electrodes, and consequently the short-term performance of the industry producing them. In particular, reduced steel production in China weighed on the Asian producers of graphite electrodes in the portfolio.

However, the medium- to long-term outlook for this industry remains very supportive: the progressive further migration towards electric furnaces, aimed at reducing the steel industry's significant environmental footprint, remains inescapable. And graphite electrodes remain the necessary tool for this migration.

Remember that the sub-niche is not only exposed to graphite electrode manufacturers, but also to companies active in steel plant engineering with significant exposure to electric furnaces, such as Kobe Steel and Danieli. These groups can boast an important order book, which is set to grow massively with the adoption of DRI technology. This technology, when combined with the use of hydrogen and CO2 capture systems, allows an electric steel mill to consume 380kg of CO2 tonnes per tonne of finished product, compared to 1800-2100 tonnes of CO2 when using a conventional blast furnace.

The performance of the Composite Materials sub-niche was also negative, which was also affected by the inflationary dynamics related to the cost of energy, which the market believes will not be immediately passed on to customers. The negative performance occurred despite Toray's rerating, which took place after the publication of positive annual results and a supportive outlook for the coming year. This Japanese group is only trading at 11 times earnings despite its important know-how and absolute leadership in carbon fibre composites, as well as significant exposure in textile fibres, specialist chemicals, innovative membrane technologies for water treatment and pharma.

Performance second quarter 2022 (31/03/22-30/06/22)

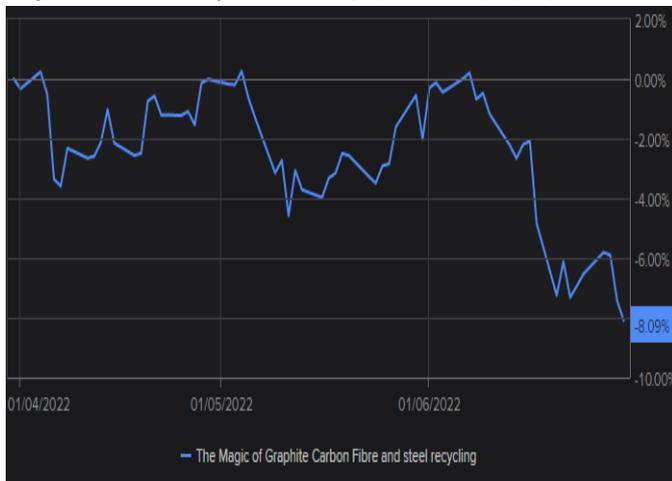
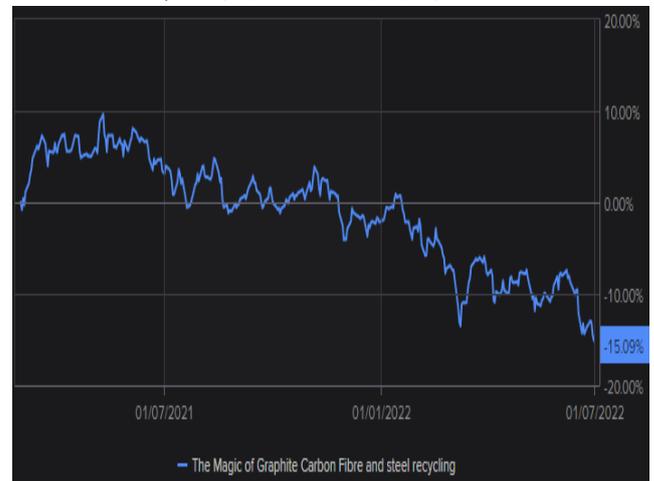


Chart since inception (01/03/21 – 30/06/22)



Source: Niche AM, Thomson Reuters

## Description of the Niche

Carbon Fibre and Steel Recycling represent two cheap and neglected investment ideas with a common story. They share the same essential material: the graphite. And they are back from a period of underperformance driven by the weakness of their respective reference markets.

Carbon Fibre players have been suffered from the crisis of the aeronautical sector, that represent 60% of the current graphite demand. Their current valuation is far from the euphoric phase experienced 10 years ago, despite their prices more than halved and the carbon fiber utilization is growing rapidly thanks to the Electric Vehicles adoption, the wind farms spread and the new applications in the construction sector (expected annual growth between 20/30%).

