

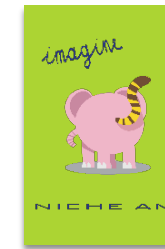
NEF
Ethical
Global
Trends SDG

**ANTICIPATING A BETTER
WORLD**



March 2024

NEF Ethical Global Trends SGD Executive Summary



PM: Massimo Baggiani & Andrea Andreis

TER: 0.58%

Global Sustainable Equity Fund (classified as Art. 9 as per the EU's SFDR)

Investment Style: Value
Benchmark: MSCI ACWI Value

About 275 stocks across 27 thematic portfolios functional to the achievement of the United Nations' Sustainable Development Goals (SDGs)

Weight and number of stocks in each portfolio are a function of available opportunities (i.e.: valuations) across global markets within each theme

Our SDG analysis is both quantitative and qualitative. In 2019 it was the first ever qualitative SDG analysis applied to an equity fund

US\$ exposure is contained at < 40% of AuM (vs. the benchmark's ~60%)

The fund has been set up in 2019 and the team has a long track record prior to that

AuM: about €730 million

imagine



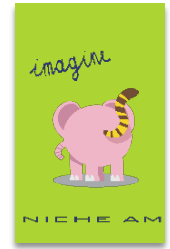
NICHE AM

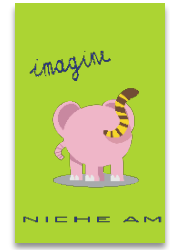
Investing simply
Investing healthy
Investing far from the crowd

Main Features & Strategy
NEF Ethical Global Trends SDG

Investing simply

- No derivatives, no trading
- Low turnover, long-term objectives
- Transparency (reports)



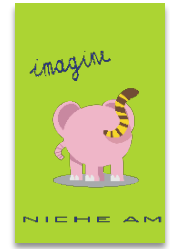


Investing healthy

- Portfolio constructed on ethical grounds
- Strong focus on diversification
- Transparent and fair commission structure



Investing far from the crowd

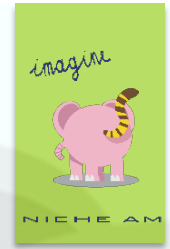


- Value approach, aimed at exploiting market anomalies
- Fundamental analysis
- Patience

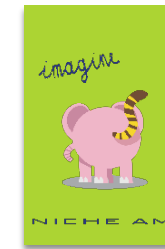
Distinctive



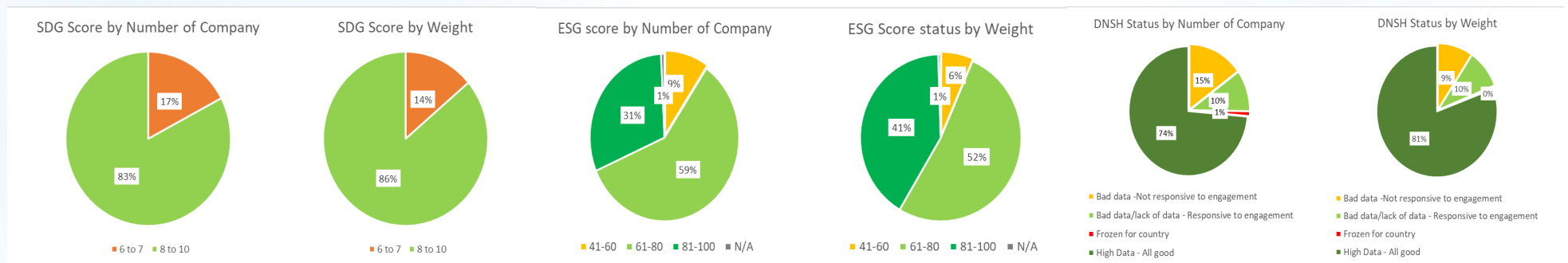
Technical Features



1) Sustainable



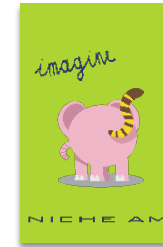
- It doesn't invest in sectors you wouldn't want (weapons, fossils, tobacco, gaming, pornography)
- Big attention to corporates' sustainability dynamics, accounting for size, resources, geography and starting point
- No "screening off" approach, we do fundamental analysis and engagement



