

TOBAM LBRTY Strategies

TOBAM Webinar - April 30th, 2025

TOBAM LBRTY® Webinar:
Navigating autocracy risk: strategies for building a resilient portfolio

"Exposures not yet offered by reference players."

Institutional investors only - Do not distribute further

TOBAM WEBINAR PRESENTATION - APRIL 30TH, 2025

TOBAM LBRTY® Webinar

Navigating autocracy risk: strategies for building a resilient portfolio

Speakers:

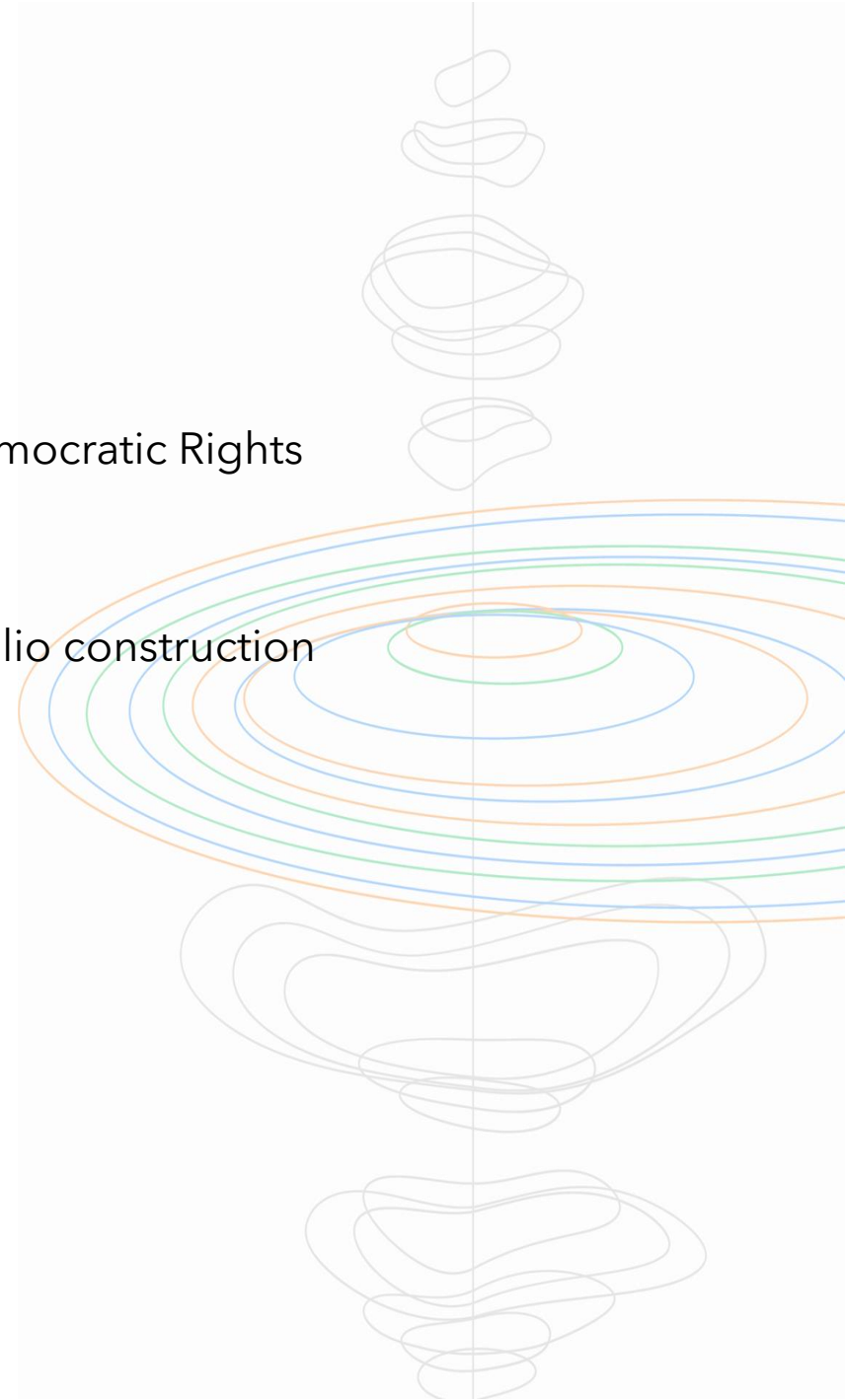


Marcos Buscaglia
Economist, author of *'Beyond the ESG Portfolio: How Wall Street Can Help Democracies Survive'*



Yves Choueifaty
TOBAM CEO and Founder

- 1 ● **Beyond the ESG portfolio**
- 2 ● Introduction to TOBAM
- 3 ● Investment Philosophy - The case for Civil and Democratic Rights
- 4 ● Measuring Civil and Democratic Rights and portfolio construction
- 5 ● Empirical results
- 6 ● Products
- 7 ● Conclusion & appendix



HOW TO ADD A “D” OF DEMOCRACY TO INVESTMENT PORTFOLIOS

Marcos Buscaglia

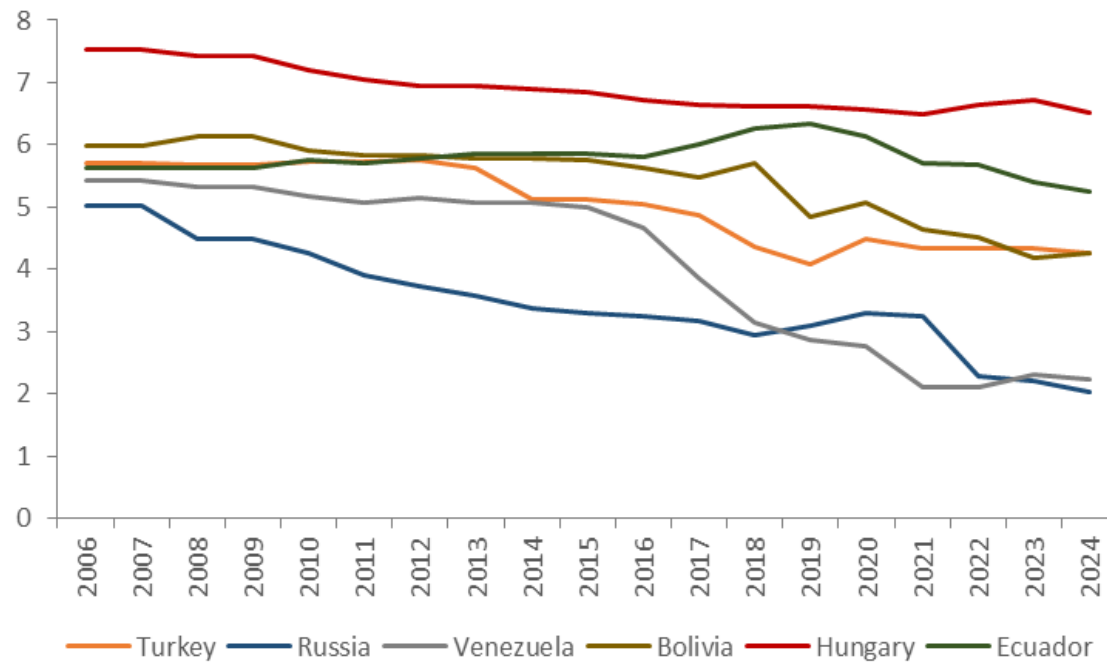
Author of: “Beyond the ESG Portfolio: How Wall Street Can Help Democracies Survive”

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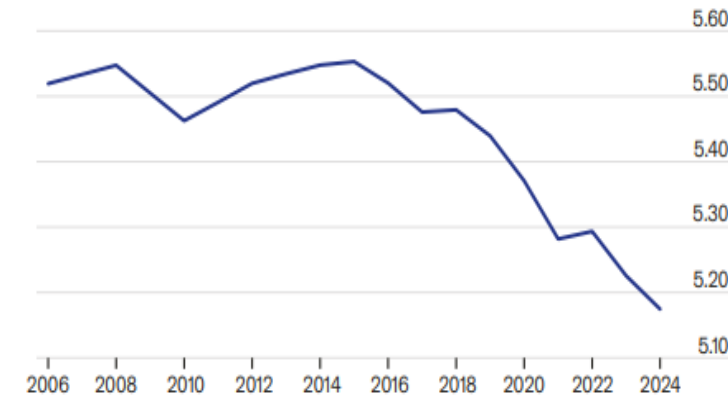
THERE HAS BEEN A DEMOCRATIC RECESSION SINCE 2006

Democracy standards have been declining for years
(Economist Intelligence Unit Democracy Index)



Source: EIU

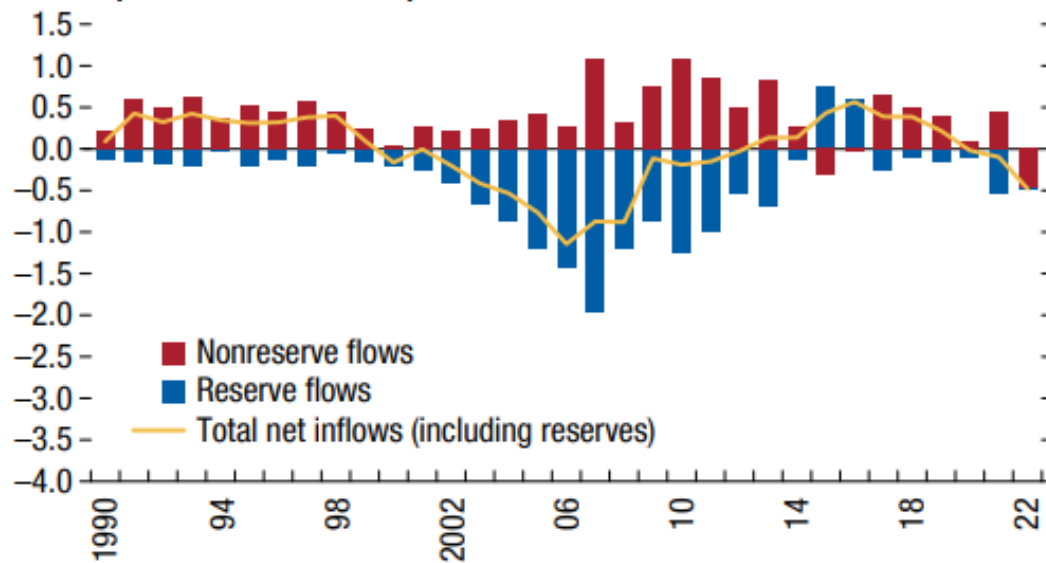
Charting democracy's ups and downs, 2006 to 2024
Global average Democracy Index score out of 10
(10=best)



There are several “democracy indices”, including EIU, Freedom House and V-Dem. They show a high correlation amongst them.

JUST AS CAPITAL FLOWS TO EMERGING MARKET COUNTRIES SOARED

3. Emerging Market and Developing Economies: Net Financial Inflows (Percent of world GDP)



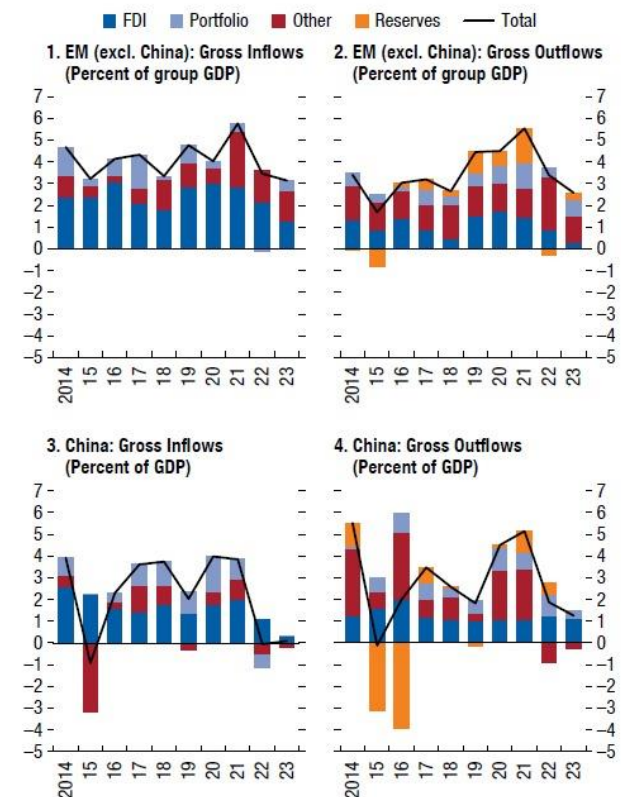
Sources: IMF, Information Notice System; IMF, April 2023 *World Economic Outlook*; and IMF staff calculations.