The long-term outlook for the Steel Recycling is also very promising due to the steel sector need to reduce its carbon footprint, especially in China. Electric Arc Furnaces (EAF) furnaces, that use graphite electrodes to melt down the recycled steel, allow to save 75% of carbon emissions in comparison to the traditional blasted furnaces. In the near future, EAF furnace will be powered by natural gas (sponge steel) and hydrogen, further reducing its negative environmental impact.

# Neglected Luxury

*Rarity Overlooked*



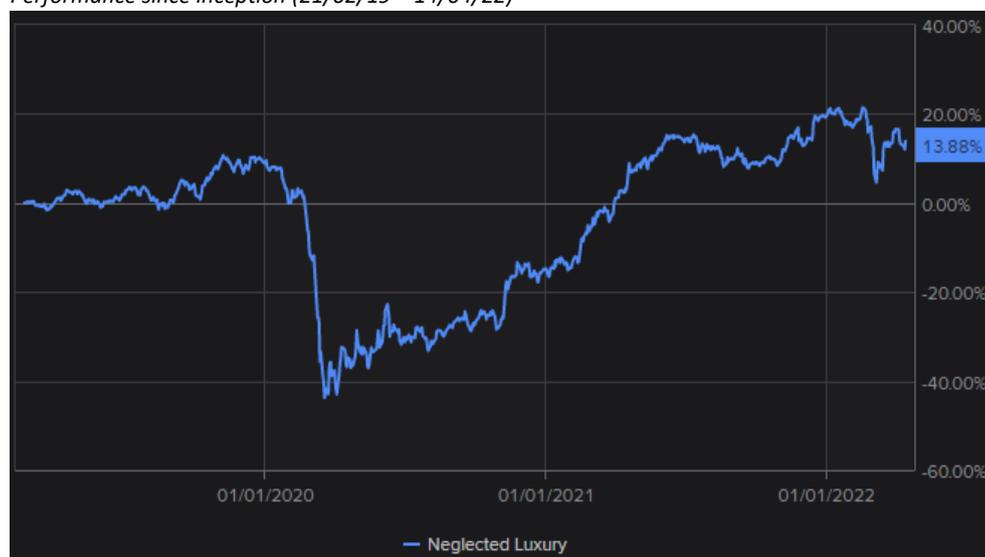
## Closed Niche- Comment

The Niche was present at the launch of the Asian Niches fund in February 2019 and closed on the 14 of April 2022. It has always had a weighting within the fund of between 3 and 5%, with a maximum allocation set at 5%. Together with the Internet Victims Niche, it represented the least Asian of the Niches in the Asian Niches fund. This Niche has been has performed only decently since inception, returning 14%, while nonetheless comfortably overperforming the 2 indices that we track, the MSCI ASIA PACIFIC total return and the MSCI ASIA PACIFIC VALUE total return.

The Niche was composed of five sub-niches at the start: 1) Luxury Travel, 2) Beauty and Personal care, 3) Fashion&Watches, 4) Luxury cars, 5) Champagne and fine wines.

The sub-niche that we remain extremely positive on, and which has now been recreated as a single niche is the Champagne Niche, a Niche purely focused on champagne companies, dedicating 2.5% of the fund to them.

Performance since inception (21/02/19 – 14/04/22)



Source: Niche AM, Thomson Reuters

## Description of the Niche

The luxury sector has been one of the winners of the last 2 decades. Globalisation, growing inequality, emerging markets and westernisation have been at the root of its growth. Luxury means not just quality, but also exclusivity and recognisability. Selling prices or supply constraints determine and warrant the rarity effect that encompass the concept of luxury. Although the market generously prices these luxury stocks, it sometimes does not recognise some companies as belonging to the luxury sector. There could be many reasons for this: low profitability; being part of a conglomerate; short term imbalance between supply and demand; corporate governance issues, etc.

The niche aims to give the patient investor the opportunity to gain exposure to these unique stock at valuations that are extremely attractive.

