

30/06/2023



Ethical Global Trends SGD

SFDR – Art. 9

Update Second Quarter 2023

The fund is classified under Article 9 SFDR (dark green), as a positive impact product

Launch date: 04.11.2019

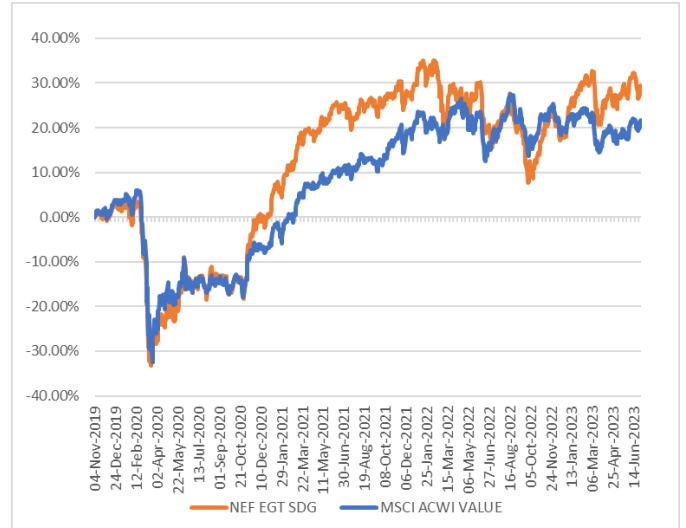
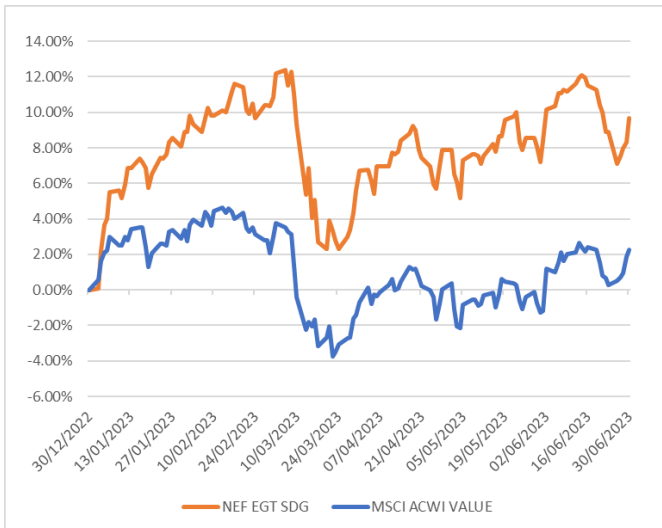
Total Net AUM as of 30.06.2023: € 617,172,545.72

Retail Class - LU2051778178

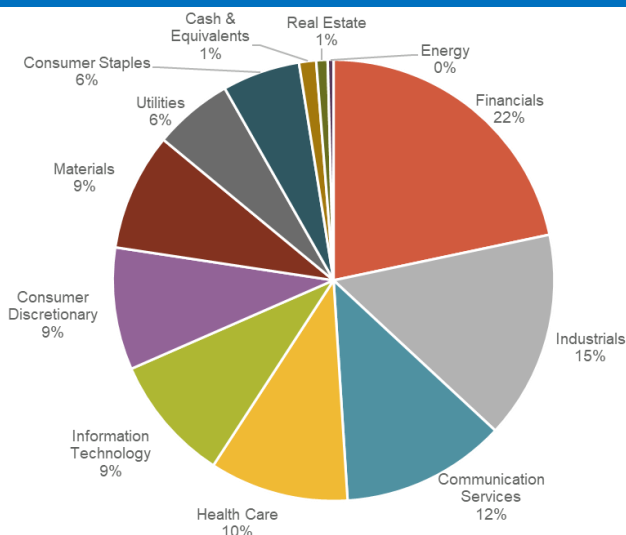
| Performance | Q2 | Year to Date | 1 Year | Since inception |
|-----------------------|--------|--------------|---------|-----------------|
| NEF EGT SDG (Class R) | +2.78% | +9.66% | +10.41% | +29.40% |
| MSCI ACWI VALUE | +2.31% | +2.27% | +5.64% | +21.58% |

Performance YTD: +9,66%

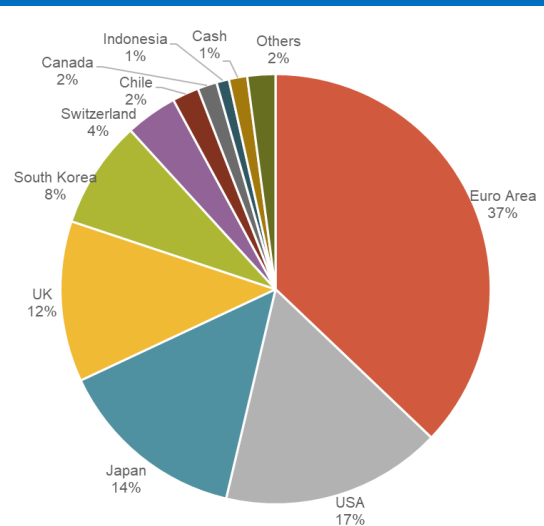
Performance since inception: +29,40%



Breakdown by sector



Geographical Breakdown





Quarterly comment

In the second quarter, the fund posted a positive performance of 2.8 percent, slightly outperforming the benchmark (+2.3 percent).

During the period, the U.S. technology megacaps (Google, Apple, Meta, Amazon, Nvidia, Microsoft, etc.) performed well to stellar. The enthusiasm toward AI, Artificial Intelligence, contributed greatly to this. This has also led the indexes to provide a very positive picture of stock performance, which does not reflect the market as a whole. In fact, outside the U.S. megacaps, the dispersion of returns has been extreme and the overall result much less uplifting.

The fund does not invest in AI just as it does not invest in any "hot" topic, whose valuations already tend to incorporate much of future earnings. The fund is genuinely deep value, that is, it invests in companies that the market today does not appreciate for reasons that are thought to be transitory and whose assets can be bought at a discount to their liquidation value. Companies with a risk/benefit profile judged to be very attractive, purchased to be held in the portfolio for a long time, to give the company time to bring out its intrinsic value. We are confident that there will be times in the future when it will be possible to invest in companies interpreting artificial intelligence at much much less enthusiastic valuations. Just as it is possible today to invest in Japan at valuations one-tenth of what they were in the 1980s, or in telecommunications or publishing at valuations one-twentieth of what we were in the late 1990s. We watch and wait. We don't go up when we see exceptional stock market rises, but we go up when we have extremely depressed valuations. It is a different approach that, for better or worse, cannot be replaced by buying an index (ETFs) and helps significantly to diversify one's portfolio.

The global economic cycle is rapidly slowing down. Interest rates raised to levels not seen in several years are weighing on real estate mortgages, indebted companies, propensity to consume and, most importantly, to invest. However, the underlying economy, in the medium to long term, remains solid. The trends we have talked about so many times support it.

Rates are now near the peak. When they hurt the most. Strikes, high borrowing costs, bankruptcies, pressure on corporate margins, lower bank lending. In this environment, corporate results are depressed, guidance confused. One must try to look over the hill. Imagine what is about to happen. Rates that stop rising, then start falling. Investments picking up. Real estate market reviving, particularly in the suburbs. And stock market anticipating all this, reabsorbing past inflation and beginning to discount the growth cycle. We need to navigate these volatile phases with common sense and a vision of the future we are heading for, tied to the strong trends of energy transition and onshoring, trends that will last more than a decade. Significant equity rerating of the more traditional part of the market will have to occur subsequent to the end of the rate hikes. And it will be violent and unexpected. As is always the case.

In the quarter, the fund increased its exposure to U.S. companies. While technology megacaps were flying in the quarter, helping the S&P500 to perform strongly, consumer-related stocks were very weak, driving many of these stocks into "value" territory. Pharmaceuticals, financials, and telecommunications also presented investment opportunities in the U.S., which we took advantage of to increase investments here. There are now many U.S. stocks in these sectors trading in a range of 5 to 9 times earnings versus a range of 20 to 60 times for technology megacaps. This makes us realize that the U.S. market as a whole enjoys higher valuations mainly because of the strong weight of these stocks in the index. Thus, excluding tech, we are looking at modest valuations that reflect the market's widespread mistrust of the business cycle and future growth.

During the quarter, the fund continued to reduce exposure to China, a country that is no longer considered investable by the manager. This is because it is classified as autocratic by FreedomHouse and the manager does not invest in countries without a democratic political structure. The weight on this area is now very small, around 0.5 percent of the fund.

During the quarter, the fund reduced the weighting of Korean technology stocks, which were purchased to expose us to attractive growth areas, such as electric mobility or semiconductors, at a steep discount to European or American peers. This discount has now been reduced and we have consequently also significantly reduced exposure. In their place, we have purchased a number of Korean companies exposed to the domestic market. The Korean economy is experiencing a slowdown related to the housing market crisis. This adjustment is healthy, bringing the price of real estate in cities back to more appropriate valuations. Although the Korean economy is expected to grow around 1.5 percent in 2023, and accelerate in 2024, domestic stocks have retraced fiercely in recent months, creating extremely attractive opportunities. While the Korean stock market boasts the lowest valuations in the world, the portion exposed to the domestic market trades at a further significant discount. The Korean domestic stock market 1) expresses high quality companies 2) has very depressed valuations 3) is very large 4) is very liquid and volatile 5) has an underlying economy with great potential 6) has an underlying democratic political system, a strong historical alliance with the West, and high strategic importance in managing the geopolitical relationship with China 7) is the one that would benefit most from any opening of the North's regime to capitalism (as China or Vietnam did), an opening that we believe in the long run to be inevitable 8) it is the one that would benefit most from Korea's inclusion in the MSCI index of developed countries (South Korea despite being richer than Italy, with less public debt than Germany and with a higher ratio of R&D investment to GDP than Israel is still considered by MSCI to be an emerging country). These characteristics make it ideal for the patient value investor who can take advantage of the phases of extreme excitement or extreme fear to which this market, or part of this market, is methodically exposed.

In the quarter, the fund also continued to increase exposure to the trendSDG in transportation, mainly through buying airlines where, as a result of the pandemic, we see less competition and a structural increase in demand. At the same time, we began to close out the investment in global cement companies that we had accumulated in the months following the Ukrainian invasion. These stocks performed between 50 percent and 80 percent, returning not far from the replacement cost of their assets.

We then benefited in the quarter on a large portion of our significant exposure to Enel Chile, one of the world's most renewables-exposed utilities, as well as a potential big player in hydrogen. We reinvested some of the proceeds in Siemens Energy, which as a result of poor corporate communication and a further delay in the restructuring of its wind power division lost more than 20 percent in the quarter and offered us an excellent opportunity to strengthen the position. The company is diversified, debt-free and one of the biggest beneficiaries of the energy transition. In addition, after taking benefit last year on our exposure to the PV sector for valuation reasons, we began in the quarter to recreate positions following the recent weakness in the sector.

