



Monthly Risk Report

30 September 2019

imagine



NICHE AM

Pharus Electric Mobility Niches

ISIN Class A – LU1867072149
 Class B – LU1867072222
 Class Q (listed class) - LU1867072495

Summary

- Ex-ante analysis: VaR 1 month – 99%
- Portfolio: allocation & performance summary
- Ex-ante analysis : VaR by sector and country
- Ex-ante analysis : Top securities which are contributing the most to total active risk active risk
- Ex-Ante analysis: size and style allocation
- Stress test: absolute change of Shocks by Region
- Stress test: historical scenario
- Liquidation time horizon
- Portfolio: FX hedging

Ex-ante analysis: VaR 1 month 99% as of 30/09/19

| | Alert Level | | VaR 99% 1M Fund | VaR 99% 1M Fund (prev. month) |
|---------------------------------|-------------|--------|--------------------|----------------------------------|
| | I° | II° | | |
| <i>Pharus Electric Mobility</i> | -12,0% | -17,0% | -15,09% | -15,19% |

- The fund hasn't hit any alert level.
- The alert levels are linked to the 99% VaR 1M
- The VaR 99% ex-ante – 1 month horizon – is below the maximum level stated by CESR guidelines on Risk Measurement (-20% VaR 1 day 99%). VaR decreased in September by 0,1%. We stay comfortable below the second limit internally set.

VaR Sensitivity

| | 95% VaR | 99% VaR |
|---------------|---------|---------|
| Historical 1D | -2,29% | -3,22% |
| Historical 1W | -7,19% | -7,19% |
| Historical 1M | -10,73% | -15,09% |

Source: MSCI Risk Metrics, Niche AM

EQUITY PORTFOLIO: Indices % price changes

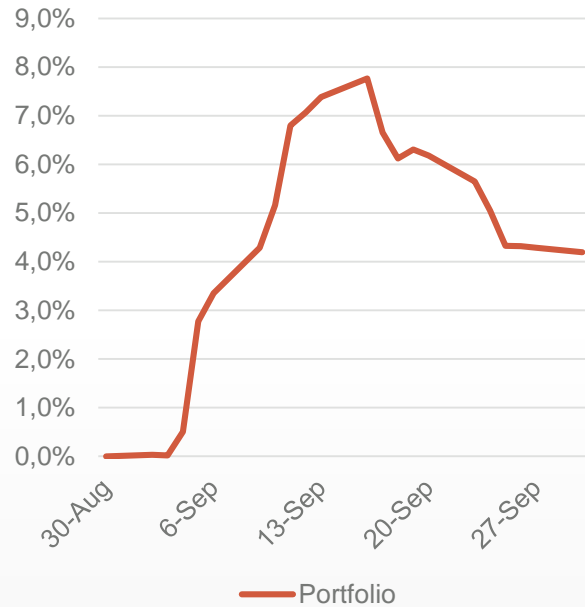
| Index | Price as of 30/09/19 | % Price Change 1 month (local currency) | % Price Change 1 month (€) | % Price Change Since inception (local currency) | % Price Change since inception (€) |
|---|----------------------|---|----------------------------|---|------------------------------------|
| Pharus Electric Mobility | 101,32 | 4,20% | 4,20% | 1,32% | 1,32% |
| Global X Lithium & Battery Tech ETF (LIT) | 24,37 | 4,28% | 5,15% | -6,16% | -2,60% |
| Tokyo Stock Exchange (.TOPX) | 1587,80 | 5,02% | 4,17% | 2,25% | 6,49% |
| Korea (.KS200) | 273,55 | 5,62% | 7,51% | 0,53% | 3,04% |

* 10/06/2019 – Inception date

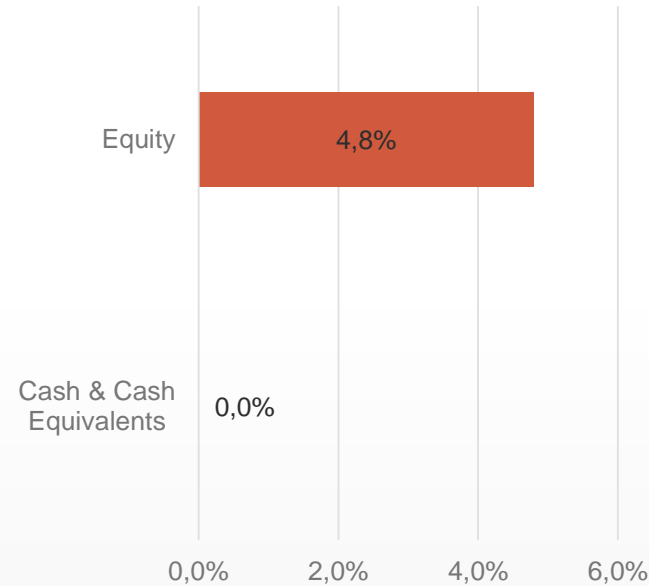
Source: Niche AM, Thomson Reuters

PORTFOLIO: Allocation & Performance summary

NAVps: +4,2% (30 August – 30 September '19)



Performance Breakdown by Asset Class (Pure) (30 August – 30 September '19)



Equity Portfolio: Monthly performance by sector (30 August – 30 September '19)

