



INVESTING IN RESILIENCE:

A clear-eyed response to the fractures of our time

INTERVIEW



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WHY DID YOU LAUNCH EDR SICAV GLOBAL RESILIENCE?

The world is changing rapidly - and not always for the better. The geopolitical landscape is becoming increasingly tense, with extended conflicts, fragmentation of alliances, climate change, the resurgence of protectionism and the rise of populism. These dynamics are causing deep and lasting disruptions that challenge supply chains, economic stability, and population security.

With the emergence of this new paradigm, the notion of resilience becomes central. The cycle that began in the 1980s, which favored companies that embodied happy globalization - export industries, the luxury sector, technology and leisure - is giving way to a new cycle. In this new cycle, the companies capable of making our societies safer, more functional and better prepared for economic, political and technological shocks will be those that generate the most value over the long term. This conviction is behind the launch of EdR SICAV Global Resilience.

WHAT IS THE FUND'S OBJECTIVE?

EdR SICAV Global Resilience is an international equity fund that aims to capture long-term growth while limiting the effects of downturns. The fund is exposed to companies at the heart of our societies' vital needs, with the structural advantages to absorb shocks and support the rebuilding of a more autonomous, secure and sober economic model. Companies with low debt, good cash flow visibility, the ability to generate regular dividends and structural growth are also at the heart of our portfolio.

WHAT SETS EDR SICAV GLOBAL RESILIENCE APART IN THE UNIVERSE OF EQUITY FUNDS?

EdR SICAV Global Resilience stands out for its unique positioning and geostrategic approach to investment. The fund revolves around four complementary structural pillars¹:

- **Cybersecurity & Defense:** In a world where data protection is vital, this pillar targets companies that create solutions to maintain business operational efficiency, ensure economic stability and guarantee digital sovereignty. This includes cybersecurity software vendors, who identify threats upstream, secure sensitive data and protect IT systems. The fund also invests in defense, a booming sector after 30 years of underinvestment.
- **Critical infrastructure:** As the EU plans to invest 584 billion euros in the power grid by 2030², this pillar focuses on companies that develop and modernize infrastructure essential for access to primary needs.

1. The investment process described above incorporates various internal management constraints implemented by the management team. This is the current process, which may change over time.

2. European Commission, June 2024.

- **Security & Protection:** In response to international tensions, states are reassessing their priorities. In Europe, budgets allocated to civil protection have reached record levels. In France, a €5 billion plan has been announced to strengthen resilience against terrorist and climate risks³. This pillar prioritizes companies that develop crucial security systems for individual protection, as well as those innovating in medical care, such as preventive medicine and healthcare equipment to address potential health crises.
- **Strategic Resources:** The resources segment is recovering after a more volatile second half of 2024. Demand for critical metals (copper, lithium, rare earth elements) is being boosted by Western industrial plans and concerns about supply chains. This pillar targets companies engaged in energy independence and reducing reliance on foreign resources. It supports innovations in energy efficiency and technological advancements, particularly in agriculture.

WHAT IS THE FUND'S MANAGEMENT PHILOSOPHY? WHAT SELECTION CRITERIA ARE USED?

Our investment strategy is highly diversified, both geographically and by sector. The fund comprises almost 50 stocks, with very few of the 120 largest-cap stocks currently on the world stock market⁴.

Our strategy is also designed to capture market upside over the long term, with rigorous selection based on four filters:

- **Financial strength:** low leverage, positive cash flow and dividends.
- **Vertical integration:** ability to control the value chain (sourcing, production, distribution).
- **Solid structural growth:** sales growth even in challenging macroeconomic conditions.
- **Operational resilience:** no exposure to countries with weak governance, low exposure to exports and tariff risk.

WHAT HAS DRIVEN THE FUND SINCE ITS LAUNCH?

The portfolio is mainly invested in companies⁵ that are leaders in their markets. For example, the following stocks have been doing well since the start of the year, particularly in the defense, security and strategic resources sector: For example, the following stocks have been doing well since being included in the fund, particularly in the defense, security and strategic resources sectors:

- **Renk (+73.07%),** a specialist in military mobility, buoyed by European demand for armored vehicles.

- **Thales (+59.26%),** a company specializing in aerospace, defense, security and ground transportation, buoyed by rising defense and cybersecurity spending.
- **CVS Health (+47.72%)** is one of the country's largest American pharmacy chains.
- **Agnico Eagle (+44.54%),** a Canadian company specializing in the extraction, processing and production of strategic resources, including silver, zinc, copper and gold.
- **Exosens (+59.74%),** world leader in amplification, detection and imaging technologies, booming since the announcement of German and European investment plans.
- **BAE Systems (+30.83%),** active in the defense and aerospace sectors, with a solid order book in Europe and the Middle East.
- **Zscaler (+18.67%),** a company offering cloud services for businesses.
- **American Water (16.24%),** a US-based utility company which, through its subsidiaries, provides water and wastewater services to the U.S. and Europe.

