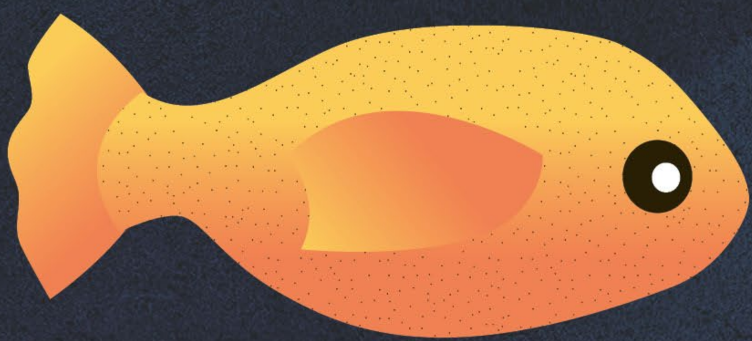
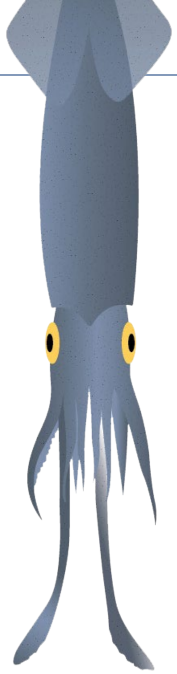
Quarterly update
March 2023



ocean of opportunities

bonafide



Overview of our funds
as at 31/03/2023

"What we know is a drop, what we don't know is an ocean."

Isaac Newton

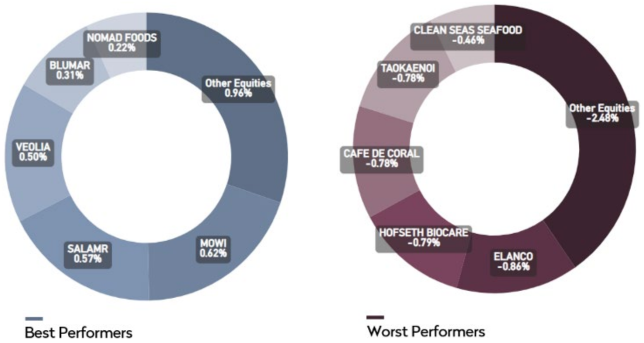
as at 31/03/2023	NAV	Δ3m	Δ12 m	Δ3 y	Δ5 y	return s.i. (p.a.)	Total AuM in Mio. CHF
Bonafide Global Fish Fund EUR	221.80	-2.33%	-10.81%	28.81%	21.84%	7.65%	
Bonafide Global Fish Fund EUR -A-	102.76	-2.35%	-10.82%	28.67%	21.58%	3.38%	
Bonafide Global Fish Fund EUR -B-	98.82	n/a	n/a	n/a	n/a	n/a	
Bonafide Global Fish Fund CHF	138.24	-2.10%	-12.87%	23.25%	4.70%	6.45%	
Bonafide Global Fish Fund CHF -A-	97.23	-2.08%	-12.76%	23.63%	5.85%	2.06%	
Bonafide Global Fish Fund USD	126.99	-1.41%	-11.21%	31.77%	13.32%	3.87%	206
Best Catches I EUR	1'079.08	-7.05%	-9.00%	36.13%	n/a	1.99%	24
Opportunities I GBP	107.69	-3.14%	-4.41%	n/a	n/a	5.07%	3
HBC I NOK	339.94	-21.88%	-48.13%	n/a	n/a	-49.47%	3
HBC II NOK	338.09	-21.75%	-47.85%	n/a	n/a	-54.40%	6

Strong fundamentals, weak currencies, growing demand and a disappointing quarter

Our portfolio companies presented solid sets of figures and encouraging future prospects in Globo. Debts were reduced, sales increased and inflationary pressure was successfully mastered on the cost side. Nevertheless, the development of share prices since mid-February has been disappointing. At the same time, some important currencies for the Bonafide Global Fish Fund, especially NOK and JPY, depreciated significantly and further spoiled performance. This despite partial hedging. Bonafide Global Fish Fund -EUR- returned -2.33% in the first quarter of 2023. To a certain extent, a "breather" can be spoken of as the fund was able to show a positive performance of +12.47% in Q4 2022. Especially since numerous fish prices have levelled off at significantly higher levels than in the past and promise a prosperous future.