# The CUB (China Under Biden)

Discover the Value side of China Equity



## Closed Niche- Comment

*The Niche was closed in October 2021. Since its launch in January 2021, it has performed +33%. Its performance has been free of the negative trends that have characterised other segments of the Chinese market, due to the government's interventionist measures.*

*The portfolio in this niche was exposed to Chinese companies with a value/deep value profile that could benefit from an improvement in relations between the US and China, which have come under severe pressure during the Trump administration. Although there was no clear improvement in relations between the two countries, this theme benefited from a significant presence in government-invested securities (SOEs), which made them reliable in terms of balance sheets and political support. It was decided to close the Niche, despite the still modest valuations, in view of China's political attitude, which tends to militarise the Asian area, behave in an overbearing manner towards its neighbours, worsen an already bad governance (Xi Jinping, like Erdogan and Putin, is no longer subject to a government ceiling) and change the rules of the market in an unpredictable and peremptory manner. We have therefore decided to reallocate resources to areas with equally or more depressed valuations, a more readable political climate, more balanced governance and greater respect for investors.*

Performance since inception (31/12/20 – 07/10/21)



Source: Niche AM, Thomson Reuters

## Description of Niche

"The CUB" Niche invests in deeply undervalued and sound companies that could benefit from a stabilization of the USA-China relations. Most of those companies are exposed to infrastructures (constructions, railways, ports, airports, telecommunication services, telecommunication equipment, renewables, water, and waste management).

One of the most fashionable investment themes between 2015 and 2018, the Silk Road was an ambitious 4 trillion USD project to link China to Africa and Europe. Now this project has been completely washed away from investors' mind (different the reasons: emerging market crisis related to Covid, Sino-America trade war, Trump related widespread US sanctions towards State Owned Enterprises). However, in our opinion, this project of utmost importance will regain speed and the investors' interest, following the infrastructures plans in the aftermath of the Covid pandemic and the improving relations between China and US. The companies within this Niche can rerate dramatically thanks to this process..

# Close the Gap

As simple as that ...

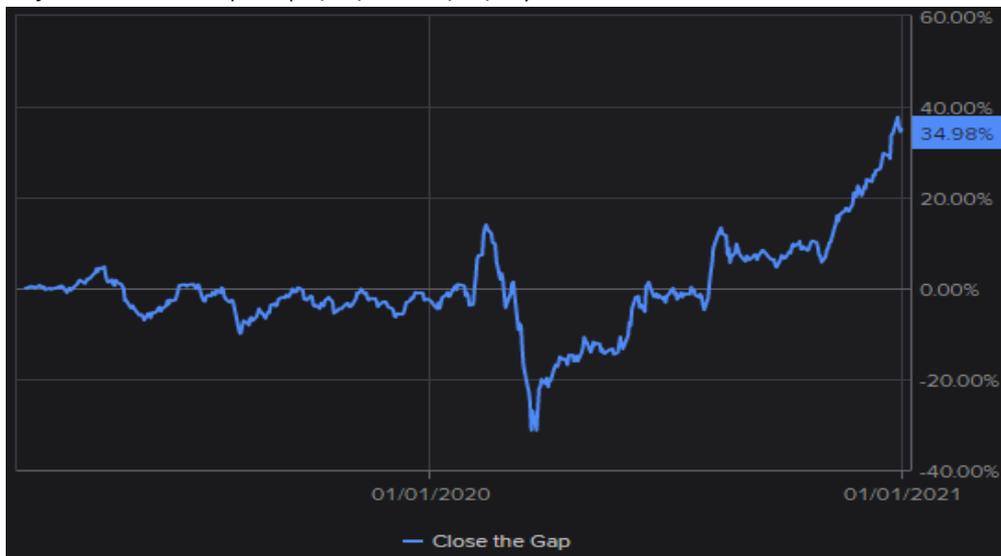


## Closed Niche- Comment

The Niche aim was to bank on the closing of the gap between ordinary shares and preferred shares in Korea, where this gap was still huge.

The Niche was divested at the end 2020, following the closure of the significant part of the gap between ordinary and preference shares (discount narrowed by more than 30%). This was the goal of the Niche itself. The Niche recorded performance of about 35% since inception (18/02/2019). The assets of the Niche were converted in the new Niche «The CUB» (China Under Biden).

Performance since inception (21/02/19 – 31/12/20)



Source: Niche AM, Thomson Reuters

## Description of Niche

There are some classes of shares, like saving/preferred, or some companies' structures, like holdings or conglomerates, that can present huge discounts versus ordinary shares or the sum of the controlled companies. These discounts tend to close over time, Shares conversions, M&A, spin-offs, changes in dividend policies are normally the catalysts.

