

PHARUS SICAV ASIAN NICHES



NICHE
ASSET MANAGEMENT ■

Monthly Risk Report

31 October 2019

Pharus Asian Niches	
ISIN	Class A – LU1867072578
	Class B – LU1867072651
	Class Q (listed class) - LU1867072735

Summary

- Ex-ante analysis: VaR 1 month – 99%
- Portfolio: allocation & performance summary
- Equity Portfolio
- Bond Portfolio
- 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

Ex-ante analysis: VaR 1 month 99% as of 31/10/19

	VaR Alert Level		VaR 99% 1M Fund	VaR 99% 1M Fund (prev. month)
	I°	II°		
<i>Pharus Asian Niches</i>	-8,0%	-10,0%	-5,72%	-6,51%

- 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 – it's below the first limit internally set and below the maximum level stated by CESR guidelines on Risk Measurement (-20% VaR 1 day 99%)

VaR Sensitivity

	95% VaR	99% VaR
Historical 1D	-0,73%	-1,22%
Historical 1W	-2,72%	-2,72%
Historical 1M	-3,42%	-5,72%

Source: MSCI RiskMetrics, Niche AM

EQUITY PORTFOLIO: indices % price changes

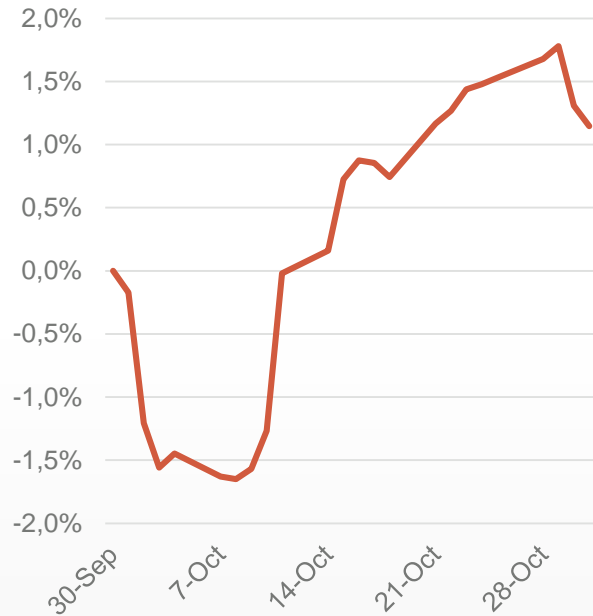
Indice	Price as of 31/10/19	% Price Change 1 month (local currency)	% Price Change 1 month (€)	% Price Change Since inception * (local currency)	% Price Change since inception * (€)
Pharus Asian Niches	100.57	1.15%	1.15%	0.57%	0.57%
<i>Electric Mobility</i>	-	2.81%	2.81%	-2.56%	-2.56%
5G	-	0.14%	0.14%	9.60%	9.60%
<i>Internet Victims</i>	-	4.39%	4.39%	4.04%	4.04%
<i>Small Cap Indonesia</i>	-	-0.20%	-0.20%	-2.95%	-2.95%
<i>Korea Reunification</i>	-	-1.37%	-1.37%	-12.67%	-12.67%
<i>Close the Gap</i>	-	-1.84%	-1.84%	-3.71%	-3.71%
<i>Neglected Luxury</i>	-	3.03%	3.03%	7.02%	7.02%
<i>Orphan Companies</i>	-	4.39%	4.39%	7.98%	7.98%
<i>Steel Substitution</i>	-	2.09%	2.09%	7.43%	7.43%
Korea (.KS200)	275.82	0.83%	0.98%	-3.53%	-5.85%
Tokyo Stock Exchange (.TOPX)	1667.01	4.99%	2.65%	4.06%	8.06%
Indonesia (.JKSE)	6228.32	0.96%	-0.21%	-4.15%	-2.28%
China (.HSI)	26906.72	3.12%	0.81%	-5.08%	-3.61%
MSCI Asia Pacific (.dMIPC00000PEU)	182.96	1.85%	1.85%	6.98%	6.98%
Bond High Yield	231.90	-0.06%	-0.06%	4.35%	4.35%

* 18/02/2019

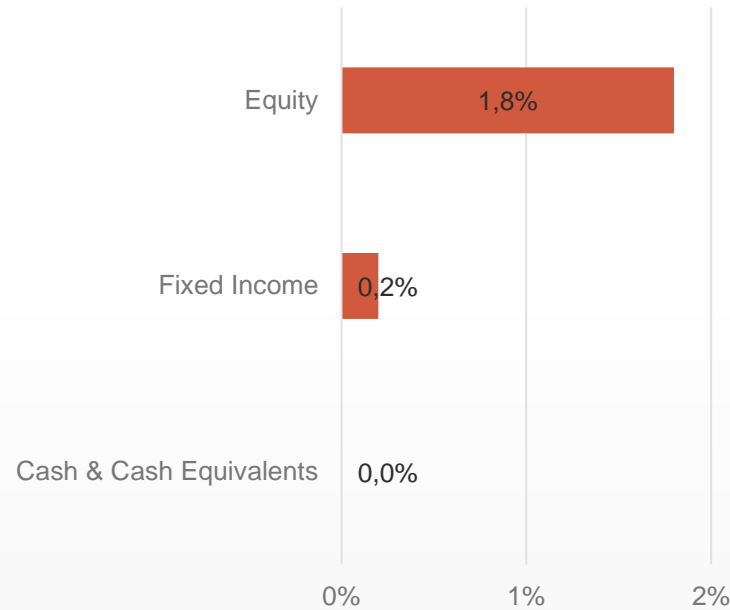
Source: Niche AM, Thomson Reuters

PORTFOLIO: allocation & performance summary

NAVps: 1,15% (30 September – 31 October '19)



Performance Breakdown by Asset Class (30 September – 31 October '19)



Equity Portfolio: weekly performance by sector (30 September – 31 October '19)