The portfolio valuation at the end of June on 2023 data has still fallen and stands at 8.3x price-to-earnings ratio, increasing the discount to the benchmark (12.0x) or the popular MSCI ACWI index (16.3x), which owns a large percentage of technology megacaps. There are about 250 stocks in the portfolio, offering adequate diversification of specific risk. The Themes are also well diversified (largest Theme being financials with a weight of 22%) and the 28 trendSDGs, the specialized portfolios derived from the various Themes, are all active today.

On the currency side in the quarter we slightly increased on weakness in the dollar bringing us to 33% weight on this currency, 28% below the benchmark weight (61%). As repeatedly stated, we limit the dollar's presence in the portfolio relative to the overly bulky weight of the benchmark, which, in our view, exaggeratedly exposes the portfolio to the fluctuation of a currency that is not the end investor's currency.

We continue to follow the evolution of the business cycle, the market, and the hundreds of deep value stories in your fund's portfolio that we believe offer great potential for appreciation. We also continue to look for new opportunities in the many markets we follow and invest in. The management team meets with hundreds of companies each year, companies already in the portfolio or in which they would like to invest, during which they discuss their business, their finances, and their progress in sustainability. It is extensive work, based on method, data analysis and interpretation, diversification, discipline, and humility. Far removed from approaches based on trading, concentration and managerial personalism. Or low tracking error approaches, through which the industry sells a product not far from the benchmark.

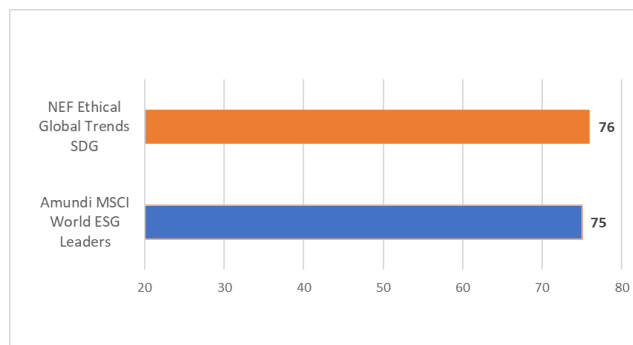
In the quarter we renamed the trendSDG 5G, which is now called 6G. 6G is nothing more than a continuation of the path of 5G, as 4G was to 3G. 6G will bring what 5G promised in terms of ubiquity and speed as well as NTN, or Non Terrestrial Networking, which will enable those in the most remote areas of the planet to communicate through a simple cell phone, opening up major opportunities for them in terms of security and improved economic conditions.

Valuation

| | P/E '23 | P/BV '23 | Rendimento dividendo '23 |
|-----------------------------|---------|----------|--------------------------|
| Portfolio | 8,3x | 0,9x | 4,1% |
| MSCI ACWI Value (Benchmark) | 12,0x | 1,8x | 3,4% |
| MSCI ACWI | 16,3x | 2,8x | 2,1% |

Source: Thomson Reuters, Niche AM

Average portfolio ESG rating



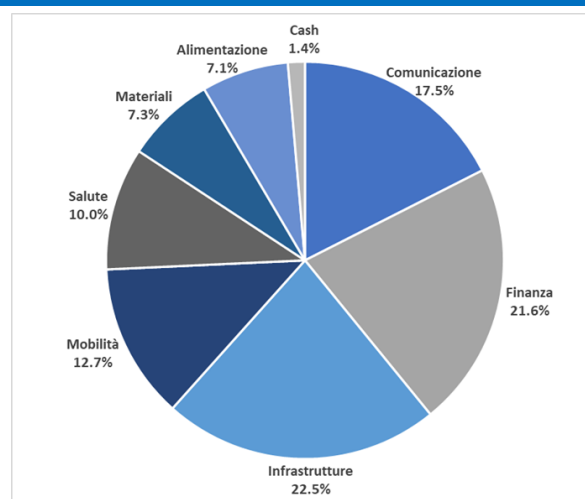
Performance of Trends instrumental to UN SDGs

| Fund * | Performance** |
|----------------|----------------------|
| | (31/03/23– 30/06/23) |
| | +2,78% |
| Infrastructure | 3.72% |
| Finance | 7.51% |
| Communication | -3.93% |
| Mobility | 7.05% |
| Health | 0.80% |
| Materials | -0.85% |
| Food | -3.80% |

*Retail Class

** For a detailed breakdown of niche performance and market indices, see the table on the appendix page.

Exposure by Themes



Sectoral Allocation Vs Benchmark

| | Portfolio | MSCI ACWI Value (Bench) | MSCI ACWI |
|------------------------|-----------|-------------------------|-----------|
| Financials | 22% | 23% | 15% |
| Industrials | 15% | 11% | 11% |
| Telecommunication ** | 12% | 4% | 7% |
| Health Care | 10% | 13% | 12% |
| Materials | 9% | 6% | 5% |
| Information Technology | 9% | 10% | 22% |
| Consumer Discretionary | 9% | 8% | 11% |
| Utilities | 6% | 5% | 3% |
| Consumer Staples | 6% | 8% | 7% |
| Real Estate | 1% | 4% | 2% |
| Energy | 0% | 8% | 5% |

** of which telephone operators 10.3% Vs 2.6% benchmark

Source: Thomson Reuters, Niche AM

Geographical allocation Vs Benchmark

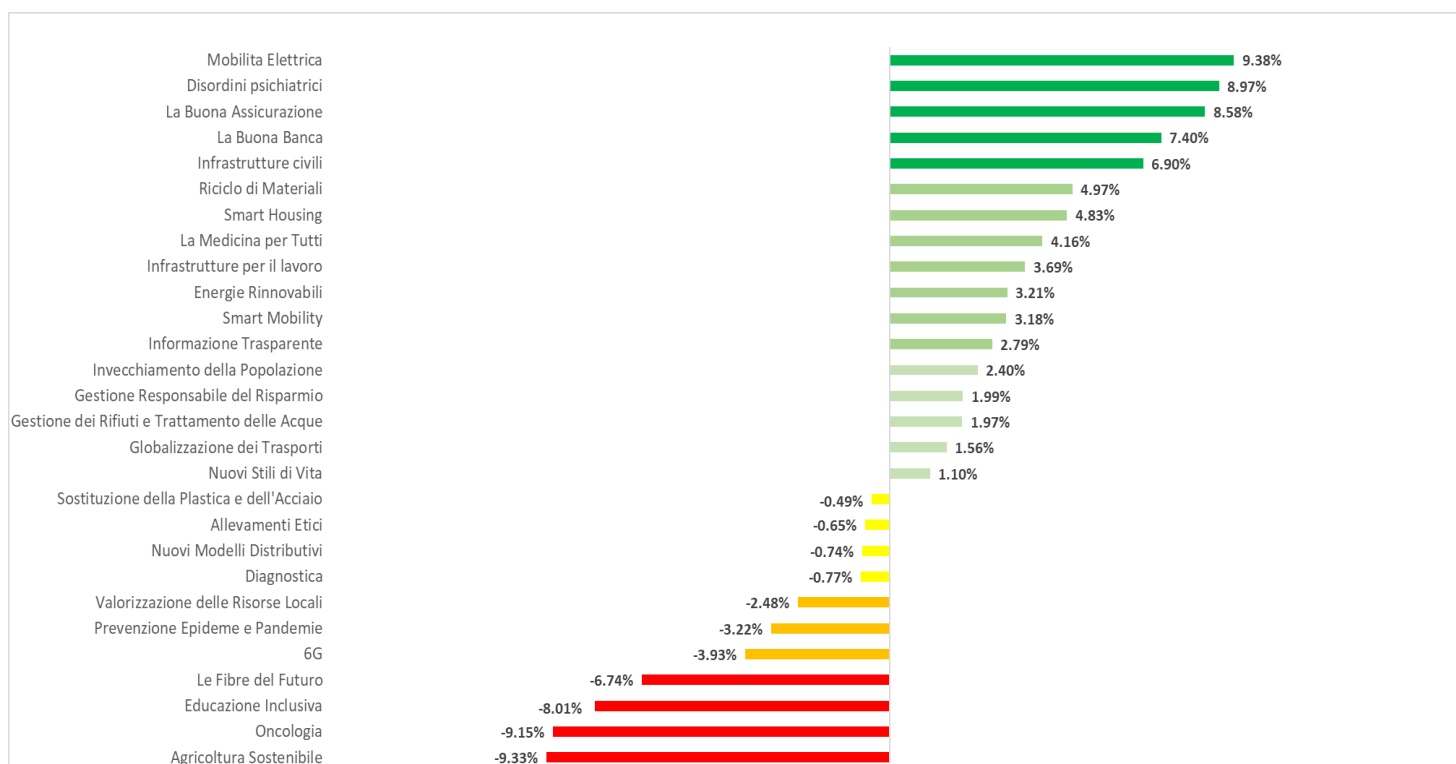
| | Portfolio | MSCI ACWI Value (Bench) | MSCI ACWI |
|---------------|-----------|-------------------------|-----------|
| Euro Area | 37% | 9% | 8% |
| USA | 17% | 61% | 62% |
| Giappone | 14% | 6% | 5% |
| Regno Unito | 12% | 5% | 5% |
| Corea del Sud | 8% | 1% | 1% |
| Svizzera | 4% | 2% | 3% |
| Cile | 2% | 0% | 0% |
| Canada | 2% | 3% | 3% |
| Indonesia | 1% | 0% | 0% |
| Altro | 2% | 13% | 13% |

Currency allocation Vs Benchmark

| | Portfolio | MSCI ACWI Value (Bench) | MSCI ACWI |
|--------------------|-----------|-------------------------|-----------|
| Dollaro USA* | 33% | 61% | 62% |
| Euro | 29% | 9% | 8% |
| Sterlina | 12% | 5% | 5% |
| Won Coreano | 8% | 1% | 1% |
| Yen Giapponese* | 8% | 5% | 5% |
| Franco Svizzero | 3% | 2% | 3% |
| Pesos Cileno | 2% | 0% | 0% |
| Dollaro Canadese | 1% | 3% | 3% |
| Rupiah Indonesiana | 1% | 0% | 0% |
| Altre valute | 3% | 14% | 13% |

* net of hedging

Performance by Trend SDG : Q2 2023 (Fondo: +2.78%)



Source: Thomson Reuters, Niche AM

Top 25 portfolio holdings

| Società | | Peso % |
|------------------|----------------------------------|--------|
| UBS Group | Good Banking | 3.13% |
| Siemens Energy | Renewable Energy | 2.65% |
| Panasonic | Electric Mobility | 2.42% |
| Societe Generale | Good Banking | 2.19% |
| Citigroup | Good Banking | 2.18% |
| Barclays | Good Banking | 2.00% |
| Enel Chile ADR | Renewable Energy | 1.99% |
| Intel Corp | Smart Mobility | 1.93% |
| Atos | Infrastructure for Work | 1.63% |
| Bayer AG | Sustainable Agriculture | 1.59% |
| BT Group | 6G | 1.55% |
| AXA SA | Good Insurance | 1.45% |
| BNP Paribas | Good Banking | 1.43% |
| Engie SA | Renewable Energy | 1.26% |
| Orange | 6G | 1.23% |
| Easyjet | Globalization of Transportation | 1.14% |
| GSK | Epidemic and Pandemic Prevention | 1.08% |
| Maple Leaf Foods | New Lifestyles | 1.06% |
| Nokia | 6G | 1.04% |
| Telefonica SA | 6G | 1.01% |
| Teijin | Fibers of the Future | 1.01% |
| Viatis | Medicine for All | 0.99% |
| Walgreens Boots | Diagnostics | 0.85% |
| LG Chemical Pref | Electric Mobility | 0.85% |
| Nordex AG | Renewable Energy | 0.78% |

Source: Niche AM



Summary

| | |
|----------------------------------|----|
| TrendSDG in Infrastructure | 7 |
| TrendSDG in Mobility | 9 |
| TrendSDG in Communication | 11 |
| TrendSDG in Finance | 13 |
| TrendSDG in Food | 15 |
| TrendSDG in Health | 17 |
| TrendSDG Materials | 19 |

TrendSDG in Infrastructure

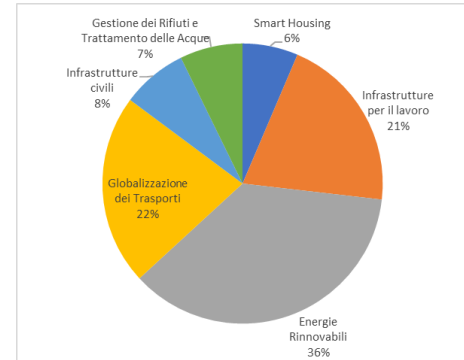


#stocks: 59

On which UN Goals does it have an impact?

