

30/06/2025



Ethical Global Trends

SFDR – Art. 9

Update second quarter 2025

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

Launch date: 04.11.2019

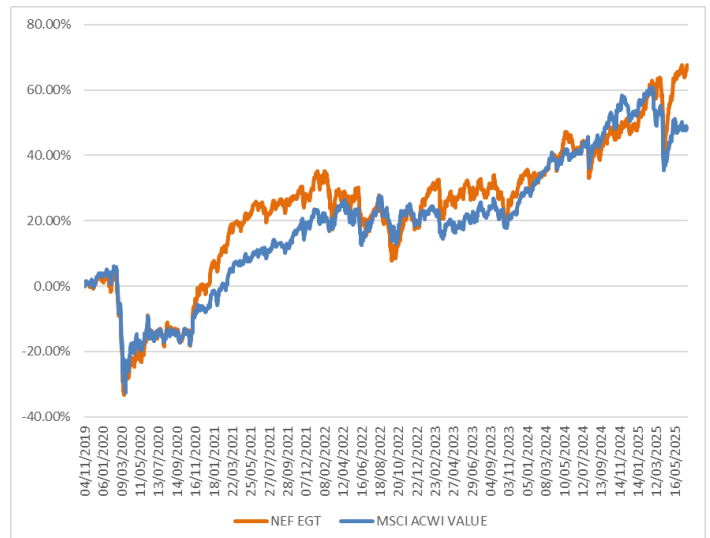
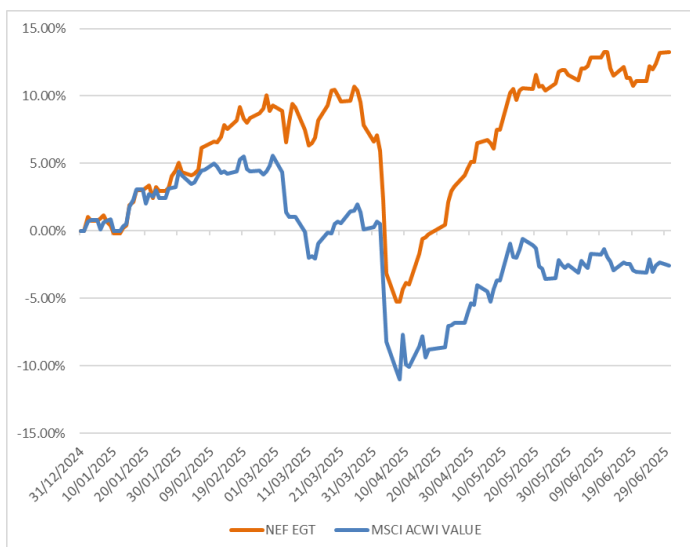
Total Net Assets at 30.06.2025: € 959,146,272.62

Retail Class - LU2051778178

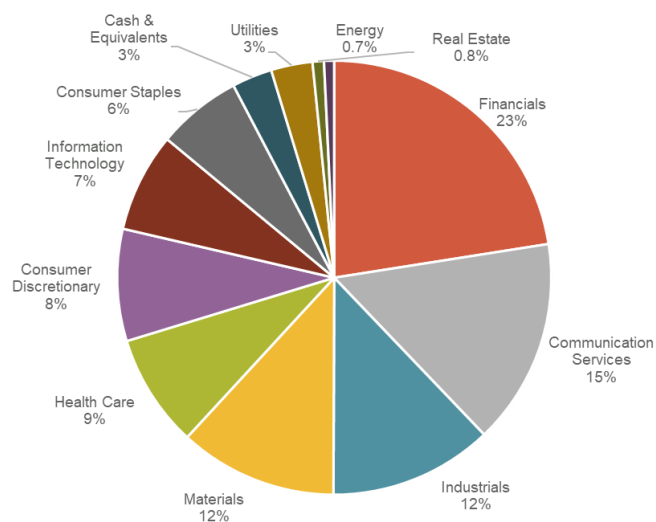
Performance	Q2	Year to Date	1 Year	3 Years	Since inception
NEF EGT SDG (Class R)	+6.21%	+13.24%	+19.29%	+43.00%	+67.60%
MSCI ACWI VALUE	-2.86%	-2.60%	+5.09%	+28.80%	+48.24%

Performance YTD: +13,24%

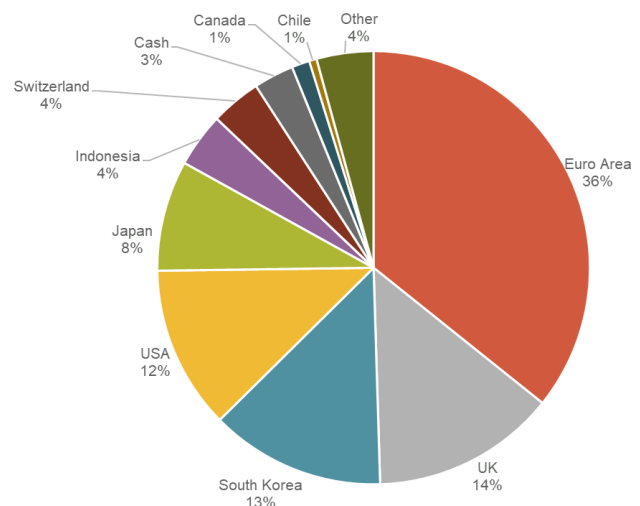
Performance since inception: +67,60%



Breakdown by sector



Geographical Breakdown



Quarterly comment

In the second quarter, the NEF Ethical Global Trends fund recorded a positive performance (+6.21%), better than that of the benchmark (-2.86%). Since the fund's inception, performance was +67.60%, outperforming the benchmark (48.24%).

The old adage '*the market climbs a wall of worry*' is very relevant today. All around us there are many reasons for anxiety. The second nuclear power continues its invasion of an independent European country. Israel now operates freely against rogue states and terrorist organisations in the Middle East powder keg, not worrying too much about the repercussions on civilians. China clamps down on Taiwan and continues to adopt hostile attitudes towards countries in the region, as well as supporting the Russian invasion of Ukraine or Iran. The US has fallen victim to the populist far-right at their moment of greatest economic growth. This speaks volumes about the social fairness of that growth. The president of the most powerful state in the world, the state that has been the guarantor of the democratic world since the war, is now a greedy and opaque palaver who applies business tactics to the international relations on which the *free world* rests that bear some curious similarities to racketeering. Global public debt has reached extremely high levels that make it difficult to sustain. The list of reasons to be anxious could go on. And as if that were not enough, we come from a record fifteen years, where global indices have risen 380% in euro terms and the S&P 500% in USD terms! How can we not understand those who are cautious or who have even packed their bags, taking refuge in bonds or cash? Meanwhile the market goes up...

An opportunity to further reduce equity or to reflect and reconsider one's underweight, an underweight so widespread in the market?

Several times we have spoken about geopolitical risk. Acting on such fears represents a gamble rather than sound investment and in history has rarely paid off.

President Trump's trade war undoubtedly has a negative effect on economic growth, at least in the short term. Uncertainty leads to a slowdown in investment projects. True, it will stimulate investment in the US, but this will take time. It is unclear whether this new policy line will remain or will soon be a distant memory. The mid-term elections may provide an answer. There will certainly be negative repercussions in other countries. However, these are offset by large investments in several areas, climate change, onshoring, technology, global rearmament. Looking further ahead, we read estimates of future economic growth brought by Artificial Intelligence (AI). Extremely positive predictions that bring to mind those related to the internet in the late 1990s. Thirty years after the birth of the internet, those expectations are not all well-founded. In the long term, the internet has certainly opened the door to a more prosperous future. In the short term, it has greatly increased information as well as disinformation. It has created many new business models, destroying even more of them. And it contributed negatively to the distribution of wealth by creating many rich and many poor. Stock markets were a disaster, creating a bubble that later burst painfully. We had to wait until 2010 for the real internet stock market *trend* to explode.

We have no idea how many opportunities (and risks) AI will bring. It will certainly accelerate technological evolution and progress in the medical field. While it is normal to fall in love with new opportunities for growth and development, we must remember where we come from. Two hundred years ago the population was 1 billion. Now it is 8 billion. This was made possible by inventions that nobody talks about today, such as the Haber-Bosch method of turning nitrogen into ammonia and multiplying agricultural crops. Or electricity. Or penicillin. Or the telephone. Or the refrigerator. Or the PC. Man has always evolved and will continue to evolve. It is difficult to anticipate the repercussions of new inventions such as AI on our civilisation or, even more difficult, on the stock market. In the long term it will be positive, in the short term perhaps speculative. Fortunately, our approach is value and we are allowed to shy away from Pindaric flights and focus more on what is visible today. Future super-growth must be a delicious and sought-after option for us if, and only if, it is zero-cost in the stock we invest in.

The post-Covid world has an unwieldy public debt. This public debt cannot be rebalanced by budgetary rigour alone. Or rather, in theory it could, but it would be very unpopular and would lead to the political demise of anyone who tried. The quickest method is to support growth, continuing to stimulate investment, and depress or even bring real interest rates into negative territory. In short, supporting tax reforms by inflating public debt. And that is what we see happening today. With different gradations. As has been said many times, the growth the market pays attention to is nominal, not real. So equities offer shelter in this context. The opposite of bonds which offer shelter in an environment of slowdown and austerity. There are over \$250 trillion in cash and bonds in the world today. The holders of these have been paying for the reduction of public debt for years now. And of private debt. A tax on wealth and prudence. This is slowly becoming clearer and we expect to see the flow into equity increase. Inflation will also continue to hit real wages, but these will, with some lag, regain lost purchasing power, also providing a false sense of growth that creates optimism. Real estate and all other real assets will also benefit.

In this return to equity, the biggest beneficiaries are the ex-US equity markets. For two reasons. The first is that we expect diversification away from the US to continue, courtesy of excessive concentration towards this area. The second stems from the US saver's already large exposure to the stock market compared to other countries. If this happens, it could partially, only partially, close the significant valuation gap between different sectors of the US stock market and the same sectors in other markets.

Benjamin Graham, Warren Buffet's mentor and progenitor of value investing, wrote that the market in the short run is a '*voting machine*', in the long run a '*weighing machine*'. To say that in the short term elements such as expectations determine the prices of securities, but in the long term it is the performance of companies that counts. But there are also technical factors that can have powerful impacts in the short to medium term. One of these is the influence of ETF growth on stock market performance.

John C. Bogle, a visionary, created Vanguard in '74 and the first passive fund in '75. It took two decades before his idea was declined by Nathan Moss, an ingenious manager at the American Stock Exchange, into ETFs, in fact a passive fund on which one could trade. Moss spoke to Bogle about his idea and Bogle rejected it, claiming that ETFs were a speculative interpretation of his passive funds and departed from his vision of investing. A few years later, given the success of the product, Bogle retraced his steps and Vanguard became, together with Barclays Ishare (later acquired by Blackrock during the 2008 financial crisis), the largest ETF issuer.

The market of the last fifteen years, driven by global digitalisation that has produced phenomenal stock market trends, has greatly helped the development of ETFs. ETFs will certainly continue to grow as an asset class in the coming years, particularly in areas like Europe where they are less prevalent. But the speed of their growth may slow down.

ETFs are investment vehicles that cost the client less because it costs much less to manage them. It is an algorithm. They are intelligent, but 'stupid': they follow the *trend* wherever it goes. They increase the stock in the portfolio that is doing well, they decrease the one that is not doing well. Does the market think that the future belongs to digitisation and AI? They invest in digitisation and AI.

