

Quarterly update

March 2025

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Overview of our funds

As at 31/03/2025

«In the short run, the market is a voting machine but in the long run, it is a weighing machine.»

- Benjamin Graham



As of 31/03/2025	NAV	Δ3m	Δ12 m	Δ3 y	Δ5 y	return s.i. (p.a.)	Total AuM in Mio. CHF
Bonafide Global Fish Fund EUR	229.51	4.72%	0.34%	-7.71%	33.29%	6.70%	
Bonafide Global Fish Fund CHF	138.44	6.30%	-1.83%	-12.74%	23.43%	5.43%	
Bonafide Global Fish Fund USD	131.47	9.28%	0.44%	-8.08%	36.42%	3.35%	
Bonafide Global Fish Fund EUR -A-	97.74	4.71%	0.37%	-7.67%	33.21%	2.99%	
Bonafide Global Fish Fund CHF -A-	89.88	6.33%	-1.82%	-12.66%	23.77%	1.57%	
Bonafide Global Fish Fund EUR -Q-	105.74	4.31%	0.07%	n/a	n/a	4.60%	
Bonafide Global Fish Fund CHF -Q-	108.48	6.34%	-1.86%	n/a	n/a	6.78%	103
Investment Fund Best Catches I EUR	958.92	8.56%	-1.18%	-19.14%	20.97%	-0.71%	19
Investment Fund HBC II -NOK-	308.57	44.31%	15.12%	-52.41%	n/a	-29.36%	5

Source: Bonafide/IFM, March 31, 2025

Global Fish Fund delivers strong quarter

The Bonafide Global Fish Fund posted a **solid return of +4.72% in EUR during the first quarter of 2025**. January stood out with +7.92%, the strongest January performance since the Fund's inception, demonstrating the quality of the strategy in a challenging market environment. The result was supported by positive fundamental developments and a renewed investor focus on more defensive sectors rooted in the real economy, such as Fish & Seafood.

The top and flop performers of the last quarter

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



Source: Bonafide/IFM, March 31, 2025

Strong demand for stable investments

The macroeconomic environment remains uncertain, shaped by trade conflicts, geopolitical tensions, and persistent inflation concerns. These factors are driving market volatility and increasing investor demand for resilient, stable investment solutions. As a traditional safe-haven asset, **gold has benefited significantly**, delivering a strong performance of nearly +18% (in USD)¹ in the first quarter, clearly outperforming global equity markets.

Fish protein - stable, in demand and undervalued

Aquaculture companies are no longer just a defensive sector – they have become a **strategic pillar** for future food security and sustainable value creation. The Bonafide Global Fish Fund is well-positioned to benefit from: **healthy balance sheets, attractive valuations (2025 P/E: 11.0x¹), high dividend yields (Ø 4.8%¹)** and a growing focus on health and nutrition. Around 40% of portfolio companies regularly buy back shares, with an increasing trend. By the end of February, the Global Fish Fund had kept pace with gold, with both assets outperforming the global equity market over the quarter, albeit with different profiles: gold as a traditional safe haven, **fish protein** as a real asset with fundamental, long-term substance.

Gold in your safe. Fish in your portfolio.

Gold and fish have more in common than you might think **both are in limited supply, in high global demand and largely independent of short-term economic cycles**. While gold serves primarily as a store of value and a safeguard in times of uncertainty, the **fish and seafood sector** goes a step further – offering investors **tangible growth potential** rooted in real-world fundamentals as food security, consumer trends and technological innovation. **Investors who appreciate gold as a stabilising element in their portfolio should also consider fish and seafood as a strategic «food investment» – combining long-term relevance with real asset substance.**

Current assessments from our analysts

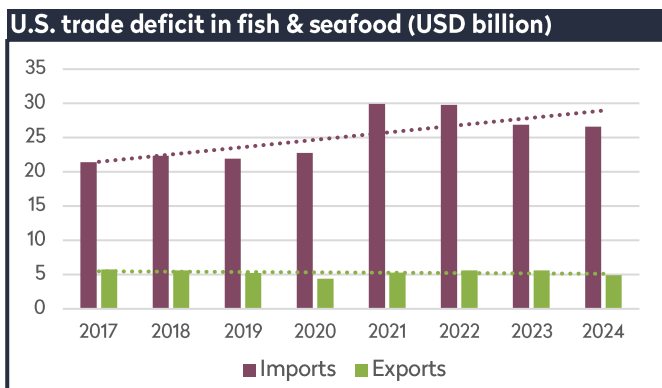
- [Go to our managers' commentaries](#)
- [Go to our publications](#)

¹ Source: IFM / Bloomberg, 03/04/2025, ISIN LI0181468138

Research/Portfolio management

What will the world look like tomorrow?