A mixed picture after the first quarter

Contribution to the performance of the Bonafide Global Fish Fund in %



Yields even without a share price upswing?

The portfolio currently has a price-to-book ratio of 1.3x. Investors last saw such a low level in March 2020 at the beginning of the pandemic. In the meantime, companies have created value on a fundamental basis and have successfully weathered crises. In parallel, a multiple contraction occurred on the capital market and punished the companies. It is difficult to find a reason, especially since food producers operate defensive and long-term business models – "people always eat". Investors will be rewarded for their patience with lavish dividends in 2023. 40% of the portfolio has an expected dividend yield of 5% or more in 2023 – it's payday for shareholders.

Historic breakthrough for the world's oceans

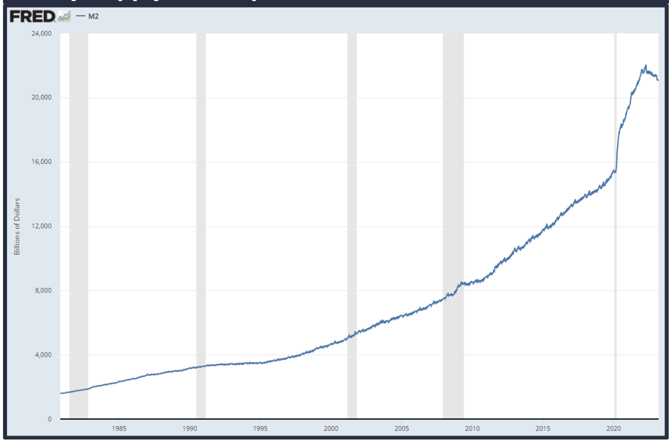
Ocean areas beyond national jurisdiction, also known as the high seas, are given their own legal protection after decades of negotiations. In March, the United Nations agreed on an agreement to protect the world's oceans. The high seas cover almost two thirds of the oceans and are of central importance for humans and climate protection.

Webinar on 18. April 2023

We are pleased to invite you to our next webinar on 18 April 2023 at 9.00 am (CET). Our experts will look back on the past quarter and venture a glimpse into the upcoming summer months. Register right now on our website: **www.bonafide-ltd.com**.

Research/Portfolio Management

Money supply development M2 in the US



Source: FRED, St. Louis Fed, 3 April 2023

Stock market environment in Q1/23

Anyone who thought the financial markets would calm down was once again wrong. However, measured by the "bare" figures, i.e. the volatility, it was on average the calmest quarter since the end of 2021. As you can see, there are always arguments for or against. It is important to know the underlying trends, facts and details. For investors in Credit Suisse's subordinated AT1 bond, that would have been the "small print", as a "*too big to fail*" bank supposedly cannot go bankrupt. And that brings us to the top event of the first 90 days. Under pressure from the major Western powers, little Switzerland ordered an expropriation that was considered impossible in the Swiss legal system. Shareholders are now paying the bill for waving through million-dollar salaries year after year for obviously poor management performance. Active ownership would definitely look different, but in the end no one is to blame for the trust lost over the years, as everyone points the finger at each other. The governments of this world play a central role by no longer allowing crises to separate the wheat from the chaff. It is the same old pattern: Bad times are bad for re-election, so you use whatever you can, including emergency law at worst, to avoid an economic downturn. It will be geopolitically interesting to see how the Middle East reacts to this public disgrace as it is the largest shareholder in the "forcibly sold" bank. A first oil production cut to keep the supply of black gold low was undertaken at the beginning of April. Will the price of oil break through $100 a barrel again soon? Is this causing the world to experience a second wave of energy inflation? It is up to the resource-rich countries whether Europe likes it or not.