	Avge Weight	1 Month	
		Return	Contribution
Equity	60.5%	1.8%	1.1%
Communication Services	9.9%	3.5%	0.3%
Consumer Discretionary	8.7%	2.7%	0.2%
Consumer Staples	1.6%	-4.1%	-0.1%
Energy	0.3%	1.0%	0.0%
Financials	7.0%	-0.1%	0.0%
Industrials	8.6%	4.9%	0.4%
Information Technology	8.0%	-1.4%	-0.1%
Materials	9.0%	2.4%	0.2%
Real Estate	1.5%	1.4%	0.0%
Fund*	5.3%	2.9%	0.2%

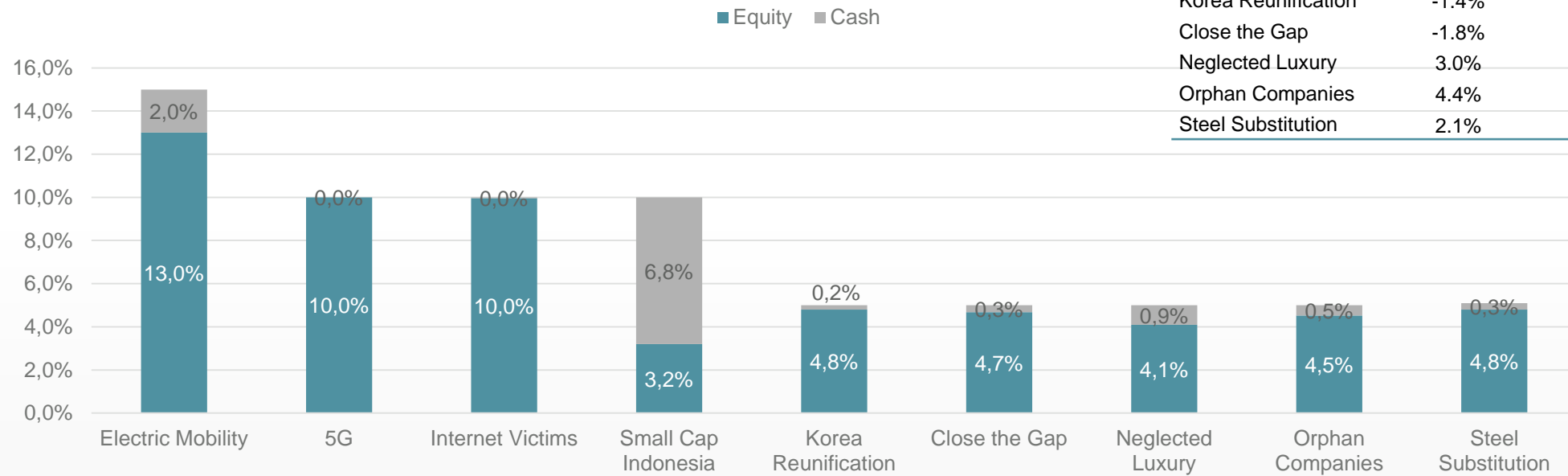
As of 31 October '19

AUM (€ mln) 17,265 mln

Source: Niche AM, Thomson Reuters
*Pharus Electric Mobility

EQUITY PORTFOLIO: Breakdown by Niches

Niches equity exposure as of 31 October '19

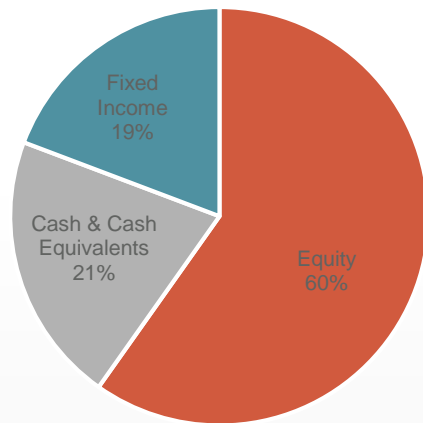


Niches Performance	1 Month	1 Month Pure Equity
Electric Mobility	2.8%	3.3%
5G	0.2%	0.2%
Internet Victims	4.3%	4.3%
Small Cap Indonesia	-0.2%	-0.6%
Korea Reunification	-1.4%	-1.4%
Close the Gap	-1.8%	-1.9%
Neglected Luxury	3.0%	4.1%
Orphan Companies	4.4%	4.8%
Steel Substitution	2.1%	2.2%

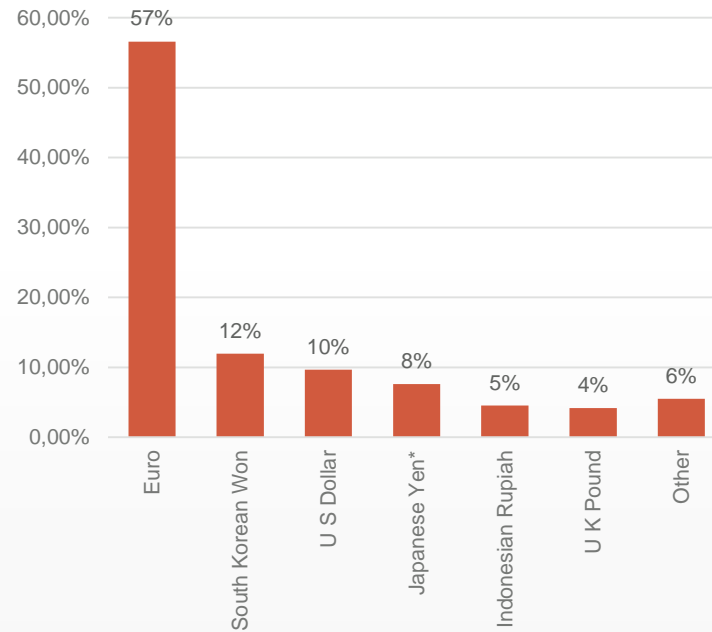
Weight % previous Month	13,1%	9,7%	9,6%	3,3%	4,8%	4,7%	3,8%	4,5%	4,8%
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PORTFOLIO: Allocation summary