- Goal 1 End Poverty
- Goal 6 Water and Sanitation
- Goal 8 Growth and Jobs
- Goal 9 Industry, Innovation and Infrastructure
- Goal 11 Sustainable Cities
- Goal 14 Life in the Oceans
- Goal 15 Life on Earth

Source: Niche AM



Top holdings of the Infrastructure Theme

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|----------------|--------|----------------|-------------------------------|----------------------|
| SIEMENS ENERGY | 2.7% | Infrastrutture | Energie Rinnovabili | -20.1% |
| ENEL CHILE ADR | 2.0% | Infrastrutture | Energie Rinnovabili | 23.3% |
| ATOS SE | 1.6% | Infrastrutture | Infrastrutture per il lavoro | 14.8% |
| ENGIE SA | 1.3% | Infrastrutture | Energie Rinnovabili | 4.5% |
| EASYJET | 1.1% | Infrastrutture | Globalizzazione dei Trasporti | -6.9% |

Major increases in the quarter

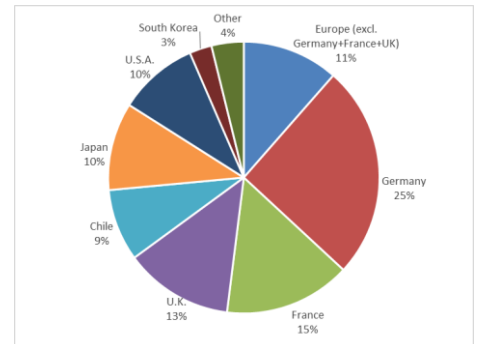
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|-----------------------------|--|----------------------|----------------------|
| TUI | Globalizzazione dei Trasporti | 0.1% | 0.8% |
| Coway | Gestione dei Rifiuti e Trattamento delle Acque | 0.0% | 0.3% |
| International Distributions | Globalizzazione dei Trasporti | 0.3% | 0.4% |

Major decreases in the quarter

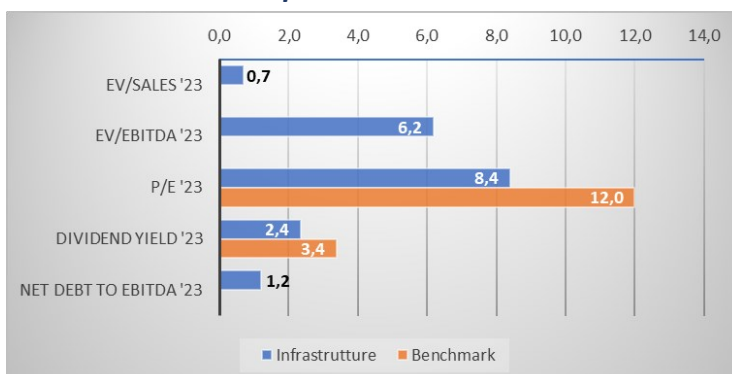
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|----------------|-------------------------------|----------------------|----------------------|-----------------|
| Enel Chile ADR | Energie Rinnovabili | 3.4% | 2.0% | +57.23% |
| Cemex ADR | Infrastrutture civili | 0.3% | 0.0% | +73.29% |
| CRRC H | Globalizzazione dei Trasporti | 0.3% | 0.0% | +55.58% |

Source: Niche AM

Geographical exposure

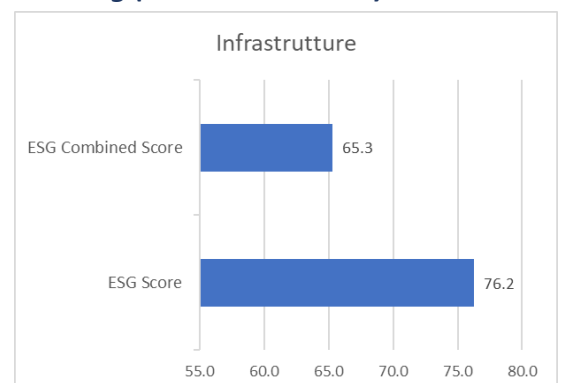


Main valuation multiples



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value index

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG in Infrastructure



Infrastructure Theme

The Infrastructure Theme consists of 7 *trendSDGs* and about 60 stocks. It is one of the most important Themes within the fund since infrastructure plays a central role in achieving the sustainable development goals of the UN 2030 Agenda.

During the second quarter, the Theme appreciated by 3.7 percent.

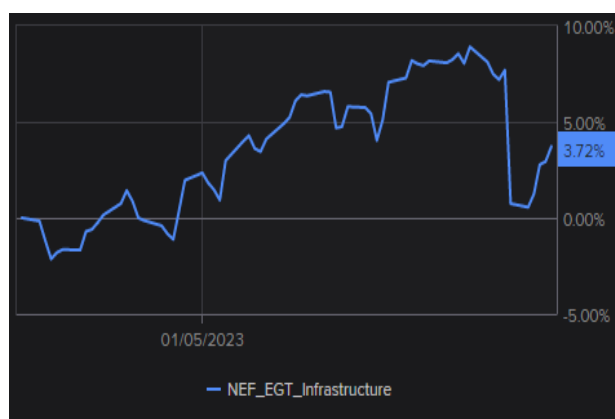
Regarding the trendSDG in **renewable energy**, whose weight within the Theme is 36 percent, partial profit taking on **Enel Chile** continued during the quarter on the stock's strong phase that reduced the stock's undervaluation on fundamentals. **Siemens Energy** stock, on the other hand, was boosted after the profit warning that unexpectedly came right on the heels of an upward revision of earnings expectations by management. For more details on what happened we refer to our newsletter accessible through the [following link](#). In view of the negative reaction of the stock (-40% in 2 days), which is understandable due to the curious dynamics of this profit warning, but beyond excessive compared to the fundamentals of this solid company, we have increased our position. Siemens Energy is not only one of the leaders in wind power plants, but also has significant exposure on high-voltage grid equipment, whose investments are increasing rapidly due to the aging infrastructure and increased capacity required by the energy transition. Not to mention the growth opportunities in the hydrogen-related business where the company boasts an important positioning.

With regard to the **Globalization of Transportation**, parcel delivery companies, especially Postnl and International Distribution Services (formerly Royal Mail), have been increased, believing that they have more than incorporated the reduction in parcel volumes after the peak phase of the pandemic period, of the structural decline of traditional mail, as well as the inflationary effect on the cost base that will be passed on to customers. These are two companies with a strong focus on sustainability. Of note, PostNL was ranked by S&P Global as one of the top three most sustainable companies in the transportation and logistics industry worldwide. Airlines also increased, where capacity decreased and demand increased.

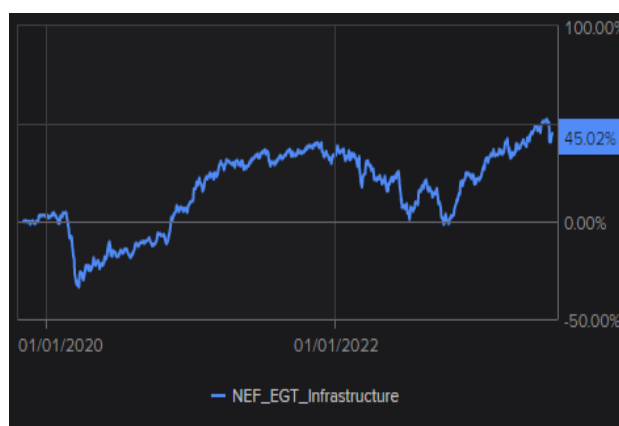
Within the **Civil Infrastructures** trendSDG took a profit on cement producers Cemex and Buzzi Unicem, as well as taking a partial profit on Heidelberg Cement, following the significant rises that have made the risk/return ratio of the sector less attractive, which today can no longer be defined as "deep value" i.e., in line with our approach.

Finally, it should be noted how we continued the phase of liquidation of the Chinese exposure, consistent with the decision to stop investing in autocratic countries. With a view to investor protection, we took advantage of the good momentum to take profits on China Communication and CRRC, with gains of 17 percent and 55 percent, respectively. Our remaining exposure to this country is less than 1% and will go, gradually, to zero.

Performance Q2 2023 (31/03/23- 30/06/23)



Performance since inception (04/11/19 – 30/06/23)



Source: Niche AM, Thomson Reuters

Trend Description

Waste management. The waste produced in the world is growing by a massive amount, 680 million tons, in 2008, 1.3 billion tons, in 2016, 2.2 billion in 2025. This emergency will have to be tackled through sustainable management of the process. At the same time in emerging countries the process of urbanisation continues to grow and new drain networks designed.

Water treatment More than 20% of the population has no direct access to drinking water, its optimisation will be a priority in the coming years.

Civil Infrastructure. Highways, bridges, hospitals, dams, and airports are essential to a nation's development.

Smart Housing, Housing is changing, Materials, technologies, interconnection are leading us to more efficient, affordable, comfortable, and smart homes.

Infrastructure for work. Job availability depends on many factors including upgrading facilities, a functioning network of agencies capable of linking supply and demand, and appropriate technology to make information global transparent and correct.

Transport globalisation. Tourism, transportation, and business are globalizing at a dramatic speed. This means more efficiency, culture, opportunity, and wealth.

Renewable energy. A silent revolution is accelerating, the development of storage is about to explode this industry, for the welfare of future generations.

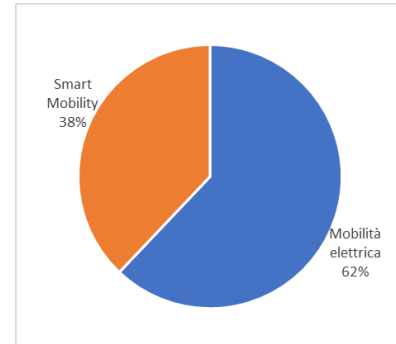
TrendSDG in Mobility

#stocks: 27

On which UN Goals does it have an impact?

