



EDEN

Investing in the future leaders of
finance through the first endowment
student fund in Spain

Empowered by **IE University**
Supported by **IE Foundation**

ie Reinventing
Higher Education

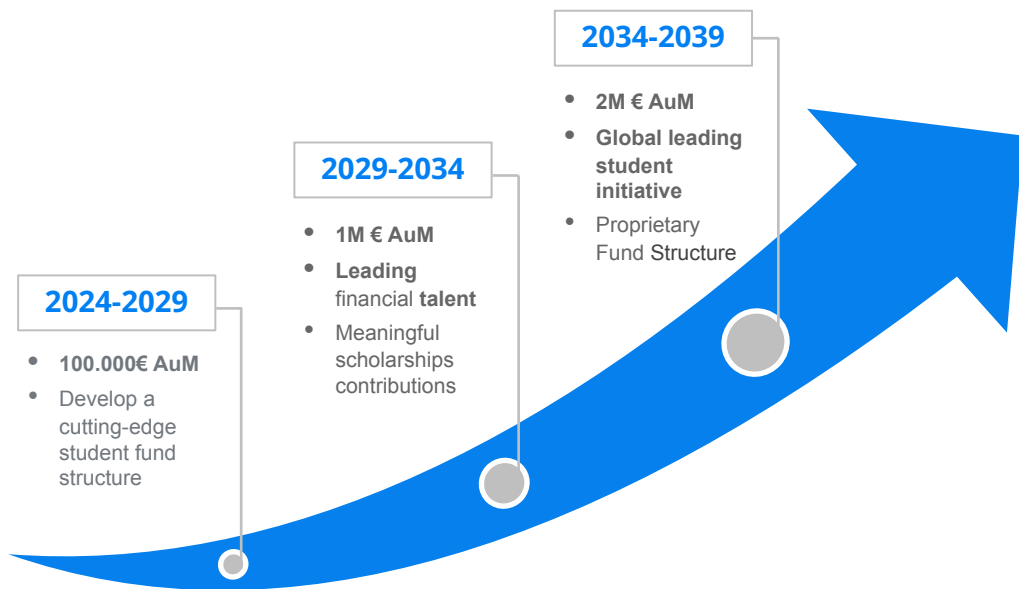


EDEN X IEF Kick Off Event - IE Tower

This document serves to inform **EDEN's stakeholders** with an update on the project, future vision, key milestones and portfolio status.

Our vision is to become a **reference for financial education around the world**

In collaboration with **IE Foundation**, IE University embraces **EDEN Fund's mission** to empower talented professionals through educational experiences which **create meaningful impact**, not only within the IE Community, but on society as a whole.



“We want EDEN to be a place where students can get the highest level of early experience and be part of a group of like-minded, hardworking individuals”



Santiago Quintana,
Co-founder & President

Empowering the **next generation** of **finance professionals** through a cutting-edge **hands-on learning** and **real-world investing experience**

Who are we?

We are Spain's first student-run endowment fund ⁽¹⁾

Supported by:



What do we do?

Our fund aims to replicate an industry-like experience...

...by providing students with the ability to operate as professionals in asset management, macroeconomics, marketing and donor relations teams.

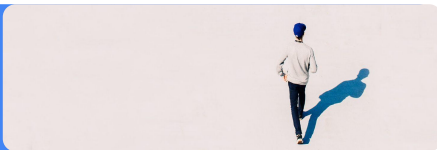
All with a focus on excellence, performance and education.

Facts about EDEN

- €5 k Assets under Management
- +35 Active Students
- +15 Nationalities
- +5 University Degrees
- 2022 2 full years of operation
- +64 Nurtured Students

Our **thesis** for **value creation** in financial education

Individual
Responsibility



At EDEN we are focused on **learning** through **taking responsibilities**.

Practice over
Theory



We believe in the need for **practical** experience **over theoretical** curriculums.

Talent



We are **committed to nurturing talented**, bright, dedicated and thought-diverse **students**.

Early
Exposure



We **expose** students **early** to replicated **industry-standard practices** across all teams, advancing their learning curves and quickly unleashing their potential.

2023 Yearly Report

Key Updates and Milestones

Partnership with IE University and IE Foundation

EDEN aligns with IE Foundation's three main pillars by creating an **impactful educational initiative, eliminating economic barriers to outstanding education** and nurturing a culture of giving back

