



Ethical Global Trends
SGD

ANTICIPATING A BETTER WORLD

31 August 2024



NEF Ethical Global Trends SDG Executive Summary



SUSTAINABLE DEVELOPMENT GOALS



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

PM: Massimo Baggiani & Andrea Andreis

TER: 0.58%

imagine



NICHEAM

Investing simply
Investing healthy
Investing far from the crowd

Main Features & Strategy



Investing healthy

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



Investing far from the crowd

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

Distinctive



Technical Features

imagine



NIEHEAM

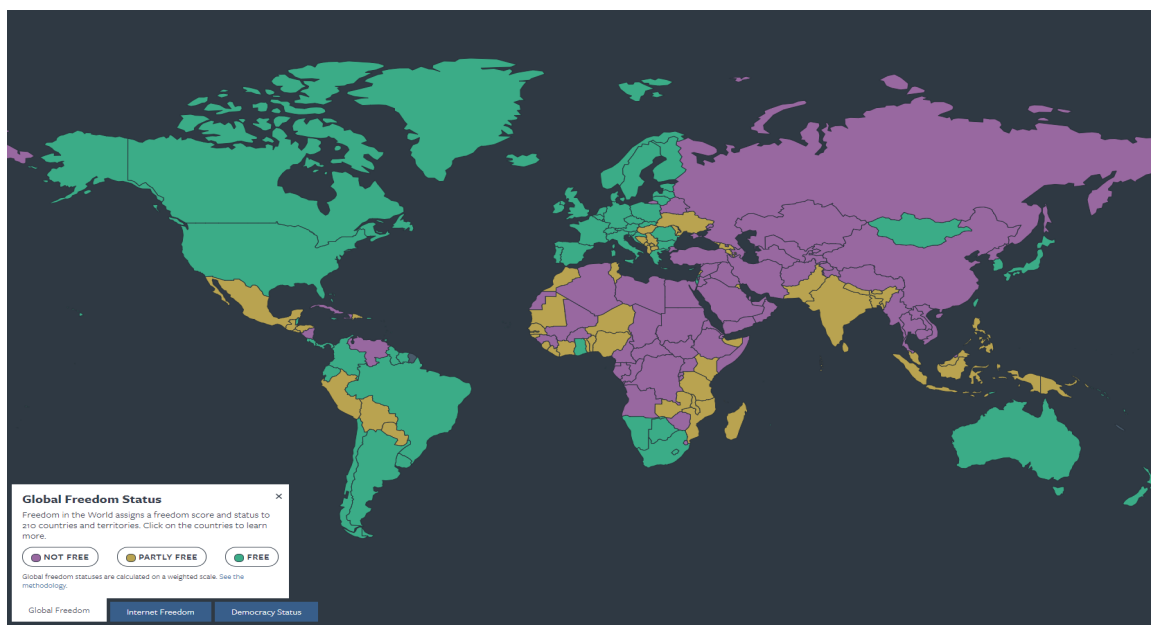


1) Sustainable

No investments in sectors you wouldn't invest (weapons, fossil fuels, tobacco, gaming, pornography)

No investments in autocracies nor in low-transparency jurisdictions (e.g.: China, Saudi Arabia, Turkey)

▶ A Global Equity Fund **ex-China**



▶ Some of the markets excluded because in FATF's grey list

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

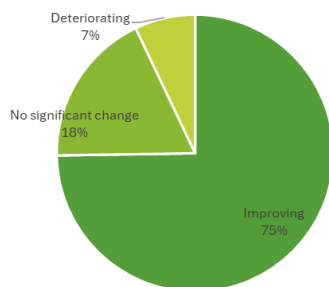
Since 2022 no new investments in autocracies as defined by Freedom House (areas in purple in the map)



1) Sustainable

- No investments in companies with inadequate ESG procedures, considering company resources and location
- Strong focus on companies' sustainability dynamics
- We try to work with companies to make sure they improve