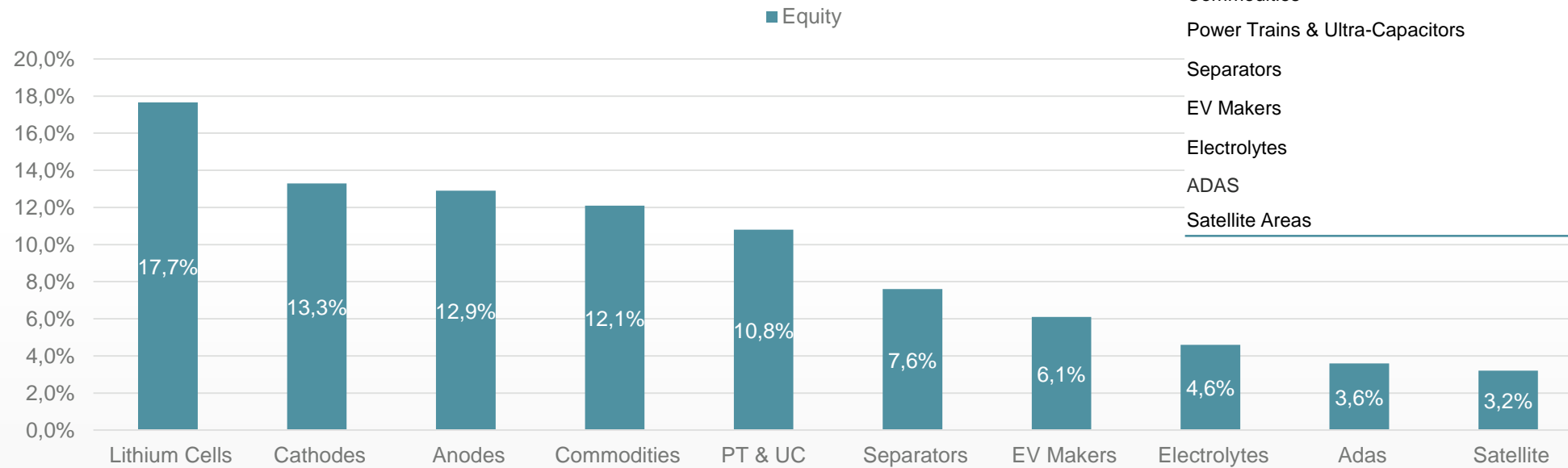
| | Avg Weight | 1 Month Return | 1 Month Contribution |
|------------------------|--------------|----------------|----------------------|
| Equity | 92.4% | 4.8% | 4.2% |
| Consumer Discretionary | 18.7% | 7.6% | 1.4% |
| Energy | 4.1% | 0.5% | 0.0% |
| Industrials | 11.7% | 5.9% | 0.7% |
| Information Technology | 13.4% | 4.0% | 0.5% |
| Materials | 44.6% | 3.6% | 1.6% |

Source: Niche AM, Thomson Reuters

| As of 30 Sept '19 | |
|-------------------|-----------|
| AUM (€ mln) | 5,413 mln |

EQUITY PORTFOLIO: Breakdown by Niches

Weight by Niche as of 30 September 2019
***rebased**

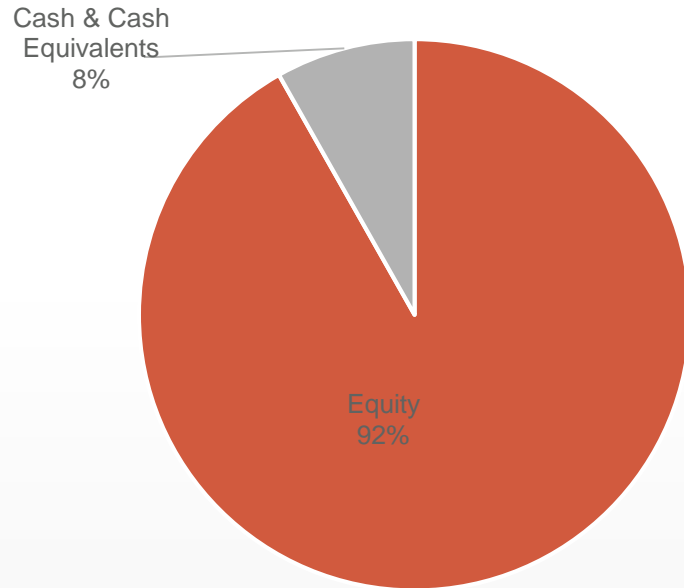


| Niches | 1 Month Performance |
|---------------------------------|---------------------|
| Lithium Cells | 0,1% |
| Cathodes | 5,6% |
| Anodes | 3,9% |
| Commodities | 2,7% |
| Power Trains & Ultra-Capacitors | 12,5% |
| Separators | 7,0% |
| EV Makers | 3,4% |
| Electrolytes | 8,3% |
| ADAS | 9,1% |
| Satellite Areas | 5,5% |

