Quarterly update
September 2025

ocean of opportunities

bonafide

Overview of our funds
As at 30/09/2025

> **«The greatest danger in times of turbulence is not the turbulence itself, but to act with yesterday's logic.»**
>
> – Peter Drucker, economist

As of 30/09/2025	NAV	Δ3m	Δ12 m	Δ3 y	Δ5 y	return s.i. (p.a.)	Total AuM in Mio. CHF
Bonafide Global Fish Fund EUR	220.45	2.42%	-3.14%	9.18%	7.03%	6.12%	
Bonafide Global Fish Fund CHF	130.21	2.45%	-4.00%	5.79%	-4.32%	4.73%	
Bonafide Global Fish Fund USD	136.11	2.36%	1.72%	28.25%	10.03%	3.57%	
Bonafide Global Fish Fund EUR -A-	89.32	2.43%	-3.12%	9.17%	6.93%	2.35%	
Bonafide Global Fish Fund CHF -A-	80.35	2.45%	-4.06%	5.71%	-4.13%	0.76%	
Bonafide Global Fish Fund EUR -Q-	101.74	2.49%	-3.28%	n/a	n/a	0.99%	
Bonafide Global Fish Fund CHF -Q-	102.10	2.53%	-3.82%	n/a	n/a	1.20%	83
Investment Fund Best Catches I EUR	858.59	0.44%	-4.93%	-6.36%	-11.84%	-2.38%	4
Investment Fund HBC II -NOK-	220.54	-1.39%	0.34%	-47.70%	n/a	-32.23%	4

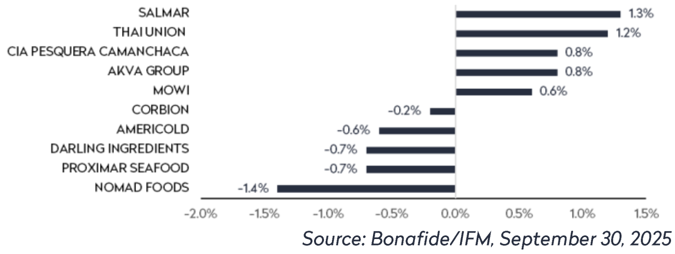
Source: Bonafide/IFM, September 30, 2025

Market Cycle in Transition: Returning to a Growth Trajectory

Following a second quarter marked by external headwinds — notably trade uncertainties, supply imbalances, and global currency volatility — **the Bonafide Global Fish Fund** managed to reverse the trend in the third quarter. **The portfolio achieved a gain of 2.4% (in EUR)**, — a sign of renewed positive momentum. The recovery was broadly based, with **positive contributions from multiple regions and sub-sectors**. Particularly impressive was the dynamic performance within the salmon market. China's salmon imports surged by approximately 40% in 2025, and the country now ranks fifth among the world's largest target markets.

The top and flop performers of the last quarter

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



Source: Bonafide/IFM, September 30, 2025

Opportunities Driven by Dynamics and Innovation

The Chinese and global Fish & seafood markets continue to offer substantial long-term growth potential. While per capita salmon consumption in China is still well below the Asian and global average at 90g, rising product availability, attractive pricing and the rapid expansion of e-commerce channels are fuelling consistent demand growth. If China were to reach South Korea's consumption level, a new mega-market for salmon would emerge, which could significantly shift the market equilibrium. International growth drivers include innovation in aquaculture, the rising demand for healthy protein sources, and the expansion of digital distribution channels.

Strong Segments – From Frozen Foods to Technology

Innovative companies are scoring points along the entire value chain. Nomad Foods is setting trends in Europe in the field of healthy frozen foods and benefiting from the trend towards convenience products. Taokaenoi, a leading seaweed snack provider, is experiencing dynamic growth across Asia and expanding successfully into the U.S. market. The Chilean salmon sector expects further volume growth in 2026, while AKVA Group, as a technology supplier, continues to benefit from automation and digitalization trends in aquaculture – the use of AI technologies has already become standard practice and ensures efficiency and competitiveness.