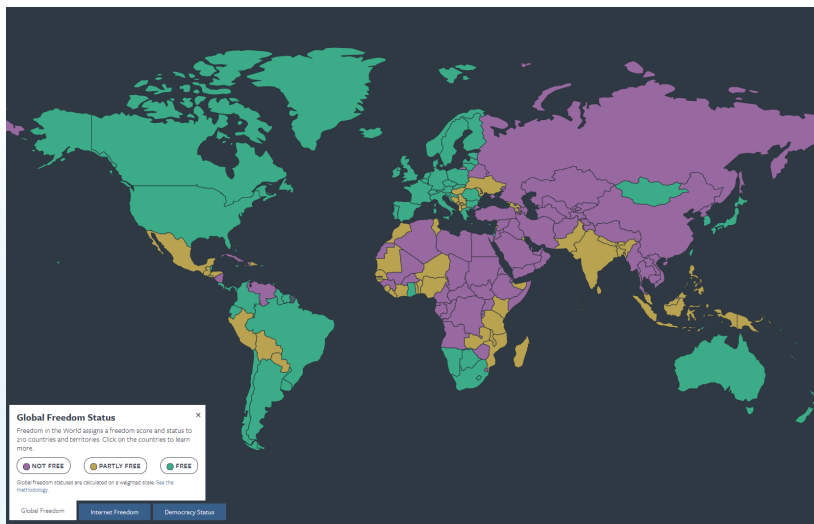
ESG ENGAGEMENT / IMPACT INVESTMENT

1) Sustainable

No investments in autocracies or low-transparency countries (e.g.: China, Saudi Arabia, Turkey, etc)



▶ A Global Equity Fund **ex-China**

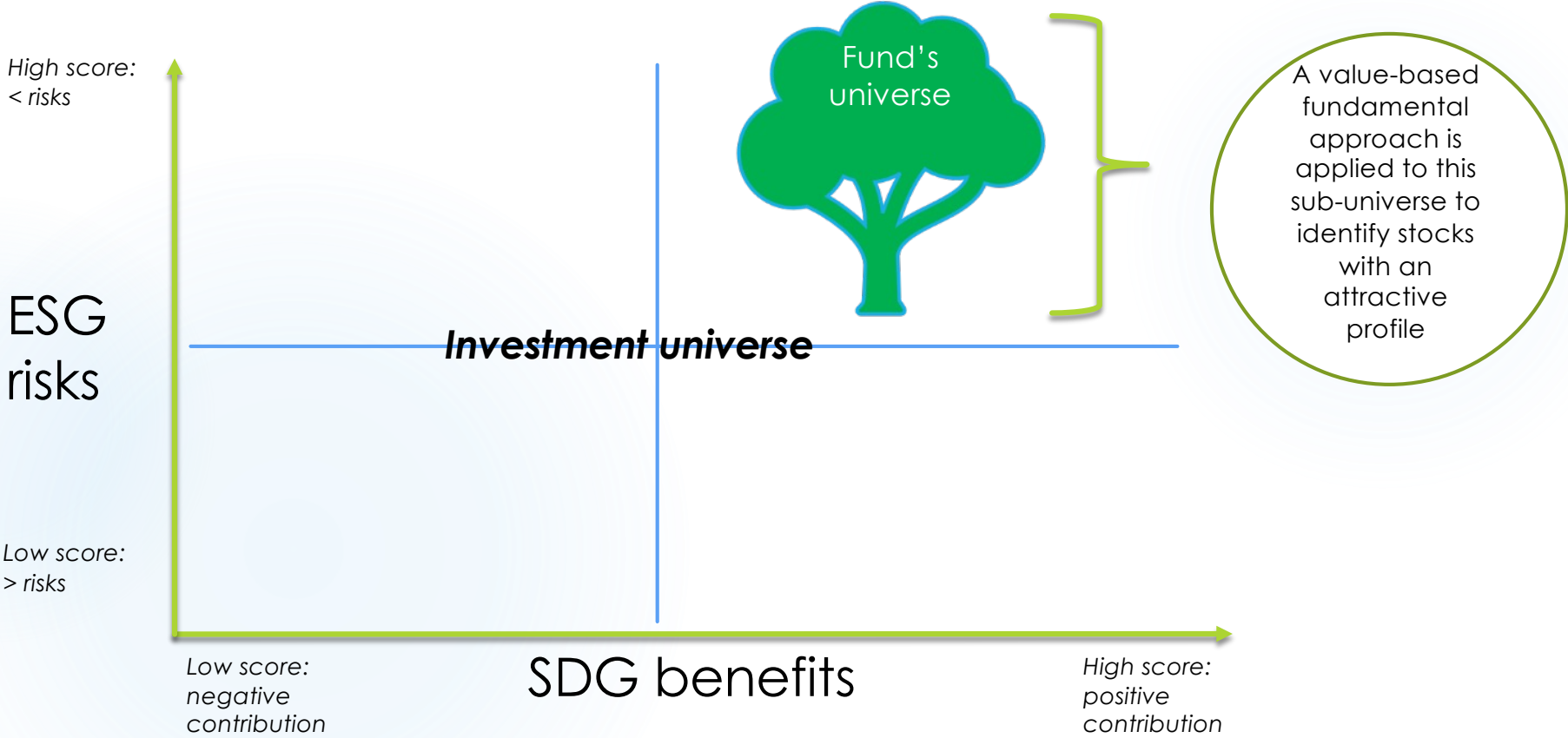
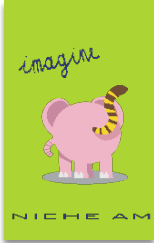


Since 2022, no investments in autocracies as defined by Freedom House (areas in purple in the map)

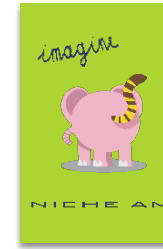
▶ FATF's grey list exclusions




- Croatia
- Gibraltar
- Nigeria
- Panama
- Philippines
- South Africa
- Türkiye
- United Arab Emirates
- Vietnam
-