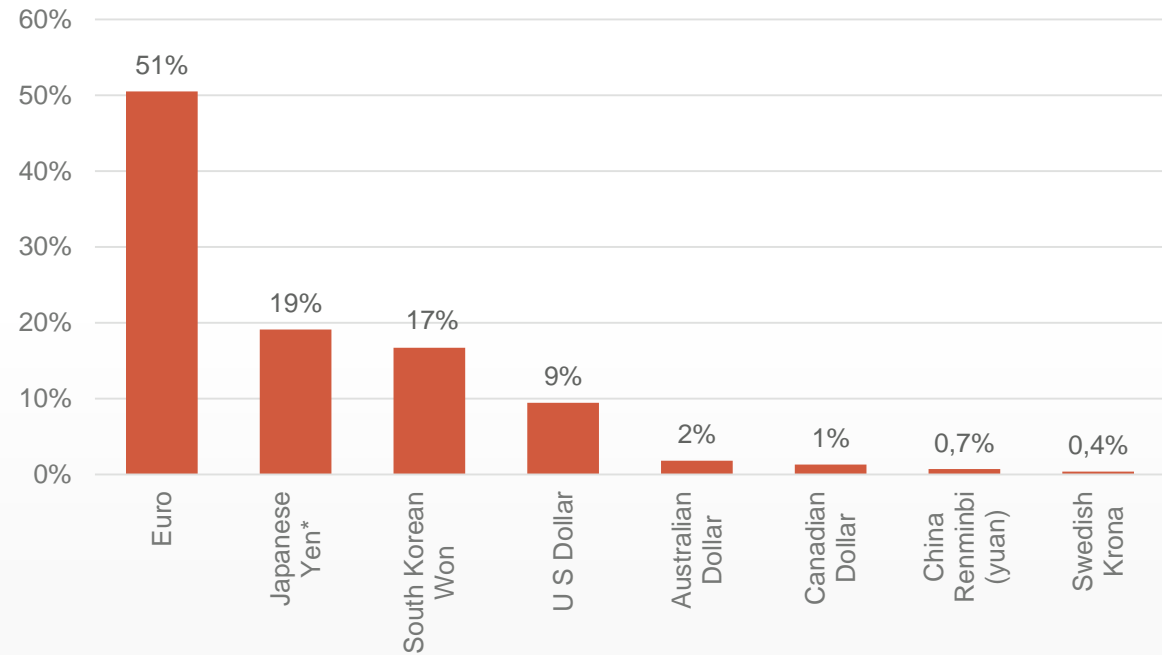
Current Equity Exposure: 92%

PORTFOLIO: Allocation summary

**Breakdown by Asset Class
as of 30 September '19**



**Breakdown by Currency
as of 30 September '19**



*Net of hedging

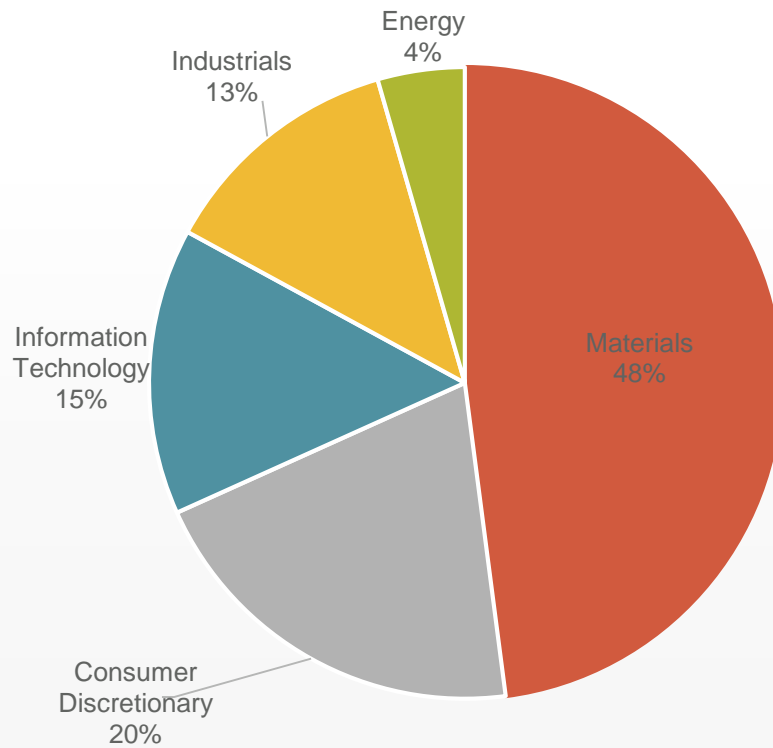
Source: Niche AM, Thomson Reuters

EQUITY PORTFOLIO: Allocation summary

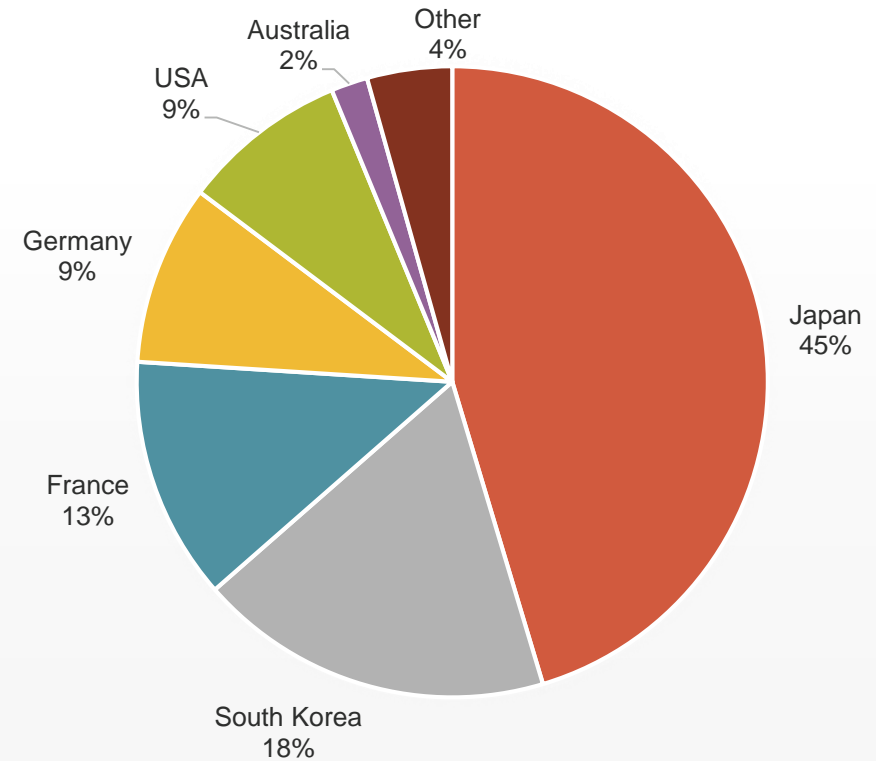
Equity Exposure: 92%

Equity Exposure previous month: 92%

Equity Breakdown by Sector as of 30 September 2019 (rebased)



Equity Breakdown by Country as of 30 September 2019 (rebased)



EQUITY PORTFOLIO: Change in holdings (30 August – 30 September '19)

| | Trade | End Portfolio Weight |
|-------------------------|-------|----------------------|
| Syrah Resources Ord Shs | ADD | 1.73% |
| Covestro Ord Shs | SELL | 0.00% |

EQUITY PORTFOLIO: Monthly performance (30 August – 30 September '19)