On the other side of the Atlantic, things are also going wrong in the financial sector. No bank can survive a "run" on deposits triggered by fear of losses. The only question is, how did it come to this? In the case of Silicon Valley Bank (SVB), it was the highly concentrated clientele (mostly the tech scene in California) that caused panic, as well as the lax regulation for financial institutions of this size (Donald Trump says hi). How many smaller US banks are running similarly risky business models? After all, the balance sheet total of the "small" SVB represented almost one percent of the gross domestic product of the US. And what are its bank managers doing? In view of an impending "bank run", would you want to grant further illiquid loans to smaller companies and private individuals, or would you rather buy safe government bonds that can be exchanged for cash at the Fed at any time? Together with the reduction of the money supply by the Federal Reserve (see graph), important sources of financing are drying up for the real economy, which will probably lead to a credit crunch. In the land of unlimited opportunities, there will soon no longer be unlimited credit. Will the accumulated capital, which lies dormant in houses or portfolios, then begin to be used up? Or will the economic engine start to sputter as a result of consumer restraint? Only time will tell.

While the Bloomberg world stock index advanced by around 6% in EUR, the stock market in Japan, as measured by Topix, rose by just over 4% in EUR. At the beginning of April, the somewhat surprisingly elected central bank chief Kazuo Ueda took over from his predecessor Haruhiko Kuroda, who had been in office for ten years. A turnaround in monetary policy could be imminent. Turning away from the zero interest rate policy would allow domestic investors higher yield opportunities in their own country. The policies of recent years have allowed the Japanese to invest more and more abroad. A numerical example: Japan holds US Treasury bonds with a face value of over USD 1,100 billion out of a total of USD 7,300 billion, which foreign investors are lending to the United States in total. If parts of it are now repatriated, the domestic stock market, which has a total capitalization of USD 5,400 billion, will also receive a tailwind.

Developments in our sector

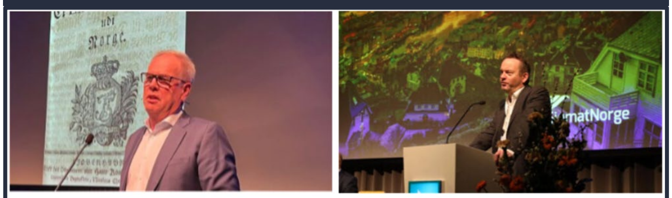
Despite a pleasing start, the investment community in the Global Fish Fund had a difficult quarter to digest. The negative fund return of -2.33% in EUR was not convincing in comparison to the general stock markets. Sentiment shifted in mid-February during the numbers season, although solid sets of figures and outlooks were presented in a portfolio context. However, the loser stocks were severely punished, while those companies that managed to surprise made modest gains. More on this in the following sections. A major event took place in the Fish & Seafood trade. While the wealthy western markets of Europe and the US have so far acted as large net importers, China joined them for the first time in 2022. Within 10 years, the commercial value of China's seafood imports has more than tripled from USD 7 billion to USD 22 billion. At the same time, exports have risen only modestly, creating a trade deficit that is unlikely to close given the increasing prosperity of the Chinese population. A new sign to show how great the global demand and hunger for healthy proteins from water is.

Once again, currencies weighed heavily on fund returns. The Norwegian Krone lost almost 7% against EUR, which cost the fund just under 1.3%-points despite hedging transactions. The currency pair is now trading again at the parity level according to the purchasing power model with producer prices as the underlying basket. This means that on a fundamental basis there is currently no overvaluation or undervaluation against the Euro. A weaker domestic currency is beneficial for exporters, but the Norwegian stocks in the portfolio have not priced this in yet. Third-party analysts will have to increase their estimates until the broader market takes note of this "phenomenon". The Japanese yen cost the fund 0.3%-points. The Chilean peso, on the other hand, advanced by 5% and made a contribution of 0.6%-points.