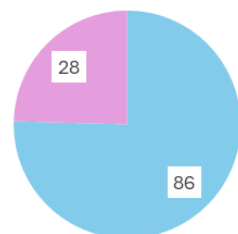
Dynamic ESG analysis



Source: Niche AM

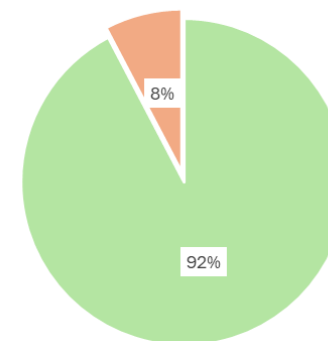
Engagement Impact

Total Engagement Activities Breakdown by type



- Total number of engagement activities held regarding data disclosure
- Total number of engagement activities held regarding data trend improvement

Overview of Engagement Success by Company



- No of companies which showed an improvement to min 1 engagement activity
- No of companies which showed no improvement to engagement activity

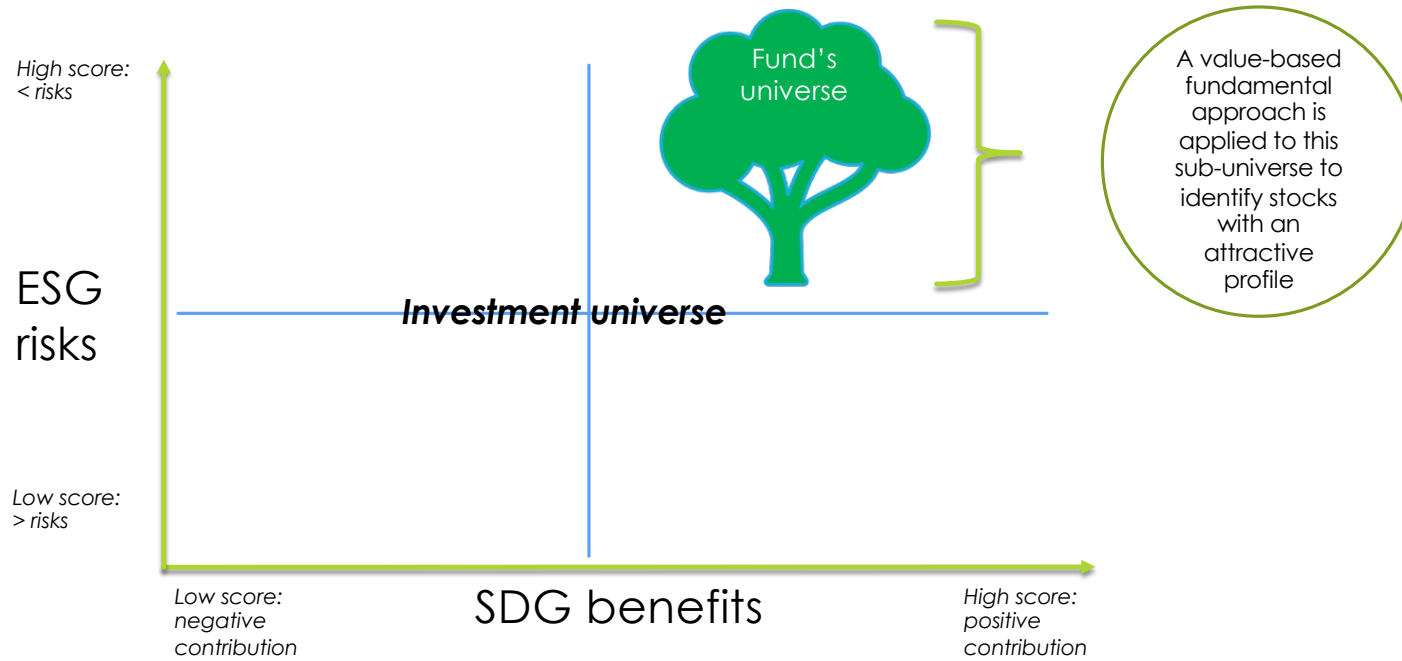
1) Sustainable



NEF Ethical Global Trends is also SDG - meaning it holds companies that are instrumental in achieving the UN's 17 Sustainable Development Goals