Will the future belong to belly pills? They will invest in those pills. Will the future belong to tulips? They will invest in tulips. Without great limits, reflecting the enthusiasm, right or wrong, of the market. In a normal world, their performance compared to good active management does not inspire great enthusiasm (but neither does it create great disappointment, always making like *Mr Market*) as *trends* often last relatively short. But the world of the last fifteen years has not been 'normal' stock market-wise. Some companies have, thanks to global digitalisation, become quasi-monopolies in new sectors that have become essential. Following a *trend*, basically passive management, has extraordinarily paid off. This has greatly helped the credibility and spread of ETFs. By attracting the bulk of investment flows, ETFs have made these powerful *trends* even more extreme, exacerbating over/undervaluation phases and eventually creating opportunities for active fundamental managers and, importantly, those with patient clients (those without patient clients have to adapt to the trend or change jobs). The ETF, if spread as it is now, further helps the winning stocks and penalises the losers, in short amplifies the *trend*. However, these mega-corporations that now hegemonize global indices, these Orwellian 'monsters' with cumbersome valuations behind the big *trends* of this past 15 years, may sooner or later become prey to regulation. When powerful trends dissolve ETFs, passive management, underperform. We consider the possibility that these *trends* are now mature to be high. A prolonged phase of underperformance of the passive strategy, which we do not yet see, may nevertheless not be far off. And when it does begin, it could last for a long time.

The above sounds very assertive. Too much so. In fact, it represents our **base scenario**. The one that seems most likely to us today. However, we have too many grey hairs to indulge in the illusion that we can anticipate the market or even the economy, especially in the short term. If thousands of economists and strategists can't do it, except casually (interesting how they nevertheless continue to try enthusiastically and people listen to them attentively...), how could we, who are in a different profession, do it? Although our approach is bottom-up, i.e. we focus on individual companies and not on the economy, in managing a product it is necessary tactically to consider all macro scenarios, giving up some upside in order to better manage downside risk. What other scenarios need to be assessed?

Recession. The trade war leads to a sharp slowdown in investment. Central banks tend to be too cautious in terms of rates and requirements towards the banking system. The economy slows down a lot. There is a return to deflation. Against this backdrop, we expect areas that grow regardless of the economic cycle (the usual *growth stocks*) to continue to benefit. Financials and industrials are suffering. To reduce portfolio risk in this scenario, we maintain good exposure to technology areas with depressed valuations (in Japan and Korea) and telecommunications where we expect benign regulatory development, particularly in Europe. In this context, we expect US economic growth to continue to outpace that of other Western countries. The dollar could strengthen. Despite the strong US underweight (only 15% portfolio) we have, through futures contracts, about 36% exposure to the dollar which would benefit from such an environment.

Geopolitical shock. A terrorist attack on Western soil, the Chinese invasion of Taiwan, the use of unconventional weapons in Ukraine, are among the many events that could create panic, at least in the short term. While it is very inadvisable to protect oneself against remote risks by not investing in stocks, one can possibly prepare oneself to take advantage of the reaction in the markets that these events could generate. We therefore hold some liquidity that can give us the flexibility we need to take advantage of phases of marked volatility.

Financial crisis. Anticipating a financial crisis is always difficult. Financial crises arise from excessive leverage on overvalued assets. We do not see this danger today. There are overvalued assets such as crypto, commercial real estate, private equity, private debt, but they do not present a systemic risk today. The only suspect remains government debt. Here, central banks can buy without limits and have acquired a certain ability to manage the situation through various tools. Finally, the banking system is very solid.

In financial crises, the banking and insurance system is the biggest victim. We, in the context of risk management, reduce the financial sector on strength, keeping the exposure at 22% despite the fact that we continue to see attractive valuations here.

We reduced **Korea** on strength during the quarter to maintain exposure to this promising country at 12%. Always with a view to controlling risk. Here there is now alignment between political appeasement, structural reforms, regulation to protect minority shareholders, return of capital, rate cuts, improved relations with North Korea and protection from Chinese dumping.

In contrast, **Indonesia** continued to rise on weakness. An area off the radar of international investors where we see the potential of India with valuations at a 60/70% discount. We have almost reached 5% of the portfolio here and continue to add new stocks.

Japan is at the forefront of the global debt inflation process. The country is blatantly maintaining negative real rates and controlling the cost of debt through powerful QE that has led the central bank to hold over 50% of government debt. Without sterilisation this leads to an implicit increase in the money supply which results in the devaluation of the yen. This in turn leads to higher inflation. The risk of high volatility exists. This already happened last year and those who panicked lost a lot of money. The BoJ has many tools to control currency, interest and shares. Debt is held internally. Visibly negative rates weaken currency, as they should. Here we are in the presence of a reversal of the Plaza Agreement, that agreement sought by the Americans in 1985, through which Japan pledged to strengthen its currency. This was one of the causes of the Japanese depression. Currency weakening, growth, debt inflation and immigration are the tools for rebalancing the Japanese economy. Stock valuations remain very attractive here. We maintain a weighting around 8-10% here, with no exposure to the financial sector, which is the most vulnerable in the event of a sudden rise in rates. We have 70% of the currency hedged. Hedging that is also remunerated very well due to interest rate differentials.

About 40% of the product's assets are held in the **European Union**. It is a complicated area, which presents many opportunities, but also risks. However, the risks are well discounted in the valuations. Here the political process of cohesion continues to represent the greatest risk and the greatest opportunity.

As mentioned, we created 5% liquidity in the quarter. This is to increase our flexibility in the event of phases of high volatility, which cannot be ruled out at all, particularly in the summer period and after good movement in a number of sectors and geographical areas.

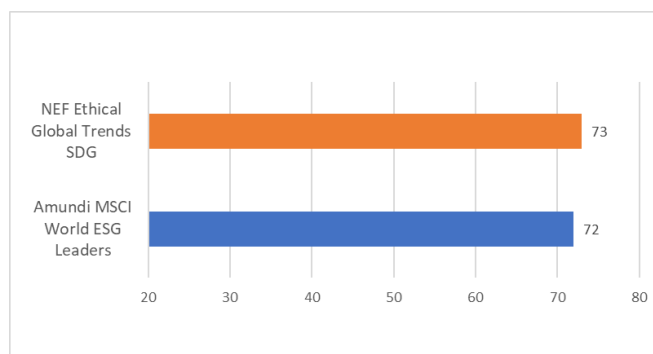
We continue to explore new emerging areas in which to invest, areas with attractive valuations and which meet the strict constraints we have imposed on ourselves for the fund, i.e. that they are non-autocratic countries and have good anti-money laundering practices. This is in addition to the exclusions of controversial sectors and the many sustainability constraints that an Article 9 SFDR fund already imposes. This selectivity adds an extra layer of risk control over other products, which, while it may penalise management in the short run, should pay off in the long run.

Valuation

	P/E '25	P/BV '25	Div Yield '25
Portfolio	10,3x	1,0x	3,3%
MSCI ACWI Value	14,2x	2,1x	2,9%
MSCI ACWI	18,7x	3,3x	1,8%

Source: Refinitiv, Niche AM

Average portfolio ESG rating



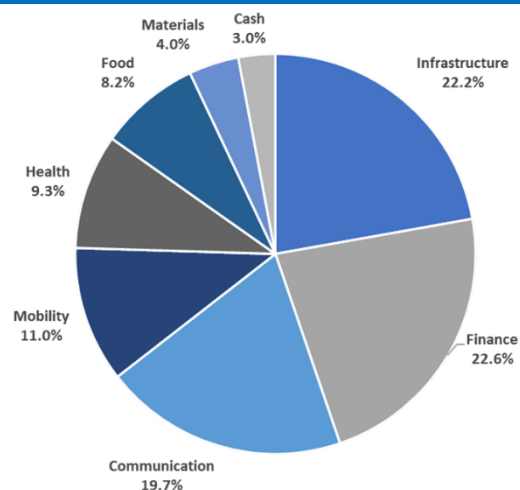
Trends instrumental to UN SDGs

	Performance** (31/03/25 – 30/06/25)
Fondo *	+6,21%
Infrastrutture	+11.83%
Finanza	+13.77%
Comunicazione	+10.90%
Mobilità	-0.55%
Salute	-4.11%
Materiali	-1.46%
Alimentazione	+8.10%

*Retail class

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

Single Trends Exposure



Sector allocation Vs Benchmark *

	Portfolio	MSCI ACWI Value (Bench)	MSCI ACWI
Financials	23%	27%	18%
Telecommunication **	15%	8%	9%
Industrials	12%	10%	11%
Materials	12%	5%	3%
Health Care	9%	11%	9%
Consumer Discretionary	8%	6%	10%
Information Technology	7%	10%	26%
Consumer Staples	6%	8%	6%
Utilities	3%	5%	3%
Real Estate	1%	4%	2%
Energy	1%	7%	4%

** of which telephone operators 9.9% Vs 2.5% benchmark

Source: Refinitiv, Niche AM

Geographical Allocation Vs Benchmark *

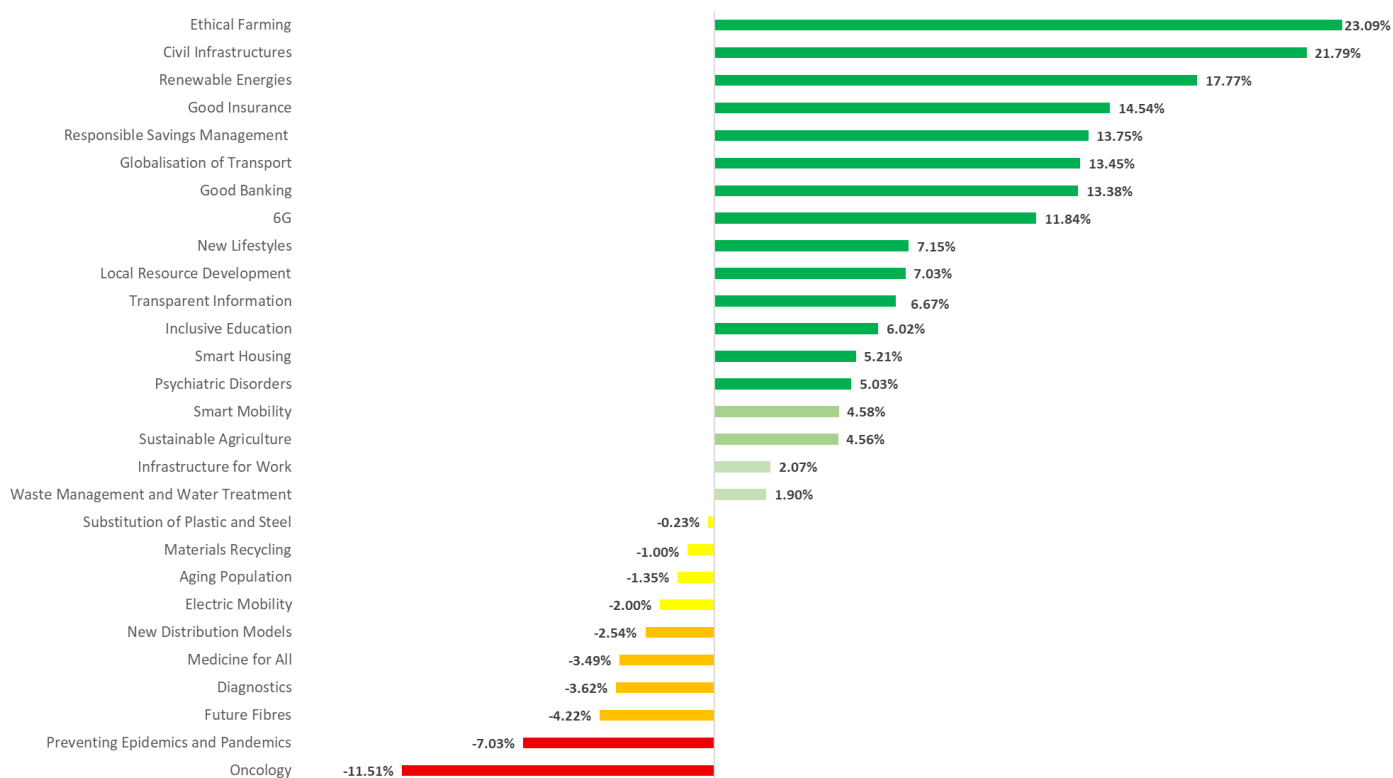
	Portfolio	MSCI ACWI Value (Bench)	MSCI ACWI
Euro Area	36%	11%	10%
Regno Unito	14%	4%	3%
Corea del Sud	13%	1%	1%
USA	12%	64%	64%
Giappone	8%	5%	5%
Indonesia	4%	0%	0%
Svizzera	4%	2%	2%
Cile	1%	0%	0%
Canada	1%	3%	3%
Altro	4%	10%	12%