As if humanity wasn't already experiencing enough crises, we are also creating problems of our own making. In a globalised world where increased trade in goods and services has lifted millions of people out of poverty, **the world most powerful nation called USA and its currently elected government feel cheated by its «partners»**. The high trade deficit gnaws at pride.



Source: FAO Globefish, 17th February 2025

A group of nostalgic people would apparently prefer to manufacture cars «Made in the USA» instead of expanding their supremacy in artificial intelligence. Will a simple factory worker at Ford earn more than an IT developer at OpenAI in the coming years? **The tariff conflict initiated by the U.S. President since taking office currently resembles a doomed mission and is likely to have a lasting negative impact on the highly interconnected global economy.**

Another way of looking at it is to see customs revenue as a **kind of hidden consumption tax**. The USA does not have a standardised value-added tax at federal level as is the case in many European countries. Introducing a value-added tax is politically difficult because voters would be taxed directly on their consumption. Tariffs are therefore the perfect way to punish «greedy» trading partners. If they have pricing power, foreign companies will increase their sales prices by the amount of the taxes to be paid. The higher prices in turn have to be paid by the US consumer – a classic indirect tax. **The consequences of this would be less consumption and therefore fewer imports (falling trade deficit) with new tax revenues at the same time.** This is actually not a bad recipe for curing a «consumption-crazed» country like the USA, which lives massively on credit. Will the Americans appreciate this government-led reduction in consumption?

However, what will change little is that 334 million people in the USA want to consume food, including fish, every day. **Falling purchasing power will change the basket of goods, but not the basic need.** This has already been noticeable since the surge in inflation following the pandemic. It will now – in all likelihood – continue for another cycle. One man's sorrow is another man's joy. **There are an estimated 7.766 million other people living outside the USA.** Half of them are poor, the other half belong to the growing middle

class. Foreign companies will withdraw marginal volumes from the USA and redistribute them to other markets. Products will be offered more cheaply in the rest of the world, stimulating consumption. **The trade war will probably go down in history as a demand shock. Such shocks are nothing new, they require prudence and adaptability.**

Good start to the year, volatile exchange rates

The first quarter was once again characterised by **volatile exchange rates and delivered a net return of +4.72% (in EUR) in the Global Fish Fund**. There was some movement in the allocation currencies from February onwards, the effects of which largely cancelled each other out. The Norwegian krone appreciated by 3.7% against the EUR and gave the fund a return of 1.1%. Movements in USD, THB, CAD and HKD partially offset the NOK gains, with USD hedging transactions making a very positive contribution. JPY and CLP were volatile but ended the quarter unchanged and thus without influence.

Positive contributions to returns

Shares in Hofseth BioCare rose by 45% during the reporting period, resulting in a performance contribution of 1.6%. The announcement in December that **marine protein production in Norway would more than triple in the coming years** was followed in February by a significant development: **the major German group Symrise confirmed its co-financing of the expansion.** The media release from **Symrise**, a global industry leader with a market capitalization of approximately **EUR 14 billion**, highlights its strategic partnership with **HBC** in the marine proteins sector. The official announcement can be accessed [here](#). The share price of Multiexport Foods (1.2% points) in Chile ascended by 30%. Whilst the quarterly figures were by no means exhilarating, the announcement of a change in Chile's pension fund system also led to advances in the small and mid-cap segment. The valuation of Camanchaca (0.8% points) and Salmenes Camanchaca (0.4% points) also rose on the Santiago de Chile stock exchange. The published figures for the parent company and its subsidiary were decent and enable further gains. **Stocks of Nomad Foods (0.9% points) increased steadily in the quarter and ended the period with +17%.** As expected, the contraction in Q4/24 was inappropriate, with management confirming the ordinary course of business in its mid-February results report. The company remains a prime example of the «irrational» and soft valuations in the sector: **9.5x P/E and 1.0x P/B for a continental business model with food and strong quality brands.** Cash flow continues to be largely channelled to shareholders through dividends (3.4% yield) and share buybacks (2% of all shares bought back in Q4/24). In Japan, the shares (+34%) of the sushi chain Food & Life Companies (0.6% points) appreciated again. With presentation of quarterly figures, the management was able to gain further confidence from the capital market regarding their growth strategy in Southeast Asia. A total of 22 out of 34 (65%) stocks in the portfolio made a positive contribution in the past three months.