Top performers*

| | 1 Month (Portfolio) | | |
|------------------------------------|---------------------|--------|--------------|
| | Avg Weight | Return | Contribution |
| Valeo Ord Shs | 2.3% | 19.8% | 0.4% |
| Umicore Ord Shs | 0.5% | 19.5% | 0.1% |
| Toyo Tanso Ord Shs | 1.9% | 18.5% | 0.3% |
| Murata Manufacturing Ord Shs | 1.2% | 16.4% | 0.2% |
| SQM de Chile Ord Shs Series B | 0.4% | 14.9% | 0.1% |
| TDK Ord Shs | 2.2% | 14.4% | 0.3% |
| Albemarle Ord Shs | 1.8% | 14.2% | 0.2% |
| Voltabox Ord Shs | 0.5% | 13.7% | 0.1% |
| Nippon Chemi Con Ord Shs | 1.9% | 13.6% | 0.2% |
| Nippon Chemical Industrial Ord Shs | 2.8% | 12.6% | 0.3% |
| Sumitomo Metal Mining Ord Shs | 3.1% | 12.3% | 0.4% |
| Asahi Kasei Ord Shs | 0.7% | 11.6% | 0.1% |
| Honda Tsushin Kogyo Ord Shs | 0.8% | 10.6% | 0.1% |
| BAIC Motor Ord Shs H | 0.7% | 10.5% | 0.1% |
| Fluor Ord Shs | 1.1% | 10.5% | 0.1% |