Currency Allocation Vs Benchmark

	Portfolio	MSCI ACWI Value (Bench)	MSCI ACWI
U.S. dollar*	33%	61%	63%
Euro	28%	11%	10%
Pound sterling	14%	4%	3%
Korean won	13%	1%	1%
Japanese Yen*	3%	5%	5%
Indonesian rupiah	4%	0%	0%
Swiss Franc*	2%	2%	2%
Chilean Pesos	1%	0%	0%
Canadian dollar	1%	3%	3%
Other currencies	3%	12%	12%

* net of currency hedges

Performance by SDG Trend: Q2 2025 (Fund: +6.21%)



Source: Refinitiv, Niche AM

Top 25 portfolio companies

Società		Weight %
UBS Group	The Good Bank	3.3%
Societe Generale	The Good Bank	3.0%
BT Group	6G	2.8%
Barclays	The Good Bank	2.5%
BNP Paribas	The Good Bank	2.2%
Telecom Italia*	6G	2.1%
Citigroup	The Good Bank	2.0%
Panasonic	Electric Mobility	1.9%
Samsung Electronics*	6G	1.8%
GlaxoSmithKline	Epidemic and Pandemic Prevention	1.7%
Vodafone Group	6G	1.3%
Nokia	6G	1.3%
LG Chem*	Electric Mobility	1.2%
Bayer	Sustainable Agriculture	1.2%
Deutsche Lufthansa	Globalization of Transportation	1.1%
Intel Corporation	Infrastructure for work	1.1%
Orange	6G	1.0%
EasyJet	Globalization of Transportation	1.0%
KT*	6G	1.0%
Telecom Italia S.P.A.	6G	1.0%
Telefonica	6G	0.9%
Bouygues	6G	0.9%
Thyssenkrupp	Renewable Energy	0.9%
Axa	The Good Insurance	0.9%
Deutsche Bank	The Good Bank	0.8%

* Includes ord, pref and ADR/GDR share.

Source: Niche AM



Summary

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Trends in Infrastructure

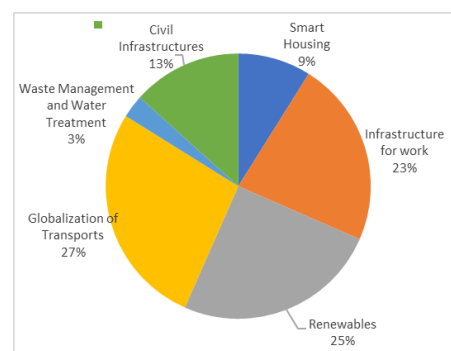


stocks: 75

On which UN objectives does it have an impact?

- Goal 1 End Poverty
- Goal 6 Water and Sanitation Facilities
- 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



Main titles of the Infrastructure Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
DEUTSCHE LUFTHANSA-REG	1.1%	Infrastructure	Globalization of Transportation	7.2%
INTEL CORP	1.1%	Infrastructure	Infrastructure for work	-9.5%
EASYJET PLC	1.0%	Infrastructure	Globalization of Transportation	17.4%
THYSSENKRUPP AG	0.9%	Infrastructure	Renewable Energy	-3.6%
TUI AG	0.8%	Infrastructure	Globalization of Transportation	17.6%

Main increases in the quarter

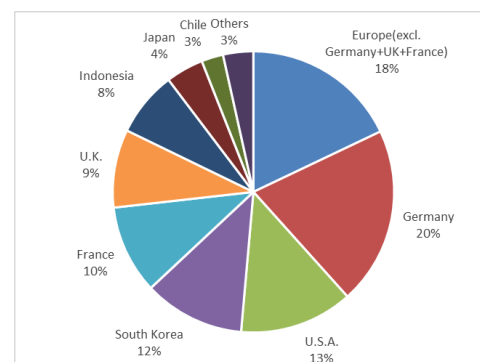
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
First Solar	Renewable Energy	0.0%	0.3%
SKF	Renewable Energy	0.2%	0.4%
Samsung SDS	Infrastructure for work	0.4%	0.5%

Main decreases in the quarter

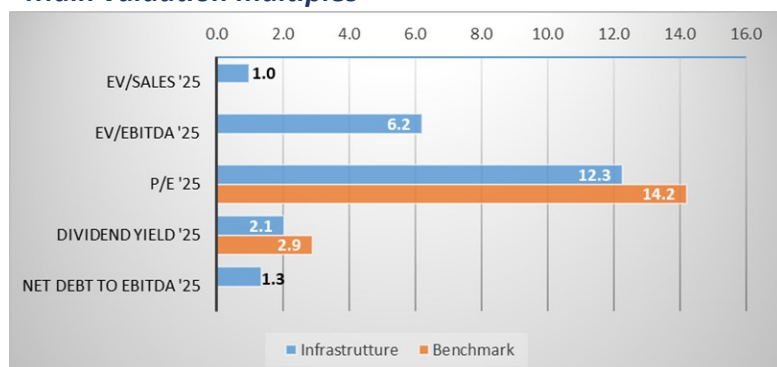
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus)%
Engie	Renewable Energy	0.9%	0.6%	+109.7%
Enel Chile ADR	Renewable Energy	0.8%	0.6%	+110.0%
SK Square	Infrastructure for work	0.2%	0.1%	+184.9%

Source: Niche AM

Geographical exposure

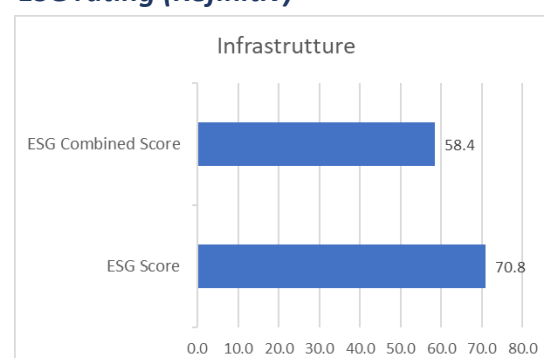


Main valuation multiples



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

ESG rating (Refinitiv)



Source: Niche AM, Refinitiv

Trends in Infrastructure



Infrastruttura Theme

The Infrastructure Theme consists of 6 *TrendSDGs*, which offer exposure to 75 equities.

During the first quarter of 2025, the Theme appreciated 11.8%. As in the previous quarter, this Theme again benefited from the particularly positive contribution of Civil Infrastructures and Renewable Energies.

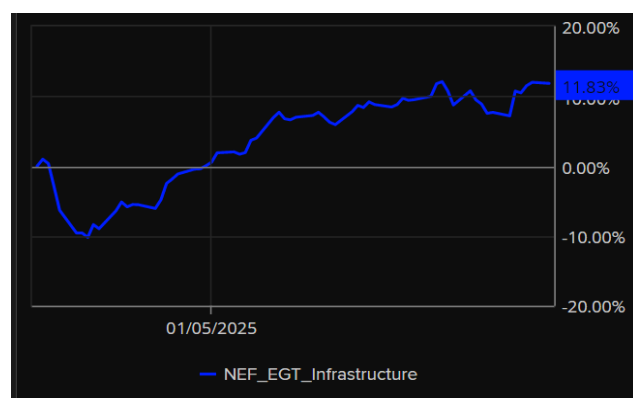
With regard to **Renewable Energies** (+17.8%), the largest positive contribution came from manufacturers of solar energy panels, including Korea's Hanwha Solutions, which has invested heavily in new production capacity in the US, which will come on stream in the second half of 2025. This market is expected to be characterised by a good balance in the residential sector between supply and demand, also due to the strong import restrictions imposed by Asian manufacturers. The US producer First Solar, a stock that rose before the rebound phase, should also benefit from this dynamic. Also making a positive contribution in this sector was the German group Sma Solar, which also has significant exposure to the US, but for large-scale photovoltaic plants. This *TrendSDG* was boosted by SKF, an industrial conglomerate with exposure to wind energy and a pioneering role in the development of power generation projects from tidal turbines ([click here for a video](#) presenting significant technological advances).

In **Civil Infrastructures** (+21.8%), on the other hand, the best contributors were Korean companies, especially Hyundai Engineering & Construction and DL E&C, whose positive performance was also supported by expectations with respect to their business in the nuclear sector, the former in the design of power plants, the latter in their construction. In fact, Korea has been one of the countries to invest the most in this technology over the past two decades, standing as a major partner in supporting the major nuclear investments announced by the new US executive, also thanks to a better price positioning (cost/MW) compared to global competitors. [Click here for a video](#) presenting Hyundai Engineering & Construction's activities in this area.

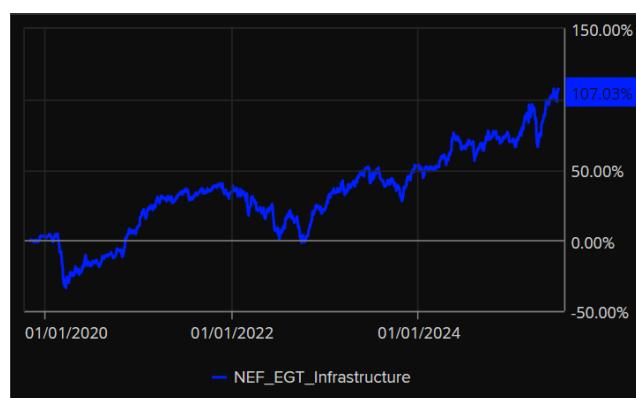
As mentioned above, the contribution of the **Global Transport TrendSDG** was also important (+13.4%), thanks to the recovery of airlines, including Easyjet and Lufthansa, and the strong rebound from extremely depressed levels of the largest producer of SAF (*sustainable aviation fuel*), Finland's Neste. A strong rebound also concerned Bpost, also supported by the measures being considered by the European Union to tax 'direct' e-commerce from China to European consumers, providing Chinese exporters with a less penalising taxation of goods distributed through European warehouses as an alternative. This second route would significantly favour Bpost, which could enhance its distribution network.

On the other hand, there was little movement in the **Labour Infrastructure TrendSDG**, within which, however, significant performance dispersions were observed. Among the best-performing stocks was the SK Square holding, which strongly outperformed its largest holding, SK Hynix, one of the world's leading semiconductor manufacturers. The strong phase was used to take partial profits. On the negative side, two US-listed companies active in recruitment services - Manpower and Kelly Services - fell. The stocks are continuing to feel the effects of the weak phase in the reference sector, after the boom phase during the Covid, trading at very low levels that do not incorporate the inevitable recovery phase that could materialise despite the hostile macroeconomic environment. Manpower and Kelly Services trade at a PE of 10x and 5x respectively, well below historical averages, which is why they were slightly up in the quarter.

Performance Q2 2025 (31/03/25- 30/06/25)



Performance since inception (04/11/19 – 30/06/25)



Source: Niche AM, Refinitiv

Trend Description

Waste Management and Water Treatment. Waste produced in the world is growing by leaps and bounds, 680 million tons, in 2008, 1.3 billion tons, in 2016, 2.2 billion in 2025, This emergency will have to be addressed through sustainable management of the process, At the same time in emerging countries the urbanization process continues to grow and new drainage networks drawn. Water Treatment and Sanitation: more than 20% of the population has no direct access to potable water, Its optimization will be a priority in the coming years.