Conclusion & Outlook for 2026: Structural Growth Pays off

The food and consumer staples sector has been one of the weakest performers on the stock market over the past three years, lagging significantly behind other industries. Valuations are more than attractive, and the recovery potential remains accordingly high. With an estimated earnings yield of 8.8% (P/E ratio 2026e: ~11x), the **Fish & Seafood segment remains an attractive niche with strong structural tailwinds**. Several short-, medium- and long-term catalysts reinforce the portfolio's value. An expected supply shortage in salmon supply is likely to boost market prices at the end of the year and beyond – valuations have room to rise.

Current assessments from our analysts

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Research/Portfolio management

Market Valuations and Relative Positioning

Global equity markets are entering the fourth quarter of 2025 at valuation levels rarely seen in financial market history and call for justified caution. The P/E ratio of the S&P 500 has exceeded the threshold of 30 – a signal that historically indicates overvaluation and increased susceptibility to correction. Analysts often cite more favourable P/E ratios: operating earnings or optimistic future estimates, which, however, exclude significant expenses or rely on overly optimistic expectations. Looking at the valuation according to GAAP standards, today's level is most closely reflected in the dot-com bubble – a reminder that periods of overvaluation often lead to painful and prolonged corrections.

Numerous instruments are available for assessing market valuation, including the Buffett indicator (market capitalization to nominal GDP), Tobin's Q and the Shiller CAPE. Another meaningful key metric is the implied equity risk premium (ERP), which reflects investor sentiment, valuation levels and the expected risk-adjusted return advantage of equities over bonds. According to the Fed Model, which deducts the yield on 10-year government bonds from the equity earnings yield, regions like Europe with moderate valuation levels have an ERP of around 4.3%. However, the global average in developed markets is only 2.1% – weighed down by the weight and valuation level of the U.S. market. The narrowing gap between expected equity returns and risk-free interest rates highlights both higher valuations and high bond yields. This raises the question: Why take on equity risk today when the excess return premium has nearly disappeared?

Implied equity risk premiums for the U.S. almost "zero"

Source: Robeco "The Stale Renaissance", September, 2025

A comparison of the portfolio clearly demonstrates the **attractiveness of the Global Fish Fund strategy**: trading at a **P/E ratio of 11.3x (2026e)** corresponds to an **earnings yield of 8.8%.** Subtracting a global GDP-weighted, risk-free 10-year return of around 3.0% results in a significant implied equity risk premium of 5.8%. This substantial excess return potential compensates investors for the remaining risks and points to a portfolio of defensive, cash-generating quality companies whose resilience and return potential are (still) underestimated by the market.

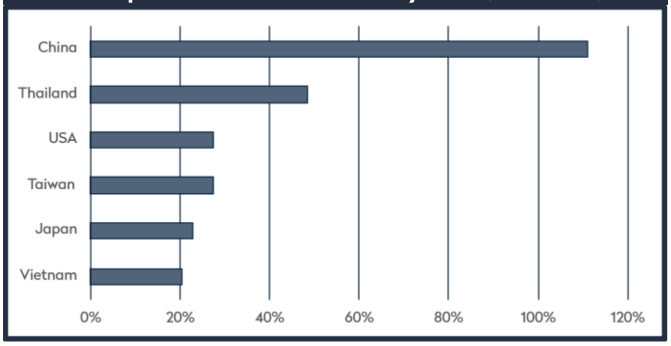
Industry Outlook for our Salmon Exposure

Global salmon supply and biomass statistics continue to serve as the most reliable indicators of price trends, as salmon is a "commodity" that is largely supply-driven. While short-term price fluctuations follow weather conditions, logistics or harvest cycles, quarterly and annual trends are easy to predict. Global salmon supply is expected to increase by 9% in 2025, mainly due to efficiency gains and growth in key farming regions. The outlook for 2026, on the other hand, is more nuanced: In Norway, where the regulatory framework (MAB – Maximum Allowed Biomass) sets strict limits, only limited volume growth is likely after a strong 2025. Capacity expansion here is mainly achieved through limited license auctions every second year or further efficiency improvements at existing facilities – the latter, however, is likely to reach its limits in 2026. In Chile, on the other hand, there is no comparable caps for marine biomass; growth there is more limited by input parameters (smolt stockings), which opens up a different, less predictable but broader growth range. **Taken together, these dynamics point to a more restrictive supply in 2026 – historically a positive signal for pricing.**