- Goal 7 Clean and Affordable Energy
- Goal 11 Sustainable Cities
- Goal 13 Climate Action

Source: Niche AM



Top holdings of the Mobility Theme

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|-----------------------|--------|----------|--------------------|-------------------------|
| PANASONIC | 2.4% | Mobilità | Mobilità Elettrica | 48.4% |
| INTEL CORP | 1.9% | Mobilità | Smart Mobility | 2.4% |
| LG CHEMICAL PEF | 0.9% | Mobilità | Mobilità Elettrica | 13.4% |
| CONTINENTAL AG | 0.7% | Mobilità | Smart Mobility | 0.3% |
| SUMITOMO METAL MINING | 0.6% | Mobilità | Mobilità Elettrica | -8.3% |

Major increases in the quarter

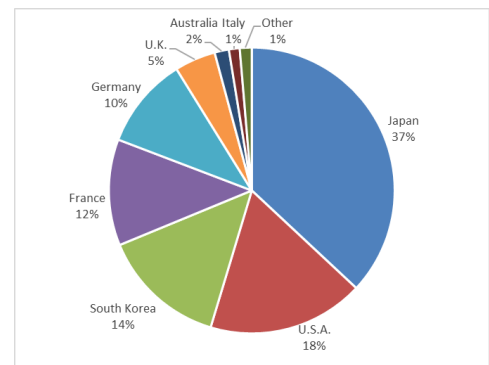
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|---------------------|--------------------|----------------------------|----------------------------|
| Syrah Resources | Mobilità Elettrica | 0.0% | 0.2% |
| Volkswagen Pref Shs | Mobilità Elettrica | 0.4% | 0.5% |
| Mobico Group | Smart Mobility | 0.3% | 0.4% |

Major decreases in the quarter

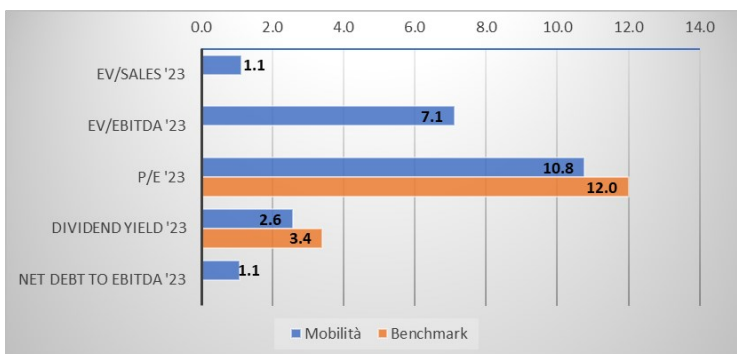
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|----------------|--------------------|----------------------------|----------------------------|--------------------|
| Posco Holdings | Mobilità Elettrica | 0.8% | 0.5% | +64.47% |
| LG Chem Pref | Mobilità Elettrica | 1.2% | 0.9% | +47.93% |

Source: Niche AM

Geographical exposure

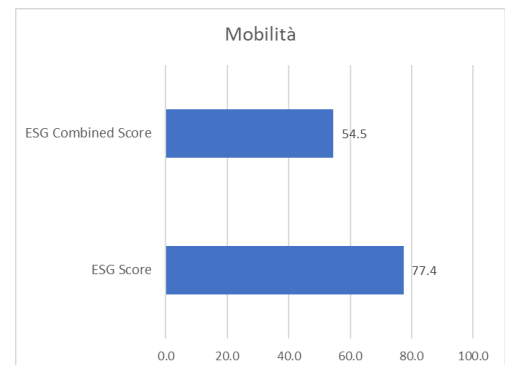


Main valuation multiples



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value index

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG in Mobility

Mobility Theme

The Mobility Theme consists of two *TrendSDGs*, Electric Mobility and Smart Mobility, and 27 stocks.

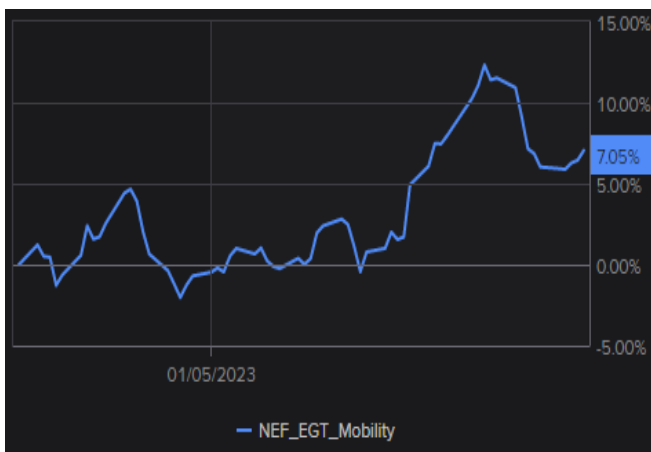
This Theme rose 7 percent during the second quarter, supported especially by Electric Mobility, which was the best overall TrendSDG at the fund level (+9.4 percent). Stocks exposed on **Electric Mobility** are continuing to benefit from the automotive industry's acceleration towards electrification. On a global basis, electric vehicles continued to increase in May, with year-on-year growth close to 50 percent, reaching a market share of 16 percent. Market share in China is now at 35 percent, while it stands at 23 percent in Europe and 8 percent in the US.

The U.S. market share is expected to grow rapidly in the coming years due to the benefits of the Inflation Reduction Act (IRA), which will make this country a global hub for electric car production. Since it was introduced, electric car manufacturers have already announced commitments of more than \$60 billion. Although delayed, Europe has finally decided to take action to avoid falling behind the rest of the world by passing a measure similar to the IRA, the Net-Zero Industrial Act, which will be allocated two-thirds to electric car battery production. These measures will accelerate the mass adoption of electric cars, and the resulting major reduction in emissions from these two areas, along with providing benefits in terms of strengthening the supply chain, reducing dependence on China, and significant job creation.

Partial profit was taken during the quarter on two Korean stocks, LG Chemical and Posco, which benefited from increased visibility on the benefits of the introduction of the IRA. Korean companies are among the biggest beneficiaries of the U.S. plan and have announced substantial investments to create batteries (so-called Gigafactories) and battery components. The biggest contributor to the positive performance was Panasonic, a longtime battery supplier to Tesla, which will significantly increase its U.S. presence with new capacity. Also introduced to the portfolio in terms of operations was Syrah, a major producer of graphite in Mozambique and precursor materials for the production of electric battery anodes in the US. This operator represents one of the few alternatives to Chinese producers and is also an IRA beneficiary. The recent sustainability report shows how attentive the group is to environmental and social issues ([click here](#) for a short video about it).

As part of theSDG **Smart Mobility** trend, Mobico (formerly National Express), a leading passenger transport company, has been increased, which is definitely instrumental in achieving the SDGs, especially the modal shift from private vehicles to public transport also using zero-emission vehicles. The group has always paid special attention to the SDGs, setting ambitious targets ([click here](#) to view the main targets)

Performance Q2 2023 (31/03/23- 30/06/23)



Performance since inception(04/11/19 – 30/06/23)



Source: Niche AM, Thomson Reuters

Trend Description

Electric mobility. We will soon begin to purchase electric vehicles in large quantities, as these are more comfortable, better performing, free to drive everywhere, less expensive and with ranges that are now considerable, More than 70 percent of oil is consumed for transportation, and so this shift will bring incredible benefits to the environment, Our investments will be directed particularly at lithium-ion battery sector, a sector that will see its sales multiply many times over in the next few years, surpassing, in terms of sales, that of semiconductors.

Smart Mobility: Cars gradually become smarter, And tomorrow they will be able to drive themselves thanks to the evolution of electronics, This will mean fewer cars, less pollution, less junk and a greener world. Urbanization, traffic, pollution will then lead to the gradual spread of Micro Mobility.

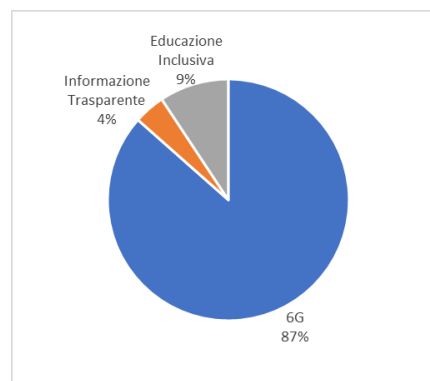
TrendSDG in Communication



#stocks: 46

On which UN Goals does it have an impact?

- Goal 1 End Poverty
- Goal 4 Quality Education
- Goal 5 Eliminate Sexism
- Goal 8 Growth and Jobs
- Goal 10 Combat Discrimination
- Goal 11 Sustainable Cities
- Goal 16 Peace, Justice and Strong Institutions
- Goal 17 Building Consensus around Goals



Source: Niche AM

Top holdings of the Communication Theme

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|--------------|--------|---------------|-------|----------------------|
| BT GROUP | 1.6% | Comunicazione | 6G | -16.1% |
| ORANGE | 1.2% | Comunicazione | 6G | -2.3% |
| NOKIA | 1.0% | Comunicazione | 6G | -15.1% |
| TELEFONICASA | 1.0% | Comunicazione | 6G | -6.5% |
| KT ADR | 0.7% | Comunicazione | 6G | -0.4% |

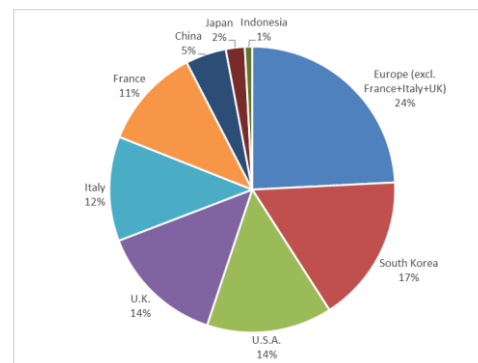
Major increases in the quarter

| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|------------------------|-------|----------------------|----------------------|
| AT&T | 6G | 0.0% | 0.3% |
| Vodafone Group | 6G | 0.3% | 0.6% |
| Verizon Communications | 6G | 0.1% | 0.4% |

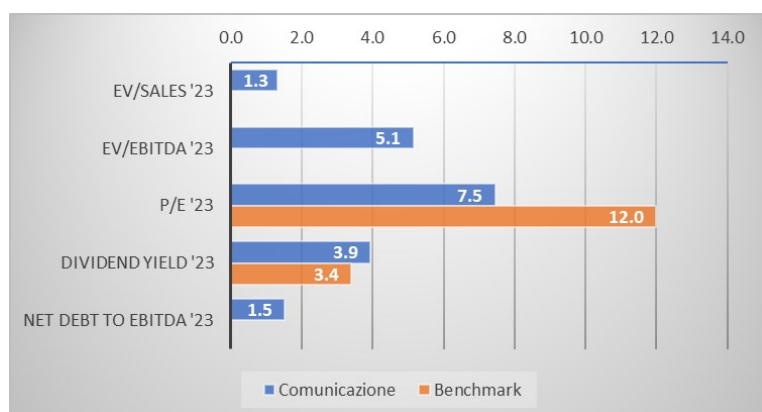
Major decreases in the quarter

| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|---------------|-------|----------------------|----------------------|-----------------|
| China Mobile | 6G | 0.5% | 0.0% | +73.01% |
| China Telecom | 6G | 0.4% | 0.0% | +134.10% |
| Orange | 6G | 1.6% | 1.2% | +23.56% |

Geographical exposure

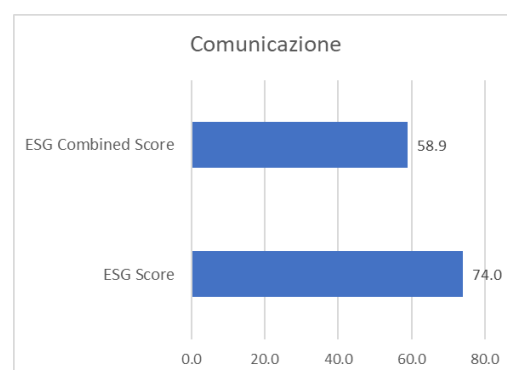


Main valuation multiples



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value index

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG in Communication



Communication Theme

The Communication Theme, which occupies a weight of 17.5 percent and consists of 46 stocks within the 3 *trendsSDG* **6G**, **Inclusive Education**, and **Transparent Information**, fell 3.9 percent during the quarter.