Civil infrastructures. Highways, bridges, hospitals, dams, airports are essential for the development of a nation.

Smart Housing (H). Housing is changing, materials, technologies, interconnection are leading us towards more efficient, affordable, comfortable and intelligent homes.

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

Globalisation of Transport. Tourism, transport and business are globalising at a dramatic speed, which means more efficiency, culture, opportunity and wealth.

Renewable Energy. A silent revolution is accelerating, the development of storage is going to explode this industry, for the well-being of future generations.

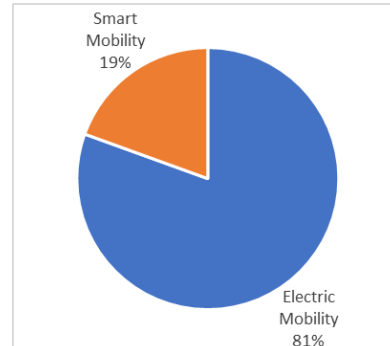
Trends in Mobility

stocks: 30

On which UN objectives does it have an impact?

- Goal 7 Clean and Accessible Energy
- Goal 11 Sustainable Cities
- Goal 13 Acting on the Climate

Source: Niche AM



Main titles of the Mobility Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
PANASONIC HOLDINGS CORP	1.9%	Mobility	Electric Mobility	-16.1%
LG CHEM ORD SHS	0.9%	Mobility	Electric Mobility	-13.8%
SAMSUNG SDI CO LTD	0.7%	Mobility	Electric Mobility	-6.4%
SUMITOMO METAL MINING CO LTD	0.7%	Mobility	Smart Mobility	4.8%
VOLKSWAGEN AG-PREF	0.6%	Mobility	Electric Mobility	-4.2%

Main increases in the quarter

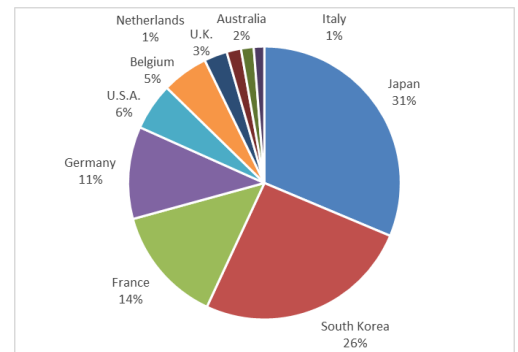
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
Samsung SDI	Electric Mobility	0.5%	0.7%
Sumitomo Metal Mining	Electric Mobility	0.5%	0.7%
Valeo	Smart Mobility	0.5%	0.6%

Main decreases in the quarter

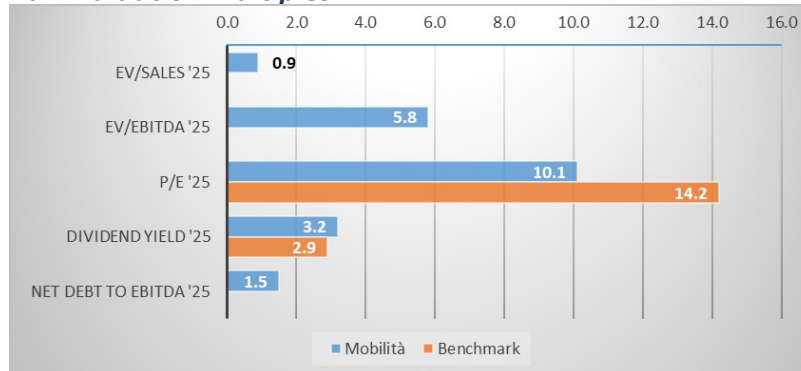
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus)%
Firstgroup	Smart Mobility	0.1%	0.0%	+196.0%

Source: Niche AM

Geographical exposure

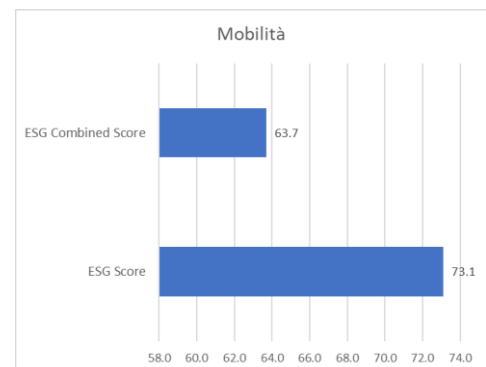


Main valuation multiples



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

ESG rating (Refinitiv)



Source: Niche AM, Refinitiv

Trends in Mobility

Mobility Theme

The Mobility Theme consists of the two *TrendSDGs*, Electric Mobility and Smart Mobility, across a portfolio of 30 stocks.

After a weak start, as in Q1, the Theme was the underperformer within the fund, dropping marginally (-0.55%).

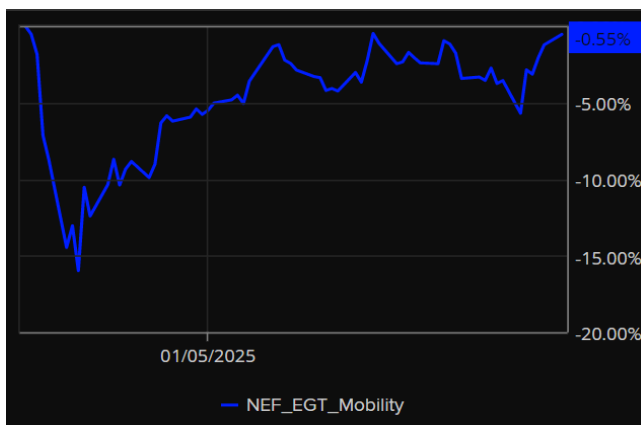
The **Electric Mobility TrendSDG** (-2.0%) was still impacted by weakness in Japanese and Korean battery manufacturers, despite the absence of any substantial change in the reference frame. These operators are strongly exposed to the US market, an area in which they will not be subjected to fierce competition from China, but which will be affected by the disappearance of direct incentives for the purchase of electric cars, as well as by higher costs related to tariffs, following the new government. At the same time, however, it should be pointed out that in the US, the incentives to support the creation of production capacity (*Advanced Manufacturing Production Credit*) will not be discontinued, but shortened by only 12 months, from 2032 to 2031. Gigafactory construction, therefore, will not be abandoned, only scaled back from the more aggressive plans under the Biden administration. The adoption of LFP technology for the construction of batteries will allow lower sales prices. Finally, battery manufacturers will be able to allocate an increasing share of their production to storage, demand for which is growing very rapidly in the US due to investments in data centres (artificial intelligence), as well as the adoption of electric vehicles and renewable energy.

The outlook for the major manufacturers in the portfolio - Panasonic, LG Chem, Samsung SDI - appears to be less hostile than that currently embedded in stock market prices, which is why positions on some have increased. In particular, exposure to Samsung SDI increased during the weakness caused by the capital increase (Price/Tangible Equity less than 0.7x, Price Earnings 11x on 2026). In terms of operations, it is worth highlighting how a new stock entered the portfolio during the quarter, Eurogroup Laminations, active in the production of stators and rotors for electric car engines, with an interesting risk/return ratio (Price/Earnings 2026 ratio of 10.3x). Other operators exposed to raw materials, used in the production of batteries, such as Eramet, Albemarle and Syrah, also increased in value, again due to very compressed valuation levels.

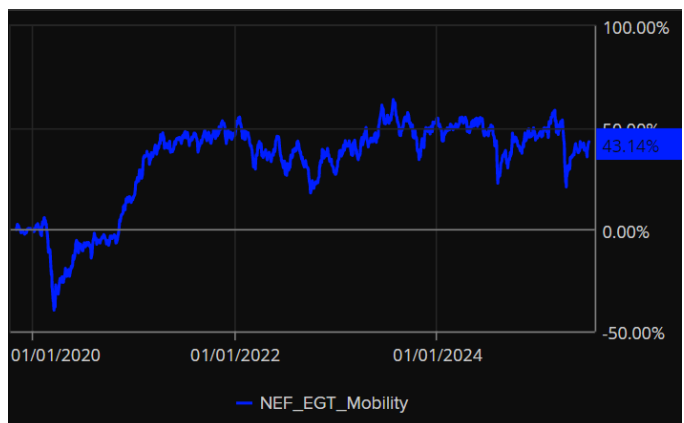
It is worth noting that sales figures for electric cars were solid in the first quarter of 2025 (+37% year-on-year), buoyed not only by the Chinese market (+48%), but also by the European market (+28%), as a result of tighter CO2 emission constraints. The US was an exception to this trend (+10%), but this is to be attributed to pre-purchases of internal combustion cars in anticipation of tariff increases. The aggressive expansion by Chinese manufacturers is also causing Emerging Countries to accelerate their penetration of electric cars, challenging the assumption that their spread would only come at a much later stage. In Thailand and Brazil, EV adoption is higher than in the US and Japan respectively.

TrendSDG Smart Mobility (+4.6%) made a decent recovery after a weak first quarter, benefiting from the further recovery, from modest starting levels, of Valeo and Continental, manufacturers of ADAS (Advanced Driver Assistance Systems). A positive contribution also came from Firstgroup, one of the operators in the urban transport sector that has invested the most in the electrification of its fleet and depots; the stock was then subject to profit-taking following the significant rerating achieved.

Performance Q2 2025 (31/03/25- 30/06/25)



Performance since inception (04/11/19 – 30/06/25)



Source: Niche AM, Refinitiv

Trend Description

Electric Mobility. We will soon start buying electric vehicles en masse, as these are more comfortable, better performing, free to drive everywhere, less expensive and with remarkable range. More than 70% of oil is consumed for transport, so this shift will bring incredible benefits to the environment. Our investments will be particularly focused on the lithium battery sector, a sector that will see its sales multiply many times over in the next few years, surpassing that of semiconductors in terms of sales.

Smart Mobility: Cars are gradually becoming smarter, and one day 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. Urbanisation, traffic, pollution will then lead to the gradual spread of MicroMobility.

Trends in Communication

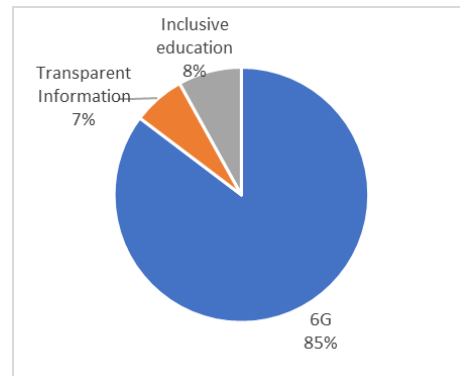


stocks: 41

On which UN objectives 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 Creating Consensus around Goals

Source: Niche AM



Main titles of the Communication Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
BT GROUP PLC	2.8%	Communication	6G	14.0%
SAMSUNG ELECTRONICS ORD SHS	1.6%	Communication	6G	3.4%
VODAFONE GROUP PLC	1.3%	Communication	6G	4.1%
NOKIA OYJ	1.3%	Communication	6G	-9.0%
TELECOM ITALIA ORD SHS	1.2%	Communication	6G	34.7%

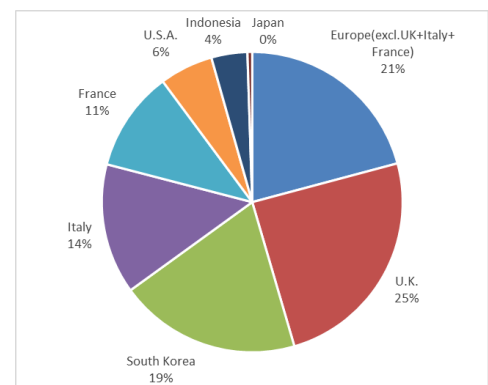
Main increases in the quarter

Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
HP Enterprise	6G	0.2%	0.3%
Reach	Transparent Information	0.1%	0.2%
Metropole Television	Inclusive Education	0.0%	0.1%