Note: REER = real effective exchange rate.

¹Global current account balance is defined as the sum of absolute values of current account balances.

Source: IMF

Figure 1.10. Gross Capital Flows in Emerging Market and Developing Economies, 2014–23

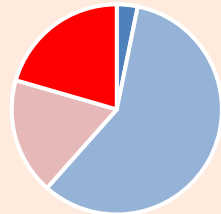


INVESTMENT INDICES ARE THE MAIN CONDUIT



What are the main conduits by which Western pension funds and other investors have channeled money to autocrats?

Example: JP Morgan's EMBI diversified included 67 countries as of April 2018.



- Full democracy
- Flawed democracy
- Hybrid regime
- Authoritarian

30 countries (45% of the ones included) were characterized as Hybrid Regimes or as Authoritarian by the EIU.

In terms of weights in the index, 38% were classified as Hybrid Regimes or as Authoritarian by the EIU.

The latter include China, Russia, Egypt, Oman, Venezuela, Jordan, and Belarus.

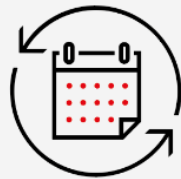
INVESTMENT INDICES ARE THE MAIN CONDUIT



What are the main conduits by which Western pension funds and other investors have channeled money to autocrats?

Example: Impact when China was included the WGBI index

Index inclusion – WGBI



Inclusion

36-month inclusion process, starting Nov 2021



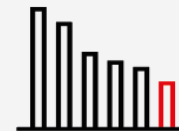
Inflows

USD140 bn – USD150 bn of estimated inflows into CGBs



Weighting

5.4% weighting in the WGBI



Ranking

6th largest country in the index



Holdings

10% – 14% expected level of CGB foreign ownership brought about by WGBI inclusion

INVESTMENT INDICES ARE THE MAIN CONDUIT



What are the main conduits by which Western pension funds and other investors have channeled money to autocrats?

Example: MSCI Emerging Markets Index

9 out of 24 countries
(37.5%) were
characterized as Hybrid
Regimes or as
Authoritarian by the EIU.

Country			2023 EIU			Country			2023 EIU		
1	Brazil	Flawed democracy	13	Malaysia	Flawed democracy	13	Malaysia	Flawed democracy	24	UAE	Authoritarian
2	Chile	Flawed democracy	14	Mexico	Hybrid regime	14	Mexico	Hybrid regime			
3	China	Authoritarian	15	Peru	Hybrid regime	15	Peru	Hybrid regime			
4	Colombia	Flawed democracy	16	Philippines	Flawed democracy	16	Philippines	Flawed democracy			
5	Czech Republic	Flawed democracy	17	Poland	Flawed democracy	17	Poland	Flawed democracy			
6	Egypt	Authoritarian	18	Qatar	Authoritarian	18	Qatar	Authoritarian			
7	Greece	Full democracy	19	Saudi Arabia	Authoritarian	19	Saudi Arabia	Authoritarian			
8	Hungary	Flawed democracy	20	South Africa	Flawed democracy	20	South Africa	Flawed democracy			
9	India	Flawed democracy	21	Taiwan	Full democracy	21	Taiwan	Full democracy			
10	Indonesia	Flawed democracy	22	Thailand	Flawed democracy	22	Thailand	Flawed democracy			
11	Korea	Full democracy	23	Turkey	Hybrid regime	23	Turkey	Hybrid regime			
12	Kuwait	Authoritarian									

Sources: MSCI, EIU

INVESTMENT INDICES ARE THE MAIN CONDUIT

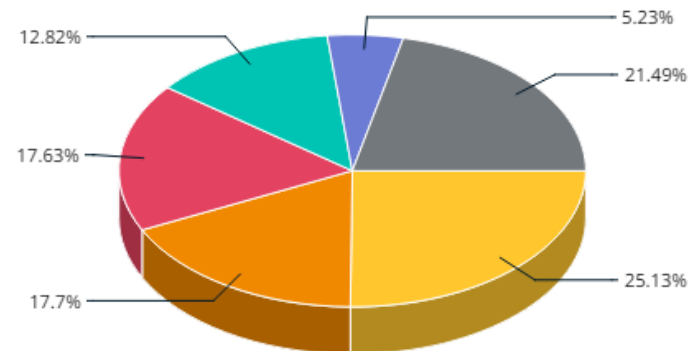


What are the main conduits by which Western pension funds and other investors have channeled money to autocrats?

Example: MSCI Emerging Markets Index

The weight of Autocratic countries in the index is higher, as China makes for more than 25% of the index.

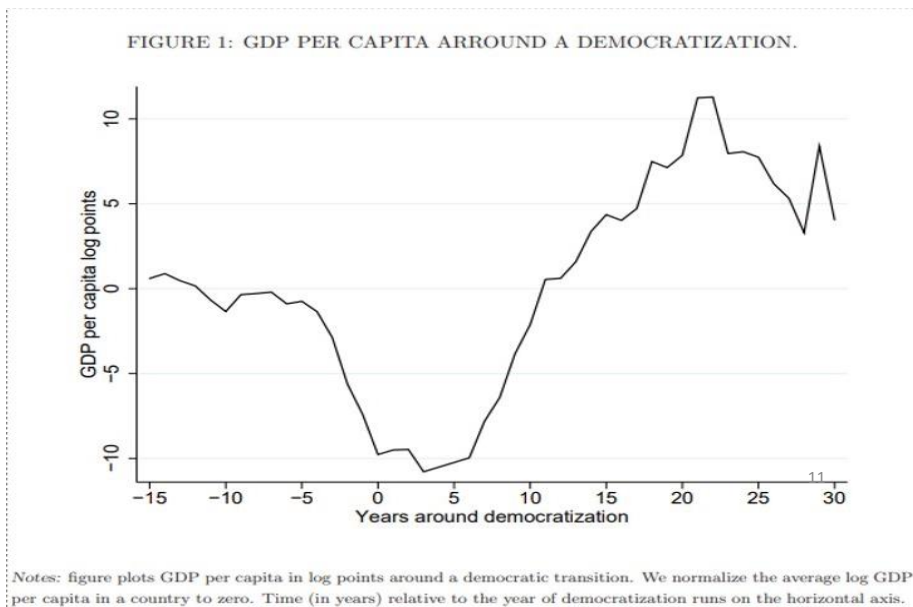
COUNTRY WEIGHTS



China 25.13% India 17.7% Taiwan 17.63% South Korea 12.82%
Brazil 5.23% Other 21.49%

INVESTING IN DEMOCRACIES IS NOT ONLY GOOD, BUT IT IS LIKELY ALSO MORE PROFITABLE

Countries tend to accelerate their growth after their democratization



Source: Acemoglu et al (2014)

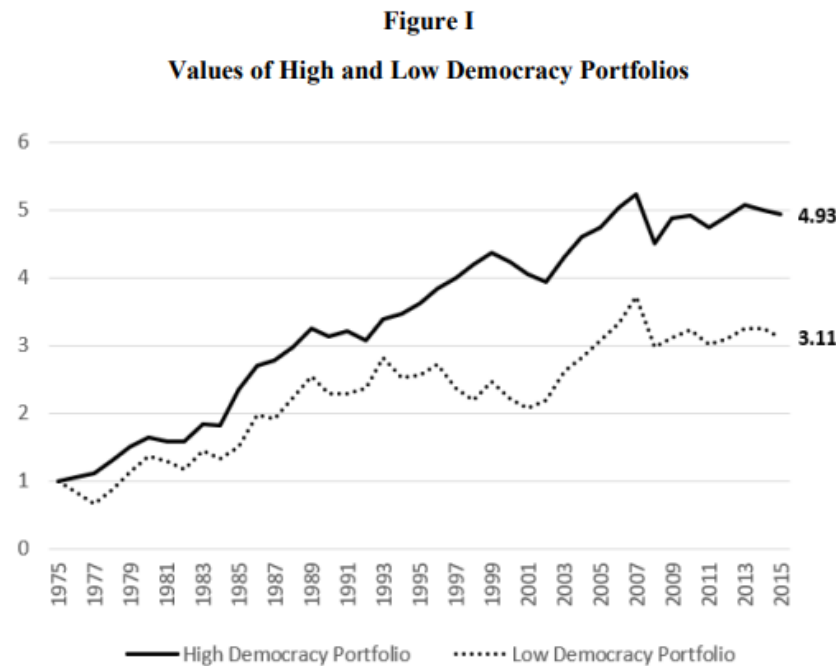
A country that transitions to democracy achieves a 20% higher GDP per capita in the next 25 years compared to a country that didn't according to Acemoglu et al.

These findings use official GDP data. However, Luis Martinez (JPE, 2022) argued that autocracies overstate yearly GDP growth by 35%, using data from nighttime lights.

Funke et al. (2020) argue that the economic costs of populism are high. After 15 years, GDP per capita of a country that falls into a populist regime is 10% lower compared to a non-populist counterfactual.

INVESTING IN DEMOCRACIES IS NOT ONLY GOOD, BUT IT IS LIKELY ALSO MORE PROFITABLE

Investing in stocks from democratic countries yields higher returns?



Note: This figure depicts the value of portfolios being annually reinvested in countries with low and high democracy scores. The initial value of investment in 1975 was assumed to be one US dollar.

Lei and Wisniewski, using a sample of 74 countries from 1975 to 2015, find a positive relationship between democracy and equity returns.

They design two portfolios, “High Democracy” and “Low Democracy”, with 10% more and 10% less democratic countries, and the “High Democracy” one yields 4.54% more per year on average.

No similar research for the sovereign bond market.

Source: Lei and Wisniewski (2018)

INVESTING IN DEMOCRACIES IS NOT ONLY GOOD, BUT IT IS LIKELY ALSO MORE PROFITABLE

What are the avenues by which democracies grow faster and hence they likely bring higher returns to investors over the long run?

- Liberal democracies also have better protection of property rights and the rule of law, which are essential to attract investments.
- In addition, when expropriation risks (broadly defined) are high, the optimal response in the private sector sets in motion changes in the structure of firms that affects minority shareholders and the growth of the economy at the same time. The optimal response is to increase the opacity of the operation, including “hiding” profits, and the discretion of controlling shareholders (Stulz, 2005), and higher discretion may affect minority shareholders.
- Better checks and balances also reduce corruption.
- Political risk is also lower in well established democracies.
- All in all, downside risks are lower in democracies. Russia’s market rout after it invaded Ukraine in 2022, Chinese education stocks shock in 2021, Juhayna’s owners jailing in Egypt in 2020/21, Turkey’s market plunge in March 2025, among many other episodes, do not happen in fully democratic countries.

HOW CAN WE MAKE SURE WE EXCLUDE/DIMINISH WEIGHT THE RIGHT COUNTRIES?

Autocratic

- Lowest two categories by at least two indices.
- Hungary, Turkey, El Salvador, Russia, Venezuela, and the Highly Autocratic ones.

Highly Autocratic

- ¹⁴Lowest category by at least two indices.
- China, Egypt, Kuwait, Qatar, Saudi Arabia, UAE, Kazakhstan, Bahrain, Jordan, Oman, Uzbekistan, Thailand, Vietnam.

WE ARE JUST STARTING

- **First objective is to raise awareness.** There cannot be a solution to an issue that it is not seen as a problem.
- Markets finance autocrats and wannabe autocrats just as these undermine democracy standards in their countries.
- Markets also finance companies that are the pawns of the autocrats, such as PDVSA, Gazprom and Saudi Aramco, and any “private company” in China.
- Most of the times this financing takes place unwittingly.
- **Second objective is to propose alternatives.** The idea is to mimic what the market, under the pressure from investors and activist groups, did to integrate environmental concerns to the investment decisions.

THANKS FOR YOUR ATTENTION!