The most importantSDG trend within the fund is **6G**, which invests mainly in equipment companies for this technology, telecommunications companies that are building the networks for its deployment, and service companies that will enable the practical adaptation of the technology within the corporate world. Indeed, 6G opens up vast possibilities for connecting sensors, devices and autonomous objects (so-called "Internet of Things" or IoT) and expanding the deployment of artificial intelligence (AI). And, increasingly, these devices need high bandwidth, ultra-reliability and low latency that only 6G can give.

6G, with its many implications on achieving various SDG goals, accounts for about 87 percent of the Communication theme, up from 80 percent in the previous quarter. This increase stems mainly from increased exposure on U.S. telecom companies. **Verizon** was increased in the quarter and **AT&T** was reinstated in the portfolio. Both of these groups suffered from rumors with respect to a potential entry of Amazon into the mobile phone market. Fears with respect to a possible though unlikely worsening of the competitive environment, has led these companies to extremely attractive valuation levels, which more than incorporates these fears. Moreover, these are operators that have already completed the first phase of 5G investments, which are now optimizing their wireless network with sufficient spectrum and capacity to support the many new applications, particularly in the industrial area, arising from this technology, resulting in an improvement in their margins.

Other European (Vodafone, BT) and Asian (XL Axiata, LG Uplus) telephone operators were also boosted in the quarter, believing that the low valuations, supported by robust dividends, represent an attractive accumulation opportunity.

The negative performance in the quarter can be attributed to weakness in the telecom sector, which was not sufficiently offset by the positive contribution of Korean manufacturers Samsung and SK hynix, in the equipment and semiconductor manufacturing sectors, respectively.

It should be noted that the **liquidation phase of Chinese exposure** also continued for this Theme, consistent with the decision to stop investing in autocratic countries. In particular, profits were taken on China Mobile and China Telecom, with gains of 73 percent and 134 percent, respectively, over book prices, before dividends received.

Performance Q2 2023 (31/03/23- 30/06/23)



Performance since inception(04/11/19 – 30/06/23)



Source: Niche AM, Thomson Reuters

Trend Description

5G. With 5G, the world will become even smaller and the possibilities for vertical social dynamics will increase. We invest here in the companies that create the communication infrastructure or manage it. Technologies such as AI, IoT, blockchain, autonomous vehicles can only develop once 5G is operating.

Transparent Information. If the Internet has created endless free information, it has also created guilty or malicious disinformation. This has fomented populism and confusion. Many newspapers and media in general have failed or suffered greatly as a result. We believe there is room for serious and accessible information, and this will lead to the revival of an almost dying field that is fundamental to a world of democracy and peace.

Inclusive Education. Vertical social mobility, the very basis of progress and dynamism of a system, find fuel in people's education. We live in a world that in the last 10 to 15 years, through the Internet, is potentially much more democratic and inclusive in terms of educational opportunities, as well as in societies that produce serious and responsible information or effective and scalable education.

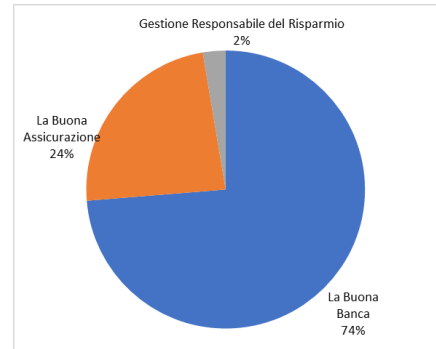
TrendSDG in Finance



#stocks: 43

On which UN Goals does it have an impact?

- Goal 1 End Poverty
- Goal 2 Eradicate Hunger
- Goal 5 Gender Equality
- Goal 8 Decent Work and Economic Growth
- Goal 9 Industry, Innovation and Infrastructure
- Goal 10 Reducing Inequality
- Goal 16 Peace, Justice, Sound Institutions
- Goal 17 Partnership for Goals



Top holdings of the Finance Theme

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|---------------------|--------|---------|------------------------|-------------------------|
| UBS GROUP SA | 3.1% | Finanza | La Buona Banca | -6.2% |
| SOCIETE GENERALE SA | 2.2% | Finanza | La Buona Banca | 14.5% |
| CITIGROUP INC | 2.2% | Finanza | La Buona Banca | -1.8% |
| BARCLAYS PLC | 2.0% | Finanza | La Buona Banca | 5.2% |
| AXASA | 1.5% | Finanza | La Buona Assicurazione | -4.0% |

Major increases in the quarter

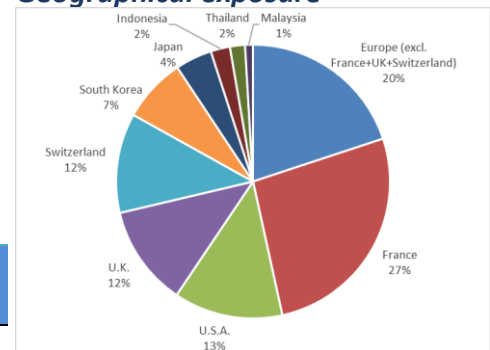
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|------------------|----------------|-------------------------|-------------------------|
| UBS Group | La Buona Banca | 1.7% | 3.1% |
| Societe Generale | La Buona Banca | 1.4% | 2.2% |
| Barclays | La Buona Banca | 1.6% | 2.0% |

Major decreases in the quarter

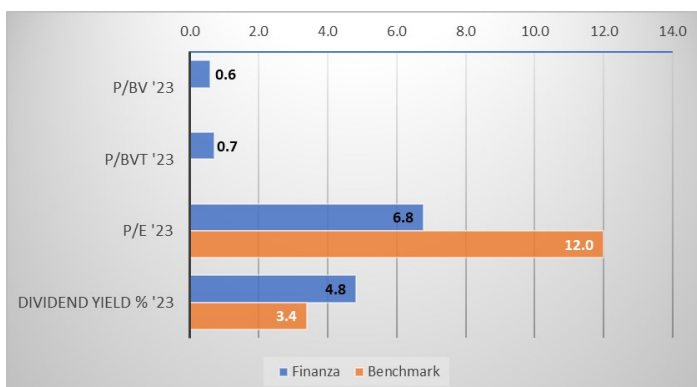
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|---------------------------|----------------|----------------------------|----------------------------|--------------------|
| Unicredit | La Buona Banca | 1.5% | 0.0% | +134.53% |
| Bangkok Bank | La Buona Banca | 0.3% | 0.0% | +35.93% |
| Banco Comercial Portugues | La Buona Banca | 0.2% | 0.1% | +67.48% |

Source: Niche AM

Geographical exposure

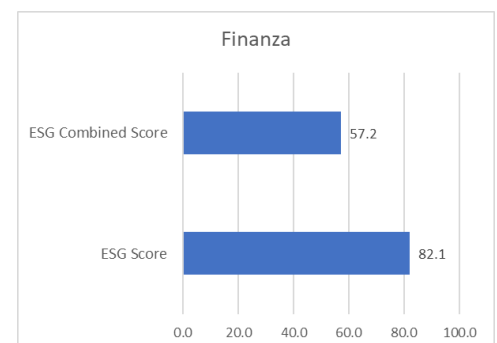


Main valuation multiples



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value index

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG in Finance



Finance Theme

The theme is composed of 3 *trendSDGs*, **Good Banking**, **The Good Insurance** and **Responsible Asset Management**, and is invested in 43 stocks, occupying a total weight of 21.5 percent. The quarterly performance was positive to the tune of 7 percent, more than offsetting the negative phase experienced in the first quarter of the year due to the turbulent phase resulting from the U.S. regional bank crisis and culminating in the weakness of European banks and the discount acquisition of Credit Suisse by UBS. Therefore, the half-year ended with a positive performance for the theme of 7.5 percent.

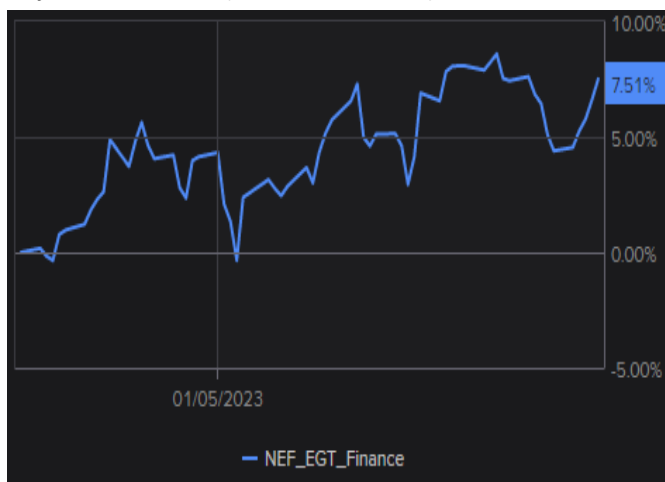
Good Banking trendSDG achieved a growth of 7.4 percent with a positive contribution from all its stocks.

The trend was supported not only by the calming of the scenario, but by supportive results. The increased ability to generate profits in the changed interest rate environment, coupled with capital strength, the child of the system's multi-year de-risking process, highlighted the attractiveness of the sector. In some cases, management's decision to return excess capital made the high level of undervaluation more visible. In this context, portfolio rotation involved profit-taking on institutions subject to major rerating, such as **Unicredit** and **BCP**, to increase realities with greater appreciation potential such as UBS, Societe Generale, and Barclays. We then took profit on **Bangkok Bank**, taking exposure to Thailand, a country that, like China, is not democratic and therefore excluded in 2022 by the manager from investable countries, to zero.