Update on Norwegian resource tax on salmon farms

The political fiasco in Norway continued in the new year. The members of the government still seem to be unaware of the consequences of their actions. Rather than providing clarity, they created additional confusion earlier in the year with conflicting interviews in local newspapers. The fact that they are playing with the confidence of industrialists and investors shows how being prosperous in a rich country like Norway can go to your head. Even the poll figures for the next elections in 2025, where the co-ruling Labour Party is currently losing almost 10% of the vote, do not allow any insight into their own mistakes. Instead, the conservative party ("Høyre"), which has made strong gains, has already announced on its anniversary in mid-March that it will abolish the anti-growth resource tax under its cabinet, if it is introduced. After allowing industry until 4 January 2023 to submit feedback on the new tax, the government announced mild adjustments to its proposal on 28 March 2023. The tax rate is to drop from 40% to 35%. A few days earlier, the prime minister spoke of significant changes in parliament. Another affront to Norway's most promising future industry.

Headlines on ilaks.no



- The most anti-industry government in my lifetime

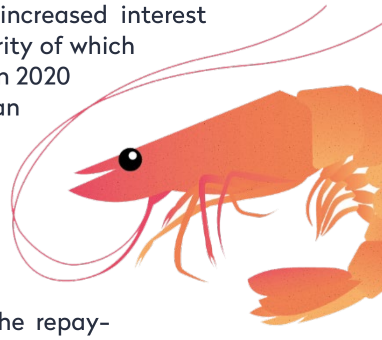
- We are disappointed because they have not listened, and we are worried because they have not understood

Source: ilaks.no, 28 March 2023

The government's proposal now goes to parliament, where a final vote can be expected at the end of May at the earliest, more likely at the end of June. We are a long way from a broadly accepted consensus solution that was initially desired. Certain market participants are already looking ahead to 2025, when new elections should take place. The current political phase is strongly reminiscent of the cycle in Chile almost four years ago. Radical solutions are usually a "shot in the foot". Chile has a more conservative parliament today than when the 2019 riots began.

Negative contributions to returns

The US animal health company Elanco Animal Health was once again at the bottom of the table (-0.8%-points). The guidance 2023 of earnings per share of 78 US cents missed market expectations by a hefty 20%. The underlying business is only responsible for a small part of the failure. Much more painful are the sharply increased interest costs for debt capital, the majority of which come from the Bayer takeover in 2020 and which will cost each share an additional 15 US cents p.a. in interest. The capital market, as well as we, had far too little of this on its radar. It is also a problem that in 2023 the cash flow from the operating business will be modest, so that the repayment of the debt will not progress quickly enough. Somewhat forgotten is the fact that Elanco will make annual savings from the integration of Bayer Animal Health. Likewise, the pipeline is well filled with new potential blockbuster drugs. The valuation has halved to 12x P/E ratio, which is fundamentally very attractive. Whether the bottom has already been reached seems questionable. The time for a rebalancing or an increase is premature. The Norwegian company Hofseth BioCare (-0.6%-points) was able to double its sales in Q4/22. However, it is still not enough to generate positive cash flow. Some investors threw in the towel, which quickly led to an unrealised price loss of more than 20% in the rather illiquid stock. The restaurant operator Café de Coral (-0.8%-points) from Hong Kong follows in third place. The share price advance of almost 65% in Q4/22 as a result of China's reopening was followed by a share price slide of 30%. Apart from a quality problem in a small subsidiary, no events took place that explain the decrease of the share price. Long-term investors rebalance their quota at both highs and lows, as the assessment has not changed. The share price falls of Taokaenoi (-0.8%-points) and Clean Seas Seafood (-0.5%-points) are surprising. Both the seaweed snack manufacturer from Thailand and the Australian producer of yellowtail kingfish confirmed their upward trend and did so with reports of figures that exceeded market expectations. Both companies also expect double-digit sales growth in the next 12 months. Both companies have their costs under control, so that growth at profit level will be greater. And both are free of debts. There are sometimes mysteries in the financial market that cannot be explained. You just have to know how to use them to your advantage. Numerous other examples run through the portfolio. The only effect of falling share prices has been that valuations have advanced from "very attractive" to "extremely attractive". The last time share price-to-book ratios were this low was three years ago in the midst of the COVID pandemic sell-off. In total, 18 stocks in the portfolio made a negative contribution.