**Breakdown by Asset Class
as of 31 October 2019**

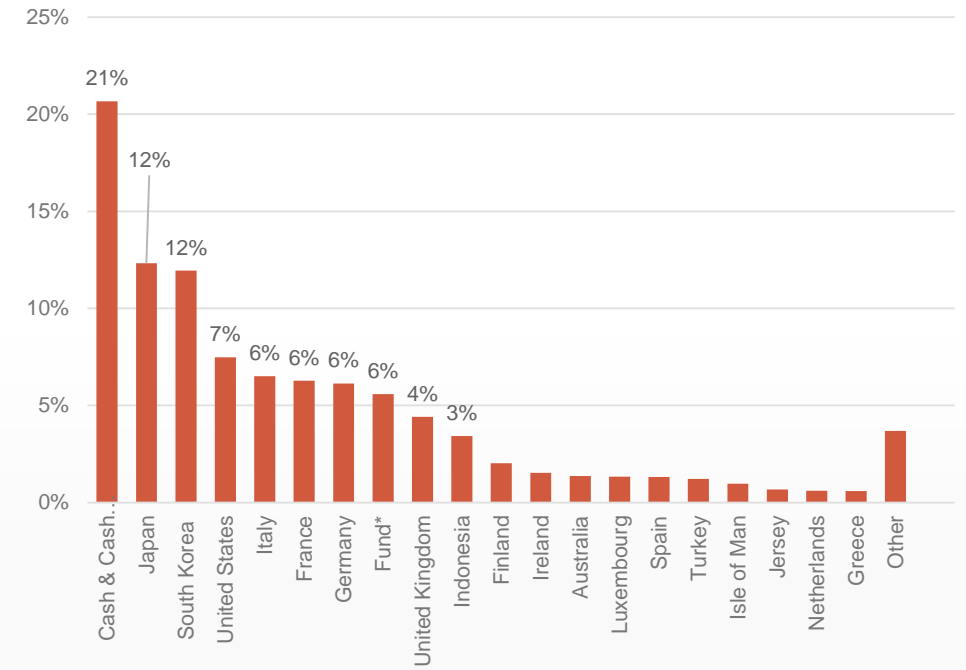


**Breakdown by Currency
as of 31 October 2019**



* net of JPY hedging

**Breakdown by Country
as of 31 October 2019**



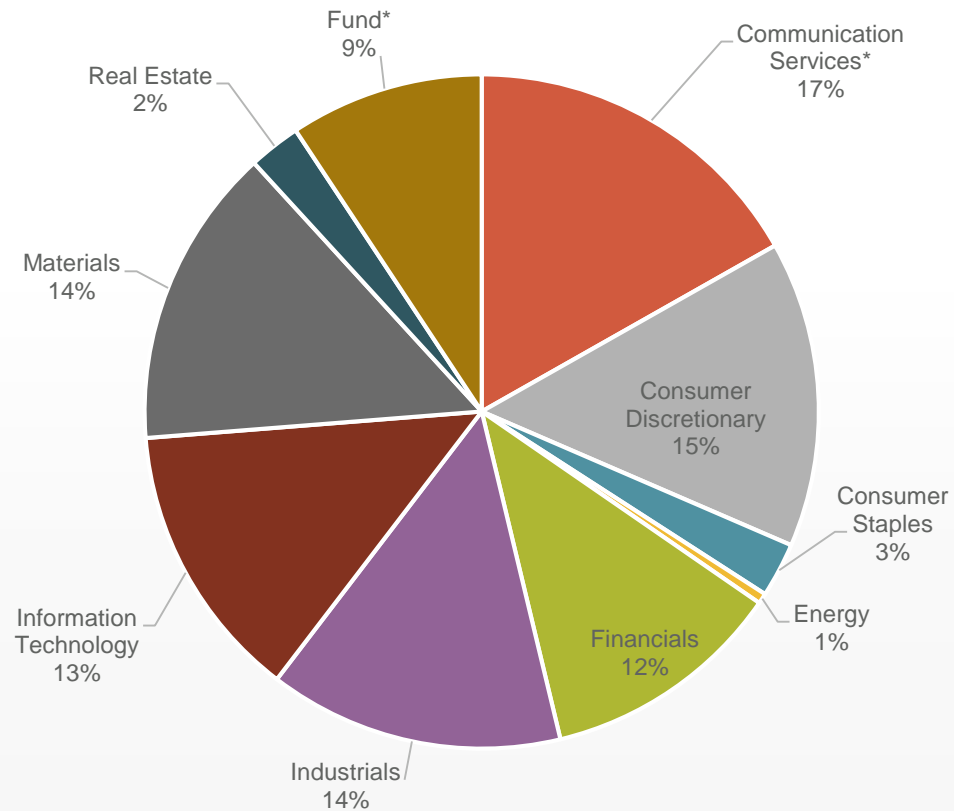
Source: Niche AM, Thomson Reuters
*Pharus Electric Mobility

EQUITY PORTFOLIO: allocation summary

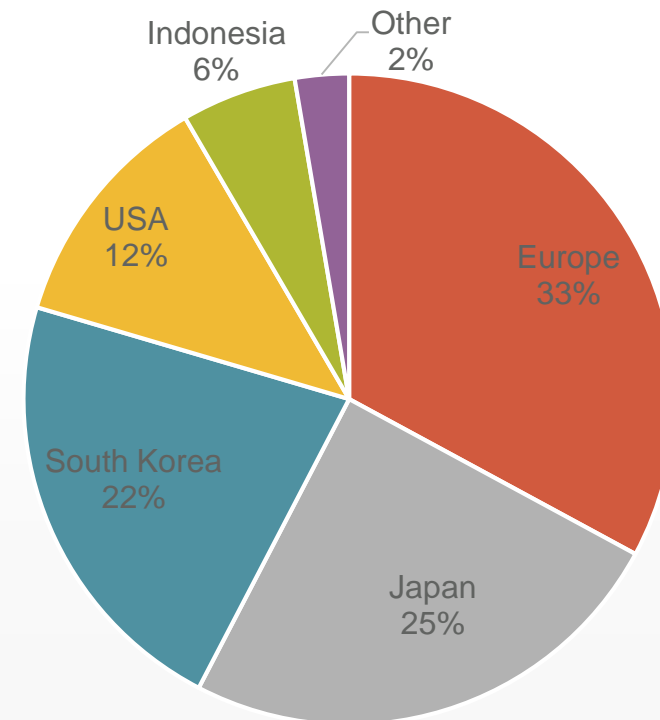
Equity Exposure: 60%

Equity Exposure previous month: 60%

Equity Breakdown by Sector as of 31 October 2019



Equity Breakdown by Country as of 31 October 2019



EQUITY PORTFOLIO: change in holdings (30 September – 31 October '19)