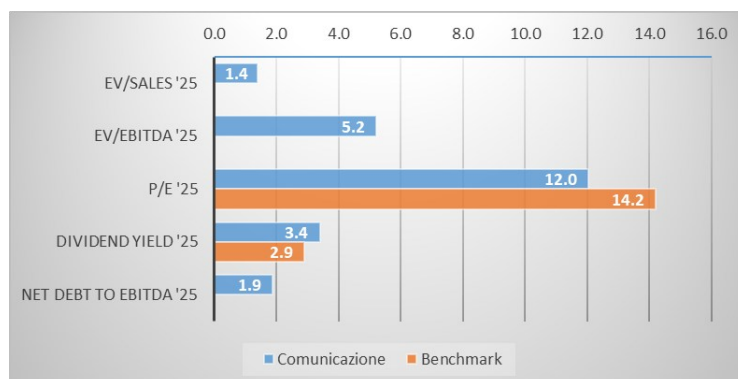
Main decreases in the quarter

Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus)%
Verizon	6G	0.4%	0.0%	+56.4%
Atresmedia Corp	Inclusive Education	0.1%	0.02%	+156.3%

Geographical exposure

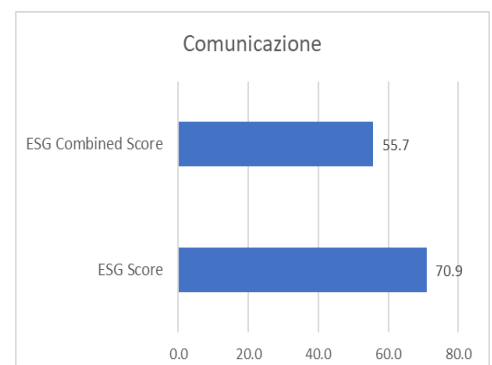


Main valuation multiples



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

ESG rating (Refinitiv)



Source: Niche AM, Refinitiv

Trends in Communication



Communication Theme

The Communication Theme consists of three *TrendSDGs*, namely 6G, Inclusive Education and Transparent Information, by investing in 40 stocks.

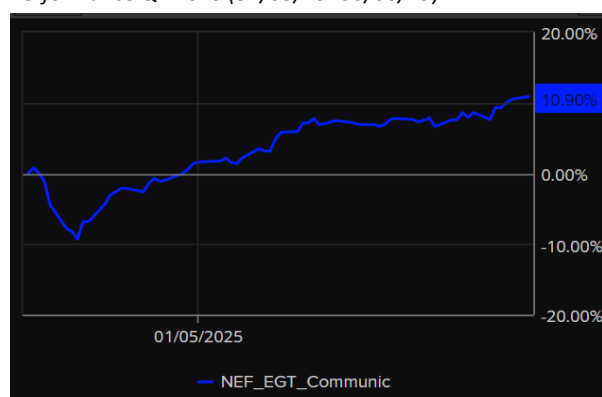
During the second quarter, the Theme again achieved a very positive performance of +10.9%, similar to the first quarter, supported by all the *TrendSDGs* within it.

The *TrendSDG* of **6G** appreciated by 11.8% as most European and Asian telecom operators posted double-digit growth, supported by satisfactory results. As far as European players are concerned, there was also a positive effect from expectations of consolidation in the sector, thanks to a changed approach by the regulator. The most concrete expectations now seem to concern the French market, given the possible sale of Altice, and the Italian market, given the many rumours about an operation that could involve Iliad. In terms of operations, it was decided to take profits on US Verizon, which exited the portfolio, while, in the area of operators exposed to infrastructure for 6G, Hewlett Packard Enterprises (HPE) was increased, given its low valuations compared to the positive growth outlook. An outlook supported by several elements, including the networking division that could benefit from significant synergies should the regulator approve the merger with Juniper, which was announced in early 2025. In terms of sustainability, HPE has created a portal called the *Sustainability Insight Center* that allows customers with multiple IT infrastructures to remotely aggregate energy and carbon measurements, enabling them to reduce costs and meet their sustainable IT goals ([click here](#) for an in-depth video).

The performance of the **Transparent Information** *TrendSDG* was +6.7% and benefited from the announcement of a tender offer with a good premium on *Il Sole 24 Ore*, partially offset by further weakness in WPP, which was used to slightly increase exposure. In terms of operations, also worth mentioning is the significant increase in exposure on the UK publisher Reach, characterised by low valuation metrics and high quality content considering the social reference segment of its titles ([click here](#) for more details).

TrendSDG's **Inclusive Education** also made a positive contribution, up 6.0% due to the appreciation of European and US broadcasters, especially the two German RTL Group and ProSieben, with the latter benefiting from the announcement of a competing IPO by the MFE and PPF groups. With regard to operations, again within broadcasters, partial profit was taken on Atresmedia, following its strong performance, while exposure was increased on French TF1 and M6, as well as UK ITV, whose potential exploitation of the Studios division could bring out significant shareholder value.

Performance Q2 2025 (31/03/25- 30/06/25)



Source: Niche AM, Refinitiv

Performance since inception (04/11/19 – 30/06/25)



Trend Description

6G. With 5G, the world will become even smaller and the possibilities for vertical social dynamics may increase, Let's 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 operational. 6G is nothing more than the next stage of 5G, when it will become ubiquitous, the speed measurable no longer in GIGA but in Tera, and will enable NTN (Non Terrestrial Networking) to function

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 that there is room for serious and accessible information and this will lead to the revival of an almost dying sector that is fundamental for a world of democracy and peace.

Inclusive education. Vertical social mobility, the very basis of progress and the dynamism of a system, finds fuel in the education of people. 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.

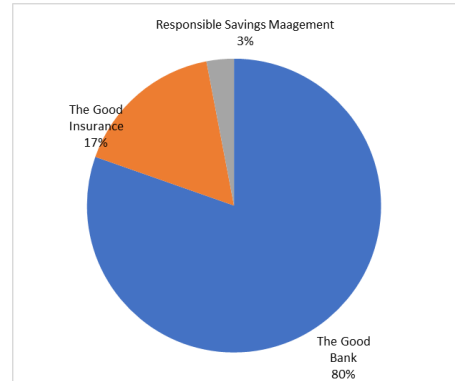
Trends in Finance



stocks: 38

On which UN objectives does it have an impact?

- Goal 1 End Poverty
- Goal 2 Defeat hunger
- Goal 5 Gender Equality
- Goal 8 Decent work and economic growth
- Goal 9 Industry, Innovation and Infrastructure
- Goal 10 Reduce inequalities
- Goal 16 Peace, Justice, Strong Institutions
- Goal 17 Partnership for Goals



Main titles of the Finance Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
UBS GROUP AG-REG	3.3%	Finance	The Good Bank	2.2%
SOCIETE GENERALE SA	3.0%	Finance	The Good Bank	17.3%
BARCLAYS PLC	2.5%	Finance	The Good Bank	14.3%
BNP PARIBAS	2.2%	Finance	The Good Bank	-0.8%
CITIGROUP INC	2.0%	Finance	The Good Bank	10.0%

Main increases in the quarter

Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
UBS Group	The Good Bank	2.6%	3.3%
Bank Pan Indonesia	The Good Bank	0.0%	0.1%
Hyundai Marine & Fire Ins	Good Insurance	0.3%	0.4%

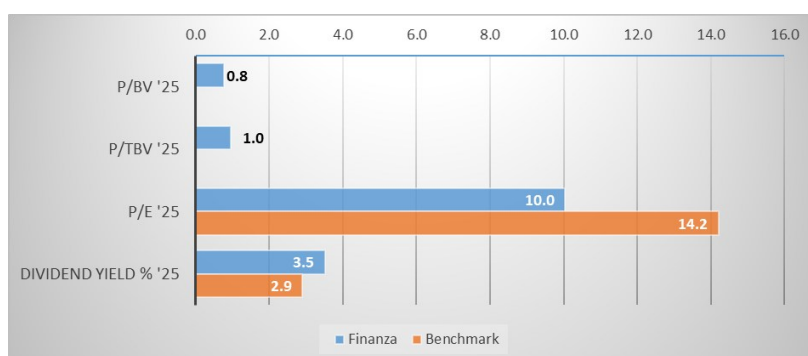
Main decreases in the quarter

Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus)%
Axa	Good Insurance	1.1%	0.9%	+141.1%
Societe Generale	The Good Bank	3.1%	3.0%	+114.3%
Commerzbank	The Good Bank	0.1%	0.0%	+398.6%

Source: Niche AM

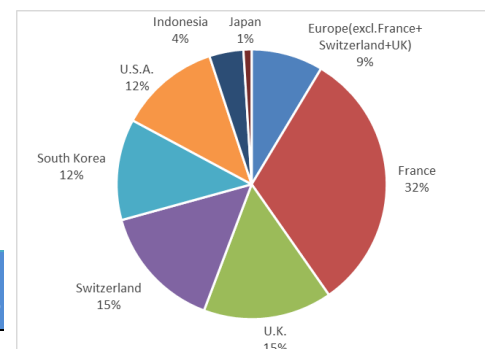
*Return for the period since merger with Credit Suisse. Return including the cost of Credit Suisse position is -9.5%.

Main valuation multiples

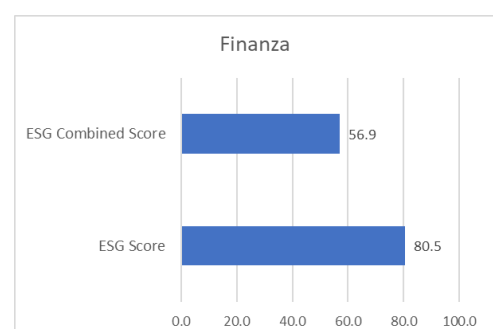


Source: Niche AM, Refinitiv - Benchmark = MSCI ACWI Value index

Geographical exposure



ESG rating (Refinitiv)



Source: Niche AM, Refinitiv

Trends in Finance



Finance Theme

The Theme consists of three *TrendSDGs*: The Good Bank, The Good Insurance and Responsible Asset Management, through exposure on 38 stocks.

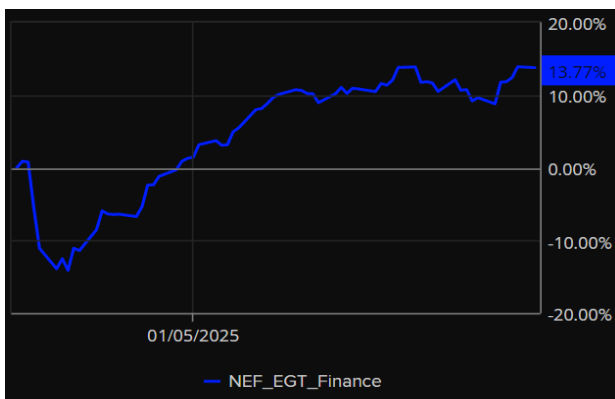
This Theme performed particularly well in the second first quarter, again being the best contributor within the fund. All three *TrendSDGs* stood out, performing similarly in absolute terms.

The best performer was **the good insurance** (+14.5%), which benefited from a fairly generalised rerating, with the exception of US insurance stocks, which were little moved or negative. On the trading side, the strong phase was used to slightly reduce exposure to Axa, the most heavily weighted company in this *TrendSDG*. This reduction was accompanied by a slight increase in positions in Hanwha Life Insurance and Hyundai Marine & Fire Insurance, two Korean companies with very compressed valuations, which appear to be pricing in a risk premium that is too high for their balance sheet, which has been strengthened by issuing hybrid bonds.