The niche aims to give investors an exposure to these shares' classes or companies structures.

# Steel and Plastic Substitution

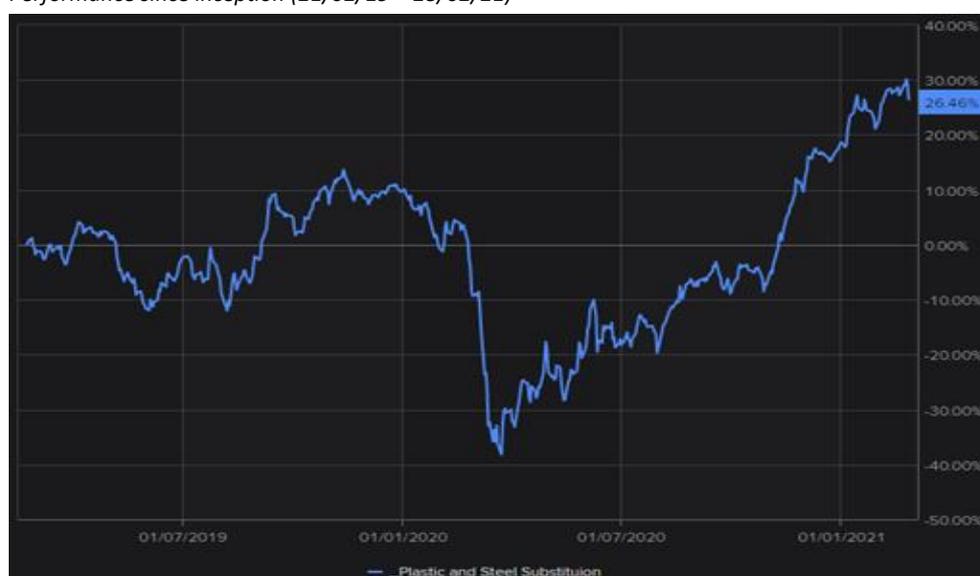
## Anticipating a trend



### Closed Niche- Comment

The Niche was divested at the end February 2021, recording performance of about 26% since inception (18/02/2019). Most of the positive performance was generated by the wood and aluminium sub-niches. Those two investment cases present huge secular growth, but they can no longer be considered Value. On the other hand, the sub-niches Carbon Fiber and Steel Recycling recorded a negative performance. Since we believe that both those themes are incredibly attractive, we decided to put them into a new Niche: "The Magic of Graphite".

Performance since inception (21/02/19 – 28/02/21)



Source: Niche AM, Thomson Reuters

### Niche description

Le nostre infrastrutture, i nostri veicoli e molti dei nostri strumenti sono parzialmente fatti di ferro e/o dei suoi derivati. Sebbene materiali come la plastica e l'alluminio lo abbiano parzialmente sostituito in alcune applicazioni, esso continua a ricoprire un ruolo dominante nella nostra società. Le sue proprietà fisiche, la sua abbondanza in natura e la sua lavorazione ad alto contenuto di manodopera hanno mantenuto la sua leadership solida. Fino a un certo punto tuttavia... Altri materiali stanno emergendo con migliori caratteristiche in termini di sicurezza, resistenza, peso, durata e sostenibilità ambientale. Al ridursi del costo di produzione di tali nuovi materiali, il ferro e i suoi derivati saranno gradualmente sostituiti e molte miniere e stabilimenti di produzione dovranno essere chiusi.

Attraverso questa nicchia NAM offre un'esposizione alle società che producono questi materiali innovativi.