Negative contributions of returns

The highest detraction came from Bakkafrost (-0.7% points), a salmon farmer with sites on the Faroe Islands and in Scotland. The set of figures communicated in mid-February was anything but thrilling. **The market is losing a little**

patience with the premium breeder and its growth story. Thai Union (-0.6% points) lost around 14% in value – in line with the Thai index, which points to general outflows. Management senses an opportunity to create shareholder value: **The current share buyback programme of 200 million shares has been more than doubled to a maximum of 445 million shares. That is almost 10% of all outstanding shares.** In addition, Thai Union pays a dividend of THB 0.66 per share, resulting in a yield of 6.3% on the current share price. We have never seen such a strong programme in the fish & seafood universe! Overshadowed by current tariff fears, the market continues to ignore the company's valuation. Stock price of Nichirei (-0.4% points) lost 13% in the quarter under review. This is a healthy consolidation and may again offer a level to increase the allocation. A total of 12 out of 34 (35%) stocks in the portfolio made a negative contribution over the past three months.

Reallocations

In the first quarter, we completely divested the animal health company Elanco Animal Health (-200bps) and the salmon farmer Grieg Seafood (-150bps). It is becoming apparent that there will be no earnings growth from these stocks in 2025. In addition, both companies have a strained balance sheet, which means that no dividend will be paid. **Given the numerous opportunities, it was easy for us to switch into existing stocks such as MOWI, SalMar and AKVA Group.** In the case of Hofseth BioCare, we have allowed the price gains to swell and the allocation to this position has grown accordingly. We have also increased Taokaenoi by 100bps, where we believe the market is overestimating the risks and at the same time negating the positive signals from management.

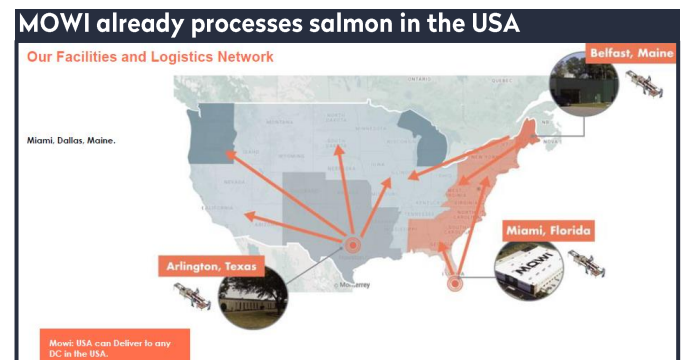
Healthy salmon drives to high supply

The top position in the Global Fish Fund, MOWI, reached a new multi-year high of NOK 230 at the end of January after a better-than-expected Q4/24 result and an M&A transaction (Nova Sea) came as a positive surprise. The industry received further tailwind from a new vaccination (>5 years in development) against a mutated bacterium and normalised water temperatures compared to the El Niño years. **The salmon grew better than expected over the winter months,** which prompted breeders to harvest earlier for regulatory reasons. As a result, the supply of superior salmon from Norway increased by double digits YoY – **by as much as 27% (!) in March.** Buyers, on the other hand, were expecting another shortage of fish like in the past two years. The result was unusually low, but still very profitable prices. The stock market correlates with salmon prices in certain phases, which is why **MOWI slipped back below NOK 200 by the end of the quarter.** The same pattern was seen in the share prices of SalMar, Leroy and Austevoll Seafood. While the lower salmon price in the short term is negative, the healthy biomass is leading to volume growth and therefore lower farming costs – which will **materialise later in the year. The sector remains very attractive.**

Tariffs and valuations

Uncertainty is the biggest threat to the financial markets. And this is precisely what the US government is playing on with its «tariff strategy». Those who invest in companies that already produce in the USA and only use American raw

materials run the lowest risk regarding tariffs in the US market.