	Trade	End Portfolio Weight
Hewlett Packard Enterprise Ord Shs	BUY	0.12%
Publicis Groupe Ord Shs	BUY	0.10%
Nokia Ord Shs	ADD	0.89%
Alps Logistics Ord Shs	ADD	0.33%
G li R Ord Shs	ADD	0.13%
Pharus SICAV – Electric Mobility Niches Q Cap	ADD	5.57%
QUALCOMM Ord Shs	REDUCE	0.59%
Tomoe Engineering Ord Shs	SELL	0.00%
Doosan Solus 1P Pref Shs	SELL	0.00%
Doosan Fuel Cell 1P Pref Shs	SELL	0.00%
Deutsche Post Ord Shs	SELL	0.00%
Nippon Chemical Industrial Ord Shs	SELL	0.00%
TOYO Ord Shs	SELL	0.00%
Bpost Ord Shs	SELL	0.00%

EQUITY PORTFOLIO: Monthly performance (30 September – 31 October 19)

Top performers*

	1 Month (Portfolio)		
	Avg Weight	Return	Contribution
Doosan Solus 1P Pref Shs	0.0%	128.2%	0.0%
Nippon Chemical Industrial Ord Shs	0.2%	40.0%	0.1%
Ctt Correios De Portugal Ord Shs	0.2%	34.8%	0.1%
Bed Bath and Beyond Ord Shs	0.1%	25.8%	0.0%
Tanaka Chemical Ord Shs	0.3%	18.7%	0.1%
Stella Chemifa Ord Shs	0.2%	18.2%	0.0%
BT Group Ord Shs	0.8%	18.0%	0.1%
KEMET Ord Shs	0.2%	16.9%	0.0%
Fiat Chrysler Automobiles Ord Shs	0.1%	15.6%	0.0%
Avaya Holdings Ord Shs	0.2%	15.5%	0.0%
Indosat Ord Shs	0.1%	15.1%	0.0%
Furukawa Electric Ord Shs	0.3%	15.1%	0.0%
Daimler Ord Shs	0.5%	14.9%	0.1%
Barclays Ord Shs	0.4%	14.8%	0.1%
Hewlett Packard Enterprise Ord Shs	0.1%	14.7%	0.0%
Office Depot Ord Shs	0.3%	14.7%	0.0%
NEC Networks & System Integration Ord Shs	0.3%	14.4%	0.0%
Reach Ord Shs	0.3%	14.1%	0.0%
Dixons Carphone Ord Shs	0.2%	13.6%	0.0%
GEDI Gruppo Editoriale Ord Shs	0.2%	13.3%	0.0%
Tokyo Energy & Systems Ord Shs	0.6%	12.9%	0.1%
Doosan Fuel Cell 1P Pref Shs	0.0%	12.6%	0.0%
Skyworks Solutions Ord Shs	0.3%	12.3%	0.0%
Nippon Kodoshi Ord Shs	0.2%	12.3%	0.0%
Tokyo Sangyo Ord Shs	0.5%	12.0%	0.1%
Samsung C&t Ord Shs	0.4%	11.7%	0.0%
ITV Ord Shs	0.3%	11.5%	0.0%
Nippon Chemi Con Ord Shs	0.2%	11.4%	0.0%
Asahi Kasei Ord Shs	0.2%	11.3%	0.0%
Telefonica Deutschland Holding Ord Shs	0.5%	11.2%	0.1%
Porsche Automobil Holding Pref Shs	0.2%	10.6%	0.0%
Interfor Ord Shs	0.2%	10.3%	0.0%
Ecopro Ord Shs	0.3%	9.9%	0.0%

Bottom performers

	1 Month (Portfolio)		
	Avg Weight	Return	Contribution
Nokia Ord Shs	0.7%	-29.2%	-0.2%
Ribbon Communications Ord Shs	0.4%	-28.2%	-0.1%
Resolute Forest Products Ord Shs	0.2%	-24.7%	0.0%
Syrah Resources Ord Shs	0.2%	-20.9%	0.0%
Albemarle Ord Shs	0.4%	-14.6%	-0.1%
Masi Agricola Ord Shs	0.2%	-14.2%	0.0%
Renault Ord Shs	0.5%	-13.1%	-0.1%
Avnet Ord Shs	0.2%	-13.1%	0.0%
Sri Rejeki Isman Ord Shs	0.2%	-11.7%	0.0%
HP Ord Shs	0.1%	-10.3%	0.0%
International Business Machines Ord Shs	0.3%	-10.1%	0.0%
Ceconomy Ord Shs	0.2%	-8.9%	0.0%
Shinsegae I&C Ord Shs	0.2%	-8.7%	0.0%
Lanson-Bcc Ord Shs	0.4%	-8.2%	0.0%
Mediaset Espana Comunicacion Ord Shs	0.2%	-7.3%	0.0%
Shinsegae Food Ord Shs	0.1%	-7.1%	0.0%
Gap Ord Shs	0.1%	-7.1%	0.0%
Commscope Holding Ord Shs	0.1%	-6.9%	0.0%
POSCO Ord Shs	0.2%	-6.7%	0.0%
Television Francaise 1 Ord Shs	0.1%	-6.6%	0.0%
Bank Tabungan Negara (Persero) Ord Shs	0.1%	-6.2%	0.0%
Imerys Ord Shs	0.4%	-6.1%	0.0%
TE Connectivity Ord Shs	0.1%	-6.1%	0.0%
Toray Industries Ord Shs	0.3%	-6.1%	0.0%
Pitney Bowes Ord Shs	0.1%	-5.9%	0.0%
Deutsche Bank Ord Shs	0.1%	-5.5%	0.0%
Woori Financial Group Ord Shs	0.2%	-5.5%	0.0%
Covestro Ord Shs	0.2%	-5.2%	0.0%
Seronics Ord Shs	0.2%	-5.0%	0.0%
Paninvest Ord Shs	0.2%	-4.8%	0.0%
Macys Ord Shs	0.6%	-4.7%	0.0%
Sociedad Quimica y Minera de Chile Rep 1 Ord Shs	0.1%	-4.4%	0.0%
Hana Financial Group Ord Shs	0.5%	-4.3%	0.0%