ESG – SDG selection process

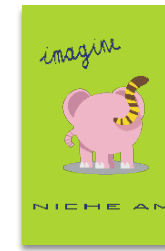


2) Based on fundamental analysis



- Over 400 company meetings per year 
- Proprietary financial / business / sustainability analyses 
- 4+ years average holding-period allows the investment case to play out 

3) Deep Value



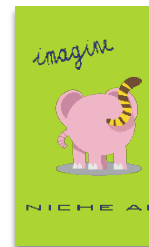
- One of the few funds in the industry which is at the same time global, sustainable and deep value

Main valuation metrics as of 31/12/23

| | Price / Earnings '23 | Dividend Yield'23 | Price / Book Value '23 |
|---------------------------------|----------------------|-------------------|------------------------|
| NEF EGT SDG | 8,7x | 4,0% | 0,9x |
| Benchmark (MSCI ACWI Value NET) | 12,6x | 3,2% | 1,8x |
| MSCI World ESG Leaders | 17,7x | 1,9% | 3,1x |

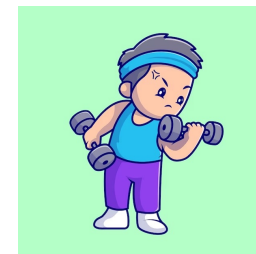
A portfolio with a clear value footprint

4) Active & diversified



Active

| | NEF | Benchmark |
|------------------------|-------------|-----------|
| Fund/Benchmark overlap | 9.7% | |



Diversified



Between 250 and 300 stock holdings

Stock average weight: 0.37%

Stock median weight: 0.24%

Top 50 stocks are 52% of the portfolio

Portfolio concentration

| | Number of stocks | Expo % top 5 stocks | Expo % top 10 stocks |
|------------|------------------|------------------------|-------------------------|
| Portfolio | 273 | 12.6% | 20.5% |
| Benchmark* | 1811 | 7.1% | 12.0% |

Top 10 Fund holdings

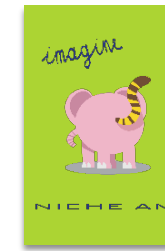
| | Weight |
|------------------|--------|
| UBS Group | 3.51% |
| Citigroup | 3.01% |
| Siemens Energy | 2.21% |
| Societe Generale | 2.01% |
| Barclays | 1.88% |
| BT Group | 1.78% |
| Bayer | 1.69% |
| Panasonic | 1.60% |
| Walgreen Boots | 1.43% |
| Axa | 1.33% |

Top 10 Benchmark holdings*

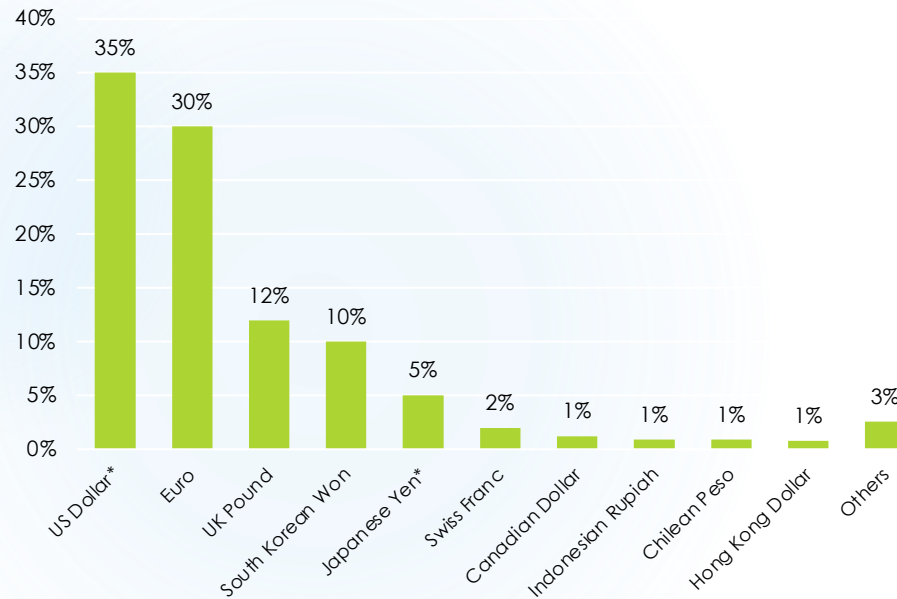
| | Weight |
|--------------------|--------|
| Broadcom | 1.49% |
| JPMorgan Chase | 1.49% |
| UnitedHealth Group | 1.47% |
| Berkshire Hathaway | 1.41% |
| Exxon Mobil | 1.21% |
| Johnson & Johnson | 1.14% |
| Home Depot | 1.05% |
| Procter & Gamble | 1.04% |
| Merck & Co | 0.83% |
| AbbVie | 0.82% |