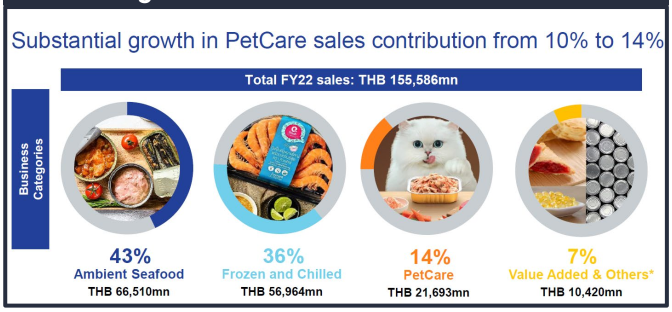
Positive contributions to returns

The two highly weighted positions Mowi (+1.2%-points) and SalMar (+1.0%-points) were among the winners in the first three months. The exaggerated share price drop last autumn when the tax announcement was made has therefore eased further for Norwegian salmon farmers. Fundamentals are obviously starting to matter again for certain investors. In the analysts' estimates for the coming years, the higher prices compensate for the additional costs that the resource tax will cause. With the hostile business environment, supply is no longer growing at the same rate because investments have been stopped. The higher costs will be borne by consumers. The French company Veolia Environnement (+0.5%-points) recovered from the 2022 share price slump along with European stock markets. The underlying recycling business is resilient and well managed, so inflation and recession are not to be feared. The US-listed Nomad Foods (0.3%-points) was able to make up part of the undervaluation. As the business is done in Europe, there is a certain dependency on the EUR/USD exchange rate, whose movements are taken into account by market participants for transaction decisions. The stronger or more stable EUR helps in the translation of profits into USD and thus the share price. In Chile, the shares of Blumar Seafood (0.2%-points) advanced slightly as some investors are probably attracted by the dividend yield of over 8%. In total, 15 stocks in the portfolio made a positive contribution.

Reallocations

At the beginning of the year, the allocation in Thai Union was increased by 100 base points. Last autumn, the company listed its subsidiary, which focuses on the fast-growing pet food business, separately, but still holds 70% of the shares. Third-party investors injected USD 600 million for the growth investments at a very attractive valuation for existing shareholders. Although Thai Union is more solid than ever, its share price-to-book ratio has collapsed to 0.8x.

Business segments of Thai Union



Source: Thai Union, 21 February 2023

The capital market's lack of interest in this stock is astonishing, given that, in addition to pet food, it produces inexpensive food that millions of consumers in the US, Europe and Asia buy every day. With a pay-out ratio of almost 60%, investors are currently receiving a dividend yield of 6.4%. On the other hand, Charoen Pokphand Foods, whose business recovery in China is taking longer than expected, was reduced. In addition, price-sensitive consumers in Vietnam seem to be reducing their purchases of meat proteins. In Chile, there was a small switch from Multi X to the much cheaper and better diversified Camanchaca. The position in Bakkafrost, which farms salmon in the Faroe Islands and Scotland, was halved as its valuation normalized. The allocation to Elanco Animal Health was reduced with the lower share price. As mentioned, rebalancing was not carried out on this stock for the time being. In view of a possible looming recession, the fund bought an insurance policy ("long put option") in the middle of the quarter in order to be compensated against any price losses. Should this scenario not occur, the fund loses at most the insurance premium, but would continue to profit from rising share prices. The insured amount is around 13% of the fund assets.