1 • Beyond the ESG portfolio

2 • Introduction to TOBAM

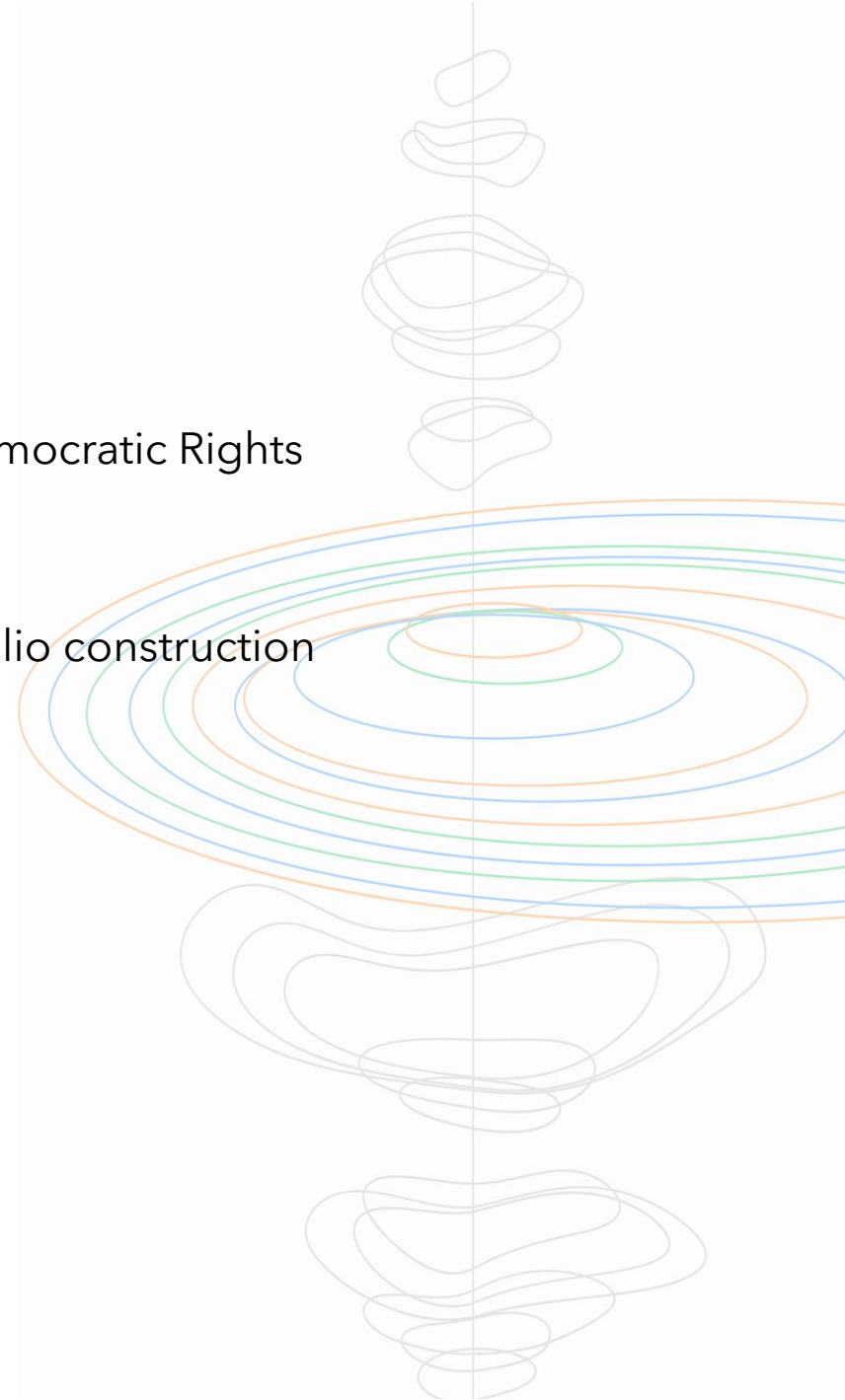
3 • Investment Philosophy - The case for Civil and Democratic Rights

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TOBAM'S COMMITMENT TO HUMAN RIGHTS ADDRESSING THE AUTOCRACY RISK

TOBAM's journey into Human Rights

2009

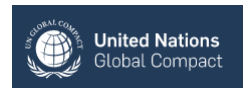
TOBAM Choses Human Rights as its philanthropy field.



2010

First donation to **Amnesty International**

TOBAM becomes signatory of the **United Nations Global Compact**



2011

Systematic Revenue-Linked Donation Program set up AB EM



2015

Onboarding of **Human Rights Watch** In TOBAM's Donation Process
Ukraine project

2016

Promotion and Education around Human Rights Key Challenges

2018

Conferences, Interviews, Webinar, Internal presentation

2019

Onboarding of **Reporters without Borders**
Fundraising Campaign after the Blast in Beirut

2020

Fundraising Campaign for Ukraine in coordination with HRW

2021

2023

Launching LBRTY®, first strategy focused on Civil Rights & Democracy



TOBAM'S COMMITMENT TO CIVIL RIGHTS & DEMOCRACY *ADDRESSING THE AUTOCRACY RISK DRIVER ... BECAUSE IT WORKS*

Our convictions:

Not “Good” vs “evil”
But “what works” vs “what doesn't work”

- It is about creating value on the long run
- It is not about doing philanthropy with investors' money
- It is about integrating what contributes to value creation and removing what contributes to value destruction
- It is not about discriminating between evil and good, it is about promoting what works, what lasts and will survive on the long run and what will create value

Democracy, Respect of Human Rights, Freedom of Speech, Promotion of Diversity and Pluralism are key to innovation, creativity and economic growth

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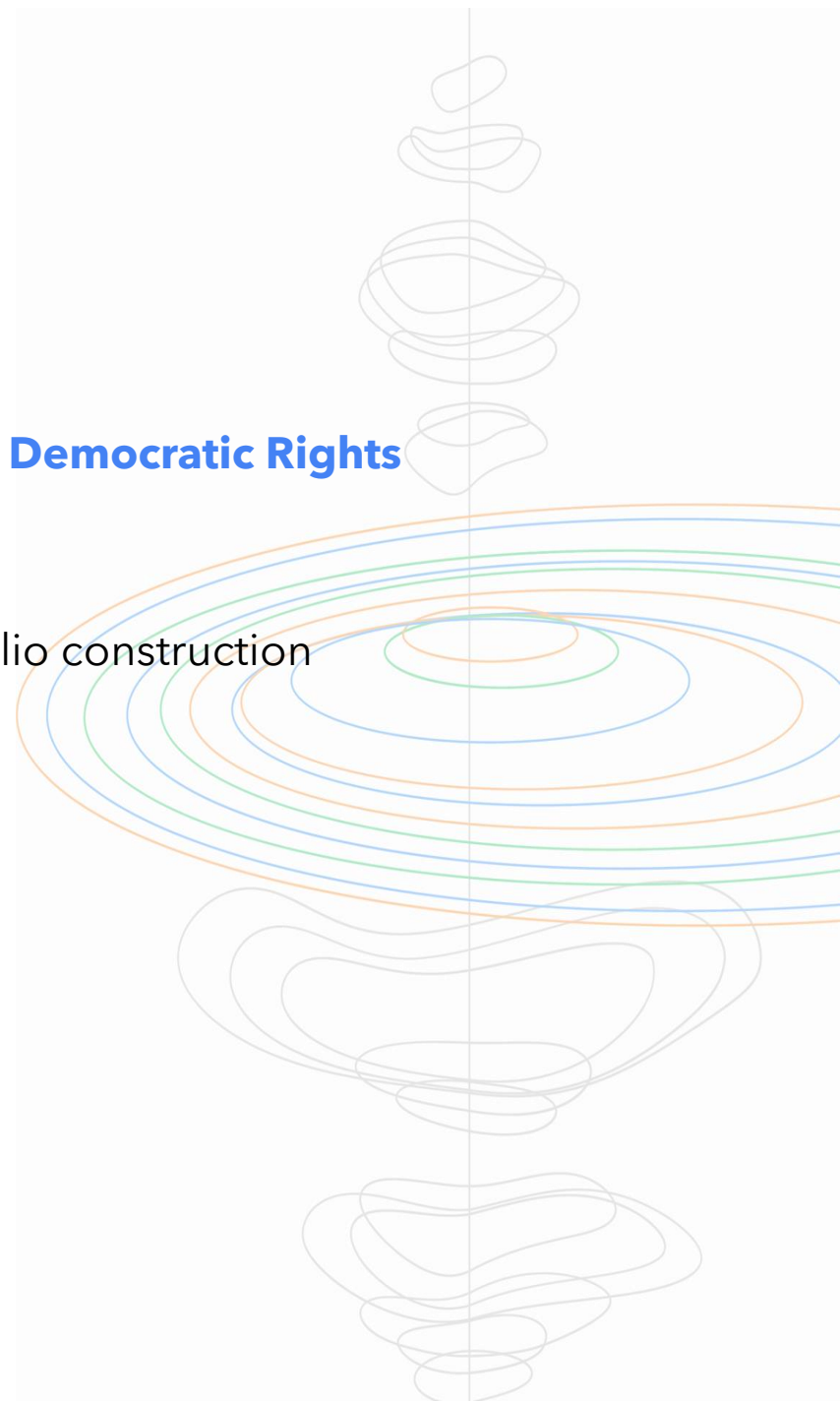
3 • **Investment Philosophy - The case for Civil and Democratic Rights**

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VERY LARGE NUMBER OF ACADEMIC REFERENCES

- In the long-run investors in countries with oppressive regimes and arbitrary rules are exposed to unrewarded risks.
- **Notably due to arbitrary state behaviour, uncompensated expropriations, social unrest, corruption, war....** In the long run they will underperform others.

“There is no lasting prosperity without solid democratic institutions”



Numerous research have demonstrated the cost of dictatorship and lack of civil liberties

2 The Economic Effects of Dictatorships

JOSE MARIA MARAVALL

JOURNAL ARTICLE

Dictatorial Institutions and their Impact on Economic Growth

JENNIFER GANDHI

The Dictator Effect: How Long Years in Office Affects Economic Development in Africa and the Near East

May 2012 · *Journal of Institutional Economics*

Authors:



Kostadis Papaioannou
The London School of Economics and Political Science



Jan Luiten van Zanden
Utrecht University

The Economic Effects of Human Rights

Kyklos, Vol. 60, No. 4,

30 Pages

Posted: 26 Oct 2007

Lorenz Blume

Phillips University Marbu

Stefan Voigt

University of Hamburg - Institute of Law & Economics; CESifo (Center for Economic Studies and Ifo Institute)

The economic costs of a discriminatory ideology

Kilian Huber, Volker Lindenthal, Fabian Waldinger / 8 Oct 2018

LAUNCHING FIRST STRATEGY FOCUSED ON CIVIL RIGHTS & DEMOCRACY *ADDRESSING THE AUTOCRACY RISK*

- Identifying the “autocracy risk driver”
- Building a portfolio under exposed to the autocracy risk

1. There is an autocracy risk driver
2. This risk driver is negatively rewarded
3. Most of the exposure to the autocracy risk driver is indirect
4. The autocracy risk driver is independent from other risk drivers