Demand and Market Flows

The crucial question is: where will the additional salmon be sold? Norwegian exports YTD increased by 17% YoY to 1.22 million tonnes – an increase of 180,000 tonnes compared to the previous year. **Asia remained the biggest driver, particularly China, whose imports rose by an impressive 111% YoY.**

Salmon export volume from Norway YTD (YoY in %)



Source: The Norwegian Seafood Counsil

Norway's market share rose from 43% (2024) to 65%. Factors such as attractive prices, the rapid expansion of e-commerce, improved availability of premium fish and structural rise of the middle class are contributing to this development. Market experts predict that China could become the world's largest market for salmon within just a few years. At the same time, Denmark – traditionally a major processing hub – is experiencing a significant decline in imports, which favors direct delivery of quality fish to end markets and increases the share of more stable, less price-sensitive customers. In the USA, imports of Norwegian salmon rose by 28% despite new tariffs and the fact that Chile was able to gain market share. The continuing high level of exports to the West signals the resilience of U.S. demand. Five of the six fastest-growing markets for Norwegian salmon are currently in Asia (China, Thailand, Taiwan, Japan and Vietnam), underscoring the structural boom in demand for global seafood consumption.

Quarterly Performance

The **Global Fish Fund** achieved a **value increase of 2.42% (in EUR)** in the past quarter. Currency effects had a slight negative impact on the result of -0.2%. While weaker Japanese yen and Chilean peso exchange rates had a dampening effect, the Norwegian krone contributed positively. Since the beginning of the year, the fund has generated a return of 0.58% (in EUR). In comparison, the World Equity Index rose by 4.5%, while both the Bloomberg World Foods Index (-5.4%) and the EU Food & Beverage Index (-3.0%) recorded significant declines. This performance underscores the fund's relative strength and resilience compared to the relevant industry benchmarks. The portfolio remains attractively positioned in terms of valuation. With **a P/E ratio of 11.3x (2026e)**, a **projected dividend yield of 4.5%** and **a P/B ratio of 1.3x**, the fund offers a compelling combination of valuation, earnings power and substance. These key figures reflect the consistent focus on high-yielding companies along the global value chain of Fish & Seafood – a sector that is supported by structural growth, increasing resource efficiency and rising demand for healthy, protein-rich foods.

Key Detractors

Nomad Foods influenced the fund performance negatively by -1.4%-points. The price correction followed the company's Q2 results, in which unusual high temperatures across Western Europe affected the annual outlook. The change in consumer behavior had an impact on sales in the frozen food segment. Management expects 2025 to be the first year in nine years without growth in revenue, EBITDA and profit. Nevertheless, the company is pursuing targeted initiatives to increase growth and profitability. The current P/E ratio of less than 7x for 2025 seems remarkable for an established food staple with strong brands and cash flows. The Japanese land-based salmon producer Proximar Seafood cost the fund 0.8%-points due to financing and capital measures. Darling Ingredients weighed -0.7%-points on performance despite supportive actions by the Trump administration. Americold reduced performance by -0.6%-points. As a leading operator of temperature-controlled warehouses, the company is likely to benefit disproportionately from lower financing costs in a period of interest rate cuts.

Key Contributors

After a weak first half-year, SalMar is back as the most cost-efficient producer and is the top contributor in the quarter with +1.3%-points. Higher volumes of quality fish, declining production costs and rising prices, coupled with growing investor interest due to the expected results for 2026, were decisive factors. The same applies to Mowi (+0.6%-points). In Norway, the parliamentary elections ultimately turned out to be a non-event. Nevertheless, the clarity regarding the continuing balance of power was received slightly positively by the capital markets. Thai Union recorded a gain of 28% in the quarter, contributing +1.2%-points to performance. The decisive factor was Mitsubishi's planned increase in its stake, which was later withdrawn because not enough shareholders offered their shares at the fixed bid price. Management emphasized that the automatic cancellation due to the conditions of participation has no impact on strategic objectives. In Chile, the fund's largest single investment, Camanchaca, contributed +0.8%-points, supported by a solid corporate situation, low valuation levels and further flows into Chilean equity market. AKVA Group, the "John Deere of the seas", contributed +0.8%-points – following the Capital Markets Day in June, the stock price gained 19%, with momentum visible across all segments.

