

PRESS RELEASE

TOBAM's LBRTY® strategy surpasses \$100m mark

- *Major endowment fund becomes first US-based investor in the strategy*
- *Geopolitical risk and China remain a major concern for investors*
- *LBRTY® minimises direct and indirect exposure to autocratic risk*

Paris - 14 May 2024 - TOBAM, the quant asset manager and developer of the patented Maximum Diversification® and LBRTY® strategies, announces its recently launched LBRTY® strategy has surpassed \$100 million in assets under management following the investment of a US-based endowment fund.

Only six months after its launch, the LBRTY® strategy has garnered significant traction, fuelled by investors' concerns in the face of rising geopolitical instability. With democracy receding around the world for the past 18 years, conflicts in Europe and the Middle East and growing anxiety regarding China's influence, investors are turning to LBRTY® as an efficient way to protect their public equity portfolios.

TOBAM's research demonstrates that authoritarian regimes such as China and Russia pose a long-term risk to public equity investors due to their disregard for civil liberties. In countries that lack democratic checks and balances, a free press and a vigorous civil society, economic irrationality and corruption tend to thrive, making investors in publicly listed companies more vulnerable to crises, expropriation, and sanctions.

TOBAM's LBRTY® strategy seeks to substantially mitigate investors' exposure to autocratic regimes by leveraging its long-standing quantitative expertise to systematically assess risks.

The firm has identified an "autocracy risk driver", which negatively impacts investors over time. It has also found that investors' exposure to the autocracy risk driver is mostly indirect, through stocks that are listed in democratic countries but are in fact heavily reliant on authoritarian countries. This phenomenon was vividly illustrated when American and European companies lost tens of billions of dollars in Russia in the wake of Ukraine's invasion, with public equity investors paying the bill.

Commenting on the latest investment in the strategy, Christophe Roehri, Deputy CEO at TOBAM, said:

"Our LBRTY® strategy is commanding attention from investors who are concerned about increasing geopolitical risk as democracy recedes around the world, undermined by the rising influence of China and other autocratic states.

"TOBAM's LBRTY approach singles out autocracy as a risk factor and builds portfolios that are resilient to the crises and geopolitical instability triggered by authoritarian countries. It bridges political science research and quantitative expertise in a unique way to deliver long-term outperformance.

"LBRTY® is undeniably "outside the box" and we are encouraged by the positive feedback received so far and the strong pipeline of potential investors who are currently examining our strategy."

About TOBAM

TOBAM is an asset management company offering innovative capabilities designed to maximize the benefits of scientific research to build efficient investment exposures. TOBAM's expertise relies on 3 core pillars:

- TOBAM's Maximum Diversification® approach, supported by original, patented research and a mathematical definition of diversification, provides clients with diversified core exposure, in equity and fixed income markets.
- A research-driven, Solutions division (TOBAMSolutions®), dedicated to build customized solutions and services to sophisticated institutional investors,
- A LBRTY® strategy range, which aims to help investors substantially mitigate their exposure to autocratic regimes in their portfolio.



In line with its mission statement and commitment to diversification, TOBAM also set up a satellite activity (CRYPTOBAM®) focused on cryptocurrencies. A pioneer in Bitcoin investing, TOBAM has been conducting research on Bitcoin since 2016 and launched the first open ended fund on Bitcoin in 2017.

TOBAM Maximum Diversification®, TOBAMSolutions®, TOBAM LBRTY® and CRYPTOBAM® illustrate TOBAM's systematic "out of the box" dedication to demanding investors.

TOBAM manages over USD 5 billion (as of 30 December 2023). Its team includes 41 finance professionals based in Paris, New York and Dublin.

For more information, please visit www.tobam.fr or tobamdirect.com