Good Bank (+13.4%) supported by a brilliant performance of several French and Korean banks. Swiss UBS increased on weakness, following the Swiss regulator's decision to demand an excessively high capital requirement from the group, which in its view was justified by the increased systemic risks faced by the group following the acquisition of Credit Suisse. This resulted in a significant reduction in capital return expectations (lower buybacks), which could, however, be offset by a series of actions by management. A (not impossible) rationalisation of foreign activities, in fact, could help to optimise capital and crystallise value. Also, as a principle, the more solid a bank is and has a good franchise and ... the happier we are to hold it for the long term. Also in this *TrendSDG* portfolio was Bank Pan Indonesia, a company in common with UBS by its high capital base (CET of even 35%), which is combined with a prudent credit policy, characterised by low exposure to the commodities sector, against a marked credit exposure to small and medium-sized enterprises. It is precisely this last characteristic, the marked exposure to the financing of local companies, that makes this banking institution an important contributor to the SDGs, which are, moreover, widely used as a guiding framework in the field of sustainability. The stock trades at a price/net tangible equity ratio close to 0.5 times, with an attractive risk-return ratio.

Responsible savings Management also did well (+13.8%), thanks to the good performance of Aberdeen, a very interesting company from a valuation point of view, far from pricing in the sum of its assets.

Performance Q2 2025 (31/03/25- 30/06/25)



Performance since inception (04/11/19 – 30/06/25)



Source: Niche AM, Refinitiv

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, microinsurance and product underwriting policies, as well as the more or less responsible way in which they invest their reserves, is crucial to achieving the SDGs.*

The Good Bank. *Banking is an SDG activity in itself 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 rule.*

Trends in Food

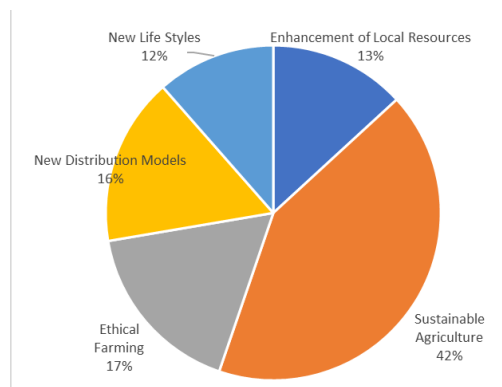


stocks: 25

On which UN objectives 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



Main titles of the Food Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
BAYER AG-REG	1.2%	Food	Sustainable Agriculture	15.7%
SAINSBURY (J) PLC	0.8%	Food	Ethical Farming	20.2%
MAPLE LEAF FOODS INC	0.6%	Food	New Lifestyles	9.8%
CJ CHEILJEDANG CORP	0.5%	Food	Enhancement of Local Resources	0.9%
GRIEG SEAFOOD ASA	0.4%	Food	Ethical Farming	33.7%

Main increases in the quarter

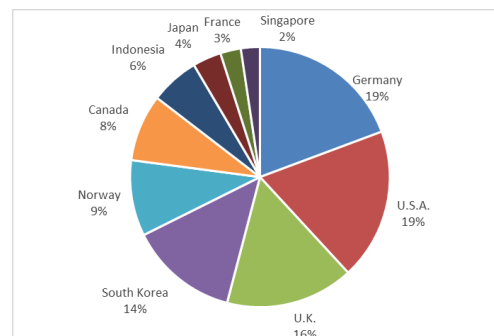
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
Cj Cheiljedang	Enhancement of Local Resources	0.4%	0.5%
Macys	New Distribution Models	0.3%	0.4%

Main decreases in the quarter

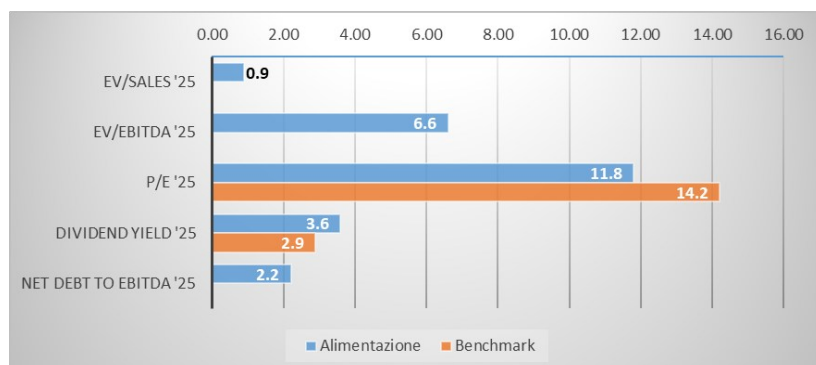
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus)%
Kroger	Ethical Farming	0.5%	0.0%	+92.1%

Source: Niche AM

Geographical exposure

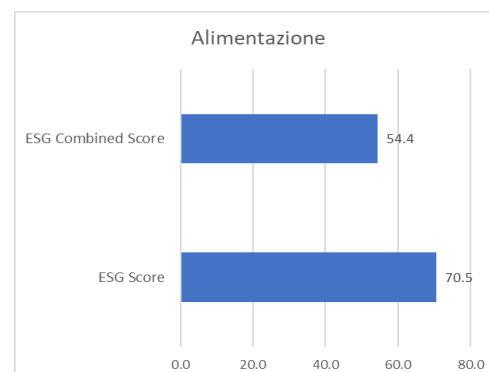


Main valuation multiples



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

ESG rating (Refinitiv)



Source: Niche AM, Refinitiv

Trends in Food



Food Theme

The theme consists of five *TrendSDGs*, Sustainable Agriculture, New Distribution Models, Ethical Livestock Farming, New Lifestyles and Local Resource Development, which are invested in through a portfolio of 25 stocks.

After a largely unimoving first quarter, the Theme accelerated in Q2 2025, closing with a performance of +8.10%.

TrendSDG's best performer was Ethical Livestock (+23.1%) supported primarily by the positive performance of Sainsbury's, which benefited from better-than-expected results in the tough UK competitive environment characterised by rising cost dynamics and pricing pressures. A further positive contribution to performance came from Grieg Seafood, a salmon producer whose results benefited from a recovery in volumes produced, especially in the Norwegian region.

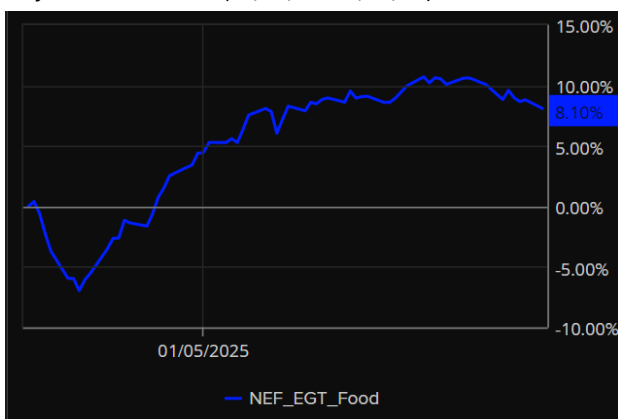
TrendSDG New Lifestyles also performed well (+7.4%) thanks to the significant rerating of Korea's Dongwon Industries following the announcement of the group's chain of control simplification transaction through the merger with its subsidiary Dongwon Food & Beverage. This group is among the world leaders in sustainable fishing operations, with a marked focus on protecting the marine environment. And it has fully embraced the implementation of the SDGs within its sustainability framework.

Dongwon's rise more than offset the weakness of Conagra Brand, a stock that traded against the market trend, increasing positions on weakness. Conagra is one of the leading producers of packaged foods in the US ([a video](#) presentation of the various businesses [here](#)), struggling with penalising inflationary dynamics for protein foods, but with low stock valuations (price-earnings ratio close to 10 times, although this ratio is 'helped' by sustained leverage).

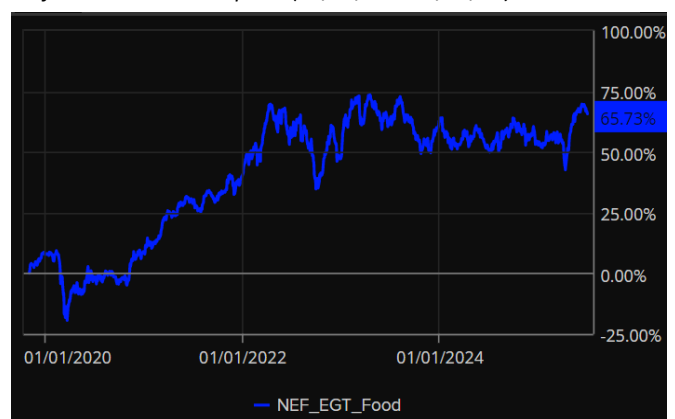
In contrast, within this *TrendSDG* took advantage of the strong phase to take partial profits on Maple Leaf Foods, which benefited from the news that it would be separating its plant food and convenience food businesses from its pork business

Local Resource Development (+7.2%) also made good progress. Within this *TrendSDG* are currently only Asian companies, specifically Korean and Indonesian, active in the food sector, which have benefited from decent performance in an environment that has rewarded companies with a defensive business profile.

Performance Q2 2025 (31/03/25- 30/06/25)



Performance since inception (04/11/19 – 30/06/25)



Source: Niche AM, Refinitiv

Trend Description

Responsible animal husbandry. In view of the many negative impacts of intensive animal husbandry, in addition to the simple ethical arguments, special attention is given to companies that promote sustainable modes of animal husbandry.

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

Enhancement of Local Resources. Local products are often well characterised and are 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.

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 increased use of online services are gradual changes that bring great benefits to the well-being of the population and the liveability of cities.

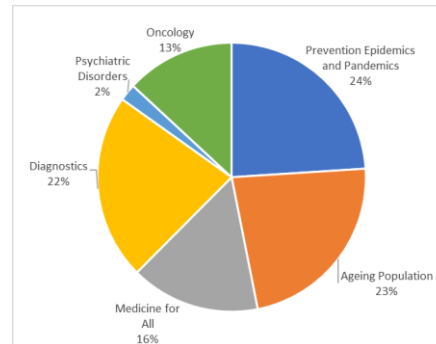
Trends in Health



stocks: 30

On which UN objectives does it have an impact?

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



Source: Niche AM

Main titles of the Health Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
GSK PLC	1.7%	Health	Prevention Epidemics and Pandemics	-7.2%
WALGREENS BOOTS ALLIANCE INC	0.7%	Health	Diagnostics	-5.7%
EMEIS SA	0.7%	Health	Ageing Population	2.5%
VIATRIS INC	0.6%	Health	Medicine for All	-5.9%
PFIZER INC	0.6%	Health	Prevention Epidemics and Pandemics	-12.2%

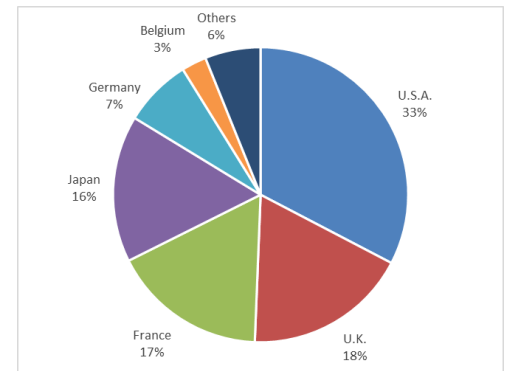
Main increases in the quarter

Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
Merck & Co	Oncology	0.0%	0.1%

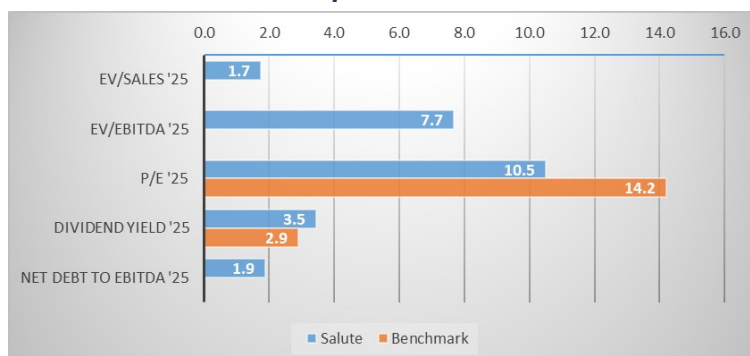
Main decreases in the quarter

Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus) %
CVS Health	Diagnostics	0.9%	0.0%	+35.8%
Topcon	Ageing Population	0.1%	0.0%	+92.7%

Geographical exposure

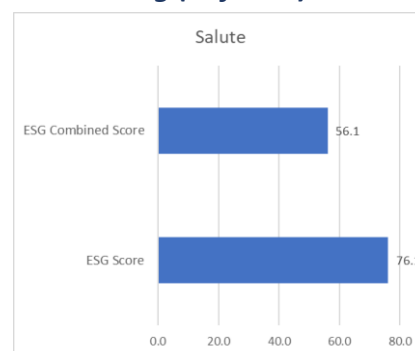


Main valuation multiples



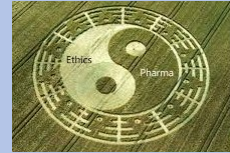
Fonte: Niche AM, Refinitiv - Benchmark = MSCI ACWI Value index

ESG rating (Refinitiv)



Fonte: Niche AM, Refinitiv

Trends in Health



Health Theme

The Health Theme, consisting of six *TrendSDGs*: Diagnostics, Medicine for All, Ageing Population, Prevention Epidemics and Pandemics, Oncology and Psychiatric Disorders, through the display of 30 titles.