Source: MOWI presentations NASF, 4th March 2025

Apart from Alaska and Maine, the USA does not have much to offer in terms of fish production. The operation of aquacultures in open marine waters is even prohibited. **The necessary natural capital is simply not sufficiently available in the USA, so that two out of three fish consumed in the USA are imported.** Accordingly, smart investors should choose now countries that have a trade deficit with the USA. **And this is precisely where the Global Fish Fund comes in, with a cumulative allocation of over 50% in Norway and Chile.** Even according to his own theory, President Trump has more to lose than to gain with these two countries/partners. US tariffs are likely to remain moderate, or at best disappear. The decline in the portfolio at the beginning of April has caused valuations to fall to the level seen at the beginning of the year. The aggregate expected P/E ratio for 2025 of the Global Fish Fund is 11.0x, the price-to-book ratio is 1.3x. By contrast, the dividend yield has risen to 4.8% as companies are paying out more than expected compared to the start of the year. **The triggers for price gains in the fish & seafood sector remain intact.** For forward-looking investors, an attractive window of opportunity is opening up again – in a product that consists of 85% defensive «consumer staples» in the food sector.

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

The performance contributions of the individual companies are stated in EUR and relate to gross profit. While our analyses and investment forecasts are prepared with due care, they can never be a guarantee of future performance.



Sustainability

Ocean Science-Based Targets: A milestone for sustainable seafood investments

Who is behind the «Science-Based Targets for the Ocean»?

The Science Based Targets Network (SBTN) is a global initiative of leading environmental organisations, research institutes and sustainability actors. It is part of the Global Commons Alliance and works closely with companies, governments and financial actors.

Its goal: to provide science-based targets that companies and investors can use to make their contribution to the stabilisation of planetary boundaries measurable, comparable and effective.

Following the success of the Science-Based Targets for Climate, the SBTN is expanding its activities to other fields of action such as biodiversity, land use and, for the first time, the protection of marine ecosystems. The Science-Based Targets for the Ocean (SBTO) thus mark a decisive step forward in the sustainable management of global seafood value chains.

The global fishing industry is at a turning point. The overfishing of marine resources, the loss of valuable habitats and the endangerment of marine species urgently require scientifically sound solutions.

The introduction of the **Science-Based Targets for the Ocean (SBTO)** provides investors with a **binding framework** for the first time to assess – and specifically improve – sustainability performance along the entire seafood value chain.

What is special about the Science-Based Targets for the Ocean?

The SBTOs were developed specifically for the marine economy and address three key ecological challenges:

- **Preventing overfishing of wild stocks**
- **Protection and restoration of marine habitats**
- **Risk mitigation for endangered marine life**

Science-Based Targets for the Ocean - New benchmarks for sustainable investments in the seafood sector



Source: Science Based Targets Network, 2025

These goals are based on the current state of knowledge and create a solid foundation for sustainable decisions – both for companies and investors.

Relevance for investors

The SBTOs offer significant advantages for responsible investors:

- **Transparent ESG assessment:** Uniform, scientifically sound standard for analysing company-related environmental impacts
- **Risk hedging in supply chains:** Early detection and management of environmental and reputational risks
- **Strengthening ecological resilience:** contribution to the long-term stability of marine ecosystems
- **Regulatory compliance:** support in fulfilling reporting obligations in accordance with **CSRD, TNFD** and other ESG requirements

Specific levers for companies and investors

The implementation of the SBTO offers various strategic starting points:

- **Reduction of sourcing from overfished stocks**
- **Optimisation of own operating processes** (e.g. through lower-emission transport logistics or improved traceability)
- **Investing in regional conservation projects** and partnerships with local stakeholders

A future model for sustainable returns

For forward-looking investors, science-based targets are far more than just a compliance tool: they offer a **strategic basis for sustainable, responsible and high-yield investments** in the fish & seafood sector.

As a specialised asset manager, we have been following the development of Science-Based Targets for the Ocean from the very beginning. As soon as initial data and results from our portfolio companies are available, these are incorporated into our investment analyses and decision-making models in a targeted manner. In this way, we create clear added value for our investors: **greater transparency, more precise risk management and strategic ESG positioning according to forward-looking standards.**

Find out how we translate scientifically sound sustainability goals into concrete investment opportunities – for long-term value growth, regulatory certainty and an active role **in the sustainable transformation of the maritime economy.**

Food safety

Raising the bar for fish health – A turning point for winter ulcers (wounds) in Salmon Farming

Across all forms of animal protein production, three pillars drive progress: breeding, genetics, and vaccines. These factors are essential to advancing efficiency, resilience, and sustainability. In aquaculture, where many animals are raised in confined environments, disease outbreaks can spread rapidly and cause significant economic losses.

Fortunately, the pharmaceutical industry – supported by experts and research – is continuously developing solutions to meet today's challenges and anticipate tomorrow's. A prime example is a newly developed vaccine that is improving health standards in salmon farming. It not only improves fish welfare but also contributes to more stable market dynamics, with the potential to become a new industry benchmark.