1) Sustainable





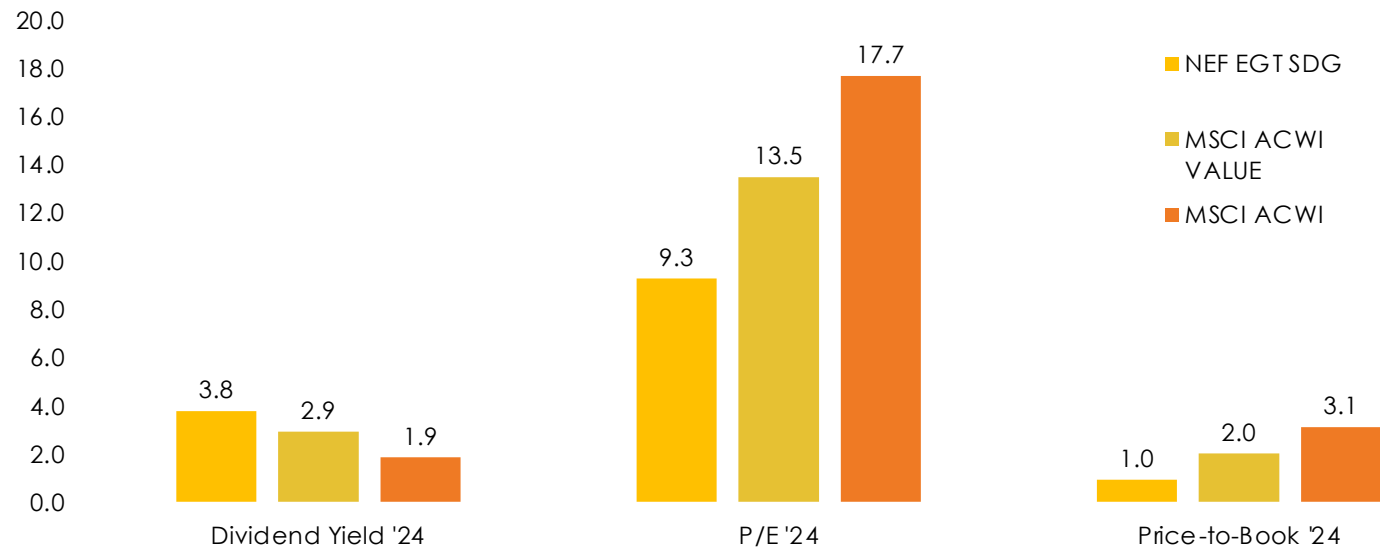
2) Based on fundamental analysis

- 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 sustainable and deep value



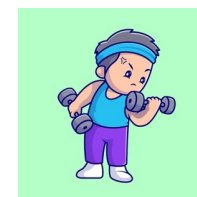
Valuations as of 31.08.2024

Source: Bloomberg, Niche AM, MSCI

4) Active & Diversified

Active

Overlap fund / benchmark: 9.7% (31.08.2024)



Diversified



Between 250 & 300 holdings

Average weight: 0.37%

Median weight: 0.24%

Top 50 holdings: 48% of portfolio

Fund's Top 10 holdings

	Weight
UBS Group	3.10%
Citigroup	2.87%
Barclays	2.75%
BT Group	2.62%
Societe Generale	2.41%
Panasonic Holdings	1.92%
BNP Paribas	1.77%
Axa	1.45%
GlaxoSmithKline	1.43%
Nokia	1.40%

Benchmark's Top 10 holdings*

	Weight
Broadcom	1.91%
JPMorgan Chase	1.72%
Berkshire Hathaway	1.67%
UnitedHealth Group	1.45%
Exxon Mobil	1.41%
Procter & Gamble	1.08%
Johnson & Johnson	1.07%
Home Depot	0.97%
AbbVie	0.93%
Coca-Cola	0.79%