The Theme ended the second quarter down 4.11%, due to a general decline in the sector also on fears over a potential worsening of the regulatory environment in the US. Possible drug price cuts by the Trump government weighed heavily, given that this market is usually the one with above-average profitability for pharmaceutical operators. In addition, but to a lesser extent, negative tariff-related effects also had an impact, although at first glance they do not appear to be too impactful.

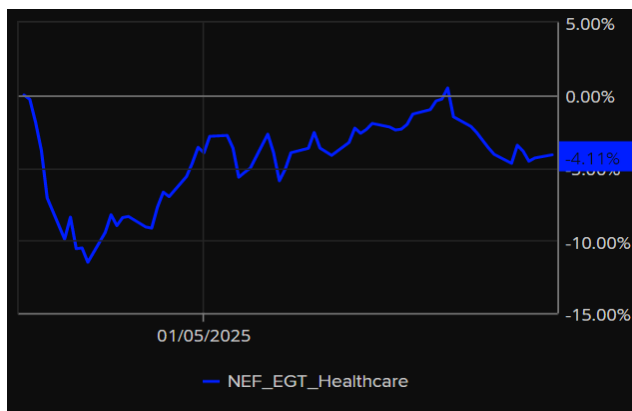
The *TrendSDG* that suffered the most was **Oncology** (-11.5%), mainly due to the weakness of Bristol Meyers and Moderna, the latter of which was subject to a further partial increase in positions. Two new stocks were included in this *TrendSDG*. The first new entrant is US-based Merck, which is one of the world's leading players in cancer drugs, particularly Keytruda, which generates almost half of the group's sales and is used to combat various types of cancer. Merck has a promising pipeline of new drugs with which to counteract the loss of Keytruda's exclusivity by the end of the decade, and despite this it is trading at low levels (less than 9 times expected 2026 profits). [Here is a video of](#) the group presenting its research activities in the field of oncology.

The other new entry is the Belgian biotech company Galapagos, which is focusing its efforts on cancer treatments using advanced cell therapies. The group is mainly targeting aggressive blood cancers and solid tumours. The pipeline is again robust, built in partnership with Gilead, the largest shareholder, and the group can develop it using large amounts of liquidity, far in excess of its market capitalisation.

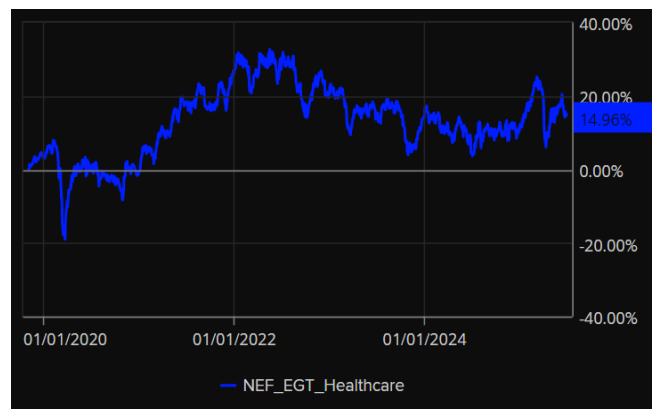
Within **Diagnostics** (-3.6%) there was profit-taking on US CVS, following good rerating, while positions were increased on Japan's Canon, which is working on a series of potentially significant innovations in the field of oncology diagnostics ([link](#)), the benefits of which lie in offering better sensitivity in detecting cancers at an early stage for lower costs.

Within the **Ageing Population** (-1.4%), Japan's Topcon exited the portfolio, again due to profit-taking following the management buyout, which took place with the backing of private equity funds, at a good premium to stock market prices.

Performance Q2 2025 (31/03/25- 30/06/25)



Performance since inception (04/11/19 – 30/06/25)



Source: Niche AM, Refinitiv

Trend Description

Ageing Population. As we know, population dynamics tend 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 diseases, 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. It used to be that people with these disorders were locked up in asylums and sedated. Thanks to the enormous strides made by research, today many of these people can lead normal lives. There is still a long way to go and many milestones to be reached. In particular, treatment of less severe forms of imbalance, such as excessive insecurity, depression or paranoia, can change the lives of millions of people and their loved ones.

Prevention Epidemics and Pandemics. Viruses and new bacteria are increasingly 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 globalization 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-detection 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. Nearly 90 percent of the medicines used in Western countries are generics although in value terms they account for only 20 percent. From this we understand how generics are needed in Western countries to keep spending under control and in developing countries are essential to ensure people's well-being. That they are less expensive is not enough. They must be very safe and with efficacy equal to the original preparation.

Trends in Materials



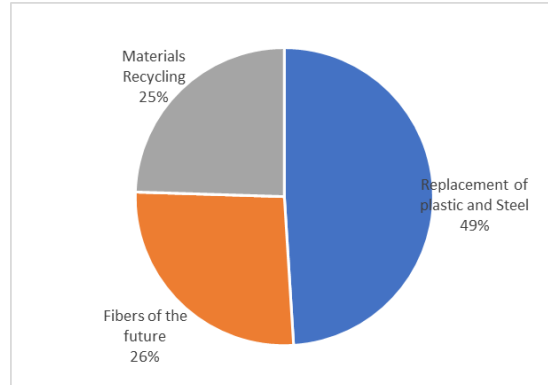
23

stocks:

On which UN objectives does it have an impact?

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

Source: Niche AM



Main titles of the Materials Theme

Holding	Weight %	Theme	Trend	Perf. % Q2
STORA ENSO OYJ-R SHS	0.7%	Materials	Replacement of Plastic and Steel	5.9%
OJI HOLDINGS CORP	0.4%	Materials	Replacement of Plastic and Steel	10.6%
KANEKA CORP	0.3%	Materials	Fibers of the Future	-0.1%
SUMITOMO HEAVY INDUSTRIES	0.3%	Materials	Materials Recycling	-7.2%
INTERFOR CORP	0.2%	Materials	Replacement of Plastic and Steel	-18.6%

Main increases in the quarter

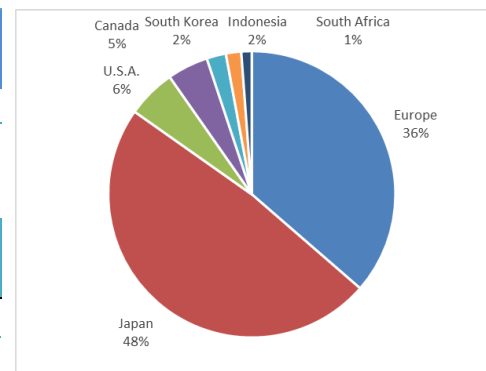
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25
Stora Enso	Replacement of Plastic and Steel	0.7%	0.74%

Main decreases in the quarter

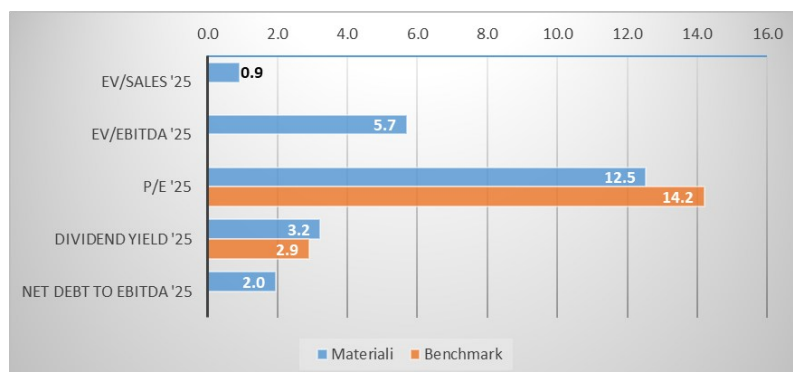
Holding	Trend	Weight % at 31/03/25	Weight % at 30/06/25	Plus / (Minus)%
Renewi	Materials Recycling	0.2%	0.0%	+40.8%

Source: Niche AM

Geographical exposure

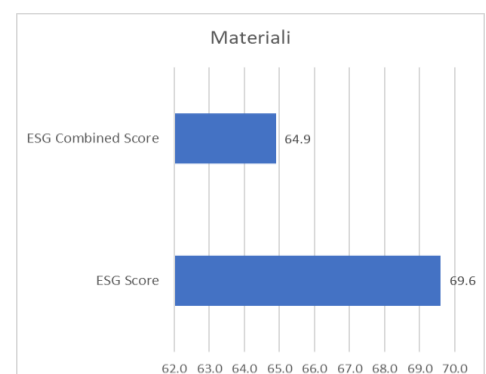


Main valuation multiples



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

ESG rating (Refinitiv)



Source: Niche AM, Refinitiv

Trends in Materials



Materials Theme

The Materials theme consists of 3 *TrendSDGs*, Plastics and Steel Replacement, Materials Recycling and Fibres of the Future, through investment in 23 companies.

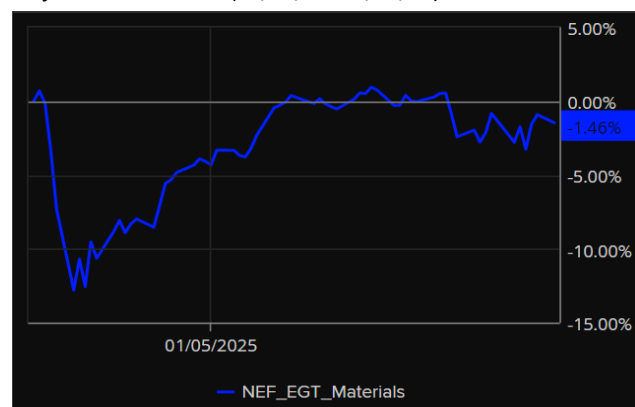
During the second quarter, the Theme suffered significantly from the announcements on the tariff front, then gradually regained ground, but failed to close on a positive note. In fact, the quarterly performance was -1.46%.

TrendSDG Plastic and Steel Replacement (-0.2%) was the best performer, thanks to the positive performance of paper stocks. Stora Enso recovered from the weakness observed in the previous quarter. The stock was slightly up before the recovery phase in view of the fact that the still extremely weak sector may be close to the cycle lows. Moreover, the potential value creation from the forest spin-off is significant: the latest book value is over EUR 11 per share, at levels above which the stock is trading. The performance of Japan's Oji Holdings and Indonesia's Indah Kiat was also positive. The recovery of paper stocks offset the weakness of those exposed to the timber sector, especially Interfor, which suffered from the tariff war between the US and Canada, although, from an earnings perspective, its production activities in the US market should allow it to partially offset the lower export volumes from Canada.