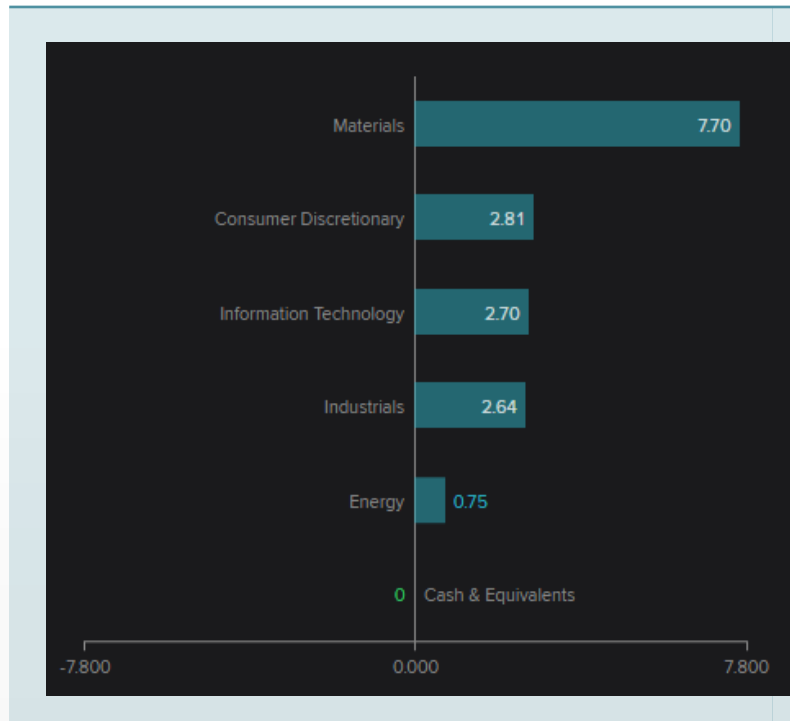
Bottom performers

| | 1 Month (Portfolio) | | |
|--------------------------------|---------------------|--------|--------------|
| | Avg Weight | Return | Contribution |
| Syrah Resources Ord Shs | 1.7% | -24.4% | -0.4% |
| Alelion Energy Systems Ord Shs | 0.4% | -9.3% | 0.0% |
| Samsung SDI Ord Shs | 1.3% | -9.0% | -0.1% |
| CosmoAM&T Ord Shs | 0.4% | -6.9% | 0.0% |
| Cosmo Chemical Ord Shs | 0.7% | -5.6% | 0.0% |
| Samsung SDI Pref Shs | 2.5% | -5.6% | -0.2% |
| LG Chem Preferred Stock | 3.5% | -5.3% | -0.2% |
| Ecopro Ord Shs | 2.2% | -4.3% | -0.1% |
| SGL Carbon Ord Shs | 1.5% | -2.9% | 0.0% |
| Seronics Ord Shs | 1.2% | -2.1% | 0.0% |
| Tomoe Engineering Ord Shs | 0.6% | -1.2% | 0.0% |
| Imerys Ord Shs | 3.2% | -0.6% | 0.0% |
| Nippon Kodoshi Ord Shs | 0.8% | -0.4% | 0.0% |
| SK Innovation Pref Shs | 4.1% | 0.5% | 0.0% |
| Eramet Ord Shs | 3.9% | 0.7% | 0.0% |

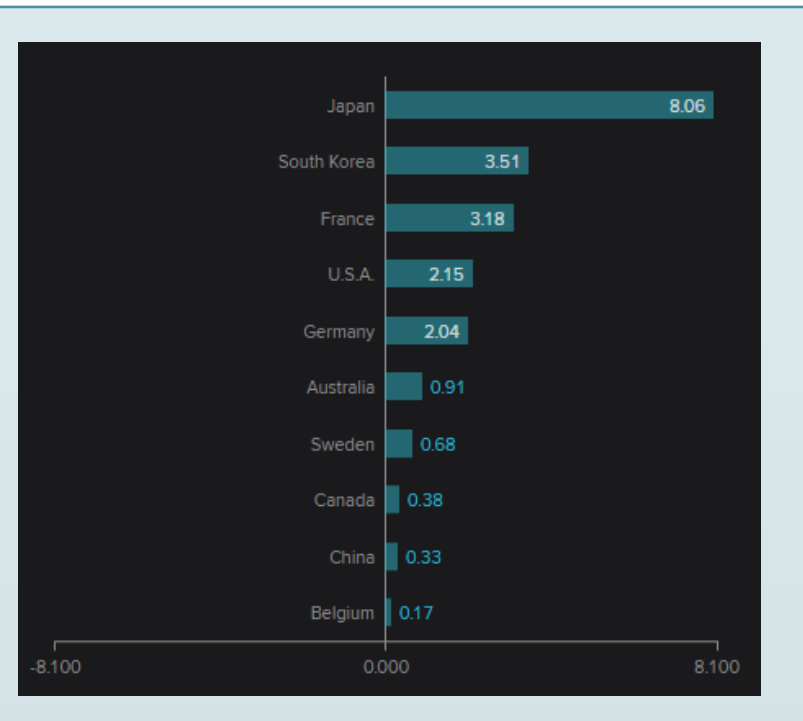
Ex-ante analysis: VaR 1 month 99%

as of 30/09/2019

**VAR 1M – 99% BY GICS SECTOR
AS OF 30/09/2019**



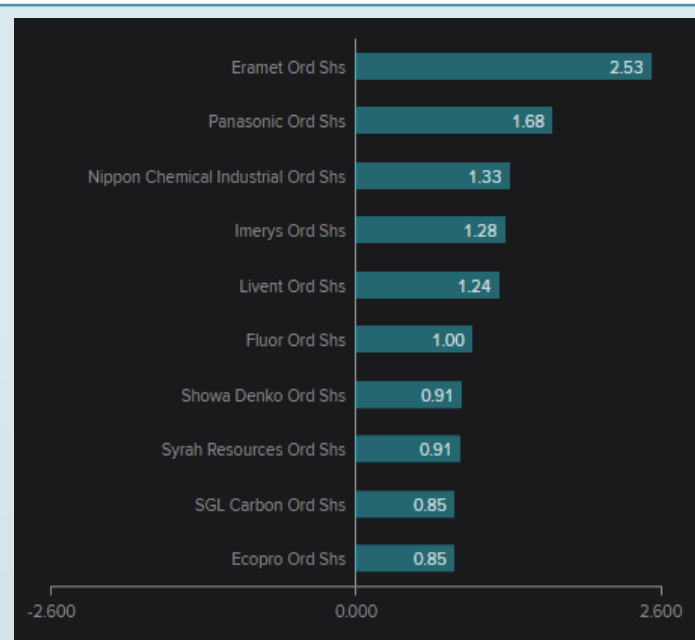
**VAR 1M – 99% BY COUNTRY
AS OF 30/09/2019**