Allocation Changes & Outlook

The position in Clean Seas Seafood was sold following acceptance of the Yumbah offer. In addition, there was a reallocation between Bakkafrost and SalMar. The weighting was increased in favor of SalMar, which now ranks among the top holdings alongside Mowi. Both stocks underperformed the broader salmon universe in the run-up; in the short term, SalMar offered the best recovery potential according to our analysis, which has materialized accordingly.

A Glimmer of Gold

Around 2'000 years ago, one ounce of gold could buy a toga, a belt and sandals in Rome. In 1920, the same ounce was enough to buy a suit – and it still has the same purchasing power today. Over the centuries, gold has proven its stability and reliability as a store of value. Fish, on the other hand, cannot be stored for thousands of years – but as a natural resource, it is becoming increasingly valuable. Rising global demand, driven by population growth, changing dietary trends and limited natural resources, makes Fish & Seafood a **strategic growth sector** with real economic significance. If gold stands for financial security, the **Fish & Seafood sector symbolizes economic relevance and long-term growth potential**. It combines ecological responsibility with economic attractiveness – a balance that is becoming increasingly important in a resource-poor world. For **investors looking for real value with structural tailwinds**, the sector offers the opportunity to participate in stability and the sustainable expansion of global food security – one of the key growth drivers of the 21st century.

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.

CEO Insights: Streaming Fish & the Sea

How China's digital retailers are shaping the future of salmon.

The Digital Stage of the Sea

What is happening in China is nothing less than a tectonic shift in the global seafood economy. On Douyin, the Chinese version of TikTok, the sale of salmon has turned into **a digital spectacle**: fishmongers have become livestream stars, production halls have become studios, and millions of consumers watch live as the fish is cut, packaged and sold – with a single click.

Salmon is No Longer Traded – It is Staged

And this staging changes everything: value creation, branding, trust. Whoever controls the screen controls the market.

Seafood meets the streaming economy in China

Source : IntraFish, October 14, 2025

From Factory to Feed – Direct Sales without Borders

China's retailers are bypassing traditional structures. Livestreams connect producers directly with consumers, and middlemen are disappearing. The result is **digital direct sales with high margins and maximum transparency.**

The world's first salmon farming vessel, "Suhai No. 1", sets sail for sea trials.

Source: Salmonbusiness.com, May 1, 2025

Demand is growing exponentially: **over 111% more imports of fresh Atlantic salmon in 2025**, and growth continues. But China is thinking ahead – **its own offshore farms and floating breeding platforms such as the revolutionary ship "Su Hai No 1"** mark the beginning of a new production logic: mobile, intelligent, sustainable.

Technology, Speed, Transformation

Artificial intelligence controls supply chains; autonomous vehicles deliver within hours. What used to be a logistical challenge is now becoming a data-driven precision machine.

From Shanghai to Chengdu, salmon reaches consumers faster, fresher and more personalised than ever before. **China is not only digitising distribution – it is reinventing freshness.**

Investment Opportunities at a Turning Point

This opens up unprecedented opportunities for investors:

- **Platforms & livestream commerce** as direct revenue drivers of the future
- **Infrastructure and cold chain investments** for a new domestic market
- **Investments in sustainable offshore aquaculture** with global scaling potential
- **Brands with traceability and ESG profiles** that build trust in digital markets

Those who are late to the party will miss the moment when an entire sector is rewritten.

Bonafide – Navigating the Blue Shift

At Bonafide, we see this development **as more than just a market trend**. It is a symbol of the **Blue Revolution** – the fusion of regeneration, technology and capital.

China shows us the future: connected, transparent, sustainable – and unstoppable.

The Great Salmon Disruption has begun.

The question is not whether you should invest – but whether you are ready to become part of this movement.

Marco Fiorini,
CEO von Bonafide

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