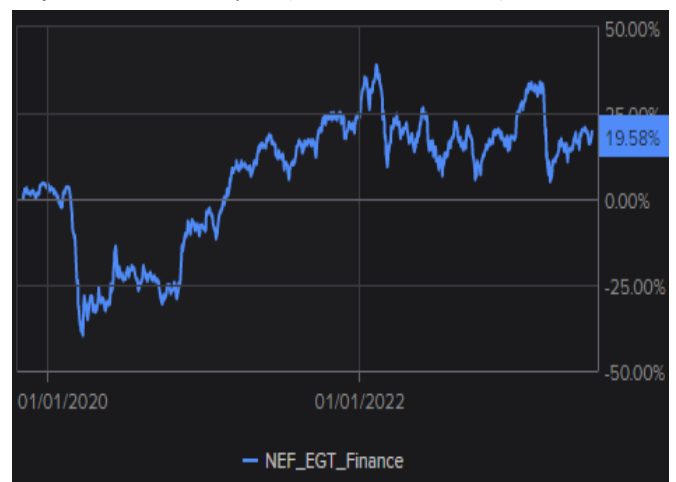
UBS became the fund's top stock in view of the expected value creation from the (super)bargain acquisition of Credit Suisse. As previously pointed out, the potential upside of UBS is such that it can, over time, largely offset the losses incurred by the fund from exposure to the Credit Suisse stock. At the same time, then, UBS arguably represents the most solid entity in the sector. **Societe Generale** and **Barclays** trade at 0.3 and 0.4 times tangible equity, respectively, on distressed levels against normalized profitability around 9/10 percent.

The contribution of the **Good Insurance** trendSDG (+8.6%) was equally positive. In addition to the supportive contribution of U.S. life companies **Lincoln** and **AIG**, the good rerating of reinsurer Scorer should be noted. This French company realized strong absolute and relative performance due to supportive results. Despite the rerating, Scorer trades only at about 5 times '24 earnings, with dividend yields above 7 percent, at a time when progress from the restructuring plan is beginning to be seen. This company pays particular attention to sustainability issues ([click here](#) to view key guidelines) and has a goal of doubling optional insurance and reinsurance coverage for renewables by 2025 ([here is a video](#) that provides more details).

Performance Q2 2023 (31/03/23- 30/06/23)



Performance since inception(04/11/19 – 30/06/23)



Source: Niche AM, Thomson Reuters

Trend Description

Responsible Savings Management. *SDG asset managers are those companies in the industry that design and propose fair and responsible investment solutions, provide crystal-clear information and are committed every day to managing the savings of many households for the long term, rather than focusing on short-term profit.*

Good Insurance. *For insurance companies, transparency, innovation, micro-insurance and product underwriting policies, as well as the more or less responsible way in which they invest their reserves, is key to achieving the SDGs.*

Good Banking. *Banking is in itself an SDG activity if it is instrumental in developing the economy and protecting savings. Banks can and must do much to positively develop the communities in which they operate. Activities such as microfinance, customer education, and the promotion of initiatives to support the environment, the disadvantaged and integration are vital to good banking. Profit is certainly important and must be pursued, but with total transparency and fairness towards the customer and careful compliance with the rules.*

TrendSDG in Food

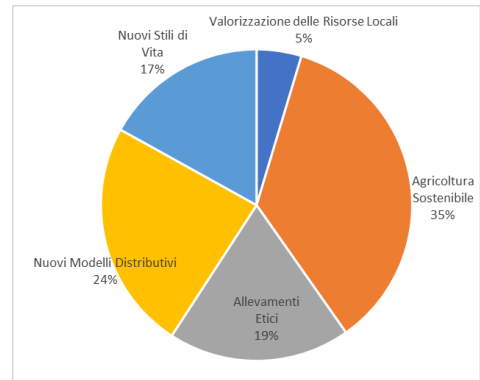


#stocks: 21

On which UN Goals does it have an impact?

- Goal 2 Defeating Hunger
- Goal 11 Sustainable Cities and Communities
- Goal 12 Responsible Production and Consumption
- Goal 13 Fighting Climate Change
- Goal 14 Life Under Water
- Goal 15 Life on Earth

Source: Niche AM



Top holdings of the Food Theme

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|------------------------------|--------|---------------|----------------------------|-------------------------|
| BAYER AG REG SHS | 1.6% | Alimentazione | Agricoltura Sostenibile | -13.7% |
| MAPLE LEAF FOODS INC | 1.1% | Alimentazione | Nuovi Stili di Vita | -1.0% |
| J SAINSBURY PLC | 0.8% | Alimentazione | Allevamenti Etici | -3.5% |
| ASSOCIATED BRITISH FOODS PLC | 0.6% | Alimentazione | Nuovi Modelli Distributivi | 2.6% |
| YARA INTERNATIONAL ASA | 0.4% | Alimentazione | Agricoltura Sostenibile | -16.5% |

Major increases in the quarter

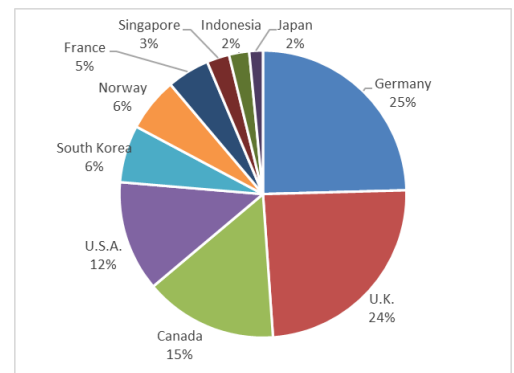
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|-----------------|-------------------------------------|-------------------------|-------------------------|
| E-Mart | Nuovi Modelli Distributivi | 0.0% | 0.3% |
| Macys | Nuovi Modelli Distributivi | 0.0% | 0.2% |
| Indofood Sukses | Valorizzazione delle Risorse Locali | 0.0% | 0.2% |

Major decreases in the quarter

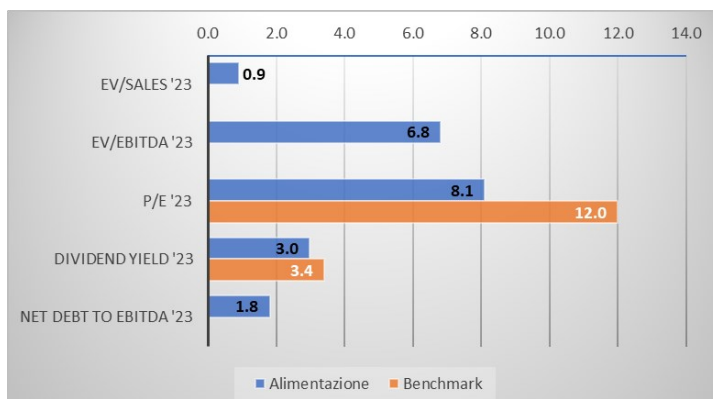
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|---------|-------|-------------------------|-------------------------|--------------------|
| N/A | - | - | - | - |

Source: Niche AM

Geographical exposure

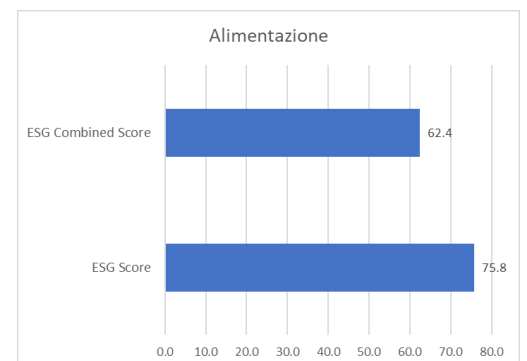


Main valuation multiples



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value index

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG in Food



Food Theme

The theme consists of 5 *TrendSDGs* and 21 stocks. Its contribution in the quarter was negative 3.8%.

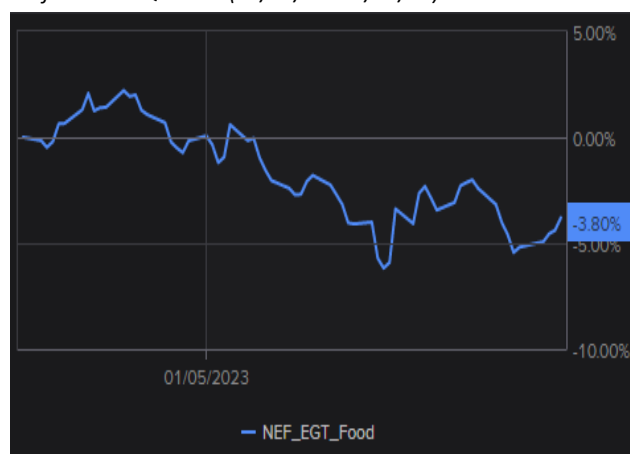
The only *TrendSDG* to close in positive ground was **New Lifestyles** (+1.1%), which had a strong exposure to **Maple Leaf**, the only stock in the portfolio exposed to animal meat production due to the significant investments the company is making to support the growth of plant-based alternative products to meat. Also of note is how its traditional meat production is strongly characterized by a significant focus on animal welfare.

The worstSDG trend, however, was in **Sustainable Agriculture** (-9%), aided by weakness in Bayer, a group instrumental in several SDGs. The stock suffered from lower-than-expected results, coupled with a deterioration in cash generation, which did not allow it to reduce the steep discount to which the group trades relative to a fundamental valuation (price-to-earnings ratio of about 7 times). Although this does not currently appear to be the choice made by new management, the separation of the agrochemicals business with the pharmaceuticals business would be an effective action to make the undervaluation evident and encourage rerating of the stock.

Within the trendSDG **New Distribution Models**, which was little moved during the quarter (-0.7%), there were new entries during the quarter, the most notable of which was **e-Mart**: the largest food retailer in South Korea. This operator, which trades at about 7 times '24 earnings, was affected by the negative performance of its subsidiary Gmarket, Korea's third-largest e-commerce platform (formerly eBay Korea). However, management is pursuing an earnings recovery plan that should also benefit from synergies from the aforementioned acquisition, leveraging e-Mart's leadership in grocery retailing. E-Mart then holds other attractive assets, including 68 percent of Starbucks Korea. A valuation using the Sum-of-Parts method shows a significant fundamental undervaluation at current share prices. On the sustainability side, the group released its first report last year, and as part of its direct engagement activity, it has emerged how it is considering new initiatives to reduce its environmental impact.

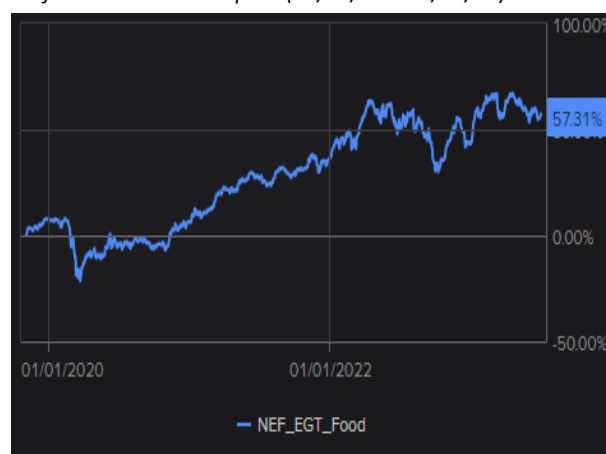
Indofood stock was then also included in the portfolio within the trendSDG Local Resource Enhancement. This is an Indonesian group active in the production of instant noodles, as well as wheat flour and palm oil. The group generates about two-thirds of the energy it uses from renewable sources, which are mainly derived from its agricultural activities (use of palm oil processing waste).