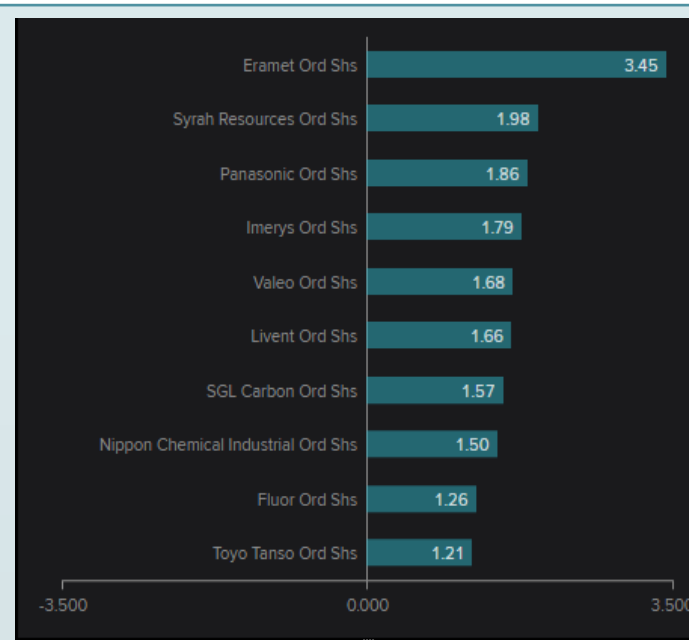
Source: MSCI RiskMetrics, Niche

Ex-ante analysis: Top securities which are contributing the most to total active risk

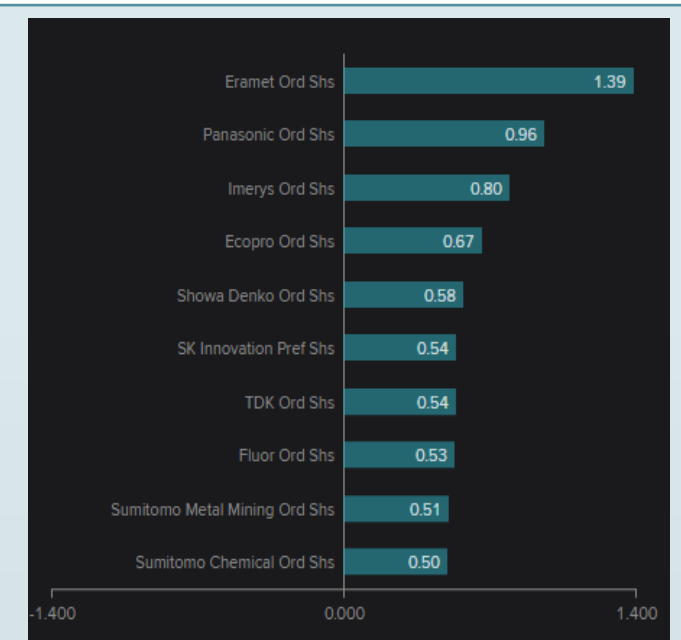
**VAR TOP 10 SECURITIES
AS OF 30/09/2019**



**CVAR TOP 10 SECURITIES
AS OF 30/09/2019**



**MVAR TOP 10 SECURITIES
AS OF 30/09/2019**



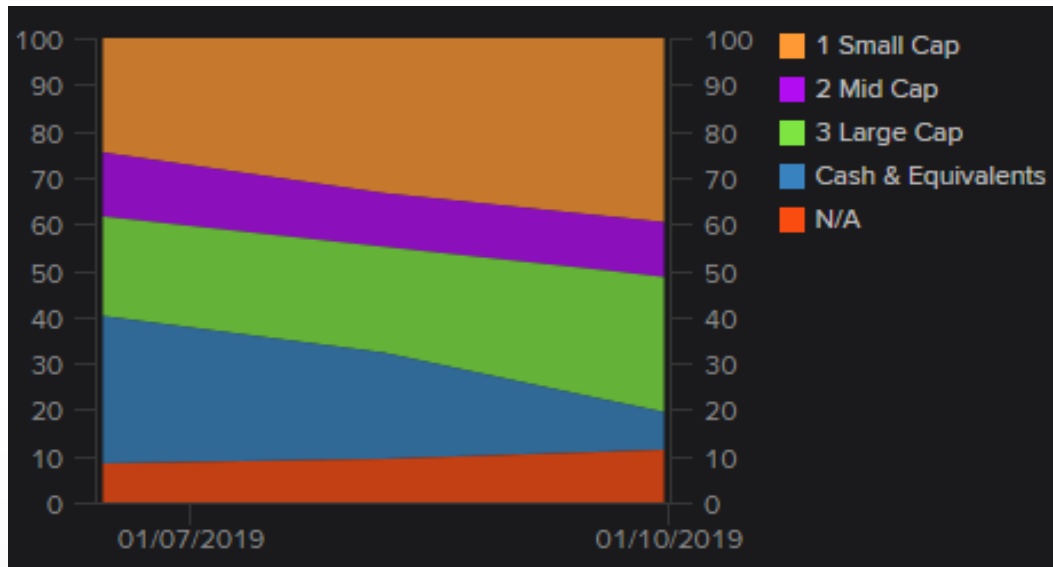
Ex-ante analysis: Top securities which are contributing the most to total active risk (sorted by Expected Shortfall) *as of 30/09/2019*