Outlook

Investing in the Fish & Seafood sector remains a question of patience and has been for more than three years now. A pandemic had to be overcome that closed important sales markets overnight. This was followed by a wave of raw material inflation where, with a delay, most of the price pass-through to consumers has now taken place. The war in Ukraine has intensified the effects. And last but not least, political crises are causing problems for the portfolio. Obviously, this has led to selling by frustrated investors of numerous shares, otherwise the low price-to-book ratio of 1.3x cannot be explained. The last time the fund was so favourably valued was in March 2020. One wonders where the "downside" lies with such historically low valuations. In all regions of the world – whether in Japan, Norway, Chile, Thailand or Australia – investors are on strike with investments in this promising sector. If at least fundamentals or returns on invested capital declined, then there would be solid reasons for disinterest. This is clearly not the case in the portfolio context. 40% of the portfolio will earn a dividend yield of at least 5% or more in 2023, with payout ratios not exceeding 60% of earnings. Another 20% of the companies in the portfolio deliver dividend yields between 3-5%. The remaining companies focus on share buybacks, growth investments or debt repayments. 2023 is payday for shareholders. Companies are aware of their weak "shareholder returns". And the payouts will only get bigger in the years that follow. Maybe the hold-out slogans will no longer be heard, but they are to be understood in the best interest of fund investors. The investments are based on real business, not visions. In the course of the reduction of the global money supply, the saying "only when the tide goes out do you discover who's been swimming naked" may sound quite appropriate at the moment.

We thank you for the trust you have placed in us.

The performance contributions of the individual companies are shown in EUR and relate to gross profit.

Sustainability

Engagement on binary PAIs

As part of the classification of our funds as Article 8+ funds, we have committed to consider the Principle Adverse Impact indicators (PAIs) of our investment activities under the Disclosure Regulation as part of our investment process. To meet this criterion, we conducted an engagement on the binary PAIs in our investment universe last year.

The aim of the engagement was to draw the attention of our investment universe in general to the growing importance of PAIs for the financial industry, and also to initiate improvements in binary PAIs in particular. Most recently, there were still 479 violations of binary PAIs at 110 companies.

Clarification of the potential involvement of Veolia in the manufacture of controversial weapons

On 15 September 2022, we received a report from ISS ESG that Veolia Environnement S.A., one of our portfolio companies, was involved in the manufacture of controversial weapons.

The exact allegation was that Veolia, through DES (Défense Environnement Services), a joint venture with Naval Group SA, is making a material contribution to the modernisation of the weapons system for Triomphant submarines, which enables the submarines to fire more modern nuclear missiles. After receiving this report, we contacted Veolia to clarify the facts.

In particular, to assess whether Veolia made a significant contribution to the manufacture of controversial weapons, we sought to address the following four questions:

- Should the weapon as a whole be classified as controversial in principle?
- Should the transport and delivery system be considered a component of the weapon in addition to the warhead itself?
- Exactly which activities are covered by the concept of manufacture?
- Is the activity being performed to be judged as essential?

After discussion with Veolia, we ultimately came to the conclusion in the present case that three of the four assessment factors mentioned are to be assessed rather negatively, but we do not consider the criterion of materiality to be fulfilled. We therefore do not consider Veolia to be involved in controversial weapons and therefore remain invested.

Publication of our Active Ownership Report 2022

For more details on the two engagements mentioned and other Active Ownership efforts that Bonafide has undertaken over the past year, as well as an overview of our voting behaviour, please refer to our recently published **Active Ownership Report 2022.**

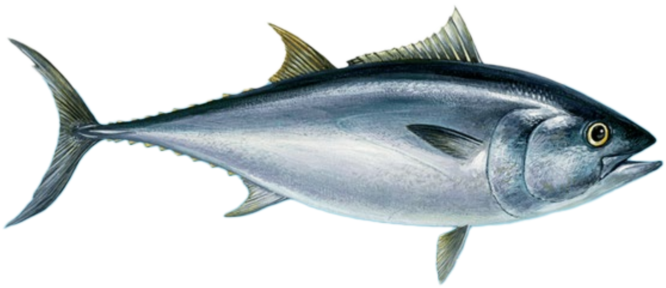
Blog post about tuna

You can also read encouraging news about the Atlantic bluefin tuna stock in a recent **blog post** we published.