# Bond Portfolio

# securities: 30      Yield to Maturity 6.77%      Duration 2.03

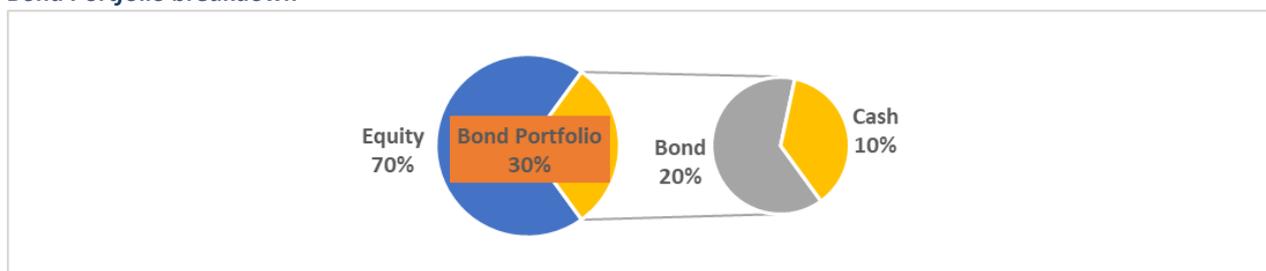
## Comment

During the second quarter, the bond portfolio, characterised by significant exposure to high-yield and not-rated corporate issues, declined by around 4.4%. This was driven by widening spreads in a context of marked interest rate hikes by central banks, generating a marked sell-off in June.

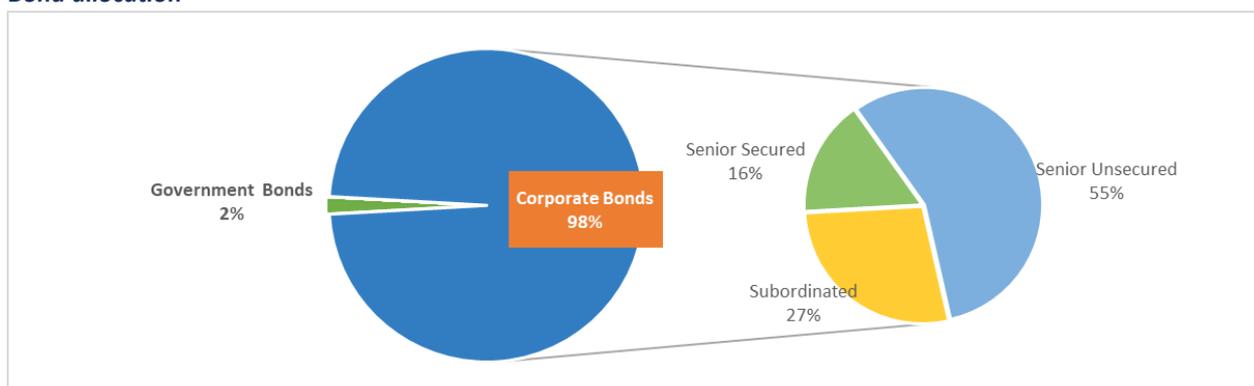
Against this backdrop, the portfolio suffered mainly from weakness in bank issues (Commerzbank, Barclays, Unicredit), as well as companies exposed to construction (Webuild), consumption (Stonegate) and consumer durables (Volkswagen). Helping the portfolio's performance, however, came from dollar issues, whose weakness was offset by the currency's appreciation.

Although recession scenarios are generally not favourable for high-yield issues, there are several mitigating factors, including low levels of observed and expected defaults and leverage that has generally returned to pre-pandemic levels. In the case of our portfolio, the selection of issuers is the result of fundamental analysis carried out over a number of years, which greatly increases our confidence in the sustainability of the debt. In June, we took advantage of the weakness to increase some bonds of particularly strong companies, such as Nokia, Volkswagen and Barclays.