| | VaR 1M 95% | VaR 1M 99% | Portfolio Weight % | CVaR 1M 99% | Marginal VaR |
|------------------------------------|--------------|--------------|--------------------|--------------|--------------|
| Pharus Electric Mobility | 10.73 | 15.09 | 100.00% | 16.22 | 15.09 |
| Euro | 0.00 | 0.00 | 8.17% | 0.00 | 0.00 |
| Eramet Ord Shs | 0.86 | 2.53 | 3.53% | 3.45 | 1.39 |
| Syrah Resources Ord Shs | 0.54 | 0.91 | 1.73% | 1.98 | 0.17 |
| Panasonic Ord Shs | 0.73 | 1.68 | 6.20% | 1.86 | 0.96 |
| Imerys Ord Shs | 0.54 | 1.28 | 3.13% | 1.79 | 0.80 |
| Valeo Ord Shs | 0.54 | 0.77 | 2.36% | 1.68 | 0.25 |
| Livent Ord Shs | 0.75 | 1.24 | 2.51% | 1.66 | 0.05 |
| SGL Carbon Ord Shs | 0.30 | 0.85 | 1.37% | 1.57 | 0.16 |
| Nippon Chemical Industrial Ord Shs | 0.58 | 1.33 | 2.83% | 1.50 | 0.47 |
| Fluor Ord Shs | 0.23 | 1.00 | 1.07% | 1.26 | 0.53 |
| Toyo Tanso Ord Shs | 0.43 | 0.72 | 1.97% | 1.21 | 0.43 |
| Ecopro Ord Shs | 0.56 | 0.85 | 2.06% | 1.06 | 0.67 |
| LG Chem Preferred Stock | 0.52 | 0.75 | 3.34% | 1.04 | 0.35 |
| Showa Denko Ord Shs | 0.50 | 0.91 | 2.26% | 0.97 | 0.58 |
| SK Innovation Pref Shs | 0.44 | 0.75 | 4.06% | 0.94 | 0.54 |

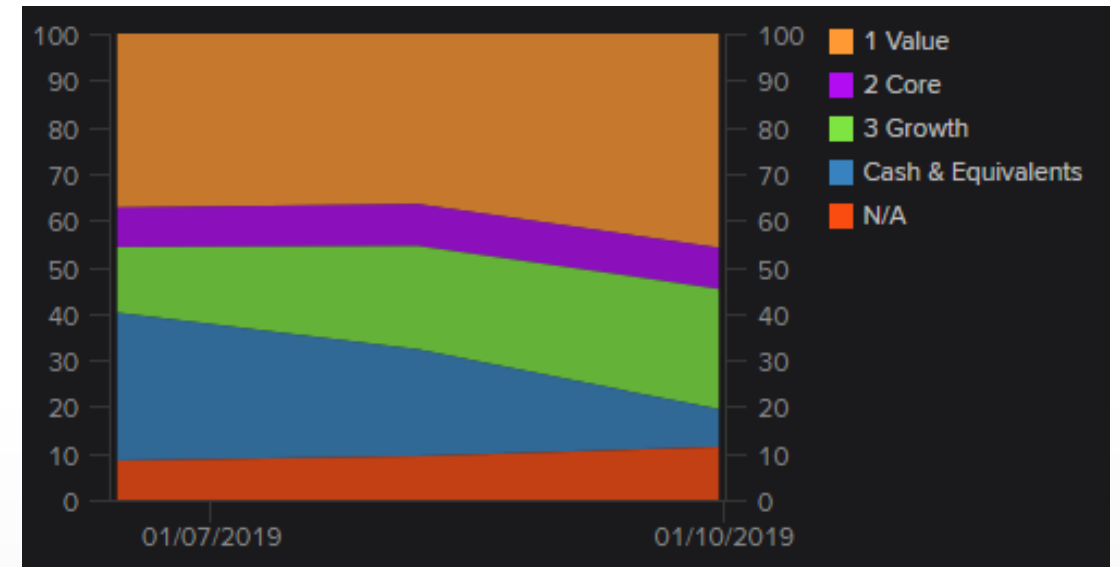
Source: MSCI RiskMetrics, Niche

Ex-ante analysis Multi-Factor risk *as of 30/09/2019*

Size Allocation



Style Allocation



Source: Thomson Reuters, Niche AM



Stress test – Absolute change of Shocks (+10% / -10%) by Region

Portfolio Value Changes as of 30/09/2019

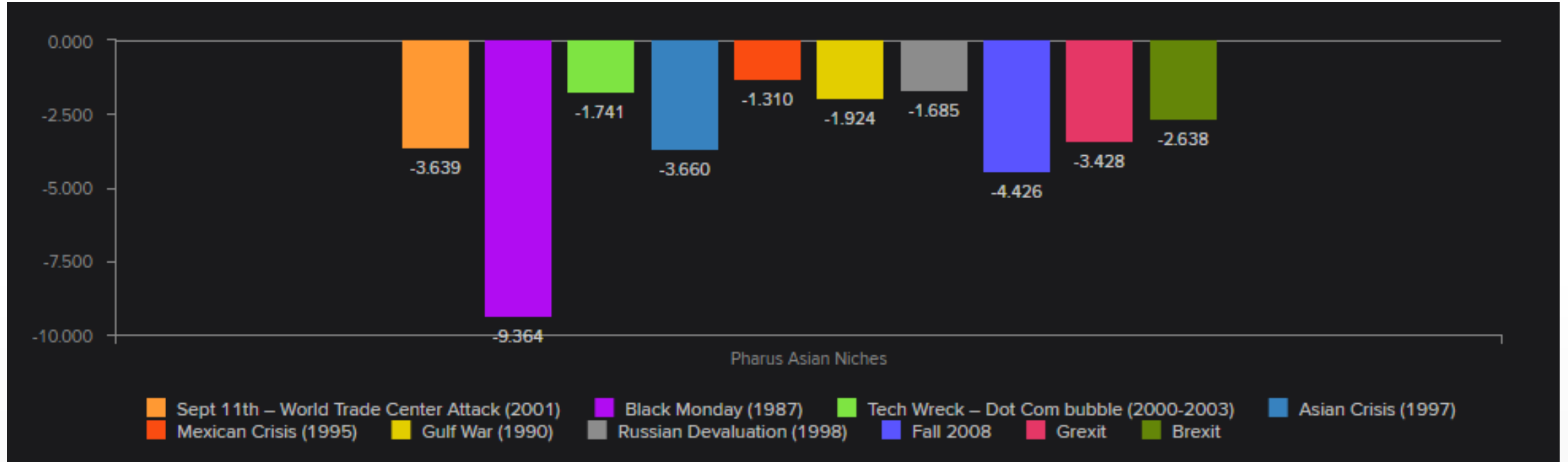
| | World Index | | Emerging Markets | | Europe | | Asia | |
|---------------------------------|------------------|---------------|-----------------------------------|---------------|--------------------------|---------------|-----------------------------|----------------|
| | MSCI World Index | | MSCI EM (Emerging Markets) in USD | | STOXX - Europe 600 Index | | MSCI AC Asia Pacific in USD | |
| | +10 % | -10 % | +10 % | -10 % | +10 % | -10 % | +10 % | -10 % |
| Pharus Electric Mobility | 8,42% | -8,20% | 9,37% | -9,20% | 8,13% | -7,84% | 11,92% | -11,39% |