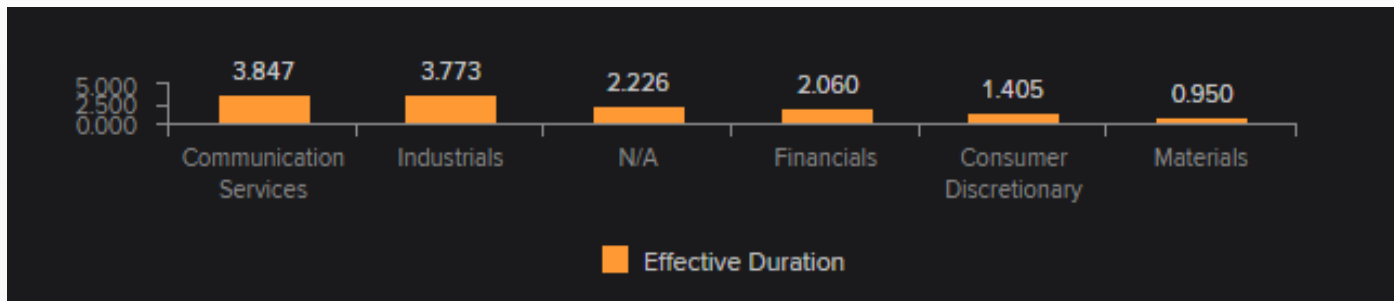
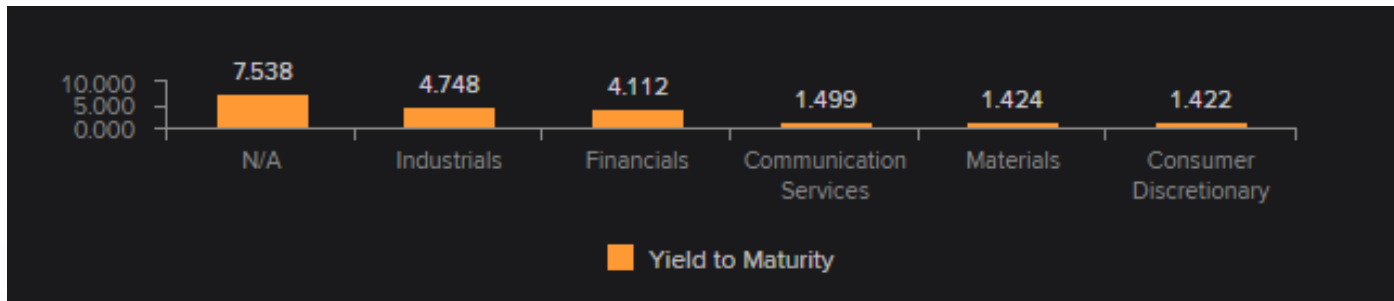
*Sorted from highest to lowest by returns

BOND PORTFOLIO*: Characteristics

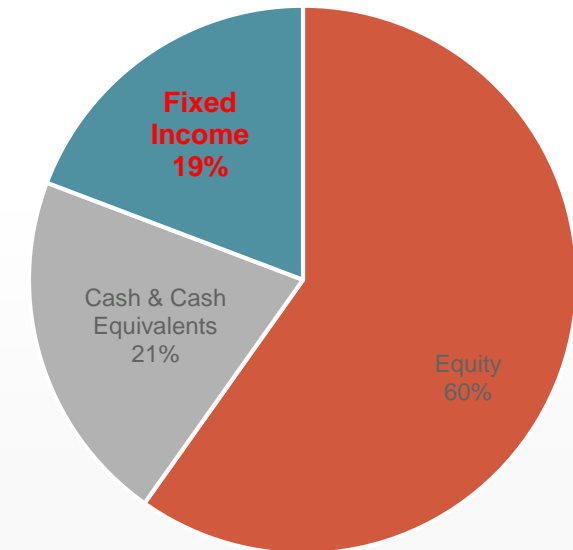
Coupon	4.39
Yield to Maturity	3.93
Yield to Worst	3.73
Average Life (yrs) to Maturity	2.61
Modified Duration to Maturity	2.43

*Metrics include the «Bond portfolio» and «Cash management portfolio»