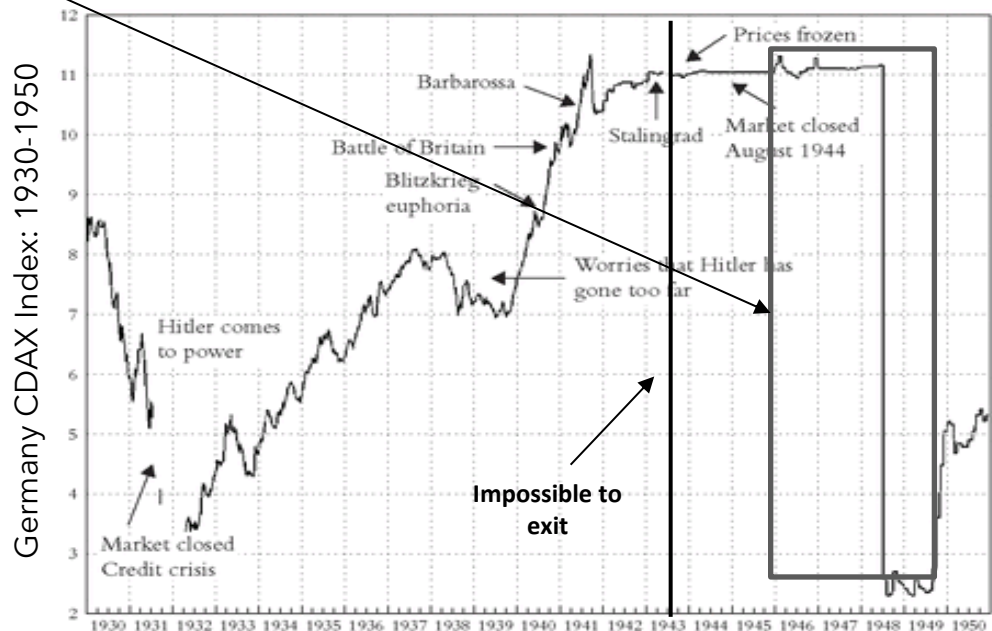
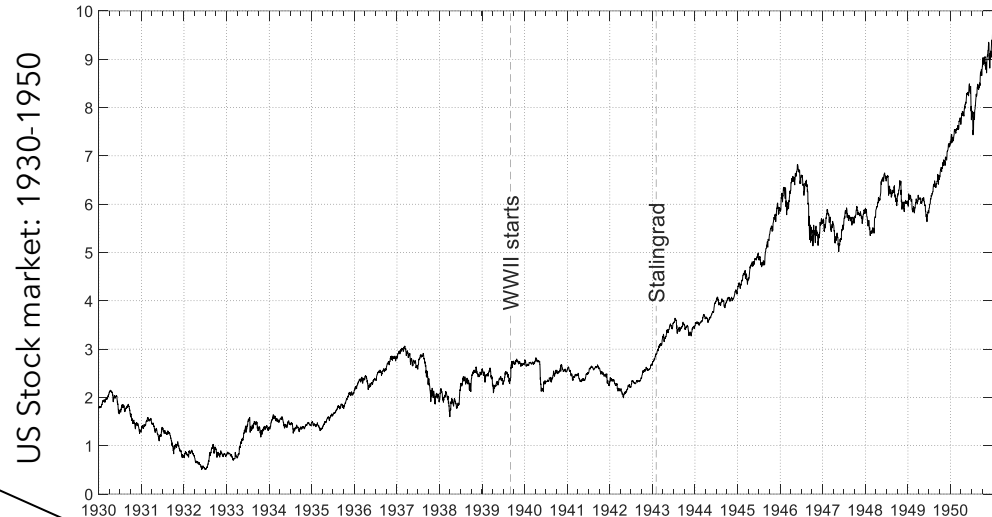
Yves Choueifaty: "BEING EXPOSED TO AUTOCRACY, CONSIST INTO BEING EXPOSED TO A REVERSE J-CURVE."

Example of Reverse J-Curve: Germany 1933-1943

- Germany's stock market knew a sharp rise from 1939 to 1943. Unlike in the US.
- From 1944, prices frozen, and impossible to get out from the German's stocks market.
- It opened back in mid-1948 with a fall of ~80% (+inflation).

Russian Market

CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD) (SEP 2007 – SEP 2022)



WEAR YOUR CORRELATION GLASSES ! ! !



Over 1,000 Companies Have Curtailed Operations in Russia—But Some Remain

November 28, 2022



Source: Yale University, as of Nov 28th, 2022

\$240 billion: The cost of abandoning Russia for global corporations

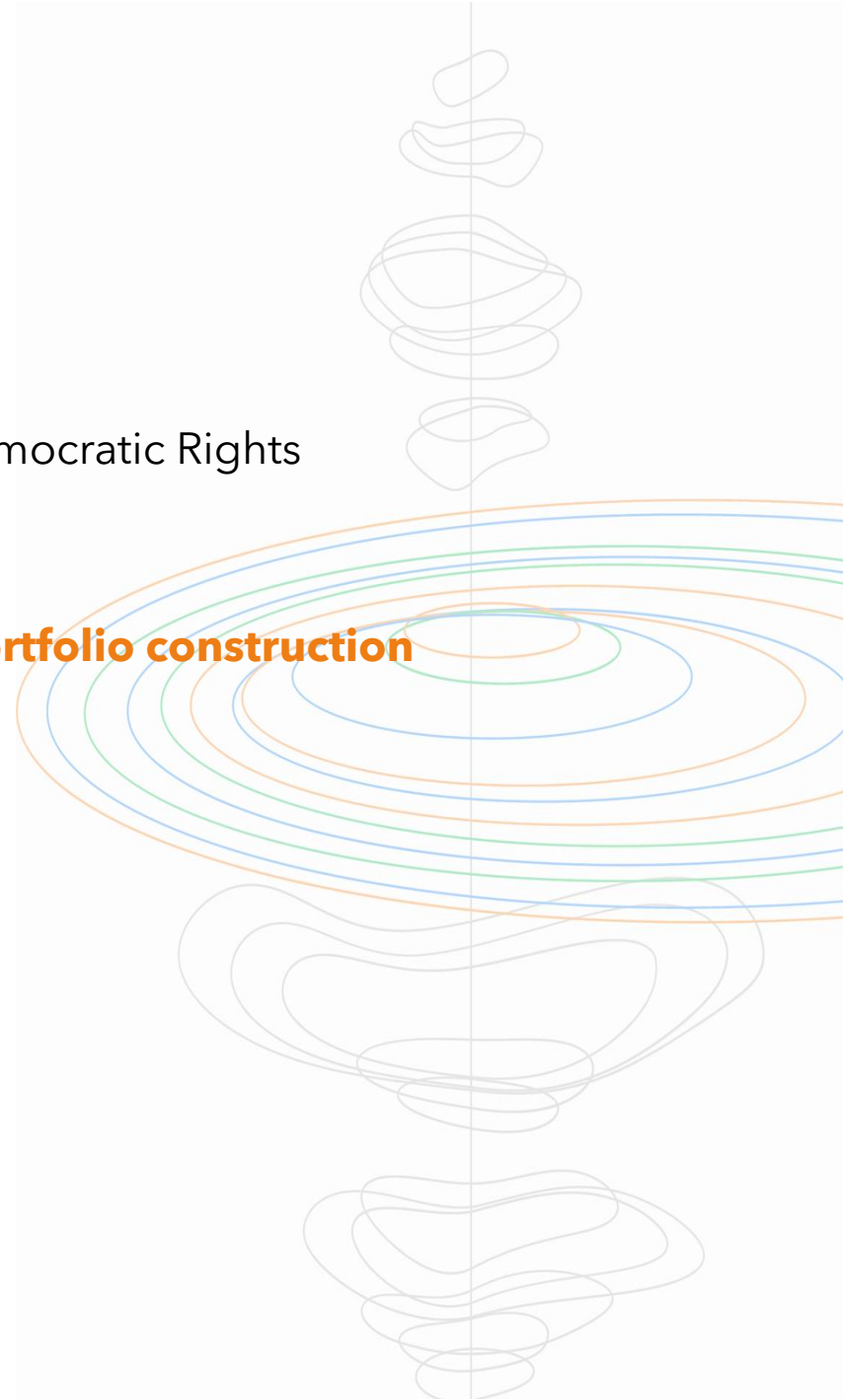


by Ansh Pandey — October 9, 2022 in Europe, Geopolitics Reading Time: 4 mins read



Source: <https://tfiglobalnews.com/>

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TOBAM USES 7 DIFFERENT DATASETS.

EXAMPLE OF DATASET: THE V-DEM PROJECT

- Founded in 2011, Varieties of Democracy (V-Dem) is a unique approach to conceptualizing and measuring democracy. It provides a multidimensional and disaggregated dataset **dating back to before 1789** that reflects the complexity of the concept of democracy as a system of rule that goes beyond the simple presence of elections.
- The V-Dem project distinguishes between five high-level principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian, and collects data to measure these principles.
- The dataset is governed by Principal Investigators (the highest decision making body), a Steering Committee (body for the overall guidance and decision making connected to the various V-Dem programs and projects) and a large number of Project Managers (they identify reliable and relevant data sources, develop surveys and assure cross-country equivalence for the indicators) that are all Professors from institutions with an excellent academic reputation mainly in the Nordics, USA, and some also from other European Countries. Moreover, the V-Dem institute relies on a wide set of Regional Managers who are Professors at Universities in the respective geographic regions for which data is collected (e.g., Africa, Asia etc.). Overall, the headcounts are 5 Principal Investigators, 18 Personnel at V-Dem Institute, 22 Project Managers, 33 Regional Managers, 134 Country Coordinators and **3700 Country Experts**.
- The Host Institution is the **University of Gothenburg**. The **University of Notre Dame** played an instrumental part in building and establishing V-Dem
- Funders of the data collection and research infrastructure are:
- We deem the V-Dem institute as a high-quality academic source.
- More information can be found here:

<https://www.v-dem.net/about/v-dem-project/>

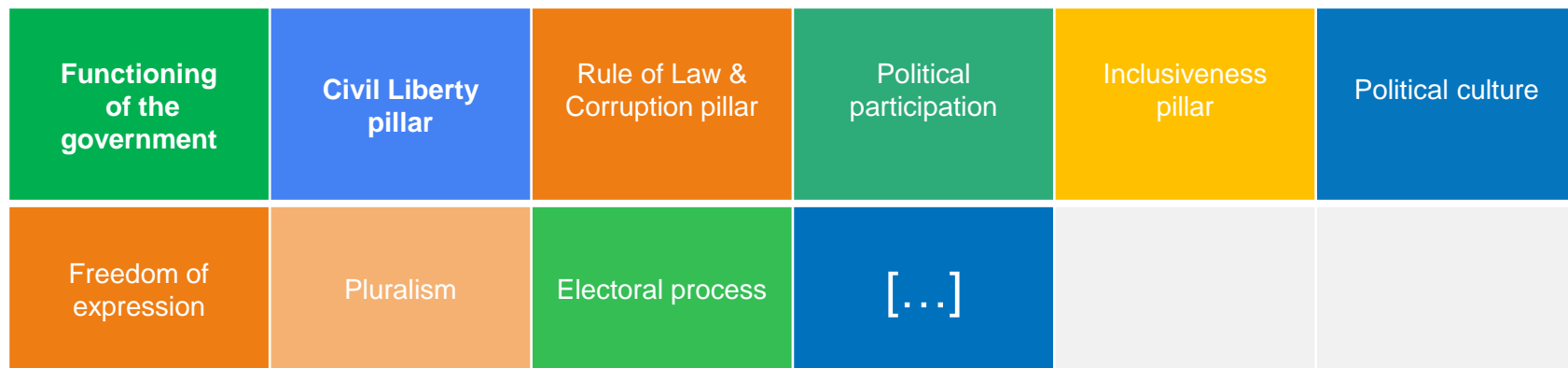


INVESTMENT PROCESS: LBRTY PORTFOLIO CONSTRUCTION

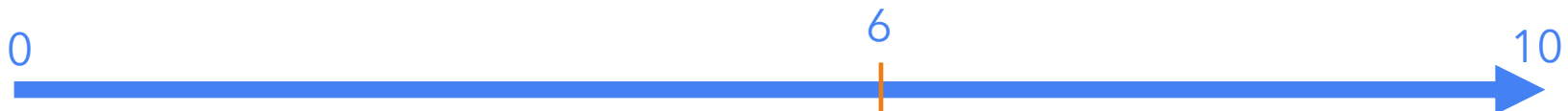
Measuring Countries Civil Liberty and The State of Democracy

There are plenty of data sources, reliable, independent, neutral.
A good example of that is VDEM (see illustration previous slide).

Datasets include typical pillars:



Step 1. The TOBAM “Country CD rating” synthesizes the information. Country CD ratings are between 0 and 10. The threshold is set at 6.