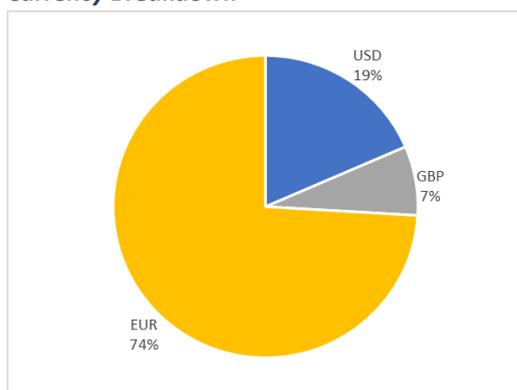
## Bond Portfolio breakdown



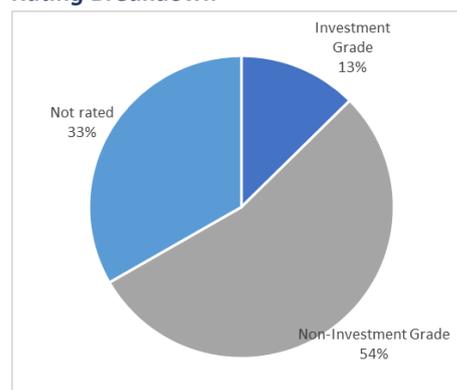
## Bond allocation



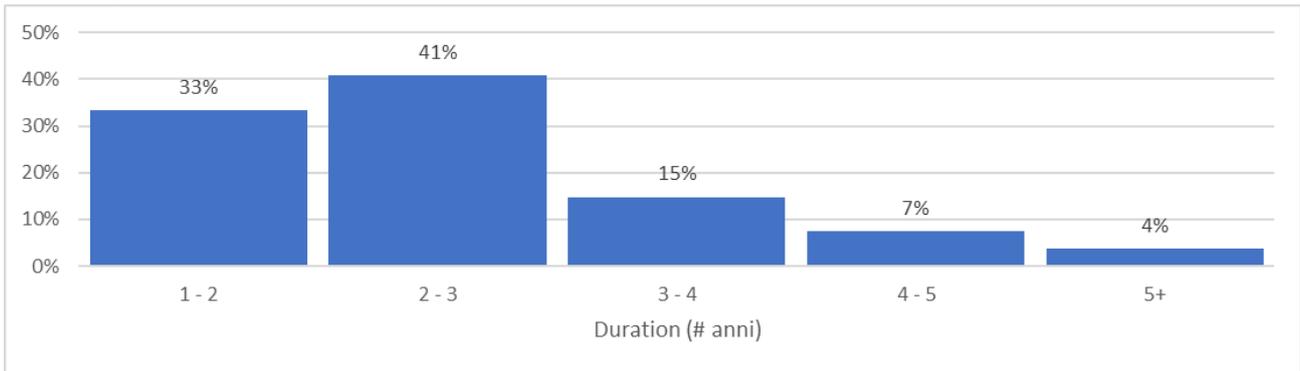
## Currency Breakdown



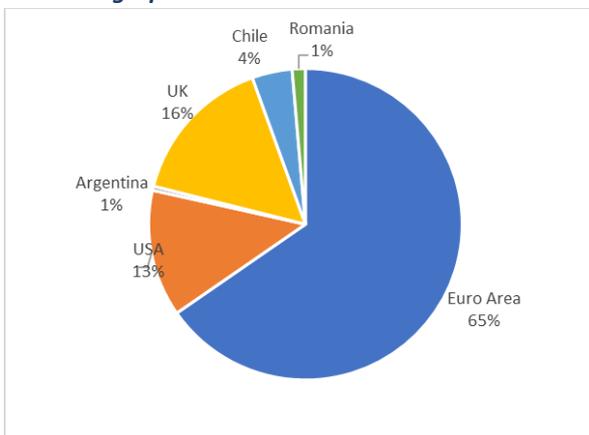
## Rating Breakdown



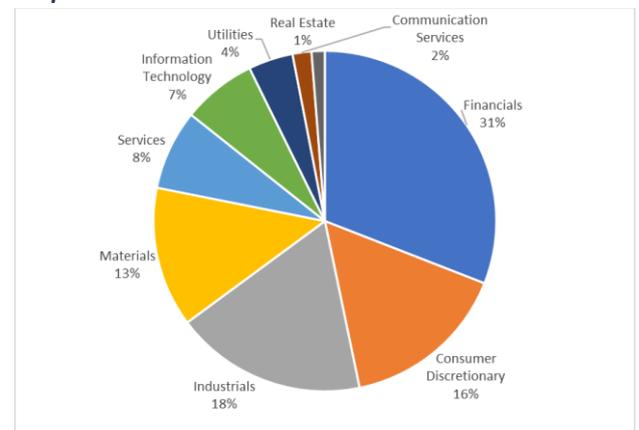
### Bond Portfolio Duration



### Bond Geographical Breakdown



### Corporate Bond - Sector Breakdown



## Cash Management

### Cash management breakdown

As we are invested in equities close to the maximum possible (70%) we don't have any bond in the cash management portfolio.