* MSCI ACWI Value NET

Diversification & currency cap



No currency can exceed 40% of NAV

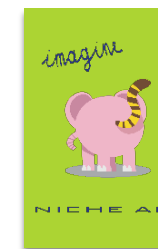


Portfolio Vs Benchmark ACWI Value

| | Portfolio Weight | MSCI ACWI Value Weight | Weight Difference |
|------------------|------------------|------------------------|-------------------|
| US Dollar* | 35% | 62% | -27% |
| Euro | 30% | 9% | 21% |
| UK Pound | 12% | 4% | 8% |
| South Korean Won | 10% | 1% | 9% |
| Japanese Yen* | 5% | 5% | 0% |
| Swiss Franc | 2% | 2% | 0% |
| Other | 6% | 17% | -11% |

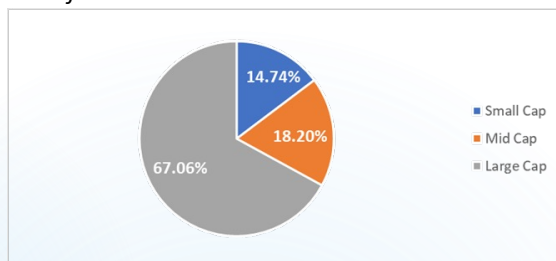
** Net of hedging*

Diversification in terms of market cap

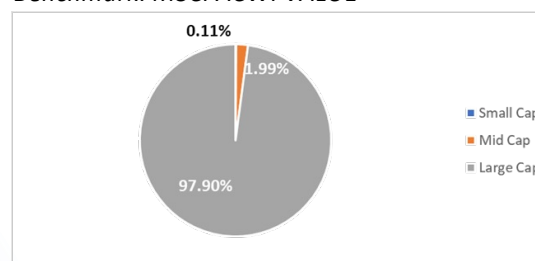


Small cap stocks (<2 bn EUR) can be up to 20% of portfolio

Portfolio



Benchmark: MSCI ACWI VALUE



Small cap <2 Billion Euro
Mid cap 2 - 5 Billion Euro
Big cap >5 Billion Euro

Source: Thomson Reuters, Niche AM

► Rigorous liquidity criteria

No more than 2% of NAV can have a liquidity horizon above 30 days

100% of NAV can be liquidated within 180 days

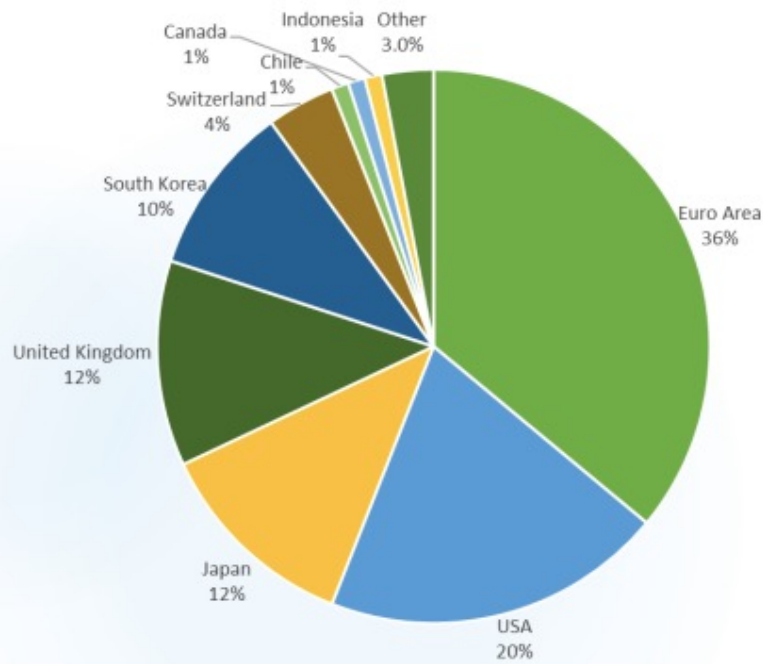
| | 1 Day | 5 Days | 10 Days | 30 Days |
|-------------------------------|-------|--------|---------|---------|
| NEF Ethical Global Trends SDG | 85% | 97% | 98% | 99% |