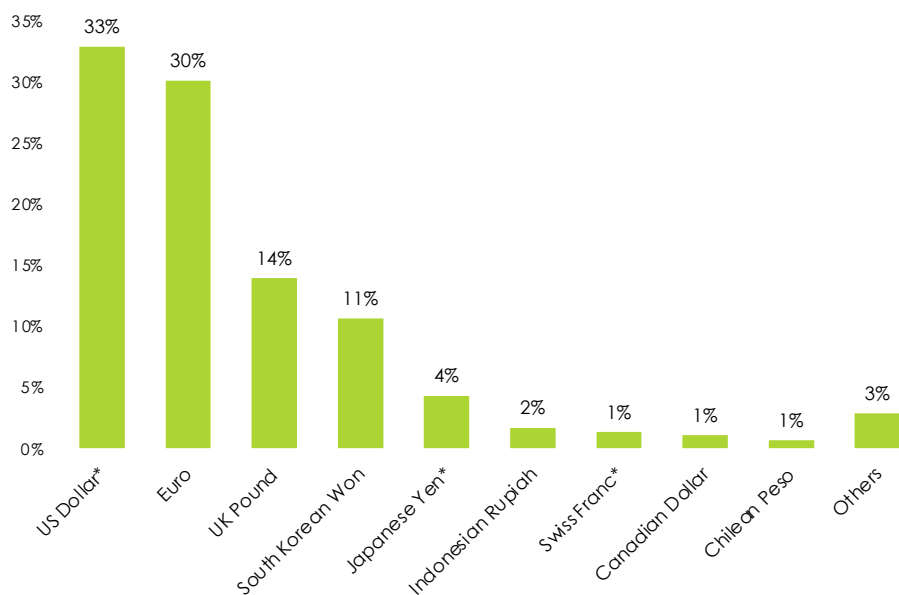
* MSCI ACWI Value NET
(31.08.2024)

Source: Niche AM, MSCI



Currency Diversification

No currency can exceed 40% of NAV



Source: Refinitiv, Niche AM

Portfolio Vs Benchmark ACWI Value (31.08.2024)

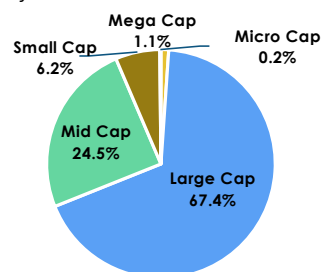
	Portfolio Weight	MSCI ACWI Value Weight	Weight Difference
US Dollar*	33%	61%	-29%
Euro	30%	10%	20%
UK Pound	14%	4%	10%
South Korean Won	11%	1%	10%
Japanese Yen*	4%	5%	0%
Swiss Franc*	2%	3%	-1%
Other	6%	16%	-10%

* Net of hedging

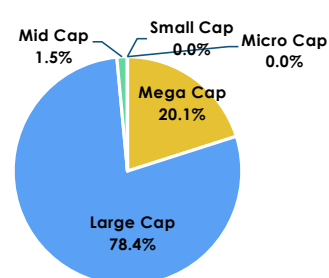


Size Diversification

Portfolio



Benchmark: MSCI ACWI VALUE



Mega cap >€200 bn
Large cap €5-200 bn
Mid cap 1€ - 5 bn
Small cap €100 Mln - 1 €Mld
Micro cap <100 Mln Euro

Source: Refinitiv, Niche AM

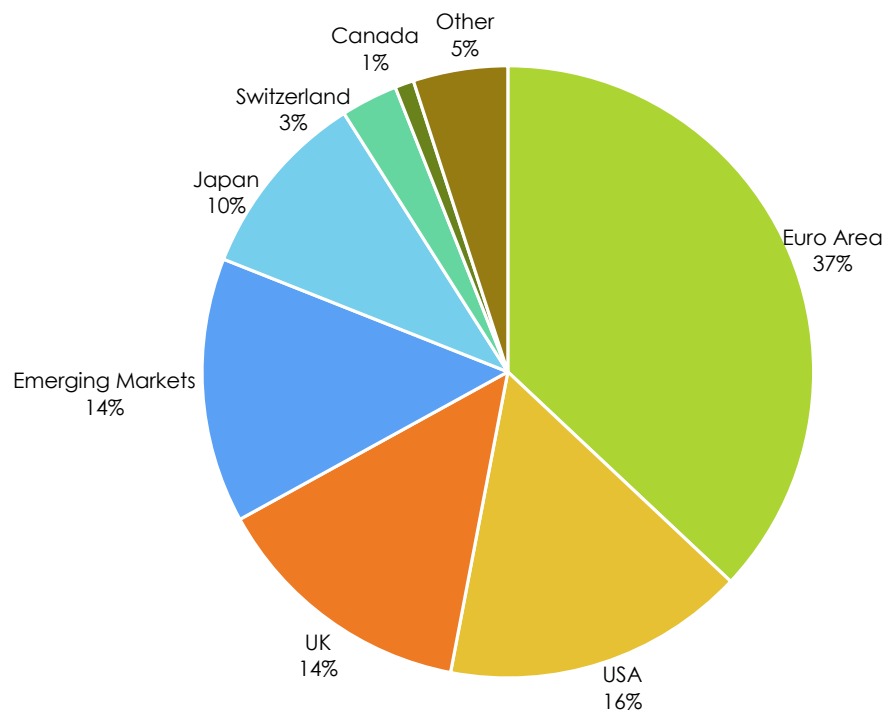
- ▶ All companies are considered regardless of their capitalisation
- ▶ But no more than 10% of the NAV can be invested in small and micro caps, and no more than 33% in mid/small companies (micro+small+mid)
- ▶ Strict liquidity criteria
- ▶ No more than 2% of the NAV may have a liquidation horizon > 30 days