Top/Bottom 5 Sectors by Yield to Maturity and by Effective Duration

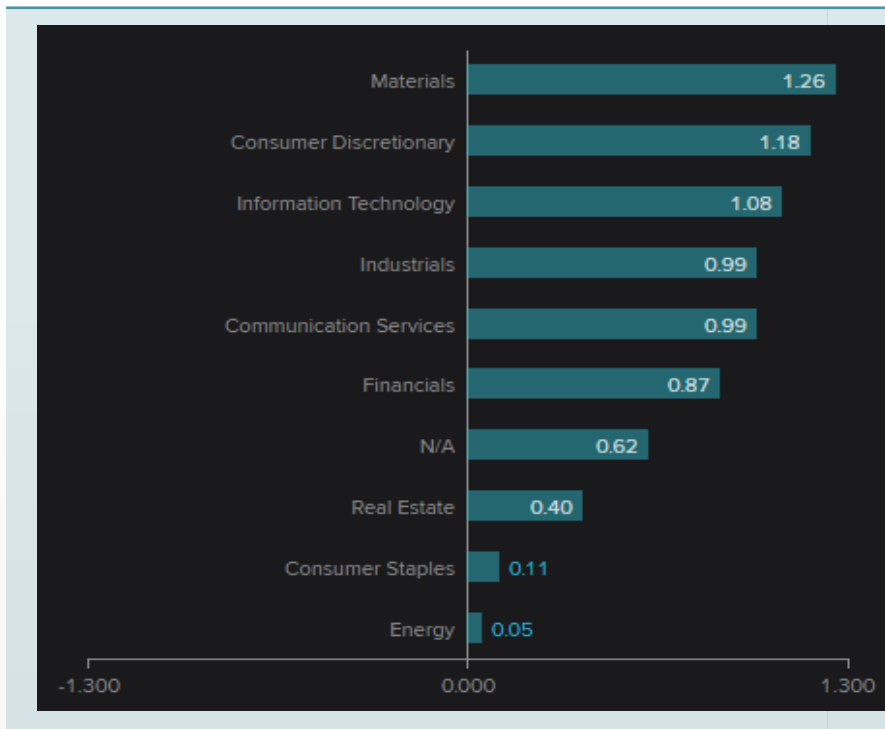


Breakdown by Asset Class as of 31 October '19

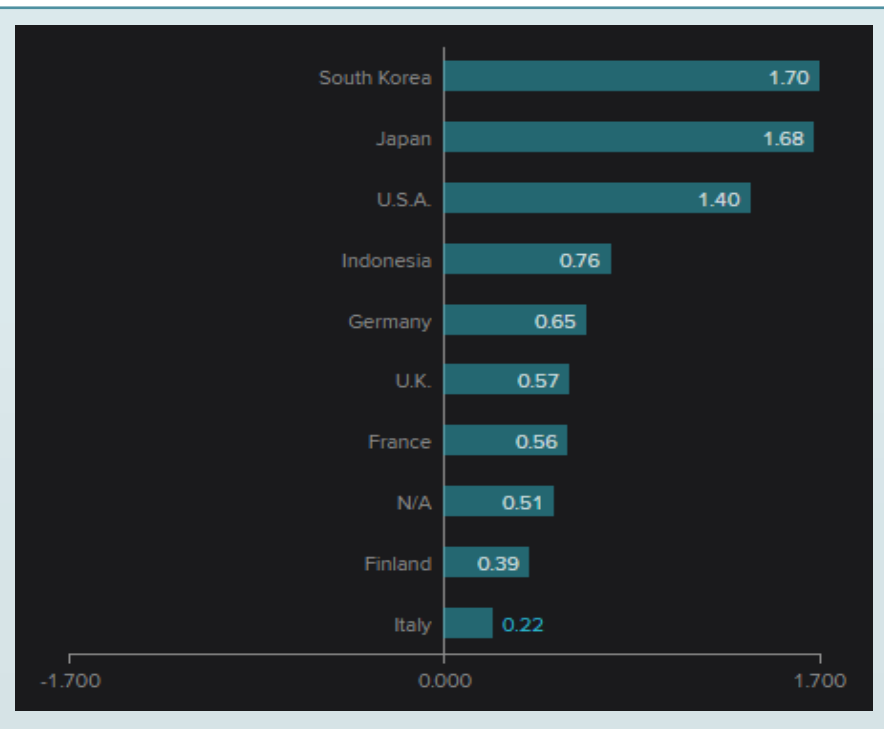


Ex-ante analysis: VaR 1 month 99% as of 31/10/19

**VAR 1M – 99% BY GICS SECTOR
AS OF 31/10/2019**



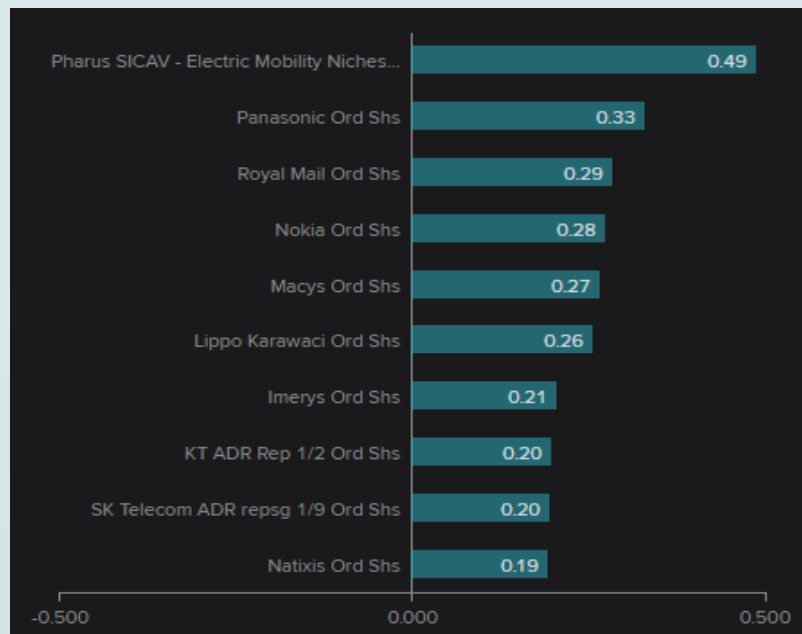
**VAR 1M – 99% BY COUNTRY
AS OF 31/10/2019**