Performance Q2 2023 (31/03/23- 30/06/23)



Source: Niche AM, Thomson Reuters

Performance since inception(04/11/19 – 30/06/23)



Trend Description

Responsible Breeding. Given the many negative impacts of intensive animal breeding, in addition to the simple ethical arguments, special attention is given to societies that promote sustainable breeding methods.

New Lifestyles. Products for vegans, vegetarians, pescetarian, fruitarians, coeliacs, or for various intolerances gradually fill supermarket shelves. This is a long wave with positive consequences for the environment and/or the well-being of many people.

Sustainable agriculture. Better pesticides, use of genetics, optimisation of water resources, respect for nature and local communities, proper treatment of all stakeholders are all elements that can help achieve the SDG goals.

New Distribution Models. More attention to how food is produced and processed, more attention to the needs of minorities, more attention to packaging and waste together with more use of online services are gradual changes that bring great benefits to the well-being of the population and the liveability of cities.

Enhancing Local Resources. Local products are often well known and part of a centuries-old culture rooted in the territory. As well as being economically and culturally important for local areas, they can often benefit from the growing global demand for niche food products.

TrendSDG in Health

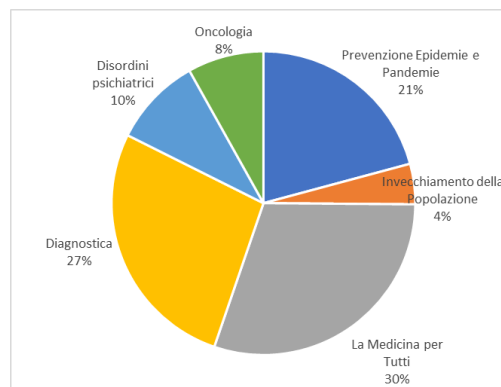


#stocks: 27

On which UN Goals does it have an impact?

- Goal 1 Eradicate Hunger
- Goal 3 Health and Well-being
- Goal 11 Sustainable Cities

Source: Niche AM



Principali titoli del Tema Salute

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|-----------------------|--------|--------|---------------------------------|----------------------|
| GSK REG SHS | 1.1% | Salute | Prevenzione Epidemie e Pandemie | -2.8% |
| VIATRIS INC - REG SHS | 1.0% | Salute | La Medicina per Tutti | 3.7% |
| WALGREENS BOOTS | 0.9% | Salute | Diagnostica | -17.6% |
| SANOFI | 0.7% | Salute | La Medicina per Tutti | -2.0% |
| FRESENIUS SE | 0.6% | Salute | La Medicina per Tutti | 2.1% |

Major increases in the quarter

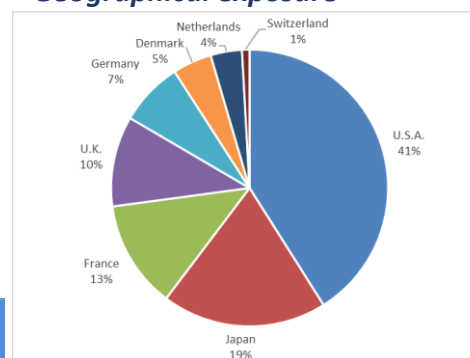
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|--------------------|---------------------------------|----------------------|----------------------|
| Pfizer | Prevenzione Epidemie e Pandemie | 0.0% | 0.5% |
| Ono Pharmaceutical | Oncologia | 0.0% | 0.3% |
| GSK | Prevenzione Epidemie e Pandemie | 0.8% | 1.1% |

Major decreases in the quarter

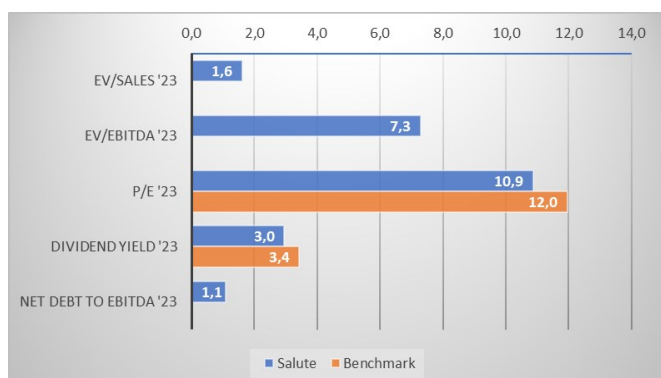
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|-------------|----------------------------------|----------------------|----------------------|-----------------|
| Baxter Intl | Invecchiamento della Popolazione | 0.1% | 0.0% | +12.48% |

Source: Niche AM

Geographical exposure

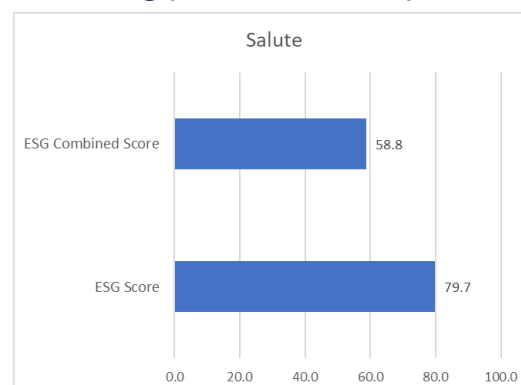


Principali multipli valutativi



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG in Health



Health Theme

The Health theme, consisting of six *trendSDGs* and about 30 stocks, closed the second quarter with a positive performance of 0.8%.

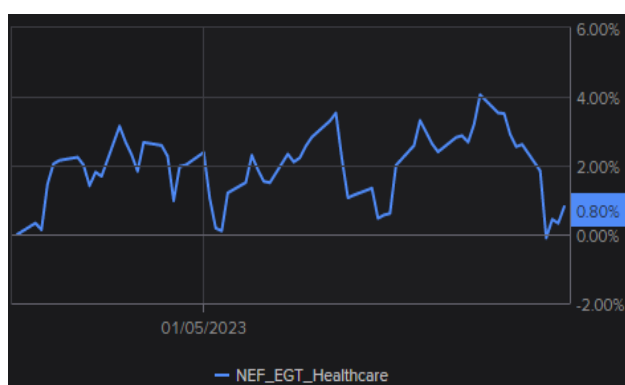
There was some dispersion of performance within the different *trendSDGs*: three of them closed positively (Psychiatric Disorders +9%, Medicine for All +4.2%, Aging Population +2.4%), while the remaining three in negative ground (Diagnostics -0.8%, Epidemic and Pandemic Prevention -3.2%, Oncology -9%).

Among the top performers for the quarter are several **Japanese companies**, including **Otsuka Holding** in the *trendSDG* Psychiatric Disorders, wholesale distributor **Alfresa Holding** in *Medicine for All*, and **Nikon** and **Canon** in Diagnostics. All of the companies indicated have benefited from the general return of interest in the Japanese stock market, given their significant fundamental undervaluation; in several cases these are then companies benefiting from the devaluation of the Japanese currency.

In terms of operations, within the *trendSDG* Epidemic and Pandemic Prevention, **Pfizer** was reintegrated into the portfolio. This group suffered from the waning of sales related to the pandemic cycle, with the stock almost halved from its highs at the end of 2021. But net of the Covid effect, management now believes it can achieve sales growth of around 7-9 percent, supported by the launch of new drugs especially starting in the second half of this year. The company, which is strongly committed to achieving the *SDGs* ([click here](#) for dedicated page), trades at around 10 times earnings and offers a dividend yield close to 5 percent, on levels that are again attractive given the quality of its franchise.

Within the **Oncology** *trendSDG*, on the other hand, is the Japanese company **Ono Pharmaceutical**, a group that has been aiming for several years to become one of the leaders in terms of sustainability in the pharmaceutical industry ([click here](#) for a video presentation of the various initiatives). The group's flagship drug, Opdivo, is an anticancer drug used to treat various conditions, including melanoma and bowel cancer. Again, this is a stock characterized by very low valuations, both in absolute terms and for the target sector (about 10 times earnings), making the risk/reward ratio very attractive.

Performance Q2 2023 (31/03/23- 30/06/23)



Performance since inception(04/11/19 – 30/06/23)



Source: Niche AM, Thomson Reuters

Trend Description

Aging Population. As we know, the demographic dynamic tends to slow down with affluence and, at the same time, advances in lifestyle have greatly extended average life expectancy. So there are a number of pathologies, classic of old age, whose frequency tends to increase incredibly. Investing resources to combat them means lives that are not only longer, but also liveable.

Psychiatric disorders. In the past, people suffering from these disorders were locked up in asylums and sedated. Thanks to the enormous progress made by research, today many of these people can lead a normal existence. The road is still long and there are many goals to be achieved. In particular, the treatment of less severe forms of derangement, such as excessive insecurity, depression or paranoia, can change the lives of millions of people and their loved ones.

Epidemics and Pandemics Prevention. Viruses and new bacteria are becoming less and less profitable for pharmaceutical companies. However, the risk of our population being wiped out by a pandemic has never been higher, New super resistant strains, intensive animal breeding and globalisation can have devastating effects. Those who remain in the field help achieve the *SDG* goals.

Diagnostics. Diagnostic tools are the real future solution to most diseases. New data collection technologies in an important part of the population can help us understand the ills that will affect us before they even hit us, just as genetics can alert us to potential risks that can then be anticipated.

Medicine for All. Almost 90% of the medicines used in Western countries are generics although in value terms they account for only 20%. From this it is clear how necessary generics are in Western countries to keep spending under control and in developing countries they are essential to ensure people's well-being. That they are cheaper is not enough. They must be very safe and as effective as the original preparation.

TrendSDG Materials

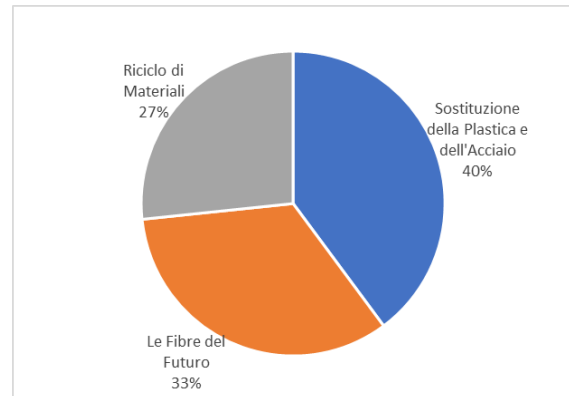


#stocks: 25

On which UN goals does it have an impact?