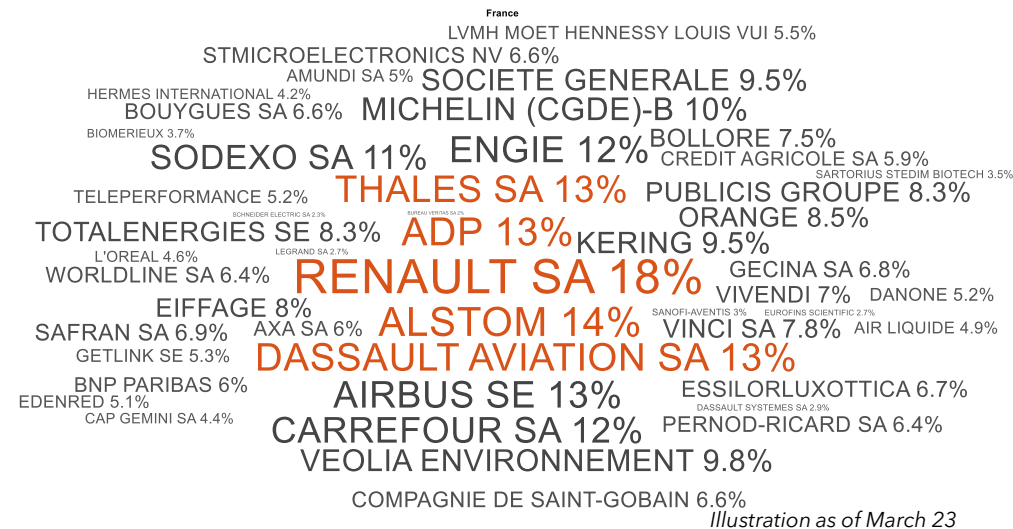
INVESTMENT PROCESS: LBRTY PORTFOLIO CONSTRUCTION

Step 2. Excluding Autocracies. Additional exclusion lists (tobacco,...). The stocks of this Benchmark constitute the **Investment Universe**

Compute **Whitelisted Benchmark**: Mkt-Cap weighted portfolio of Investment Universe

Step 3. Wearing the “correlation glasses”: Estimate the **Authoritarian Exposure** of each stock of the investment universe, homogeneous to a (partial) volatility

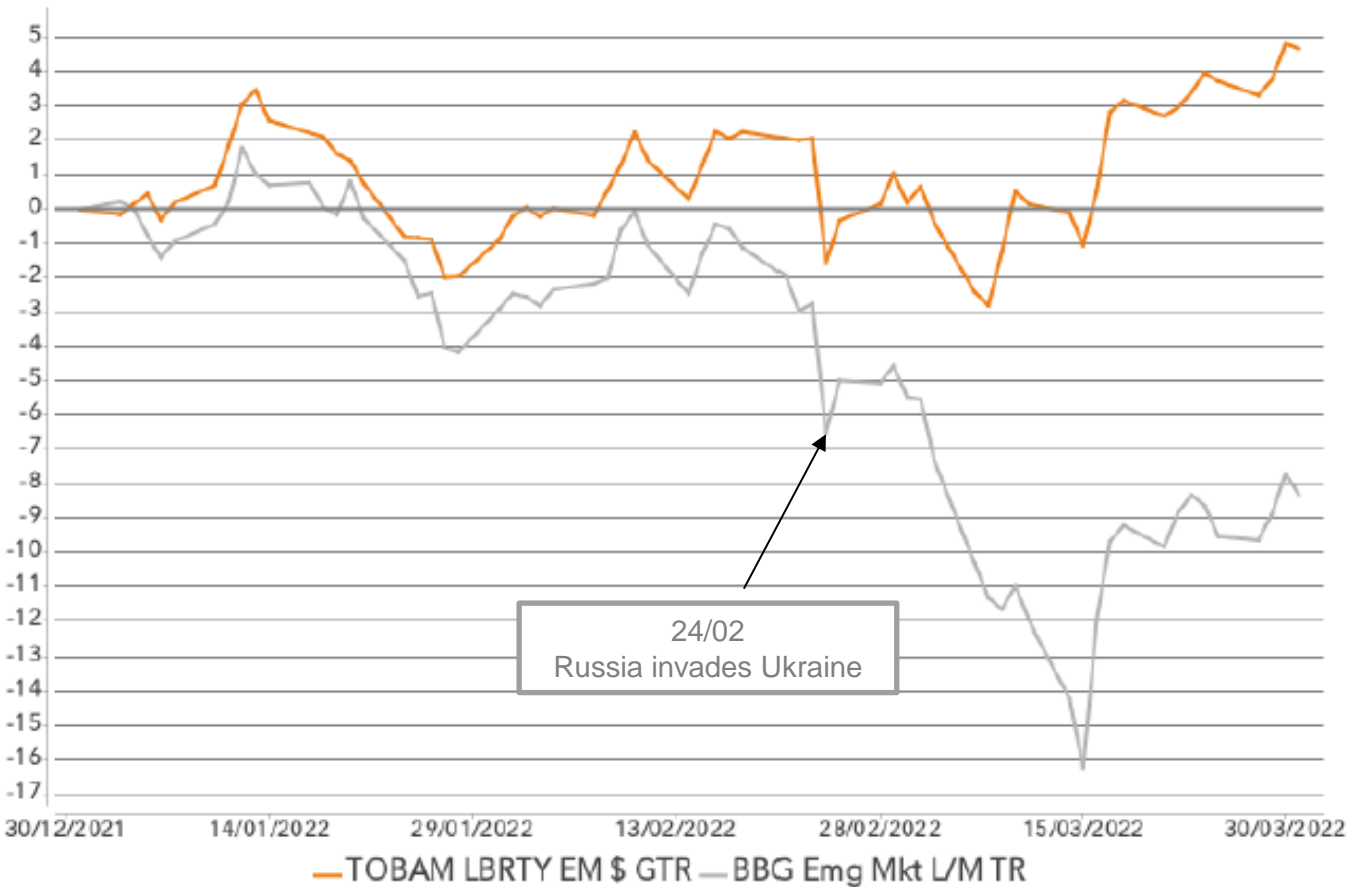
- Capture each company's overall economic exposure to authoritarian countries de-biased for market and sectors effects.
- Define the **authoritarian exposure** (AE) of a company as the sum of its exposure to each authoritarian country.



Step 4. Construct **LBRTY Portfolio** : Minimization of overall authoritarian exposure subject to a defined long term tracking error

THE AUTOCRACY RISK CAN BE EFFECTVELY MITIGATED

TOBAM LBRTY EM PERFORMANCE IN Q1 2022: IMPACT OF THE RUSSIAN CRISIS



TOBAM LBRTY EM \$ GTR

Return: **4.70%**

Hist volatility: **15.37%**

BBG Emg Mkt L/M TR

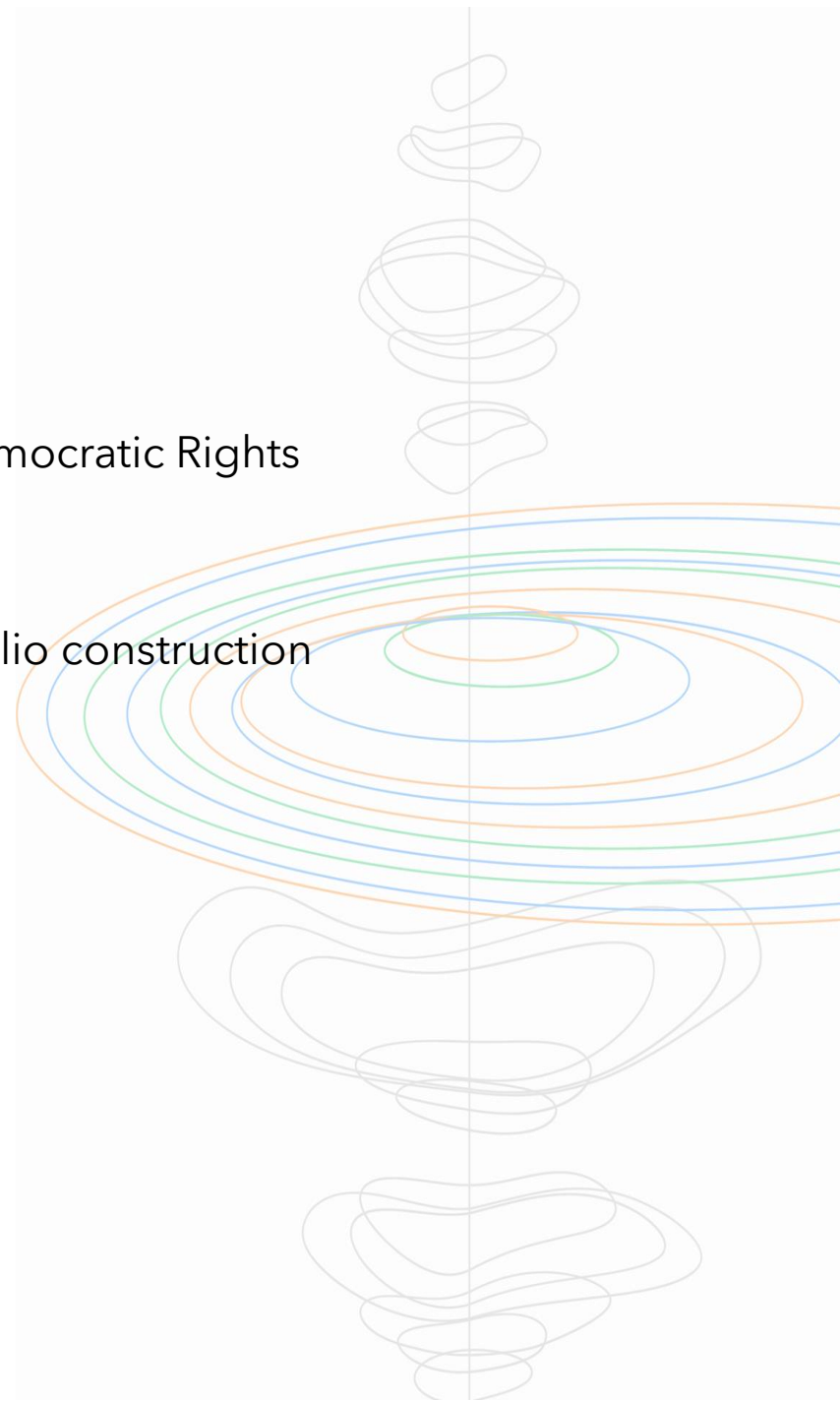
Return: **-8.32%**

Hist volatility: **21.92%**

Excess Return: **13.02%**

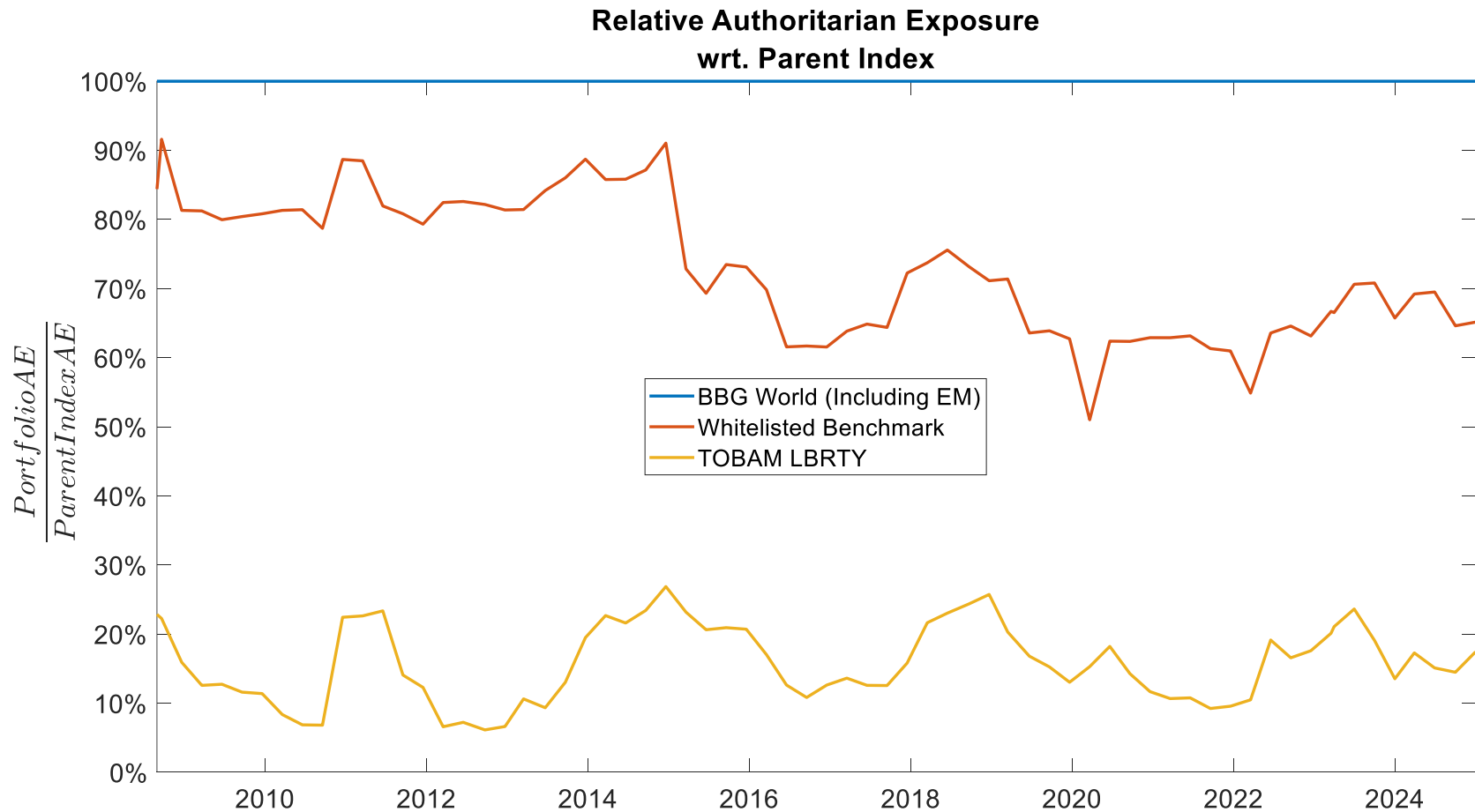
Source Bloomberg and TOBAM, from 31/12/2021 to 31/03/2022. Returns reflect back tested data from Aug 29, 2008, to Jul 03, 2023, plus live data for the TOBAM LBRTY Emerging Markets Equity Index from Jul 03, 2023, to date. Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched prior to Jul 03, 2023. The back tests are gross of tax and exclude costs of transaction and fee assumptions. Warning: Past performance is not an indicator or a guarantee of future performance. The value of your investment and income received from it can go down as well as up and you may not get back the full amount invested. Performance is in USD.