	1 Day	5 Days	10 Days	30 Days
NEF Ethical Global Trends SDG	85%	96%	98%	99%

* using the average volume of the previous 3 months (at 1/3 of volume)
 31.08.2024



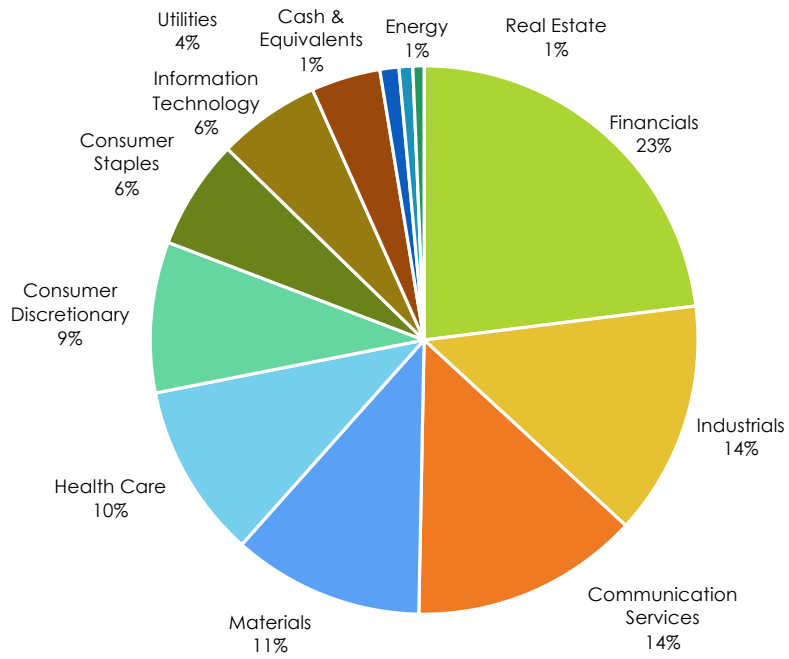
Geographical Diversification



	Portfolio Weight	MSCI ACWI Value Weight	Weight Difference
Euro Area	37%	9%	28%
USA	16%	62%	-46%
UK	14%	5%	9%
Emergent Markets	14%	8%	6%
Japan	10%	5%	5%
Switzerland	3%	3%	0%
Canada	1%	3%	-2%
Other	5%	5%	0%