Source: Niche AM, Thomson Reuters

* using average volumes of the previous 3 months at 1/3 of volumes



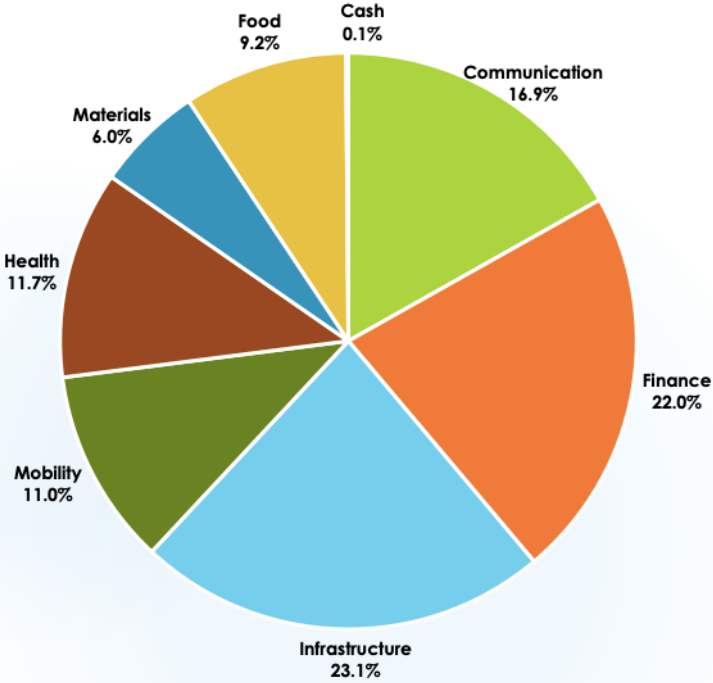
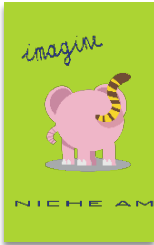
A markedly active portfolio



| | Portfolio Weight | MSCI ACWI Value Weight | Weight Difference |
|-------------|------------------|------------------------|-------------------|
| Euro Area | 36% | 9% | 27% |
| USA | 20% | 63% | -43% |
| Japan | 12% | 5% | 7% |
| UK | 12% | 4% | 8% |
| South Korea | 10% | 1% | 9% |
| Switzerland | 4% | 2% | 2% |
| Chile | 1% | 0% | 1% |
| Canada | 1% | 3% | -2% |
| Indonesia | 1% | 0% | 1% |
| Other | 3% | 13% | -10% |

Source: NicheAM, Refinitiv

With high sector diversification



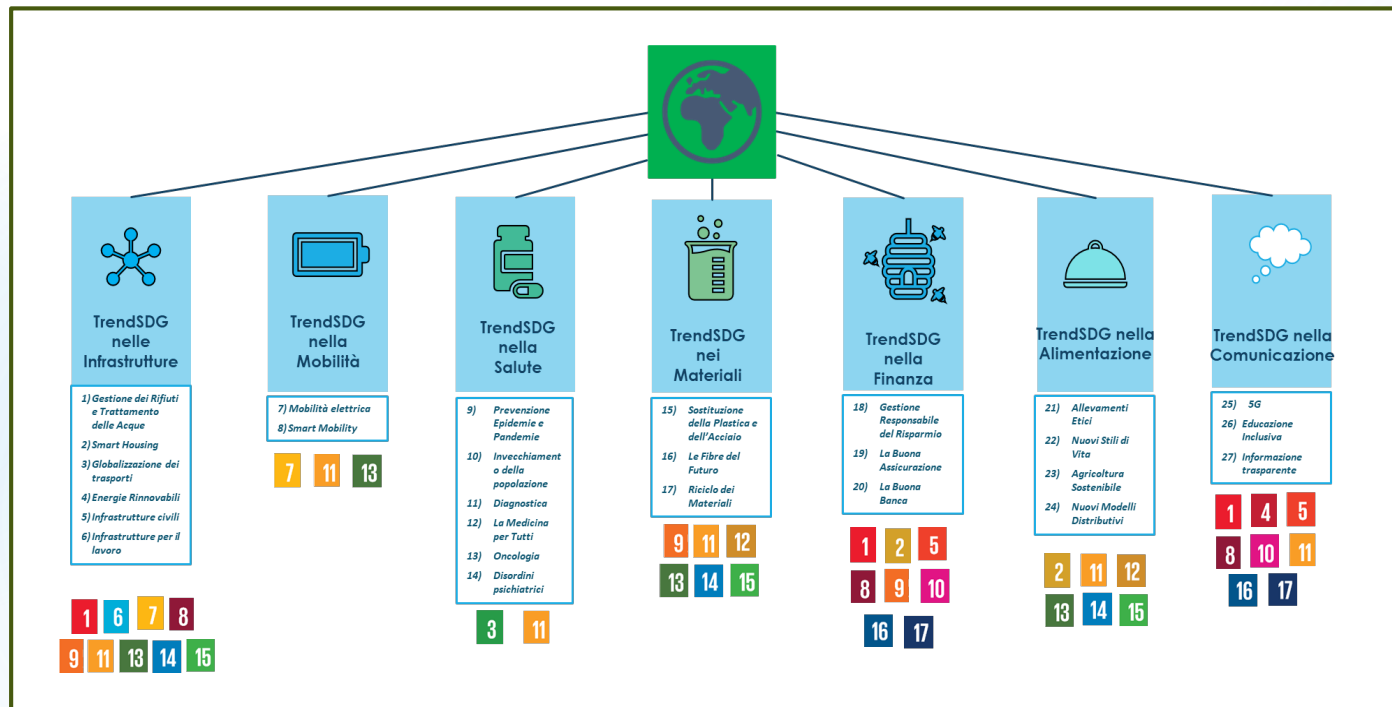
| Sector | Portfolio Weight | MSCI ACWI VALUE Weight | Weight Difference | S&P500 | Eurostoxx | Topix | MSCI Emerging markets |
|------------------------|------------------|------------------------|-------------------|--------|-----------|-------|-----------------------|
| Financials | 22% | 24% | -2% | 13% | 18% | 12% | 22% |
| Industrials | 15% | 11% | 4% | 9% | 16% | 24% | 7% |
| Communication Services | 12% | 4% | 8% | 9% | 3% | 7% | 9% |
| Consumer Discretionary | 10% | 7% | 3% | 11% | 11% | 18% | 12% |
| Health Care | 10% | 13% | -3% | 13% | 15% | 7% | 4% |
| Materials | 9% | 6% | 3% | 2% | 7% | 6% | 8% |
| Information Technology | 8% | 10% | -2% | 29% | 7% | 14% | 22% |
| Consumer Staples | 7% | 8% | -1% | 6% | 11% | 6% | 6% |
| Utilities | 5% | 5% | 0% | 2% | 4% | 2% | 3% |
| Real Estate | 1% | 4% | -3% | 3% | 1% | 2% | 2% |
| Energy | 0% | 8% | -8% | 4% | 6% | 1% | 5% |
| Cash & Equivalents | 0% | | 0% | | | | |