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PORTFOLIOS RELATIVE AUTHORITARIAN EXPOSURE

WORLD INCL. EM

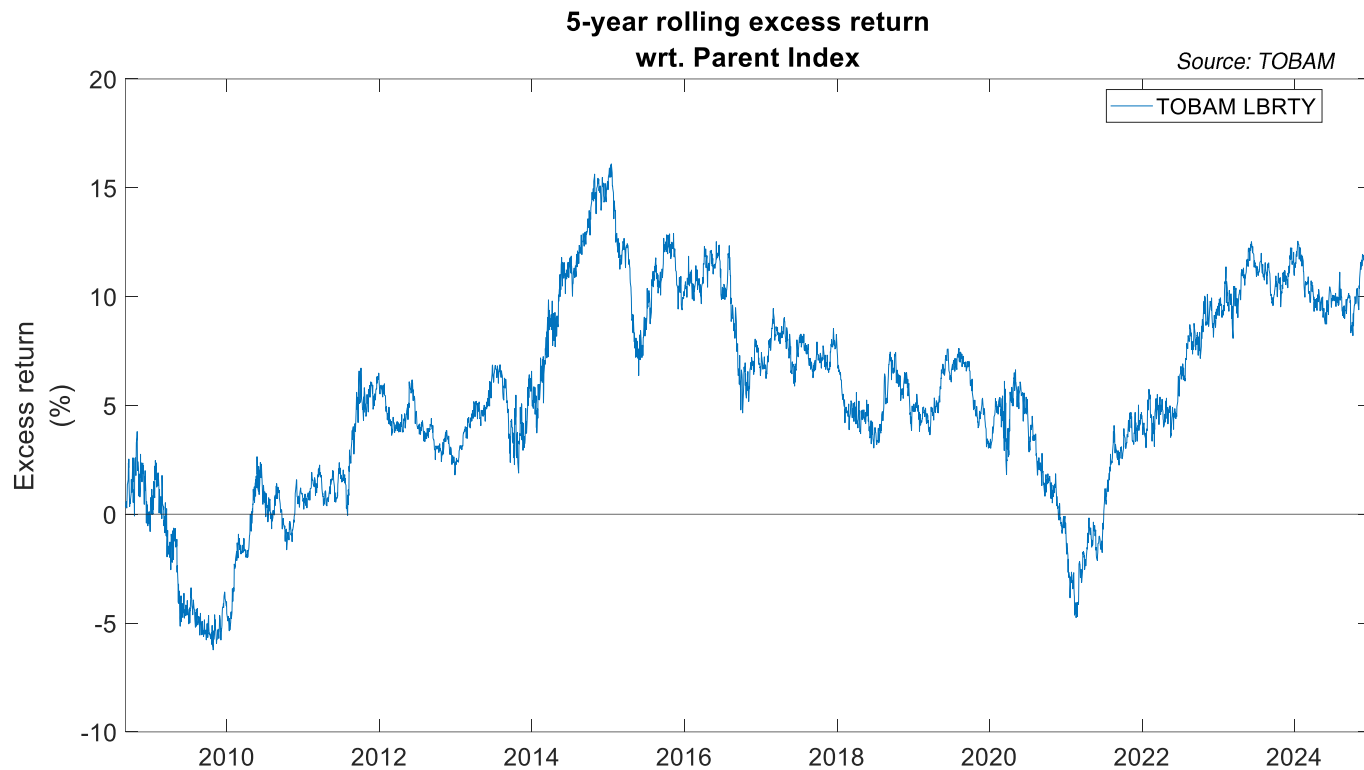


Source: TOBAM. August 2008 to December 2024

Within a given country companies exhibit a large spectrum of authoritarian exposures allowing TOBAM LBRTY to exhibit an authoritarian exposure 70 to 90% lower compared to their parent index.

5-YEAR ROLLING EXCESS RETURNS

WORLD INCLUDING EM



5 Years Statistics	BBG World (Including EM)	Whitelisted Benchmark	TOBAM LBRTY
Annualized Gross return	10.4%	12.3%	12.4%
Annualized Net return	10.4%	11.9%	12.0%
Vol	17.5%	18.6%	20.5%
Sharpe ratio	0.46	0.51	0.47
Beta to Mkt	1.0	1.0	1.1

The period covered in the table is from December 2019 to December 2024. The graph shrinks the 5-year window near the start of the period to include only existing elements. Returns reflect back tested data for the entire time provided. Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched. Warning: Past performance is not an indicator or a guarantee of future performance. The value of your investment and income received from it can go down as well as up and you may not get back the full amount invested. Performance details provided are in reference index specific local currency. Whitelisted Benchmark: Mkt-Cap weighted portfolio of Investment Universe

BACKTEST SUMMARY

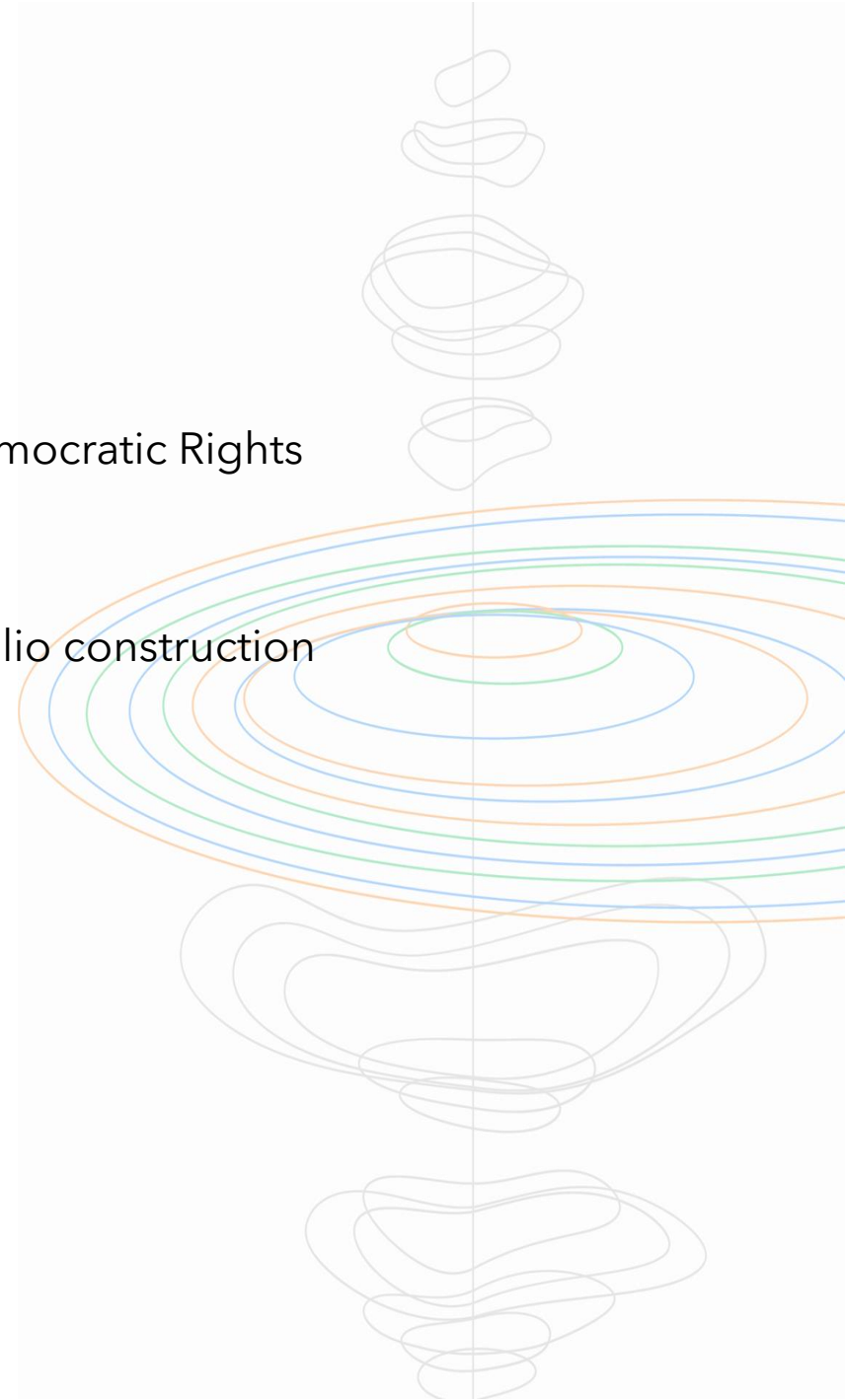
WORLD INCLUDING EM

Statistics	BBG World (Incl. EM)	Whitelisted Benchmark	TOBAM LBRTY
Annual. Gross return	8.3%	9.4%	9.8%
Annual. Net return	8.3%	8.9%	9.3%
Vol	17.4%	17.7%	18.9%
Sharpe Ratio	0.41	0.44	0.43
Beta to Mkt	1.0	1.0	1.0
Average # of stocks	2729	1677	258
Average Eff. # of stocks	370.3	262.9	141.0
Authoritarian Exposure (2024)	4.0%	2.7%	0.6%
Rel. Authoritarian Exp. (2024)	100%	68%	15%
TE(Parent index)	0.0%	2.0%	5.3%
TE(Whitelisted index)	2.0%	0.0%	4.6%

World (Including EM) Nov 2009 - Dec 2024	Tracking error attribution vs. Parent Index		Tracking error attribution vs. Whitelisted Benchmark	
Risk factor	TCR	PCR	TCR	PCR
Market	0.3%	6.5%	0.3%	6.2%
Authoritarian countries	0.4%	7.4%	0.0%	0.0%
Indirect exposure	3.1%	59.0%	2.3%	50.1%
Sector	0.5%	8.7%	0.6%	13.2%
Residuals	1.0%	18.4%	1.4%	30.4%
<i>Total</i>	5.3%	100.0%	4.6%	100.0%

The period covered is from August 2008 to December 2024. Returns reflect back tested data for the entire time provided. Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched. Back tested performance returns and/or charts illustrating performance provided on this page are gross of management fees, sales charges and other commissions, other taxes and relevant costs to be paid by an investor are not included in the calculations. The net performance, are computed assuming a hypothetical fee of 45bps. Warning: Past performance is not an indicator or a guarantee of future performance. The value of your investment and income received from it can go down as well as up and you may not get back the full amount invested. Performance details provided are in reference index specific local currency. Whitelisted Benchmark: Mkt-Cap weighted portfolio of Investment Universe

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LBRTY EQUITY - PERFORMANCE SUMMARY
EM, ACWI, ACWI EX US, US

As of April 14th, 2025		Performance USD			Average TE vs. Benchmark
Tickers		Annualized			
		1Y	3yr	5yr	
LBRTYEMT	TOBAM LBRTY EM Equity	2.2%	3.7%	14.8%	7% - 9%
	MSCI EM ex China	-1.9%	1.3%	10.6%	7% - 8%
	MSCI EM	5.9%	1.4%	6.4%	0%
LBRTYT	TOBAM LBRTY ACWI Equity	9.8%	10.1%	15.5%	3% - 4%
	MSCI ACWI	7.7%	7.3%	13.2%	
	Delta	2.1%	2.8%	2.3%	
LBRTYXUT	TOBAM LBRTY ACWI ex-US Equity	7.6%	7.0%	12.4%	3% - 5%
	MSCI ACWI ex-USA	6.8%	5.1%	9.9%	
	Delta	0.8%	1.9%	2.5%	
LBRTYUST	TOBAM LBRTY US Equity	6.9%	11.4%	16.6%	2% - 3%
	S&P 500	8.2%	8.8%	15.5%	
	Delta	-1.3%	2.6%	1.2%	

The period covered is from January 2020 to April 2025. Returns reflect back tested data from Jan 08, 2020 to Jul 03, 2023, plus live data from Jul 03, 2023 to date (except for TOBAM LBRTY US Equity which shows back tested data from November 2019 to Jul 31, 2024, plus live data from Jul 31, 2024 to date). Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched prior to live date. The back tests are gross of tax and exclude costs of transaction and fee assumptions. Warning: Past performance is not an indicator or a guarantee of future performance. The value of your investment and income received from it can go down as well as up and you may not get back the full amount invested. Performance details provided are in USD and include reinvested dividends. Benchmarks used are: MSCI EM TR USD, MSCI AC World TR USD, MSCI AC World TR ex-US, S&P 500 TR. Benchmark ex China is MSCI EM ex China TR USD

TOBAM LBRTY EMERGING MARKETS EQUITY PERFORMANCE

Sources: TOBAM, Bloomberg. Indexes are unmanaged and do not incur management fees, costs and expenses. One cannot invest directly in an index.