WHY TRUST EDMOND DE ROTHSCHILD ASSET MANAGEMENT (FRANCE) TO DRIVE THIS STRATEGY?

Our legitimacy is based on nearly 40 years' experience in thematic management. We were pioneers in this field as early as 1985, with the creation of our first thematic fund dedicated to healthcare, and have continually developed our range to address major societal transformations.

Our management approach is based on three pillars: specialization, autonomy and collaboration. With almost 9 billion assets under management by the end of 2024⁶, a track record spanning more than 38 years, 20 experts with an average of 20 years' experience and 15 flagship funds, our expertise in equity management has been well established and widely recognized since our creation in 1981. Our team's in-depth analysis of business models is reinforced by direct access to company leaders.

This new fund is part of our ongoing commitment to building relevant, robust and responsible investment solutions, to support our clients in a world undergoing significant reconfiguration.

3. PNRR (National Recovery and Resilience Plan).

4. Source: Edmond de Rothschild Asset Management (France), data as of 31/03/2025.

5. The information on companies should not be considered as an opinion of the Edmond de Rothschild Group on the foreseeable evolution of these securities and, if applicable, on the foreseeable evolution of the price of the financial instruments they issue. This information does not constitute a recommendation to buy or sell these securities.

6. Source: Edmond de Rothschild Asset Management (France), data as of 31/12/2024.

Edmond de Rothschild SICAV Global Resilience is a sub-fund of the French SICAV authorised by the AMF and authorised for marketing in France, Germany, Spain, Luxembourg, Italy, United Kingdom and Switzerland.

Main investment risks

Unit A and I of this UCI are rated in category 4. The risk indicator rates this fund on a scale of 1 to 7. This indicator is used to assess the level of risk of this product in comparison to other funds and a category 1 rating does not mean that the investment is risk free. In addition, it indicates the likelihood that this product will incur losses in the event of market movements or our inability to pay you. This indicator assumes that you hold the product until the end of the recommended holding period of this fund. The actual risk may be very different if you choose to exit before the end of the recommended holding period of this Fund. The risks described below are not exhaustive:

Risk of capital loss: The UCITS does not guarantee or protect the capital invested; investors may therefore not get back the full amount of their initial capital invested even if they hold their units for the recommended investment period.

Equity risk: The value of a stock may change depending

on factors specific to the issuer but also on exogenous, political or economic factors. The SICAV may be exposed to the equity markets either via direct investments in equities and/or via financial contracts and/or UCITS. Fluctuations of the equity markets may lead to substantial variations in the net assets which may have a negative impact on the performance of the SICAV.

Risk related to small- and mid-cap companies: On these markets, the volume of listed securities is lower; therefore, market trends are more pronounced, both upwards and downwards, and more rapid than for large caps. Net asset value can therefore fluctuate rapidly and significantly.

Currency risk: The capital may be exposed to foreign exchange risk when the securities or investments it is composed of are denominated in a currency other than that of the Fund. Currency risk is the risk of a reduction in the net asset value of the Fund when an investment is made in a currency other than that of the Fund.

Fund characteristics*

Investment Objective: to outperform its benchmark, the MSCI WORLD (NR) EUR, net of management fees, by investing in international equity markets through the selection of companies whose activities help to ensure the proper functioning and security of society, at the level of states, companies and individuals. These companies are active in sectors providing essential goods and services, such as vital infrastructure (power grid/water distribution), healthcare, personal and IT security, and defense.

Fund Currency: EUR

Inception date: 09/10/2024

ISIN Codes: A Share: FR001400RZ04 / I Share: FR001400RZA0

Subscription fee: A Share: Max. 3% / I Share: None

Minimum initial subscription: A Share: 1 share / I Share: € 500 000

Financial management fees (incl. taxes): A share: 1.80% max. / I Share: 0.90% max.

Operating fees and other fees: 0.15% max.

Variable management fees: 15% of performance in excess of the benchmark

Redemption charges: None

Benchmark: MSCI World (NR), net dividends reinvested

Recommended investment horizon: > 5 years

* Shares described herein are the main euro-denominated shares. The fund also has shares in USD and CHF. Please ask your sales contact for any further information. Please note that not all costs and share classes are disclosed in this documents. Please refer to the KID/prospectus for further details.

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