- Goal 9 Industry, Innovation and Infrastructure
- Goal 11 Sustainable Cities
- Goal 12 Responsible Production and Consumption
- Goal 13 Climate Action
- Goal 14 Life in the Oceans
- Goal 15 Life on Earth

Source: Niche AM



Principali titoli del Tema Materiali

| Titolo | Peso % | Tema | Trend | Perf. % 2° trimestre |
|---------------|--------|-----------|--|----------------------|
| TEIJIN LTD | 1.0% | Materiali | Le Fibre del Futuro | 3.3% |
| GRAFTECH INTL | 0.7% | Materiali | Riciclo di Materiali | 3.7% |
| STORA ENSO | 0.6% | Materiali | Sostituzione della Plastica e dell'Acciaio | -11.3% |
| KANEKA CORP | 0.4% | Materiali | Le Fibre del Futuro | 16.6% |
| OJI HOLDINGS | 0.4% | Materiali | Sostituzione della Plastica e dell'Acciaio | 2.6% |

Major increases in the quarter

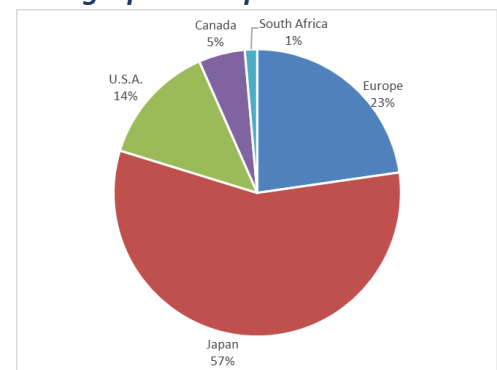
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 |
|--------------|--|----------------------|----------------------|
| Stora Enso | Sostituzione della Plastica e dell'Acciaio | 0.4% | 0.6% |
| Mondi | Sostituzione della Plastica e dell'Acciaio | 0.1% | 0.2% |
| Oji Holdings | Sostituzione della Plastica e dell'Acciaio | 0.3% | 0.4% |

Major decreases in the quarter

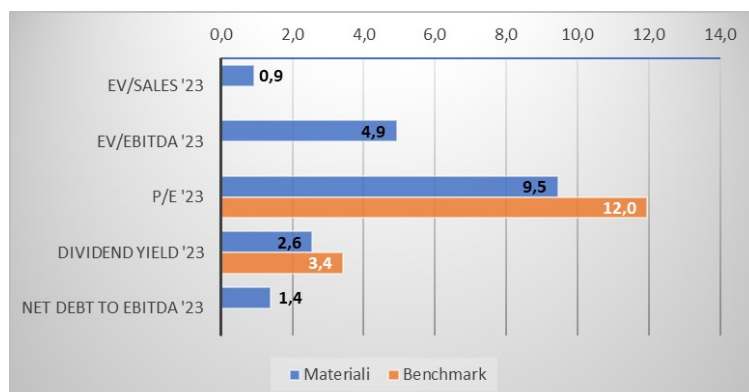
| Holding | Trend | Weight % at 31/03/23 | Weight % at 30/06/23 | Plus / (Minus)% |
|---------------|----------------------|----------------------|----------------------|-----------------|
| Sumitomo Corp | Riciclo di Materiali | 0.2% | 0.0% | +90.9% |

Source: Niche AM

Geographical exposure

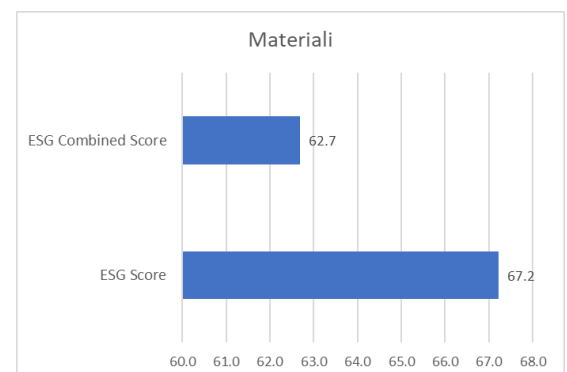


Main valuation multiples



Source: Niche AM, Thomson Reuters - Benchmark = MSCI ACWI Value index

ESG rating (Thomson Reuters)



Source: Niche AM, Thomson Reuters

TrendSDG Materials



Materials Theme

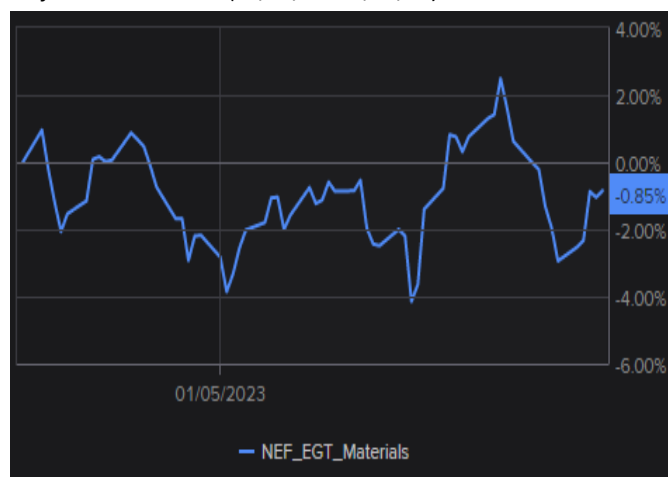
The Materials theme consists of 3 *trendSDGs*, and 25 stocks. The performance realized in the second quarter was -0.85%.

The best performance was again realized by the **Materials Recycling** trendSDG (+5.0%), which benefited from further appreciation from **Kobe Steel**, a Japanese group buoyed by continued upward revision of earnings, and the good performance of **Sumitomo Corp.** Profit was then taken on the latter company, which is present in several business activities, including the recycling of plastic beverage containers using automatic machines.

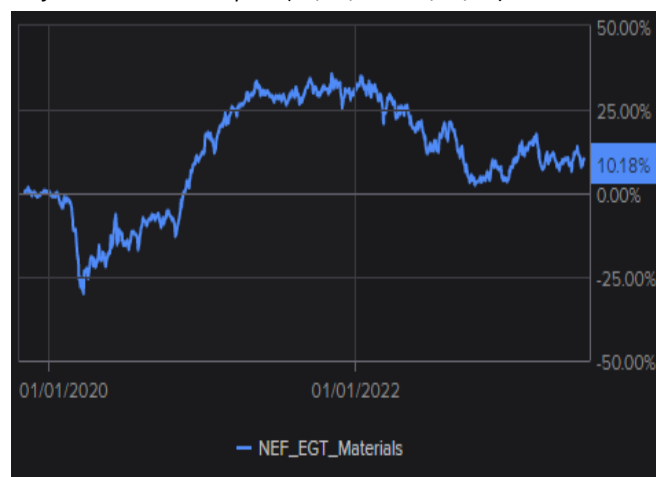
As for **Plastic and Steel Replacement** (+1.1%) during the quarter, **Stora Enso**, **Mondi**, and **Oji holding** increased. These three groups active in the paper industry are experiencing negative earnings trends due to weak demand (destocking) that has not allowed them to adequately support selling prices. It was deemed appropriate to increase exposure since the downward earnings revision phase appears to be nearing an end, thanks in part to reduced industry capacity to counter it. Also of note is how several companies in the industry are now strongly supported valuation-wise by the asset value of forests held. The implied value of ex-forest industry assets is now at particularly low levels, especially in the case of Stora Enso. Finally, it should be highlighted that these companies play a very important role in the production of packaging products that allow plastic materials to be replaced by wood-derived materials.

TheSDG trend of **Future Fibers** contributed negatively (-6.7 percent), mainly due to the negative performance of Lenzing. This company, active in natural textile fibers, holds one of the key technologies to reduce the high environmental impact of the apparel industry. Lenzing, in fact, produces a fiber called Lyocell that is generated by melting and processing wood pulp, in a closed loop without any chemical derivation. The stock's weakness is linked to a capital increase by which the company reduced its debt by about 20 percent. The recourse to new capital was necessitated by the negative phase in demand for textile fibers, which now, however, appears to be nearing a turnaround (low inventories in the key Chinese market). Management expects the growth of its Lyocell textile fibers to reach more than 20 percent per year, supported not only by growing consumer demand, but also by a different regulatory framework (EU Textile Strategy). [Click here](#) for a video presenting the group's sustainability strategy, which also goes through the use of renewable sources for its mills (recent purchase of a biomass plant). With the capital increase now closed, the stock trades at about 1x tangible equity.

Performance Q2 2023 (31/03/23- 30/06/23)



Performance since inception(04/11/19 – 30/06/23)



Source: Niche AM, Thomson Reuters

Trend Description

Replacement of Plastic and Steel. Emerging countries consume on average 15 % more of the plastic consumed in developed countries. Development in emerging countries could therefore have dramatic repercussions that are already beginning to be seen in the seas. Steel can be replaced by materials whose characteristics are better in terms of safety and sustainability.

The Fibers of the Future. From technology that can clothe us, to fibers made from recycled plastic or those made from fruit waste to the fibers of composite materials from which the cars of the future will be made.

Recycling of materials. Steel production alone is responsible for 12% of GHG emissions. But there are alternatives. Thanks to Electric Arc Furnaces, steel can be recycled. And again through these furnaces steel can be produced through green hydrogen, without emissions. Several companies are working on this, and this trendSDG is investing in these promising companies that could help eliminate a substantial portion of harmful air emissions.

Appendix

EQUITY PORTFOLIO: Indexes % price change

| Index | Price as of 30/06/2023 | % Price Change 1 month | % Price Change 1 month (€) | % Price Change 3 months | % Price Change 3 months (€) | % Price Change Year to Date | % Price Change Year to Date (€) | % Price Change Since inception * | % Price Change Since inception * (€) |
|--|------------------------|------------------------|----------------------------|-------------------------|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------------|
| NEF Ethical Global Trends SDG** | 12.94 | - | 2.29% | - | 2.78% | - | 9.66% | - | 29.40% |
| Infrastrutture | - | - | -0.30% | - | 3.72% | - | 19.07% | - | 45.02% |
| Finanza | - | - | 4.43% | - | 7.51% | - | 1.99% | - | 19.58% |
| Comunicazione | - | - | -0.98% | - | -3.93% | - | 7.41% | - | 23.49% |
| Mobilità | - | - | 5.42% | - | 7.05% | - | 20.70% | - | 53.57% |
| Salute | - | - | 0.24% | - | 0.80% | - | -4.48% | - | 14.75% |
| Materiali | - | - | 3.44% | - | -0.85% | - | 6.10% | - | 10.18% |
| Alimentazione | - | - | 2.54% | - | -3.80% | - | 9.93% | - | 57.31% |
| MSCI ACWI VALUE NET TR (.dMIWD0000VNUS) | 300.14 | 5.75% | 3.60% | 2.98% | 2.31% | 4.25% | 2.27% | 19.22% | 21.58% |
| MSCI ACWI NET TR EUR (.MIWD0000NEU) | 311.39 | 3.39% | 3.39% | 5.74% | 5.74% | 11.45% | 11.45% | 37.12% | 37.12% |
| USA (.SP500) | 4450.38 | 6.47% | 4.31% | 8.30% | 7.60% | 15.91% | 13.70% | 44.57% | 47.44% |
| Tokyo Stock Exchange (.TOPX) | 2288.60 | 7.41% | 1.60% | 14.23% | 4.42% | 20.98% | 7.81% | 37.33% | 5.34% |
| Europe (.STOXX) | 461.93 | 2.25% | 2.25% | 0.89% | 0.89% | 8.72% | 8.72% | 14.51% | 14.51% |
| Emerging Markets (EEM) | 39.56 | 3.59% | 1.48% | 0.25% | -0.40% | 4.38% | 2.39% | -8.82% | -7.02% |

* 04/11/2019

** Class R

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