Source: Niche AM, Refinitiv
31.08.2024

Sector Diversification

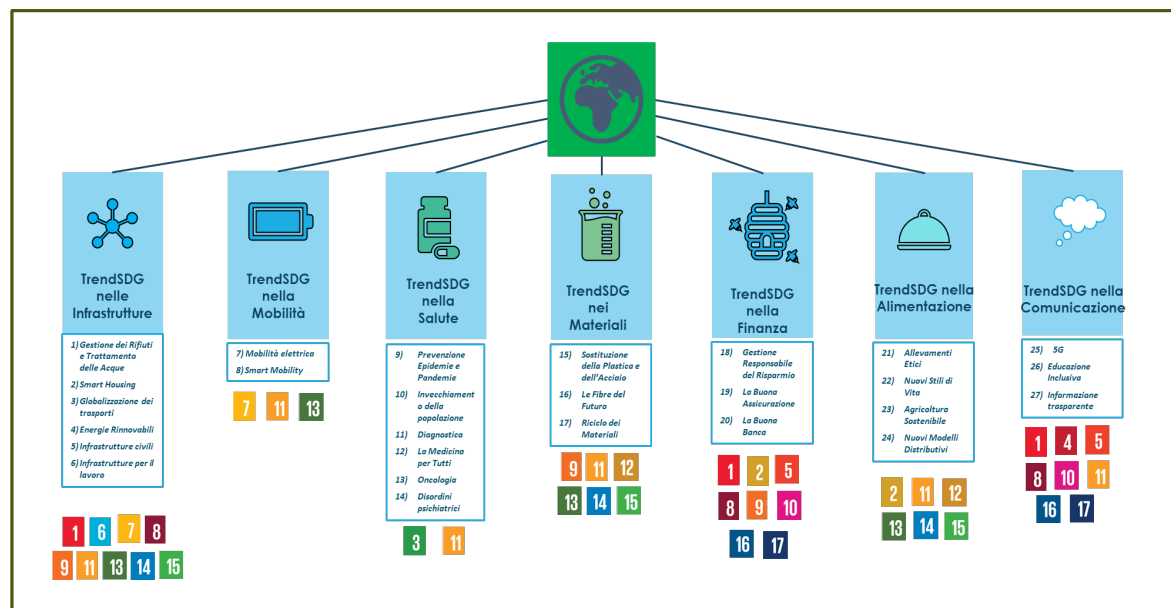


Sector	Portfolio Weight	MSCI ACWI VALUE Weight	Weight Difference
Financials	23%	25%	-2%
Industrials	14%	11%	3%
Communication Services	14%	4%	9%
Materials	11%	5%	6%
Health Care	10%	13%	-2%
Consumer Discretionary	9%	7%	2%
Consumer Staples	7%	8%	-2%
Information Technology	6%	10%	-4%
Utilities	4%	5%	-1%
Real Estate	1%	4%	-3%
Energy	1%	8%	-7%
Cash & Equivalents	2%		2%

Source: Niche AM, Refinitiv
31.08.2024

5) Multi-thematic

- 27 independent portfolios focused on SDG trends





Trend Weight

Low

Medium

High



Index Price

High

Fair

Low

- Weighting of themes is dynamic

Low

Medium

High



High

Fair

Low

Opportunistic approach: theme portfolios fill up and empty depending on market opportunities

Low

Medium

High



High

Fair

Low

The value and fundamental approach reduces the risk of being too exposed to sectors that are subject to excessive enthusiasm (classic of passive and momentum strategies)

Source: Bloomberg
31.08.2024



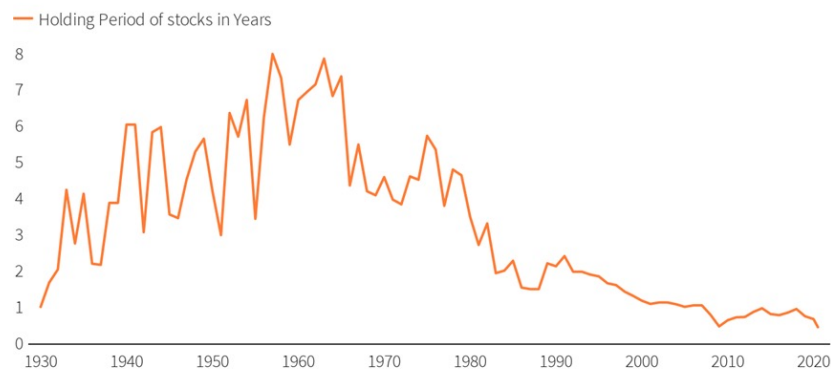
7) Low turnover

- ▶ 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

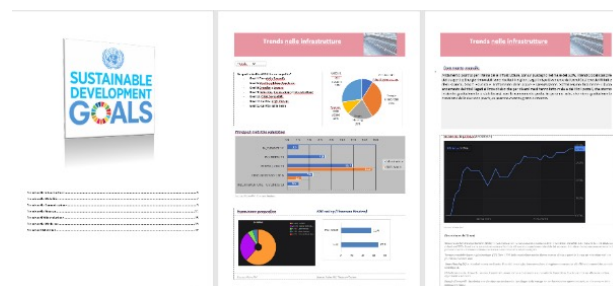
Detailed quarterly reports, broken down by theme:

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

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

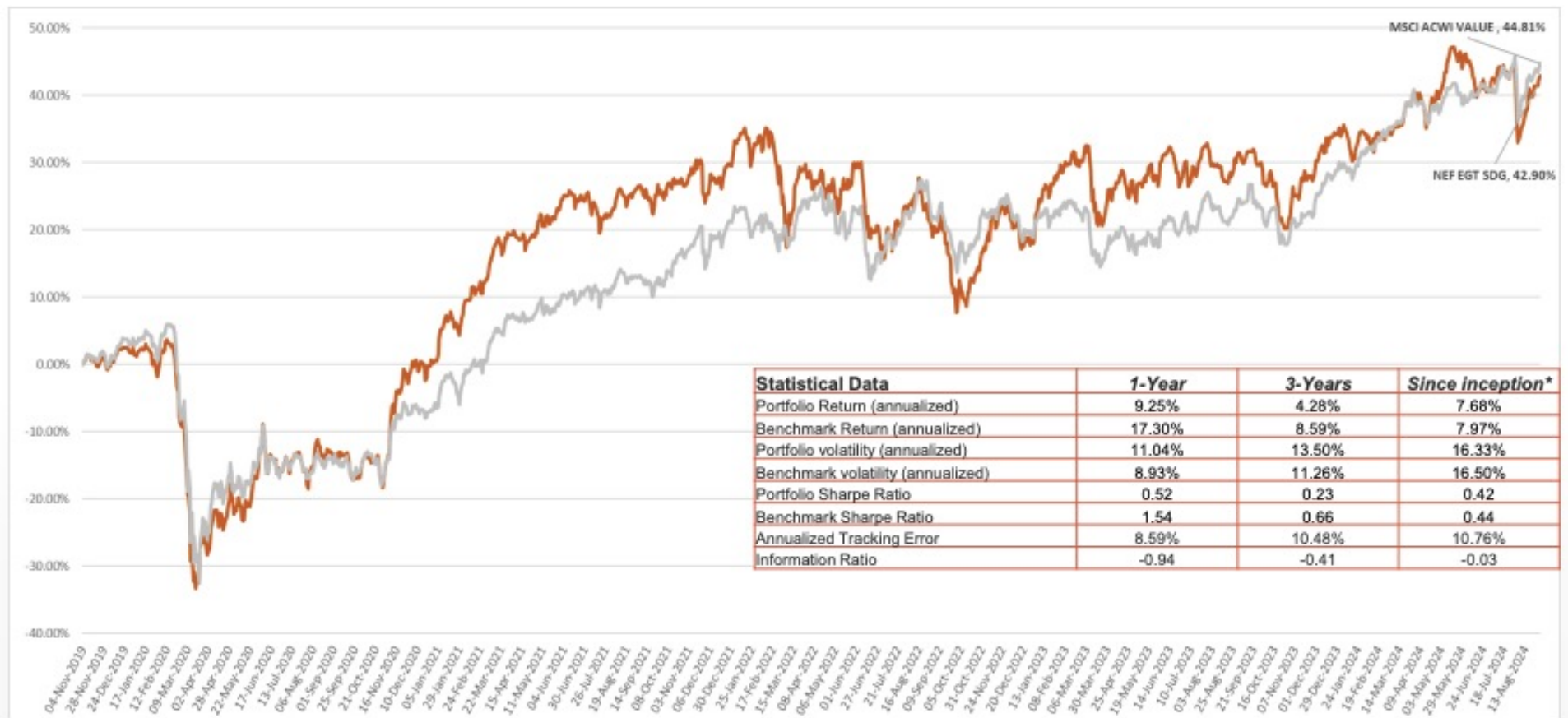
Explaining the investment rationale and strategy

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





NEF Ethical Global Trends SDG Vs Benchmark MSCI ACWI VALUE NET (since launch until 31st August 2024)



Source: Bloomberg, Niche AM

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