Source: NicheAM, Refinitiv

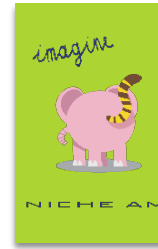


5) Multi-thematic

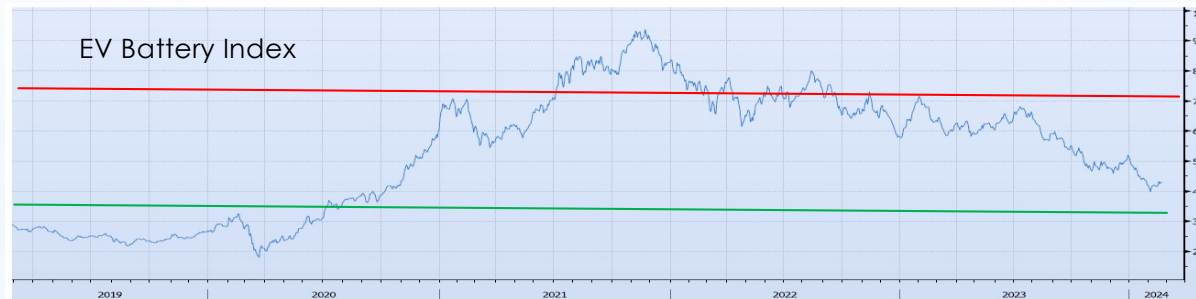
- 27 independent portfolios focused on SDG trends
- opportunistic approach – each thematic portfolio gets filled or emptied depending on market opportunities (i.e.: valuations)



Our value and fundamental approach reduces the risk of investing in overcrowded sectors, which is typical of passive or momentum products

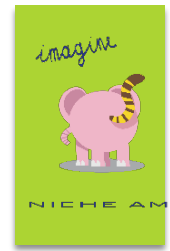


- Trend Weight
- Low
- Medium
- High
- Low
- Medium
- High
- Low
- Medium
- High



Source: Bloomberg

6) Investment Process



"Tanks" are universes of stocks divided by TrendSDG from which the Investment Team selects the opportunity