Source: IUCN

According to the IUCN Red List, the endangered status of bluefin tuna was reduced from *Endangered* to the lowest level, *Least Concern*, in 2021.

In addition, a new management strategy was introduced by ICCAT, the International Commission for the Conservation of Atlantic Tunas, in 2022 after nearly 15 years of research, which should ensure an even more comprehensive recovery of the stocks in the future.



Legal notices

No offer
The information contained in this publication does not constitute a solicitation, offer, or recommendation to acquire or sell investment instruments, conduct other transactions or to enter into any form of legal transaction. The information in this publication shall not represent any guidance for decisions. Please consult a qualified expert be-fore making any investment decisions.

Sales restrictions
The content of this publication is not intended for persons subject to a legal system which forbids the publication of or access to the investment funds listed (due to the nationality of the affected person, their place of domicile or other reasons). Persons in possession of this publication should inform themselves of any potential restrictions and comply with these. In particular, the units of the investment funds described in this publication have not been registered in accordance with the United States Securities Act of 1933; accordingly, fund units may not be offered, sold, resold or transferred, directly or indirectly, in or into the United States of America, nor to or for the account or benefit of citizens in the United States or persons residing in the Unit-ed States, corporations or other legal entities organised or administered under the laws of the United States, except in combination with a transaction that does not violate this law. The term "United States" comprises the United States of America, all of its state, territories and possessions, as well as all areas subject to its jurisdiction.

Risk warning
Please note that the value of an investment can both increase and decrease. Past performance is no indication of the future performance of investments. Foreign currency investments are subject to addition-al currency fluctuations. High-volatility investments can be subject to extreme market fluctuations. These market fluctuations may amount to the value of the invested amount or even surpass this. The preservation of invested capital therefore cannot be guaranteed.

Fund documents
The acquisition of investment funds should take place after carefully reviewing the corresponding sales prospectus and previous annual report (and semi-annual report if this is up to date) along with the usual legally applicable documents (regulations and contract conditions, statues and simplified prospectus if applicable). These documents can be obtained free of charge for the investment funds in Liechtenstein listed in this publication from the IFM, Independent Fund Management AG, Landstrasse 30, 9494 Schaan or from Bonafide Wealth Management AG, Höfle 30, 9496 Balzers.

No insurance or guarantee
All information provided by Bonafide Wealth Management AG is com-piled with the greatest care. The information and opinions published are provided by Bonafide Wealth Management AG from reliable sources. Nevertheless, Bonafide Wealth Management AG accepts no liability for the accuracy, completeness and relevance of the information contained in this publication. The content is subject to change at any time, with Bonafide Wealth Management AG under no obligation to update previously published information.

Disclaimer
To the extent permitted by law, Bonafide Wealth Management AG shall not be liable for any losses or damages (both direct and indirect damages and consequential damages) of any nature that arise in connection to the use of this publication.

Additional information
Additional information about our publications is available at **http://www.bonafide-ltd.com/en**. We will also be happy to provide additional information free of charge in paper format.

Responsible for the creation of this publication
Bonafide Wealth Management AG, Höfle 30, 9496 Balzers, Liechtenstein

Supervisory authorities
- The supervisory authority in the Principality of Liechtenstein is the Financial Market Authority (FMA Finanzmarktaufsicht Liechtenstein) Landstrasse 109, PO Box 279, 9490 Vaduz, **www.fma-li.li**
- The supervisory authority in Switzerland is the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Bern, **www.finma.ch**
- The supervisory authority in Austria is the Austrian Financial Market Authority (FMA), Otto-Wagner-Platz 5 Vienna, **www.fma.gv.at**