Currency: EUR

Source: MSCI RiskMetrics

Stress test – Historical scenario

Portfolio Value Changes (as of 30 Sept' 19)



Source: MSCI RiskMetrics

Liquidation time horizon and stress test

| | 1 day | 5 days | 10 days | 20 days |
|--------------------------|-------|--------|---------|---------|
| Pharus Electric Mobility | 94% | 100% | 100% | 100% |

Source: Niche AM, Thomson Reuters

Assumptions for what regards the time it takes to liquidate assets for cash on a daily basis:

- *Equity: orders placed on the market at 20% of volumes; average 3 months volumes considered*
- *Fund: 5% of NAV*

Internal Liquidity requirement: at least 10% can be liquidated in one week and 40% in one month



Number of days necessary to liquidate 20% of the portfolio: 1 day

PORTFOLIO: FX hedging

Forex outright trades in place: YEN

| | 30-Sept-19 |
|---------------------------|--------------------|
| JPY Equity Exposure | 264.646.540 |
| JPY cash | 16.620.410 |
| Total JPY Exposure | 281.266.950 |

| Currency Pair | Settlement Date | <u>RATE</u> | Amount sold currency ex-euro | Amount bought in euro | Amount as a % of tot. LC expo | Maturity |
|---------------|-----------------|-------------|------------------------------|-----------------------|-------------------------------|------------|
| JPY | 27/09/2019 | 118,1750 | -163.000.000 | 1.379.310 | 58% | 20/12/2019 |

DISCLAIMER

This document, any presentation made in conjunction herewith and any accompanying materials are preliminary and for information only. They are not an offering memorandum, do not contain any representations and do not constitute or form part of an offer or invitation to subscribe for any of Niche's funds (each, the "Fund"). Further they do not constitute or form part of any solicitation of any such offer or invitation, nor do they (or any part of them) or the fact of their distribution, form the basis of, or can they be relied on, in connection with any contract therefor. The information contained in this report has been compiled exclusively by Niche Asset Management Ltd which is authorised and regulated by the Financial Conduct Authority (RN783048) and is registered in England & Wales 10805355. The information and views contained in this document are not intended to be complete and may be subject to change at any time. No representation, warranty or undertaking, stated or implied, is given as to the accuracy of the information or views in this document and no liability for the accuracy and completeness of information is accepted by Niche Asset Management Ltd and/or its partners. The investment strategy of the Fund is speculative and involves a substantial degree of risk of losing some or all of the capital invested. Market, political, counterparty, liquidity and other risk factors may have a significant impact on the investment objectives of the Fund, while past performance is not a guide or otherwise indicative of future results. **The distribution of this document and the offering of the Fund's shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.** The Fund is not yet available for distribution in all countries, it will be only subject to registration with the local supervisory Authority. Potential investors are invited to contact Niche Asset Management Ltd. in order to check registration countries. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction. Any reproduction of this information, in whole or in part, without the prior consent of Niche Asset Management Ltd is also prohibited. This document may only be communicated or passed to persons to whom Niche Asset Management Ltd is permitted to communicate financial promotions pursuant to an exemption available in Chapter 4.12 of the Financial Conduct Authority's Conduct of Business Sourcebook ("COBS") ("Permitted Recipients"). In addition, no person who is not an authorised person may communicate this document or otherwise promote the Fund or shares therein to any person in the United Kingdom unless such person is both (a) a Permitted Recipient and (b) a person to whom an authorised person is permitted to communicate financial promotions relating to the Fund or otherwise promote the Fund under the rules in COBS 4.12 applicable to such authorised person. The securities referenced in this document have not been registered under the Securities Act of 1933 (the "1933 Act") or any other securities laws of any other US jurisdiction. Such securities may not be sold or transferred to US persons unless such sale or transfer is registered under the 1933 Act or exemption from such registration. **This document is intended for professional investors only. Potential investors are recommended to read carefully the Prospectus and the Key Investor Information Document (KIID) before subscribing.**