The investment team identifies an opportunity in one of TrendSDG Tank

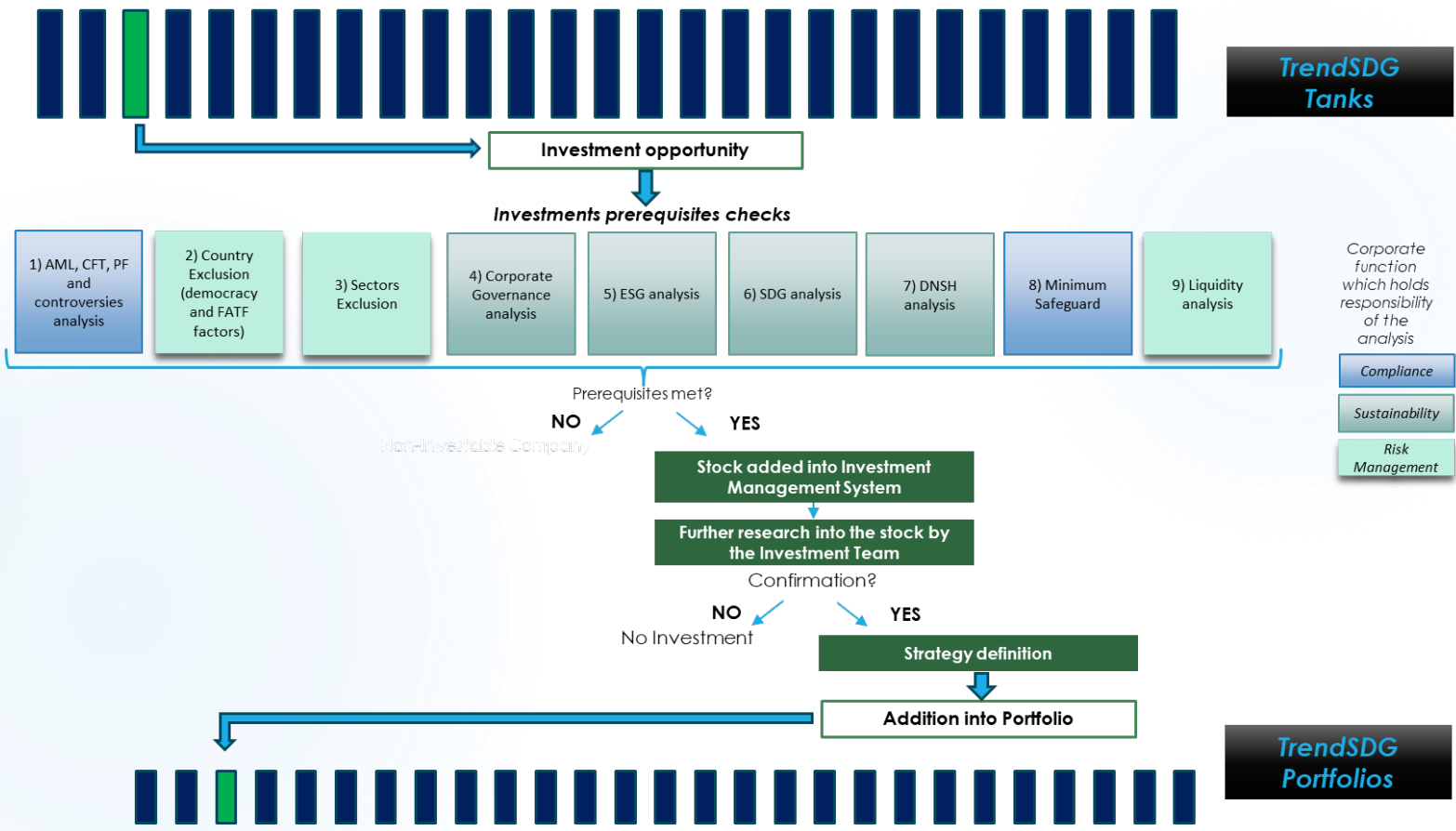
The Sustainability team, the Compliance and the Risk management are requested to verify a number of prerequisites

If all prerequisites are met, the stock is added into Investment Management System and can technically be bought by the Investment Team

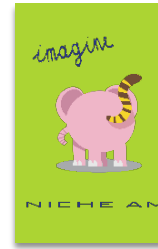
The Investment Team makes further research into the stock to validate the previous analysis

If the previous analysis is validated, the Investment Team defines a strategy and the initial weight to be added

The Investment Team places the order to the market



7) Low turnover

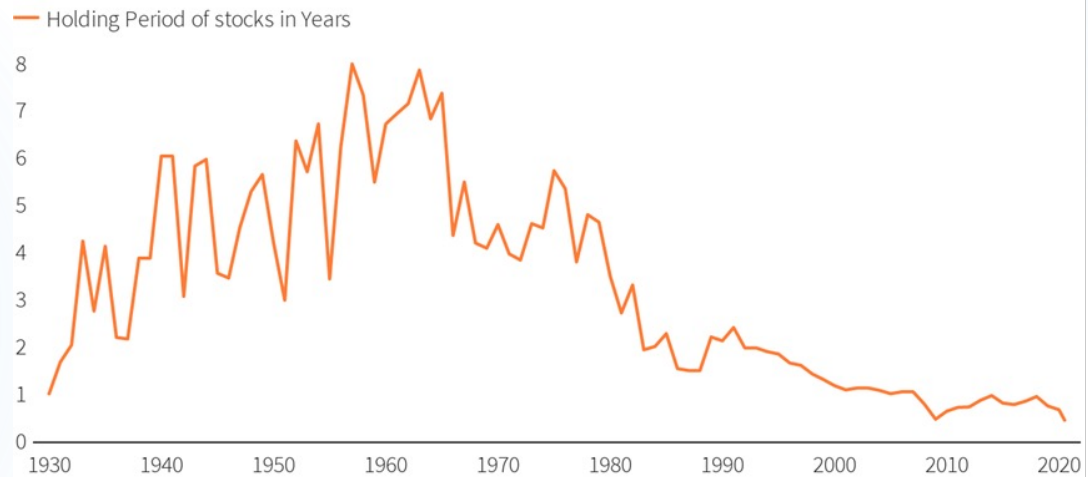


- ▶ Low turnover (17%)
- ▶ no «trading»
- ▶ no derivatives

Low turnover facilitates our engagement and sustainable approach. Portfolio allocations do not change on a PM's whim: investors know what's in the portfolio, there are no surprises

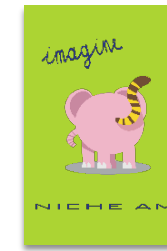
Average holding period is greater than 4 years, which allows the investment case to play out

Shrinking times



Note: Holding periods measured by value of stocks divided by turnover
Source: NYSE, Refinitiv