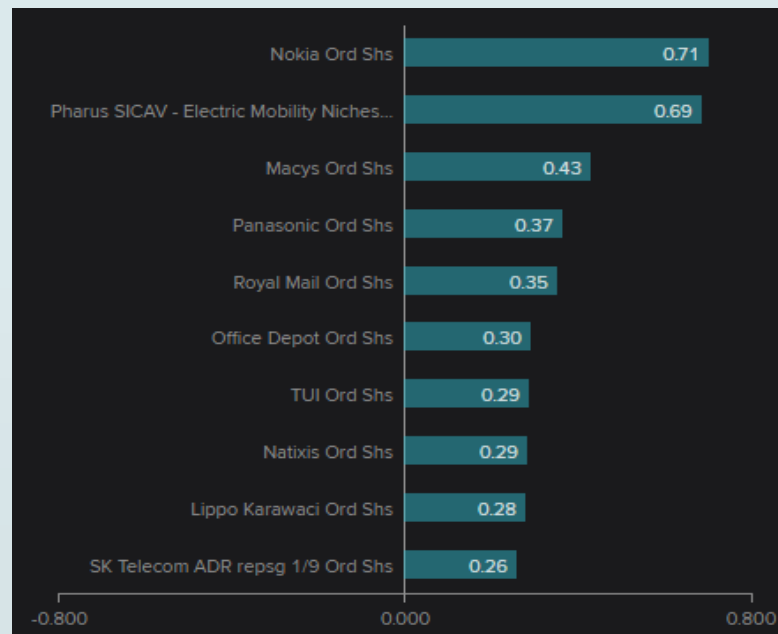
Source: MSCI RiskMetrics, Niche

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

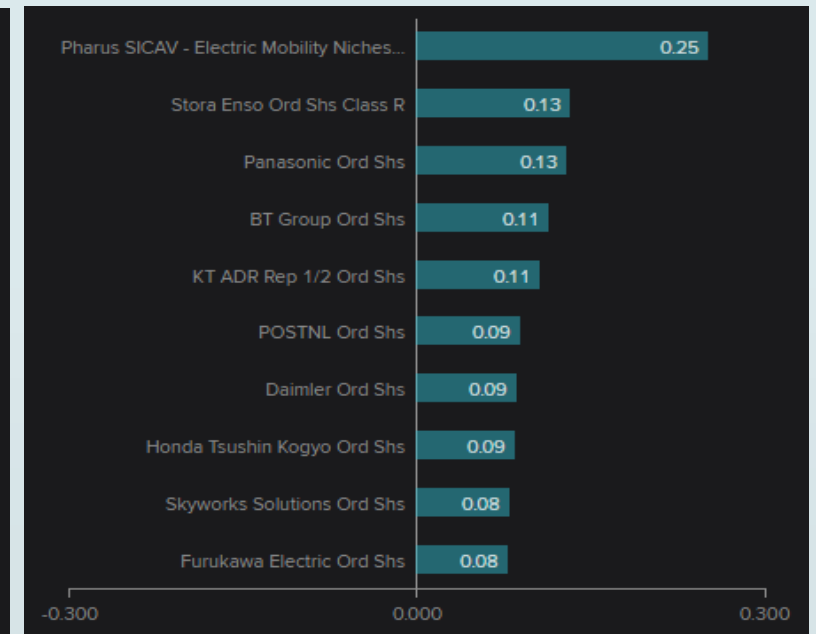
**VAR TOP 10 SECURITIES
AS OF 31/10/2019**



**CVAR TOP 10 SECURITIES
AS OF 31/10/2019**



**MVAR TOP 10 SECURITIES
AS OF 31/10/2019**



Ex-ante analysis: Top securities which are contributing the most to total active risk (sorted by Expected Shortfall) as of 31/10/19

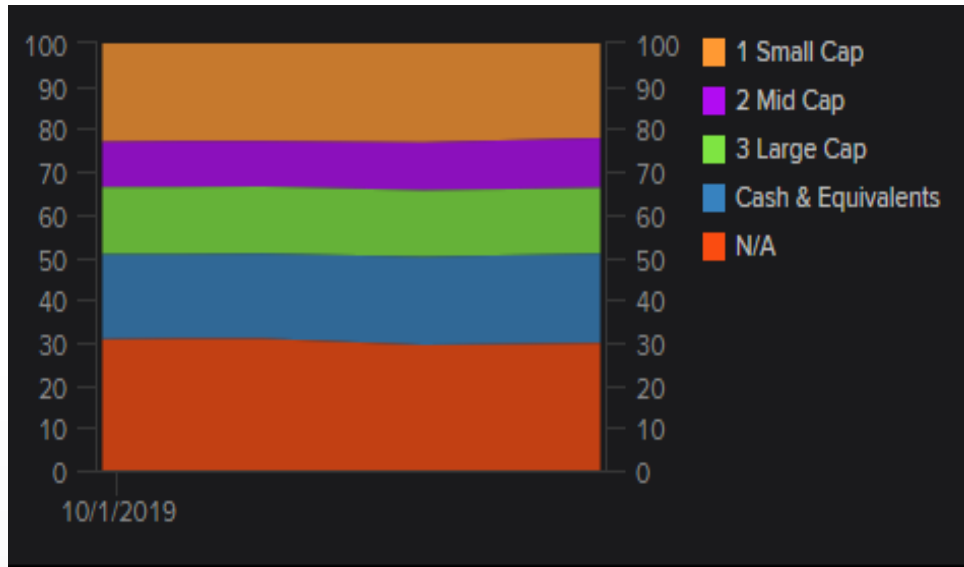


	VaR 1M 95%	VaR 1M 99%	Portfolio Weight %	CVaR 1M 99%	Marginal VaR
Pharus Asian Niches	3.42	5.72	100.00%	7.60	5.72
Nokia Ord Shs	0.11	0.28	0.89%	0.71	0.08
Macys Ord Shs	0.12	0.27	0.61%	0.43	0.07
Panasonic Ord Shs	0.14	0.33	1.23%	0.37	0.13
Royal Mail Ord Shs	0.12	0.29	0.63%	0.35	0.05
Office Depot Ord Shs	0.10	0.15	0.36%	0.30	0.06
TUI Ord Shs	0.08	0.16	0.43%	0.29	0.07
Natixis Ord Shs	0.09	0.19	0.64%	0.29	0.02
Lippo Karawaci Ord Shs	0.12	0.26	0.76%	0.28	0.07
SK Telecom ADR repsg 1/9 Ord Shs	0.11	0.20	1.34%	0.26	0.05
Imerys Ord Shs	0.07	0.21	0.41%	0.26	0.07
QUALCOMM Ord Shs	0.09	0.19	0.59%	0.26	0.04
Matahari Department Store Ord Shs	0.07	0.17	0.28%	0.25	0.02
Ribbon Communications Ord Shs	0.05	0.15	0.29%	0.24	-0.01
KDDI Ord Shs	0.04	0.09	0.43%	0.23	-0.02
Toyo Tanso Ord Shs	0.07	0.14	0.37%	0.23	-0.10
KT ADR Rep 1/2 Ord Shs	0.12	0.20	1.49%	0.22	0.11
Renault Ord Shs	0.07	0.15	0.46%	0.21	0.05
Lippo Cikarang Ord Shs	0.10	0.16	0.40%	0.21	0.07