Warning: Past performance is not an indicator or a guarantee of future performance. The value of your investment and income received from it can go down as well as up and you may not get back the full amount invested.

Performance details provided are in USD and include reinvested dividends Returns reflect back tested data from Aug 29, 2008 to Jul 03, 2023, plus live data for the TOBAM LBRTY Emerging Markets Equity Index from Jul 03, 2023 to date

Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched prior to Jul 03, 2023. The back tests are gross of tax and exclude costs of transaction and fee assumptions.

Monthly Returns(%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
													Index	Bench
2024	-1.35	0.82	2.55	-2.44	1.08	5.83	3.20	2.51	2.42	-4.52	-1.68	-1.71	6.40	8.21
2023	2.82	-2.68	2.66	2.12	2.27	3.20	5.58	-4.49	-2.39	-3.65	8.72	7.60	22.85	8.47
2022	-0.87	1.04	4.54	-7.20	0.70	-11.06	4.18	1.23	-6.81	0.52	9.11	-3.32	-9.32	-20.54
2021	-3.41	-1.46	4.15	3.11	4.72	-0.70	-0.20	4.40	-2.27	-1.61	0.07	2.58	9.31	0.21
2020	-3.04	-6.11	-20.99	12.34	4.52	6.97	9.76	0.96	-2.90	2.83	12.05	8.46	21.47	22.03
2019	4.16	-0.66	2.74	0.78	-3.57	3.61	-1.32	-3.31	4.28	3.73	-0.91	5.35	15.34	18.81
2018	4.93	-3.52	-1.26	1.24	-4.02	0.32	3.92	0.12	-1.59	-8.22	4.51	-0.15	-4.45	-12.01
2017	5.10	4.33	3.96	0.93	2.51	0.83	4.38	1.65	-2.05	2.59	0.55	5.03	33.90	35.95
2016	-4.27	-0.10	8.06	0.13	-0.99	0.85	4.44	-0.25	0.87	-0.54	-5.49	-0.75	1.30	11.61
2015	0.47	2.24	-3.07	3.80	-1.80	-2.16	-5.03	-3.86	-0.48	4.69	-4.29	-1.62	-11.06	-11.75
2014	-4.91	4.37	4.47	1.83	1.18	3.75	0.45	2.69	-7.34	-1.06	-0.68	-4.82	-0.93	-0.94
2013	0.81	-2.38	-0.70	-1.55	-4.86	-5.59	1.81	-1.35	4.19	5.03	-4.91	0.20	-9.50	-1.20
2012	9.48	4.69	-2.16	-1.01	-9.24	3.81	0.52	0.23	5.32	-1.07	0.91	5.53	16.94	20.36
2011	-5.88	0.68	4.29	4.20	-0.82	-1.66	-0.31	-3.26	-14.29	11.02	-5.15	-1.92	-14.26	-18.97
2010	-5.34	2.55	8.00	1.00	-7.52	0.52	9.21	-0.14	10.70	3.91	-2.59	7.22	28.95	19.91

Statistics

	TOBAM LBRTY Emerging Markets Equity Index	BBG Emg Mkt L/M TR
Return (Aug '08 - Dec '24)	201.31 %	91.29 %
Annualized return	6.98 %	4.05 %
Volatility	17.97 %	19.52 %
Sharpe ratio	0.32	0.15
Tracking error	8.78 %	
Downside deviation	11.55 %	12.46 %
Sortino ratio	0.50	0.23
Information ratio	0.33	
Correlation to index	0.89	
Beta to index	0.82	

TOBAM LBRTY ALL WORLD EQUITY PERFORMANCE

Sources: TOBAM, Bloomberg. Indexes are unmanaged and do not incur management fees, costs and expenses. One cannot invest directly in an index.

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Performance details provided are in USD and include reinvested dividends. Returns reflect back tested data from Aug 29, 2008 to Jul 03, 2023, plus live data for the TOBAM LBRTY All World Equity Index from Jul 03, 2023 to date.

Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched prior to Jul 03, 2023. The back tests are gross of tax and exclude costs of transaction and fee assumptions.

Monthly Returns(%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
													Index	Bench
2024	1.27	3.71	3.85	-3.13	4.97	2.86	1.62	2.92	0.97	-1.37	4.77	-1.71	22.35	17.95
2023	6.43	-3.09	3.47	2.56	-0.11	5.42	3.99	-2.41	-4.73	-3.07	9.71	5.46	24.98	22.24
2022	-4.83	-2.49	2.12	-7.90	0.55	-7.95	7.57	-4.37	-8.82	7.75	8.02	-3.80	-15.16	-18.24
2021	-1.69	2.29	3.88	5.49	1.75	1.52	3.13	2.85	-4.37	6.06	-1.48	4.53	26.12	18.50
2020	-0.19	-8.41	-13.17	10.74	4.93	3.10	4.83	6.34	-4.06	-2.91	11.56	3.81	14.36	17.10
2019	8.10	3.49	1.71	3.53	-5.24	6.57	0.81	-2.09	2.41	2.12	3.32	3.34	31.14	27.10
2018	4.18	-4.11	-0.94	0.54	0.41	-0.07	3.23	1.87	0.08	-7.39	1.80	-8.18	-9.05	-8.76
2017	1.84	3.16	0.94	1.66	2.83	0.13	2.58	-0.51	1.63	1.85	2.70	1.22	21.90	24.54
2016	-5.47	-0.28	7.11	0.90	0.94	-1.33	4.11	-0.04	0.58	-1.95	1.79	2.77	8.93	8.54
2015	-2.07	6.06	-1.27	1.67	0.39	-2.12	2.20	-6.31	-2.96	8.11	-0.08	-2.53	0.24	-1.67
2014	-3.09	4.77	0.32	1.41	1.66	2.16	-1.68	2.77	-2.56	0.90	1.86	-1.38	7.05	4.89
2013	5.32	0.31	2.41	2.58	0.10	-2.21	5.21	-2.66	4.39	4.33	1.52	2.34	25.89	23.16
2012	4.92	4.10	0.79	-1.24	-8.32	4.09	1.03	3.07	2.74	-0.65	1.53	1.87	14.05	17.16
2011	2.22	3.49	-0.48	3.60	-1.92	-1.06	-2.71	-5.93	-8.18	9.98	-2.26	-0.09	-4.47	-7.21
2010	-4.16	2.93	6.49	0.74	-8.56	-3.47	8.19	-2.79	8.62	3.92	-1.70	6.92	16.55	13.30

Statistics

	TOBAM LBRTY All World Equity Index	BBG World Lrg/Mid Cap TR
Return (Aug '08 - Dec '24)	361.79 %	269.62 %
Annualized return	9.82 %	8.33 %
Volatility	18.37 %	17.30 %
Sharpe ratio	0.47	0.41
Tracking error	3.56 %	
Downside deviation	11.97 %	11.36 %
Sortino ratio	0.72	0.63
Information ratio	0.42	
Correlation to index	0.98	
Beta to index	1.04	

TOBAM LBRTY ALL WORLD EX USA EQUITY PERFORMANCE

Sources: TOBAM, Bloomberg. Indexes are unmanaged and do not incur management fees, costs and expenses. One cannot invest directly in an index.

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Performance details provided are in USD and include reinvested dividends. Returns reflect back tested data from Aug 29, 2008 to Jul 03, 2023, plus live data for the TOBAM LBRTY All World ex USA Equity Index from Jul 03, 2023 to date. Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched prior to Jul 03, 2023. The back tests are gross of tax and exclude costs of transaction and fee assumptions.

Performance returns and/or charts illustrating performance provided on this page are gross of management fees, sales charges and other commissions,

Monthly Returns(%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
													Index	Bench
2024	-0.40	0.63	4.15	-3.12	3.63	-0.04	3.76	3.30	0.75	-4.74	0.07	-2.82	4.81	6.41
2023	8.52	-2.02	2.13	3.17	-2.54	4.57	4.07	-4.60	-3.22	-4.71	10.29	6.54	22.86	15.22
2022	-4.47	-2.15	0.65	-6.72	0.85	-10.05	5.71	-5.16	-8.21	4.19	10.63	-0.59	-16.06	-15.97
2021	-1.55	2.11	2.84	4.18	3.93	-0.71	1.34	1.49	-3.70	3.34	-3.19	5.50	16.17	8.45
2020	-2.23	-8.62	-15.31	6.68	4.28	4.21	4.23	4.75	-2.66	-2.48	13.87	4.84	8.52	12.45
2019	6.80	3.01	0.81	3.05	-4.04	5.29	-1.48	-2.59	3.31	3.35	1.58	3.65	24.59	21.95
2018	4.15	-4.90	-0.93	2.00	-1.89	-1.13	2.61	-1.82	-0.04	-8.00	0.55	-5.06	-14.14	-13.20
2017	2.60	0.94	2.37	2.29	4.09	0.08	3.29	-0.67	1.89	0.88	1.41	2.29	23.58	27.51
2016	-6.50	-0.23	6.96	3.00	-0.57	-3.18	4.63	0.04	1.37	-1.74	-1.55	3.33	4.93	5.12
2015	-0.21	5.82	-1.68	3.81	-1.16	-2.14	1.10	-6.87	-3.60	7.28	-1.48	-2.30	-2.29	-4.71
2014	-3.78	5.10	-0.27	1.91	1.57	1.63	-1.33	0.74	-4.05	-1.54	1.38	-3.38	-2.42	-3.03
2013	4.24	-1.29	0.86	3.91	-1.68	-3.74	5.60	-1.61	6.54	3.85	0.23	2.25	20.26	15.54
2012	5.35	5.17	-0.91	-1.64	-11.04	5.61	0.71	3.63	3.66	0.44	2.16	3.31	16.35	18.11
2011	2.17	3.53	-1.39	4.53	-2.40	-0.97	-1.79	-6.89	-9.89	9.41	-4.82	-0.87	-10.36	-13.63
2010	-4.77	0.47	6.98	-0.97	-10.85	-1.94	10.29	-2.77	9.30	3.79	-5.06	7.98	10.48	12.05

Statistics

	TOBAM LBRTY All World BBG World Ex-US L/M TR ex USA Equity Index	
Return (Aug '08 - Dec '24)	138.49 %	104.62 %
Annualized return	5.46 %	4.48 %
Volatility	18.49 %	17.89 %
Sharpe ratio	0.23	0.18
Tracking error	4.31 %	
Downside deviation	11.84 %	11.57 %
Sortino ratio	0.36	0.29
Information ratio	0.23	
Correlation to index	0.97	
Beta to index	1.01	

TOBAM LBRTY USA EQUITY PERFORMANCE

Sources: TOBAM, Bloomberg. Indexes are unmanaged and do not incur management fees, costs and expenses. One cannot invest directly in an index.