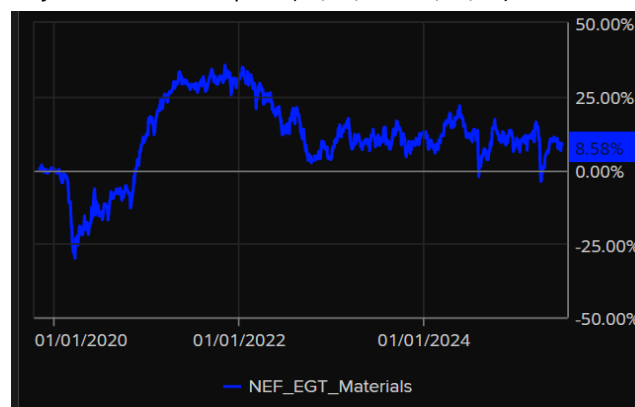
Materials Recycling (-1%) did not shine, despite the good performance of Danieli, supported by a decidedly positive trend in the order backlog of the division that deals with the construction of technologically advanced plants for the steel industry, capable of reducing its significant *carbon footprint*. An order backlog that, moreover, could further benefit from important new orders, including that of Ilva in Taranto. Among performance detractors, on the other hand, Mitsubishi Materials was down, due to a worsening outlook for copper treatment, which accounts for an important share of the group's profits. In the recycling sector, the group has an important position in the processing of electronic scrap, with a capacity of 160k tonnes, covering about 20% of the total electronic scrap generated worldwide. According to company plans, this capacity is expected to increase to 240k tonnes by 2031, following the expected growth in demand. [Here is a link](#) to a page presenting recycling activities that also cover rare metals and household appliances.

TrendSDG Fibres of the Future (-4.2%) was the worst performer within the Theme, negatively impacted by declines in several Japanese stocks, including AGC and Sumitomo Rubber Industries. On the latter we decided to increase positions, believing that the downturn in earnings (higher raw material costs, currency impacts and non-recurring restructuring costs) does not make the investment case unattractive. The stock is trading at low levels (Expected Earnings Price 2026 below 8 times). The company is developing promising product innovations, including an intelligent tyre rubber that responds in real time to changes in road conditions ([click here](#) for more), particularly water and temperature. Sumitomo Rubber then presented a clear growth plan in terms of sustainability, including recycling used tyres instead of burning them in incineration plants.

Performance Q2 2025 (31/03/25- 30/06/25)



Performance since inception (04/11/19 – 30/06/25)



Source: Niche AM, Refinitiv

Trend Description

Substitution of Plastic and Steel. On average, 15% of the plastic consumed in emerging countries can be replaced by materials with better safety and sustainability characteristics.

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

Metal recycling. 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 using green hydrogen, without emissions. Several companies are working on this and this trendSDG invests in these promising companies that could help eliminate a substantial part of harmful air emissions

Appendix

EQUITY PORTFOLIO: Indexes % price changes

Index	Price as of 30/06/2025	% Price Change 1 month (local ccy)	% Price Change 1 month (€)	% Price Change 3 months (local ccy)	% Price Change 3 months (€)	% Price Change YTD (local ccy)	% Price Change YTD (€)	% Price Change 1 year (local ccy)	% Price Change 1 year (€)	% Price Change 3 years (local ccy)	% Price Change 3 years (€)	% Price Change Since inception** (local ccy)	% Price Change Since inception** (€)
NEF Ethical Global Trends**	16.76	-	1.51%	-	6.21%	-	13.24%	-	19.29%		43.00%	-	67.60%
Infrastructure	-	-	2.79%	-	11.83%	-	21.31%	-	25.47%	-	99.06%	-	107.03%
Finance	-	-	2.64%	-	13.77%	-	29.80%	-	44.75%	-	109.01%	-	131.90%
Communication	-	-	3.70%	-	10.90%	-	22.85%	-	32.27%	-	48.43%	-	83.75%
Mobility	-	-	0.60%	-	-0.55%	-	-2.45%	-	-2.65%	-	11.80%	-	43.14%
Health	-	-	-2.20%	-	-4.11%	-	3.00%	-	10.08%	-	-9.63%	-	14.96%
Materials	-	-	-2.20%	-	-1.46%	-	-1.12%	-	-2.28%	-	-3.65%	-	8.58%
Food	-	-	-0.93%	-	8.10%	-	7.66%	-	9.45%	-	6.24%	-	65.73%
MSCI ACWI VALUE NET TR (.dMIWD0000VNUS)	395.33	3.81%	-0.06%	5.84%	-2.86%	10.88%	-2.60%	15.62%	5.09%	44.82%	28.80%	57.04%	48.24%
MSCI ACWI NET TR EUR (.MIWD00000NEU)	401.35	1.05%	1.05%	2.63%	2.63%	-2.92%	-2.92%	6.06%	6.06%	43.92%	43.92%	76.73%	76.73%
USA (.SP500)	6204.95	4.96%	1.05%	10.57%	1.48%	5.50%	-7.33%	13.63%	3.29%	63.92%	45.78%	101.57%	90.28%
Tokyo Stock Exchange (.TOPX)	2852.84	1.83%	-1.94%	7.30%	2.54%	2.44%	-1.49%	1.54%	3.07%	52.49%	27.82%	71.19%	21.81%
Europe (.STOXX)	541.37	-1.33%	-1.33%	1.40%	1.40%	6.65%	6.65%	5.86%	5.86%	32.95%	32.95%	34.20%	34.20%
Emerging Markets (EEM)	48.24	5.98%	2.03%	10.39%	1.31%	15.35%	1.33%	13.27%	2.95%	20.30%	6.99%	11.18%	4.96%

* 04/11/2019

** Class R



PORTFOLIO: Relative Performance by Sector

(31 March 2025– 30 June 2025)

	Average Portfolio Weight	Average MSCI ACWI Value Weight	Average Weight Difference	Portfolio Return	MSCI ACWI Value Return	Return Difference	Active Contribution	Allocation Effect	Selection Effect
NEF ETHICAL GLOBAL TRENDS	100%	100%	0%	6.2%	-2.9%	9.1%	9.1%	1.3%	7.8%
Financials	22%	28%	-6%	12.5%	2.2%	10.3%	2.0%	-0.3%	2.3%
Communication Services	15%	6%	9%	11.7%	4.3%	7.4%	1.8%	0.7%	1.1%
Industrials	12%	11%	1%	10.7%	1.1%	9.6%	1.2%	0.1%	1.2%
Materials	12%	5%	7%	1.0%	-4.0%	5.0%	0.5%	-0.1%	0.6%
Health Care	9%	11%	-2%	-4.0%	-17.0%	13.0%	1.5%	0.3%	1.1%
Consumer Discretionary	9%	7%	2%	-2.6%	-7.7%	5.1%	0.4%	-0.1%	0.4%
Information Technology	7%	9%	-2%	1.5%	7.3%	-5.8%	-0.6%	-0.2%	-0.4%
Consumer Staples	7%	8%	-2%	4.4%	-6.7%	11.1%	0.8%	0.1%	0.7%
Utilities	3%	5%	-1%	11.1%	-2.4%	13.5%	0.5%	0.0%	0.5%
Real Estate	1%	4%	-3%	-2.7%	-5.5%	2.8%	0.1%	0.1%	0.0%
Energy	1%	7%	-6%	19.0%	-13.8%	32.8%	0.9%	0.7%	0.2%
Fund*	0%	0%	0%	-0.4%			0.0%	0.0%	0.0%
Cash & Equivalents	2%	0%	2%				0.0%	0.0%	0.0%

*Pharus Electric Mobility Niches
Source: Niche AM, Refinitiv



PORTFOLIO: Relative Performance by Country

(31 March 2025– 30 June 2025)

Issue Name	Average Weight	Average MSCI ACWI Value Weight	Average Weight Difference	Portfolio Return	MSCI ACWI Value Return	Return Difference	Active Contribution	Allocation Effect	Selection Effect
NEF ETHICAL GLOBAL TRENDS	100%	100%	0%	6.2%	-2.9%	9.1%	9.1%	5.4%	3.7%
France	15%	2%	13%	7.9%	1.1%	6.8%	1.6%	0.5%	1.1%
U.K.	14%	4%	9%	6.7%	-1.8%	8.6%	1.3%	0.1%	1.2%
South Korea	13%	1%	12%	19.1%	19.3%	-0.2%	2.6%	2.6%	0.0%
U.S.A.	12%	61%	-49%	-6.6%	-5.4%	-1.1%	1.1%	1.3%	-0.1%
Germany	9%	3%	6%	11.7%	5.4%	6.4%	1.1%	0.5%	0.6%
Japan	9%	5%	4%	-8.4%	-1.9%	-6.5%	-0.5%	0.0%	-0.6%
Indonesia	4%	0%	4%	7.1%	-1.8%	8.9%	0.4%	0.0%	0.4%
Italy	4%	1%	3%	17.9%	8.2%	9.8%	0.7%	0.3%	0.4%
Switzerland	4%	3%	1%	5.3%	-2.7%	8.0%	0.3%	0.0%	0.3%
Finland	3%	0%	2%	-2.2%	0.0%	-2.2%	0.0%	0.1%	-0.1%
Belgium	2%	0%	2%	20.5%	6.4%	14.1%	0.4%	0.1%	0.3%
Spain	2%	1%	0%	10.2%	9.2%	1.0%	0.1%	0.1%	0.0%
Canada	1%	3%	-2%	8.1%	4.4%	3.6%	-0.1%	-0.1%	0.0%
Netherlands	1%	1%	0%	9.7%	0.0%	9.7%	0.1%	0.0%	0.1%
Norway	1%	0%	1%	22.3%	-2.6%	24.9%	0.2%	0.0%	0.2%
Luxembourg	1%	0%	1%	3.2%	1.9%	1.4%	0.0%	0.0%	0.0%
Chile	1%	0%	1%	9.2%	2.4%	6.9%	0.1%	0.0%	0.0%
Others	3%	14%	-10%	-1.1%	-0.2%	-0.9%	-0.3%	-0.3%	0.0%
Cash & Equivalents	2%	0%	2%				0.0%	0.0%	0.0%

Source: Niche AM, Refinitiv



PORTFOLIO: Relative Performance by Currency

(31 March 2025– 30 June 2025)

	Average Portfolio Weight	Average MSCI ACWI Value Weight	Average Weight Difference	Portfolio Return	MSCI ACWI Value Return	Return Difference	Active Contribution	Allocation Effect	Selection Effect
NEF ETHICAL GLOBAL TRENDS	100%	100%	0%	6.2%	-2.9%	9.1%	9.1%	4.2%	4.9%
US Dollar*	33%	60%	-28%	-6.6%	-5.6%	-1.0%	0.4%	0.8%	-0.3%
Euro	27%	11%	16%	17.7%	3.8%	13.9%	4.8%	1.1%	3.7%
UK Pound	14%	4%	10%	6.6%	-0.6%	7.2%	1.2%	0.2%	1.0%
South Korean Won	12%	1%	11%	19.2%	19.3%	0.5%	2.6%	2.5%	0.1%
Indonesian Rupiah	4%	0%	4%	7.3%	-1.8%	9.6%	0.4%	0.0%	0.4%
Japanese Yen*	4%	5%	-1%	-15.8%	-1.9%	-13.9%	-0.5%	0.0%	-0.5%
Swiss Franc*	2%	3%	-1%	13.4%	-3.1%	16.5%	0.3%	0.0%	0.3%
Canadian Dollar	1%	3%	-2%	8.1%	4.5%	3.8%	-0.1%	-0.1%	0.0%
Others	3%	13%	-9%	5.4%	-0.1%	5.5%	-0.1%	-0.3%	0.2%

* net of hedging

Source: Niche AM, Refinitiv

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