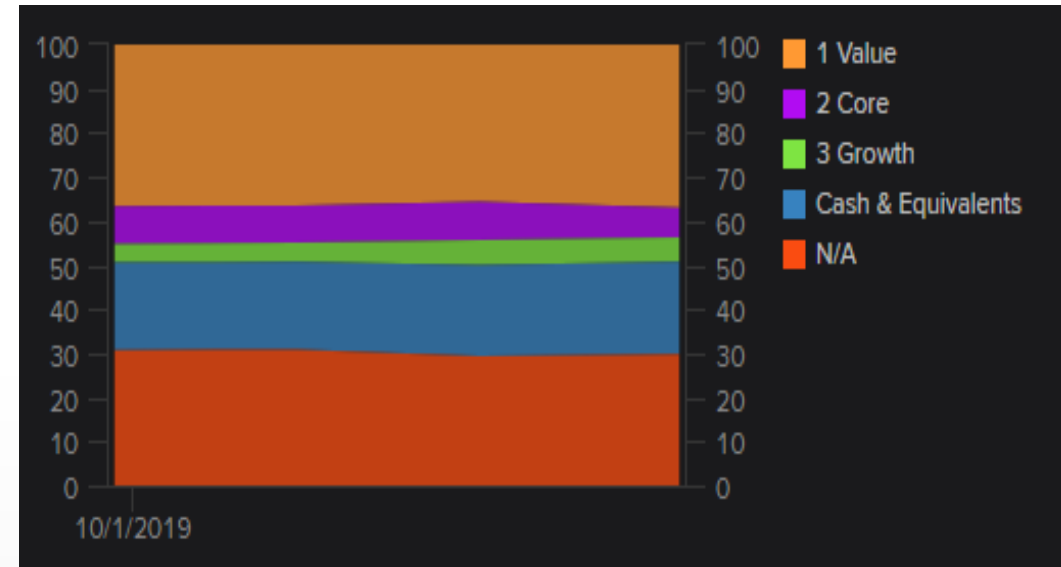
Source: MSCI RiskMetrics, Niche

Ex-ante analysis Multi-Factor risk *as of 31/10/2019*

Size Allocation



Style Allocation



Source: Thomson Reuters, Niche AM



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

Portfolio Value Changes as of 31/10/19

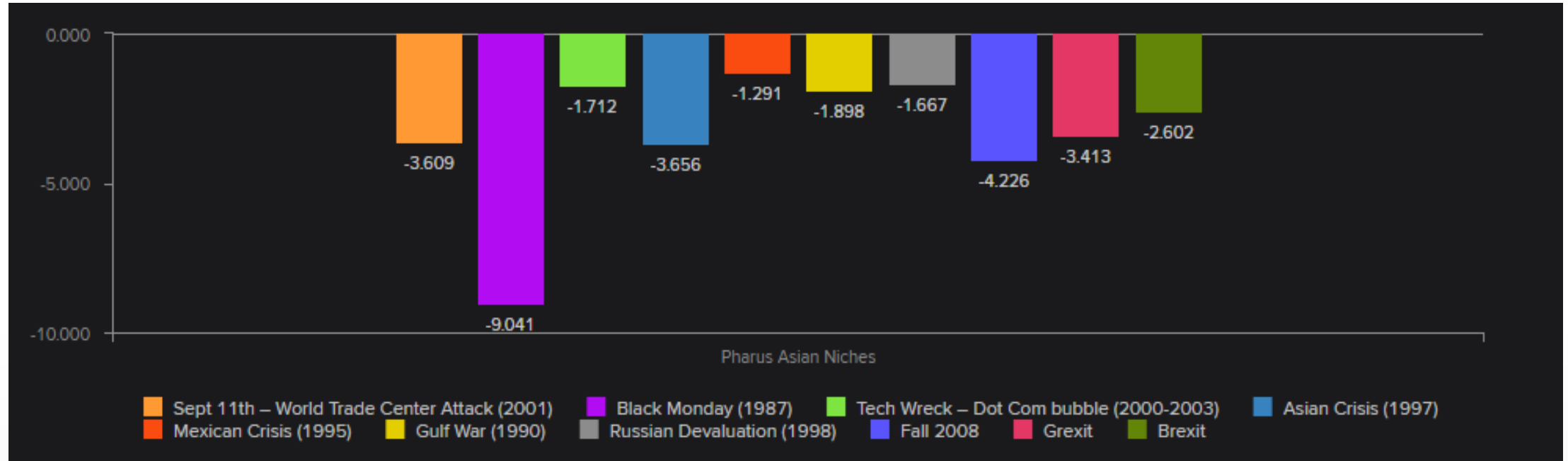
	World Indices		Emerging Markets		Europe		Asia	
	MSCI World Index		MSCI EM (Emerging Markets) in USD		STOXX - Europe 600 Index		MSCI AC Asia Pacific in USD	
	+10 %	-10 %	+10 %	-10 %	+10 %	-10 %	+10 %	-10 %
Pharus Asian Niches	3.96%	-3.94%	4.04%	-4.10%	3.98%	-3.97%	4.30%	-4.31%

Currency: EUR

Source: MSCI RiskMetrics

Stress test – historical scenario

Portfolio Value Changes



Source: MSCI RiskMetrics

Liquidation time horizon and stress test

	1 day	5 days	10 days	30 days
Pharus Asian Niches	90.6%	97.3%	98.7%	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*
- *Fixed income: 0,05% amount outstanding*
- *ETF (Equity and Fixed income): 1 day*
- *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

	31-Oct-19
JPY Equity Exposure	254,091,967
JPY cash	33,567,444
Total JPY Exposure	287,659,411

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	28/09/2019	118,1025	-131.300.000	1.111.746	46%	20/12/2019

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