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Performance details provided are in USD and include reinvested dividends Returns reflect back tested data from Aug 29, 2008 to Jul 31, 2024, plus live data for the LBRTY US from Jul 31, 2024 to date.

Back tested results are for information purposes only. They are intended to illustrate how the Strategy may have behaved had it been launched prior to Jul 31, 2024. The back tests are gross of tax and exclude costs of transaction and fee assumptions.

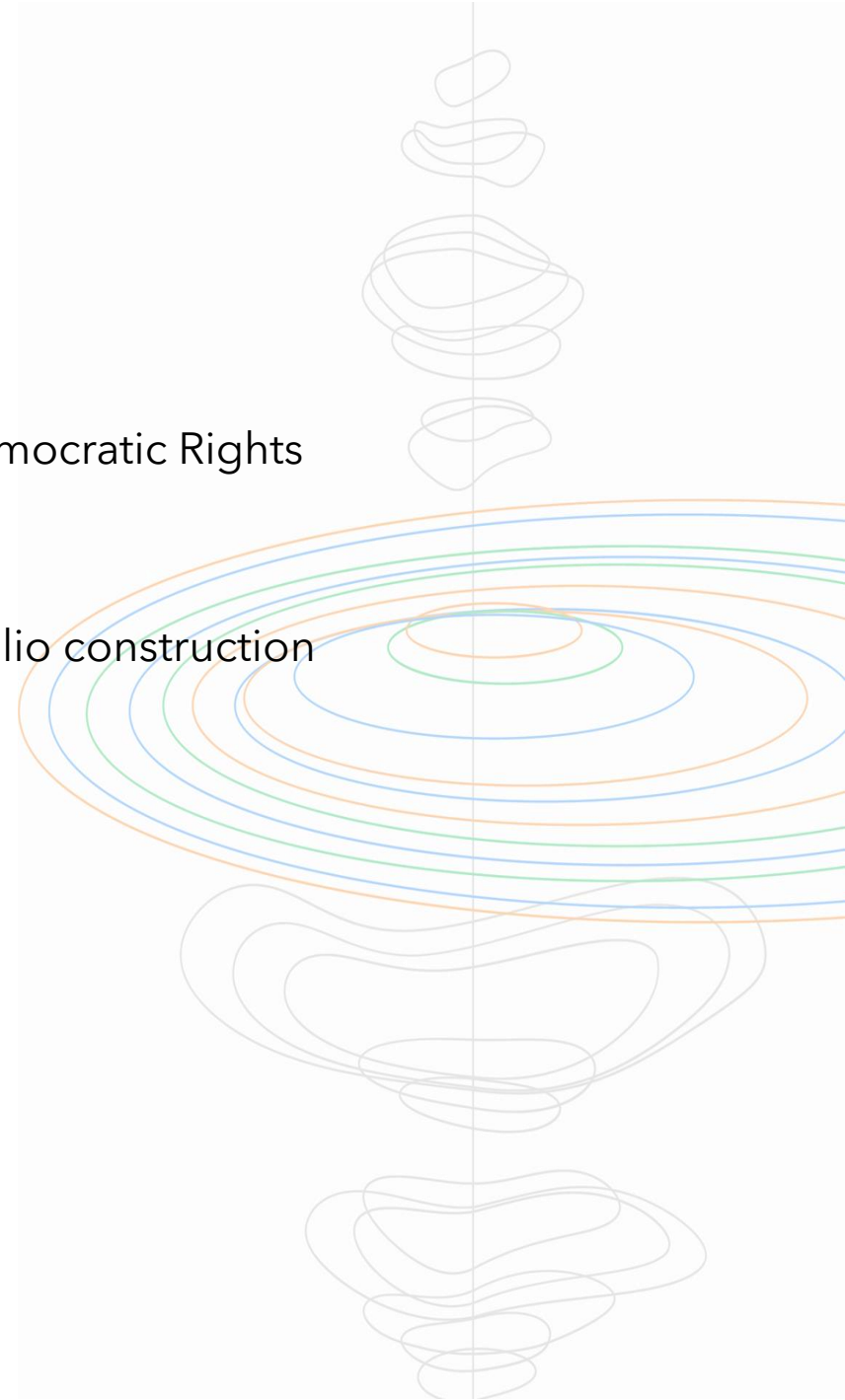
Monthly Returns(%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
													Index	Bench
2024	2.38	5.55	3.40	-4.49	4.49	4.27	0.64	2.82	1.50	-0.64	5.46	-2.57	24.66	25.20
2023	5.15	-2.85	5.12	2.08	1.05	6.12	3.92	-1.28	-4.94	-2.43	8.86	5.58	28.53	27.56
2022	-5.89	-4.15	2.84	-8.11	0.21	-6.82	8.86	-4.17	-8.25	9.06	6.94	-5.44	-15.98	-19.78
2021	-2.27	2.66	4.69	5.27	1.08	3.29	4.29	3.28	-5.87	7.24	-0.13	4.80	31.35	27.32
2020	-0.09	-8.50	-11.37	10.51	6.47	1.96	3.86	7.55	-2.64	-3.11	9.90	3.65	16.66	21.61
2019	7.78	4.49	1.68	3.42	-6.16	6.29	2.21	-1.26	1.74	2.14	4.31	2.63	32.61	31.76
2018	4.52	-3.15	-2.09	0.25	3.41	0.67	3.86	3.85	0.19	-6.51	2.12	-8.74	-2.61	-4.38
2017	1.56	4.54	-0.06	1.16	2.33	-0.01	1.62	0.53	2.75	2.01	3.56	0.92	22.91	22.10
2016	-3.23	-0.01	6.99	-0.50	1.95	0.35	3.57	-0.19	-0.15	-2.67	4.17	1.80	12.27	11.64
2015	-1.87	5.75	-1.19	-0.40	1.93	-1.94	1.60	-6.13	-1.27	7.82	0.39	-2.35	1.61	1.26
2014	-3.96	5.12	0.97	0.60	1.57	1.32	-1.48	4.49	-1.00	3.42	2.83	-0.21	14.14	13.60
2013	5.34	2.08	3.70	1.63	1.65	-1.21	5.09	-2.60	3.50	3.75	2.83	2.28	31.56	32.59
2012	5.24	4.19	2.91	-0.49	-4.84	3.24	0.82	2.26	1.92	-2.43	1.74	-0.23	14.80	16.22
2011	1.65	3.17	1.80	4.13	0.17	-1.35	-2.66	-4.64	-5.28	9.75	0.01	0.99	7.07	2.00
2010	-2.36	2.61	4.71	1.40	-6.76	-3.92	5.66	-3.85	9.57	3.57	0.38	4.91	15.71	14.95

Statistics

	LBRTY US	Bloomberg US Large Cap TR
Gross Return (Aug '08 - Dec '24)	666.44 %	533.89 %
Annualized Gross Return	13.27 %	11.97 %
Volatility	19.42 %	20.44 %
Sharpe ratio	0.62	0.53
Tracking error	3.41 %	
Downside deviation	12.49 %	13.31 %
Sortino ratio	0.97	0.81
Information ratio	0.38	
Correlation to index	0.99	
Beta to index	0.94	

1. Beyond the ESG portfolio
2. Introduction to TOBAM
3. Investment Philosophy - The case for Civil and Democratic Rights
4. Measuring Civil and Democratic Rights and portfolio construction
5. Empirical results: World (Including EM)
6. Products
7. **Conclusion & appendix**



LBRTY GLOBAL EQUITY ETF (BFRE)

NEW MILESTONE FOR THE LBRTY STRATEGY



CONCLUSION

Since its beginning:

- TOBAM's ONLY focus is the long-term risk reward of its clients
- We believe that, side by side with diversification, Democracy, Respect of Human Rights and Civil Rights are key to innovations and economic growth
- TOBAM had human rights at the core of its values.



Reducing both direct and indirect Authoritarian Exposure

- enhances long term expected returns
- reduces market risk induced by geopolitical instability

ABOUT TOBAM

TOBAM is an asset management company offering innovative investment capabilities designed to increase diversification. Its mission is to provide rational and professional solutions to long term investors in the context of efficient markets.

The Maximum Diversification[®] approach, TOBAM's flagship investment process founded in 2006, is supported by original, patented research and a mathematical definition of diversification and provides clients with diversified core exposure, in both the equity and fixed income markets.

In line with its mission statement and commitment to diversification, TOBAM also launched a separate activity on cryptocurrencies in 2017.

TOBAM manages approx. US\$2 billion (at December 30, 2024). TOBAM's team is composed of 31 professionals.

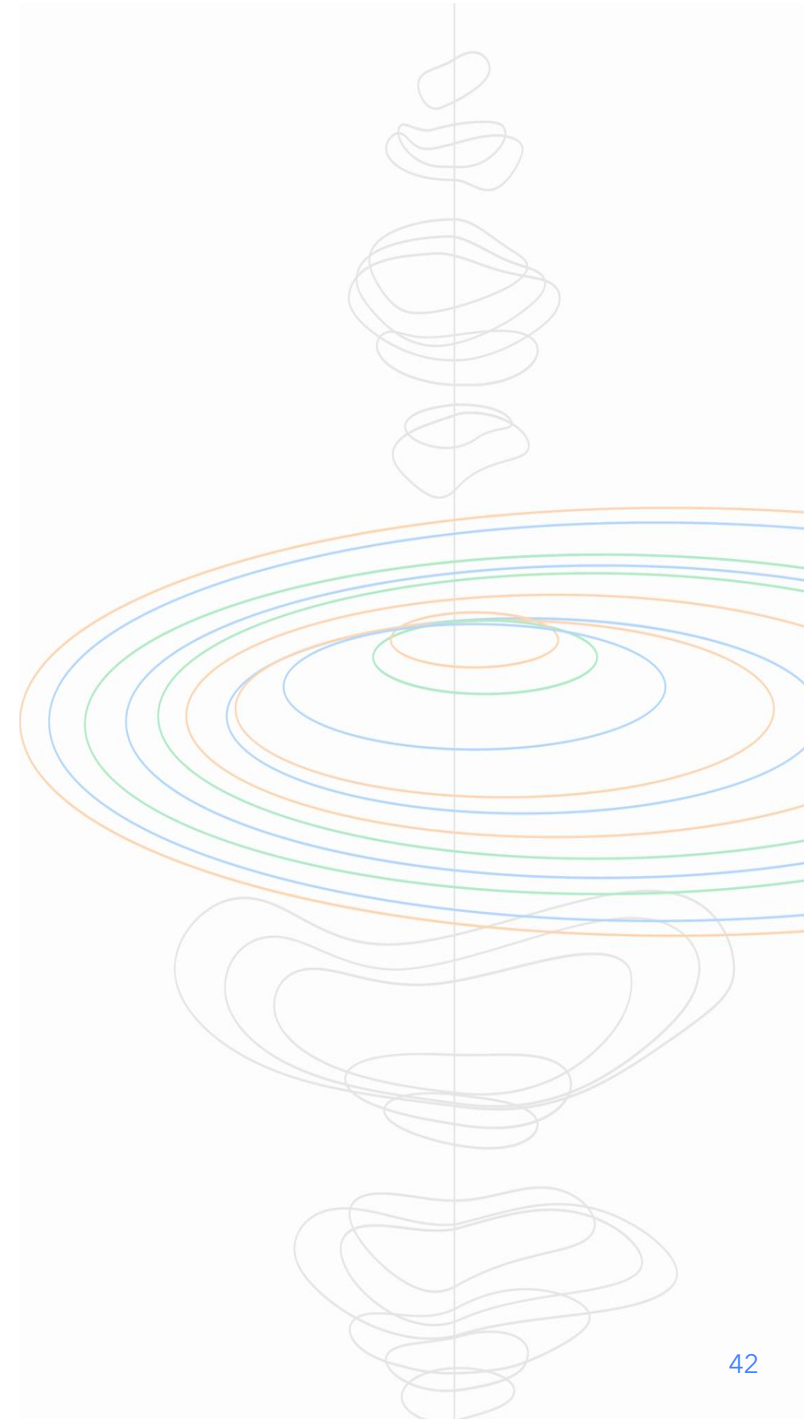
For more information, visit www.tobam.fr

CONTACTS

PARIS
24-26, Avenue des
Champs Élysées,
75008 Paris
France

NEW YORK
DUBLIN

CLIENT SERVICE
clientservice@tobam.fr



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