The graph below shows the share of «production-grade» salmon in weekly harvests over the past seven years. In Norwegian salmon farming, harvested fish are classified into three quality grades:

- **Superior:** Optimal condition, free from visible defects. Eligible for direct export and spot market sales at top-tier prices.
- **Ordinary:** Minor imperfections, such as healed wounds, disqualify these fish from Superior classification.
- **Production-grade:** The lowest quality category, including fish with serious defects affecting appearance and filet quality.

Typical defects in «production-grade» fish include spawning coloration, deformities, handling injuries, melanin spots, scale loss, and wounds. The increase in this category is largely linked to winter ulcers, a seasonal condition caused by the bacterium *Moritella viscosa*, which thrives in cold water.

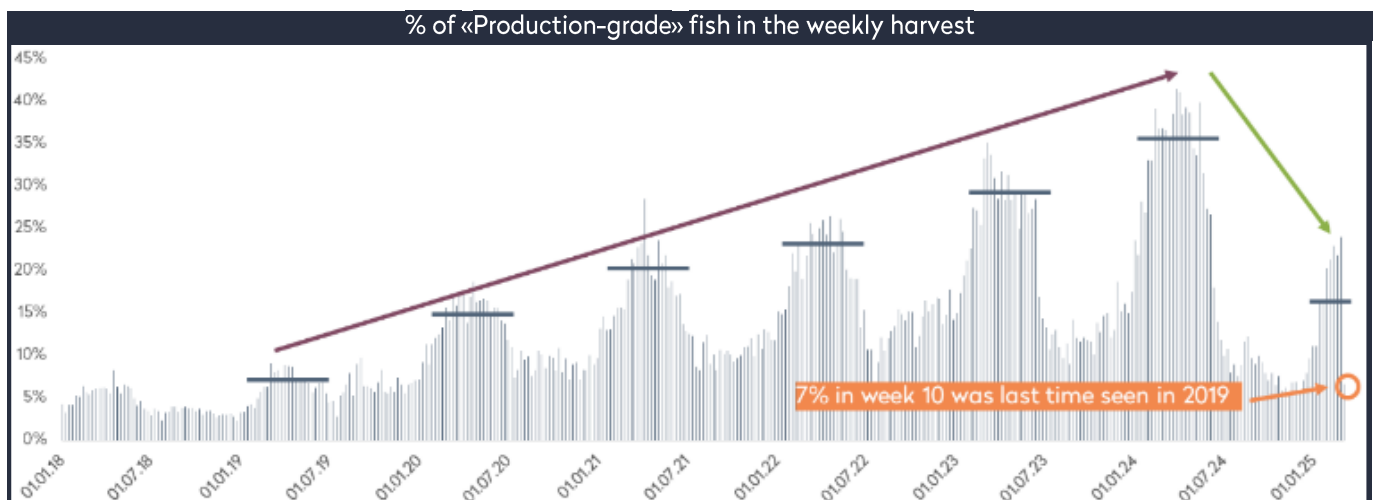
Oil-based vaccines have traditionally helped manage *Moritella* infections, but variation in implementation and reduced efficacy over time highlighted the need for new approaches. A vaccine-resistant strain of the bacterium emerged, spreading quickly due to bacterial mutation and favourable environmental conditions – including cold winter temperatures and a jellyfish influx in autumn 2023. The jellyfish damaged the fish's protective slime layer, weakening immune defence and allowing the new strain to take hold.

Development of an updated vaccine began in 2016. By 2024, nearly all salmon transferred to sea were vaccinated with the new formula. The results are clear: a sharp reduction in production-grade fish, even as total harvest volumes have increased significantly.

This rise in biological quality, especially in Superior-grade fish – much of it sold on the spot market – has contributed to a softening in spot prices compared to the previous year. Still, both «Superior» and downgraded fish prices are driven by supply and demand. Last winter's spike in production-grade volume led to a steep discount, in some cases up to 50% below Superior, illustrating how quality distribution affects pricing.

Looking ahead, current trends suggest a brighter outlook. A major biological challenge has been addressed, and Norway is now delivering higher volumes of strong, healthy fish. This strengthens the market and proves the industry can continue its positive evolution from its pioneering roots.

From an investment standpoint, the sector-wide improvements are highly encouraging. At the same time, better fish welfare and product quality will also serve to strengthen the industry's social license and consumer trust, delivering long-term benefits across the entire value chain.



Source: The Norwegian Food Safety Authority

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