8) Transparent Reporting



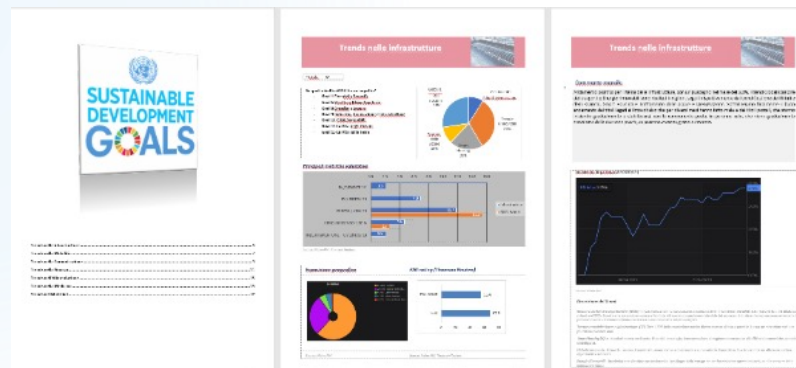
Detailed quarterly reports, broken down by theme:

- **Performance** by theme
- **PM comment** by theme

Showing the portfolio in its granularity, not as a fuzzy set of securities

Explaining the investment rationale and strategy

Helping investors make their own choices: when to buy into the fund, when to take profits

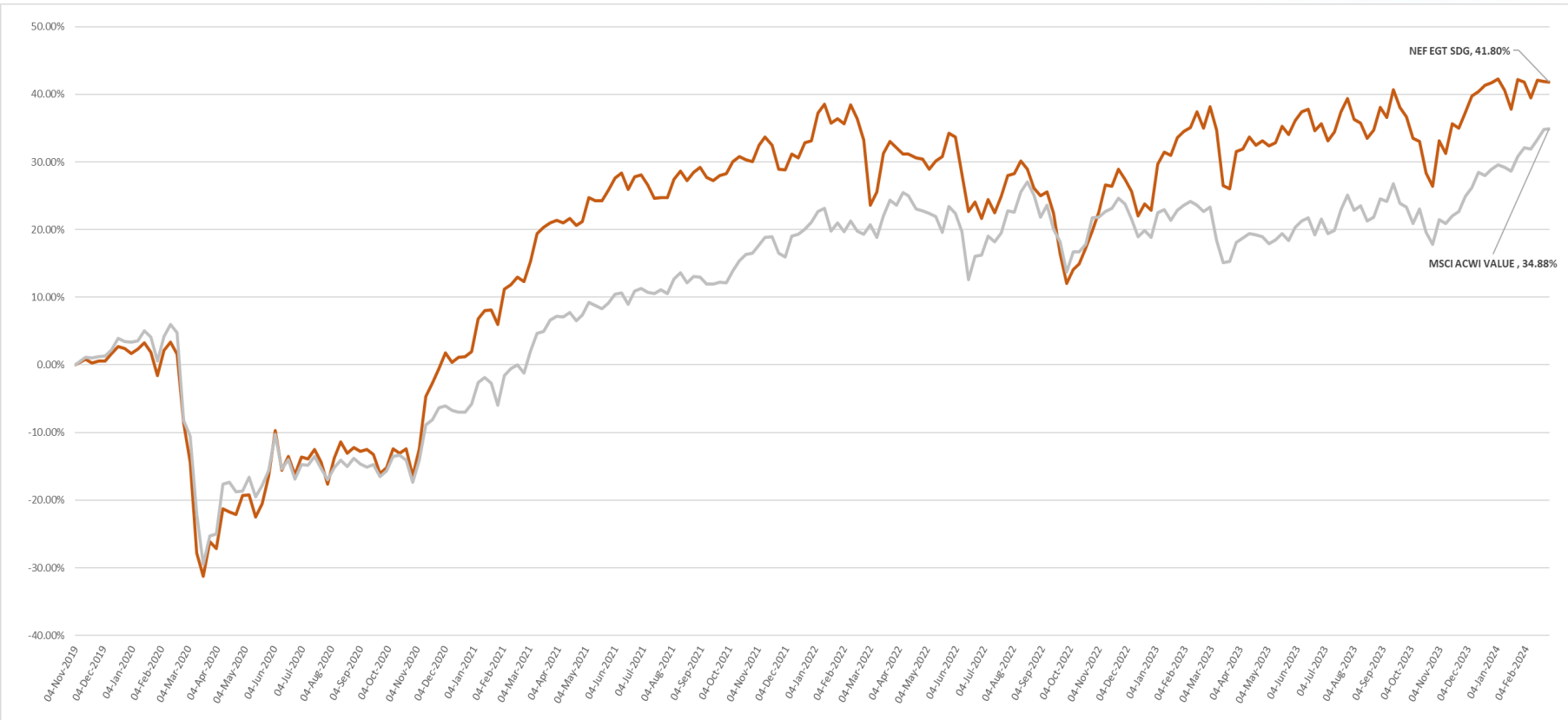




NEF SDG (institutional class) Vs Benchmark MSCI ACWI VALUE NET since launch until 29th February 2024

NEF EGT SDG +41.8%

MSCI ACWI Value 34.9%



Source: Niche AM, Bloomberg

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