# Appendix

## SHARE PORTFOLIO: Indexes % price changes as at 30/06/2021

Index	Price as of 30/06/2022	% Price Change 1 month (local currency)	% Price Change 1 month (€)	% Price Change 3 months (local currency)	% Price Change 3 months (€)	% Price Change Year to Date (local currency)	% Price Change Year to Date (€)	% Price Change Since inception ** (local currency)	% Price Change Since inception ** (€)
<b>Pharus Asian Niches*</b>	<b>119,16</b>	-	<b>-4,54%</b>	-	<b>-3,28%</b>	-	<b>-4,37%</b>	-	<b>19,16%</b>
<i>Electric Mobility</i>	-	-	<b>-10,56%</b>	-	<b>-10,11%</b>	-	<b>-13,58%</b>	-	39,66%
<i>5G</i>	-	-	<b>-10,60%</b>	-	<b>-9,81%</b>	-	<b>-14,32%</b>	-	22,30%
<i>Internet Victims</i>	-	-	<b>-10,75%</b>	-	<b>-11,69%</b>	-	<b>-15,13%</b>	-	22,63%
<i>Indonesian Infrastructure Small Caps</i>	-	-	<b>3,06%</b>	-	<b>13,29%</b>	-	<b>17,65%</b>	-	31,61%
<i>Korea Reunification</i>	-	-	<b>-12,32%</b>	-	<b>-10,49%</b>	-	<b>-0,95%</b>	-	17,85%
<i>Japanese Orphan Companies</i>	-	-	<b>-2,46%</b>	-	<b>-3,97%</b>	-	<b>-6,50%</b>	-	14,65%
<i>The Magic of Graphite: Carbon Fibre and steel recycling (inception date 01 Mar '21)</i>	-	-	<b>-6,20%</b>	-	<b>-8,09%</b>	-	<b>-13,27%</b>	-	-15,09%
<i>Champagne (inception date 15 Apr '22)</i>	-	-	<b>-0,31%</b>	-	-	-	-	-	-0,88%
<i>Neglected Luxury (inception date 18 Feb '19 - closing date 14 Apr '22)</i>	-	-	-	-	-	-	-	-	13,88%
<i>The CUB (inception date 01 Jan '21 - closing date 07 Oct '21)</i>	-	-	-	-	-	-	-	-	33,02%
<i>Close the Gap (inception date 18 Feb '19 - closing date 31 Dec '20)</i>	-	-	-	-	-	-	-	-	-
<i>Plastic and Steel Substitution (inception date 18 Feb '19 - closing date 28 Feb '21)</i>	-	-	-	-	-	-	-	-	26,46%
<b>MSCI Asia Pacific Value (.dMIAP0000VPUS)</b>	<b>143,88</b>	<b>-6,32%</b>	<b>-4,07%</b>	<b>-11,30%</b>	<b>-6,37%</b>	<b>-12,13%</b>	<b>-4,71%</b>	<b>-6,08%</b>	<b>1,32%</b>
MSCI Asia Pacific (.MIAP00000PUS)	158,01	-6,78%	-4,55%	-12,44%	-7,57%	-18,18%	-11,27%	0,45%	8,37%
Korea (.KS200)	307,20	-13,35%	-14,40%	-15,98%	-16,36%	-22,07%	-22,23%	7,45%	1,30%
Tokyo Stock Exchange (.TOPX)	1870,82	-2,19%	-5,05%	-3,88%	-9,06%	-6,10%	-14,01%	16,78%	2,66%
Indonesia (.JKSE)	6911,58	-3,32%	-3,10%	-2,26%	-0,48%	5,02%	8,64%	6,37%	8,66%
MSCI Small Cap Indonesia-USD (.dMIID0000SONUS)	508,24	-9,95%	-7,80%	-6,62%	-1,43%	-7,45%	0,38%	-31,36%	-25,96%
China (.HSI)	21859,79	2,08%	-4,53%	-0,62%	4,72%	-6,57%	0,67%	-22,89%	-16,79%
Bond High Yield (AHYE.PA)	207,19	-	-6,40%	-	-10,29%	-	-14,38%	-	-6,77%

The performance of the individual Niches is gross of fees.

\* Class b

\* Start date: 18/02/2019, unless otherwise stated

Source: Niche AM, Thomson Reuters

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