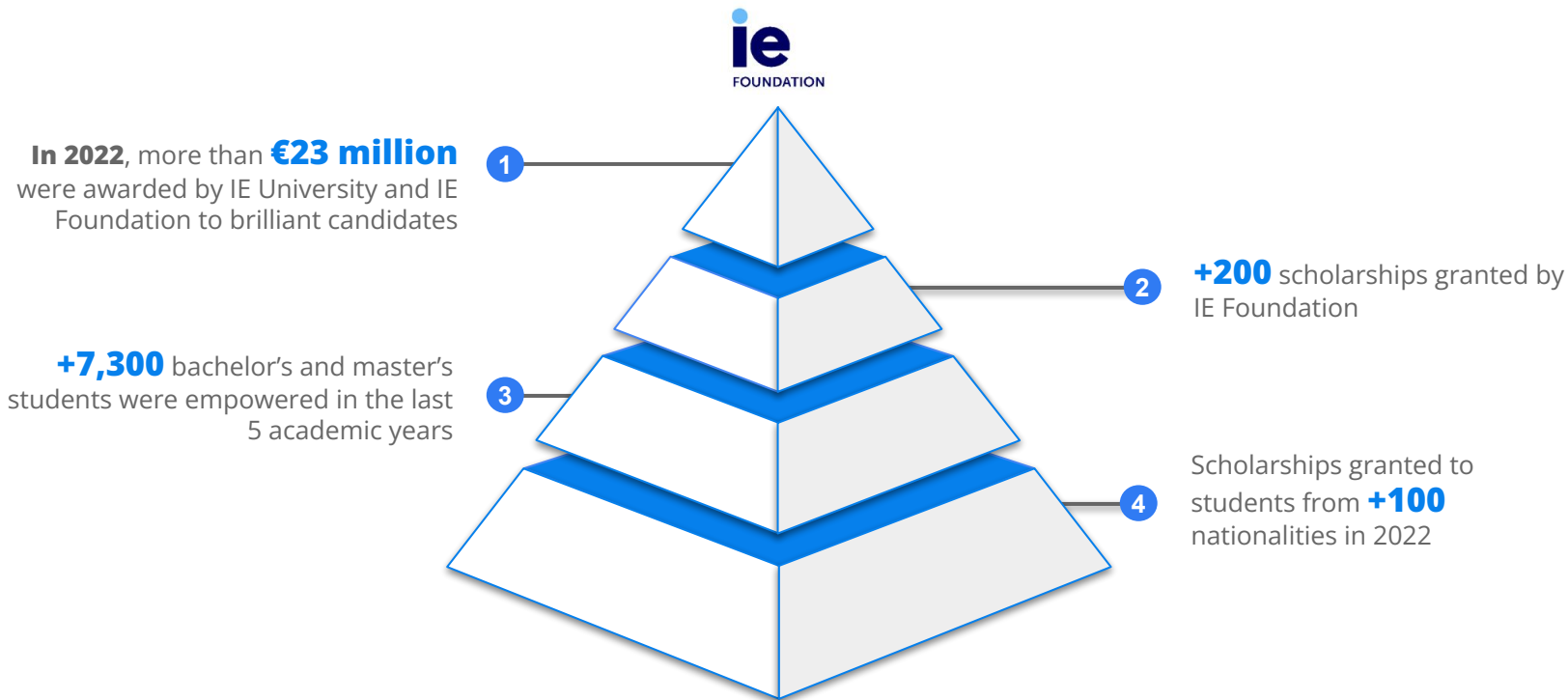


IE University, driven by its **innovative vision, entrepreneurial spirit and its practice-based approach to learning**, serves as the **nurturing home for EDEN Fund**

In collaboration with **IE Foundation**, IE University embraces **EDEN Fund's mission** to empower talented professionals through educational experiences which **create meaningful impact**, not only within the IE Community, but on society as a whole.



EDEN contributes to the **already active** IE Foundation scholarship fund by redirecting its returns to a higher purpose



IE Foundation provides guidance and support, ensuring that the **management of donations and their impact is fulfilled**



Gonzalo Garland
Executive vice president
IE Foundation



Nancy Cueto Gutiérrez
Deputy vice president
IE Foundation



Geoffroy Gérard
General Director
IE Foundation



Hélène Torresan
Associate Director
Centers, Observatories & Chairs
IE Foundation



Iván Cuadra García
Scholarships Coordinator
IE Foundation



Marina Amorós Aldea
Scholarships Coordinator
IE Foundation



Beatriz Edurne García
Corporate Scholarships
Coordinator
IE Foundation



Triana Zapata
Associate Director
Marketing & Comms
IE Foundation



Alicja Szczygielska
Executive Assistant
IE Foundation

At the close of 2023, IE Foundation and EDEN celebrated a **milestone event** to **officially welcome EDEN into the foundation's fold.**



Eden's expertise grows with bespoke training; the previous semester included two finance sessions from industry experts, with additional workshops scheduled in the upcoming months to fulfill the **EDEN annual training agenda.**

EDEN Fund Training Kickoff:
Alternative Investments
with Mireia Pellicer Agud



Assetization Insights: A
Masterclass with Gabriele
Morace & Pablo Jodar
Seores

Trainings Ahead...

2023 Yearly Report

Key Updates and Milestones

Transitioning from Simulated Trading to Real AuM

Through our partnership IE Foundation grants an endowment for EDEN to manage, leading EDEN to become **Spain's first student-run endowment fund**...

Transitioning from simulated trading practice to the management of real AuM opens EDEN to a new level of responsibility, management, and practical experience.



Simulated Trading (Paper Money)

1. Simulated Fund Operations

- Google Sheets tracker
- Fixed paper money amount
- Flexibility of operations

2. No Capital Risk



Real AuM

1. Real Fund Operations

- Interactive Brokers account
- Management of inflows of capital
- Real portfolio and risk management

2. Capital Risk

3. Opportunity for Capital Growth

4. Opportunity for Social Impact *(Scholarships)*

5. Unmatched Professional Experience

... **this new reality opens EDEN** to a set of risks we must acknowledge and **tackle through our systematic operations.**

There are 4 key risks we face:



Capital

Real assets are exposed to market fluctuations

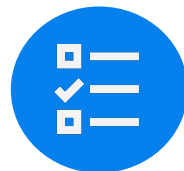
Unlike paper trades, where losses are hypothetical, real assets can lose significant value quickly.



Psychological

The emotional aspect of handling real money can impact decision-making.

The pressure of actual financial consequences can lead to either overly cautious or excessively risky strategies.



Compliance

Managing real assets involves more complex operational issues

Compliance with legal and regulatory requirements, accurate reporting, and effective risk management and delegation practices are imperative.



Reputational

The exposure of EDEN to the capital markets and operating under a fund-like structure brings up reputational risks.

IE University students will face a professional environment and therefore standard disciplinary and integrity frameworks will need to be established.

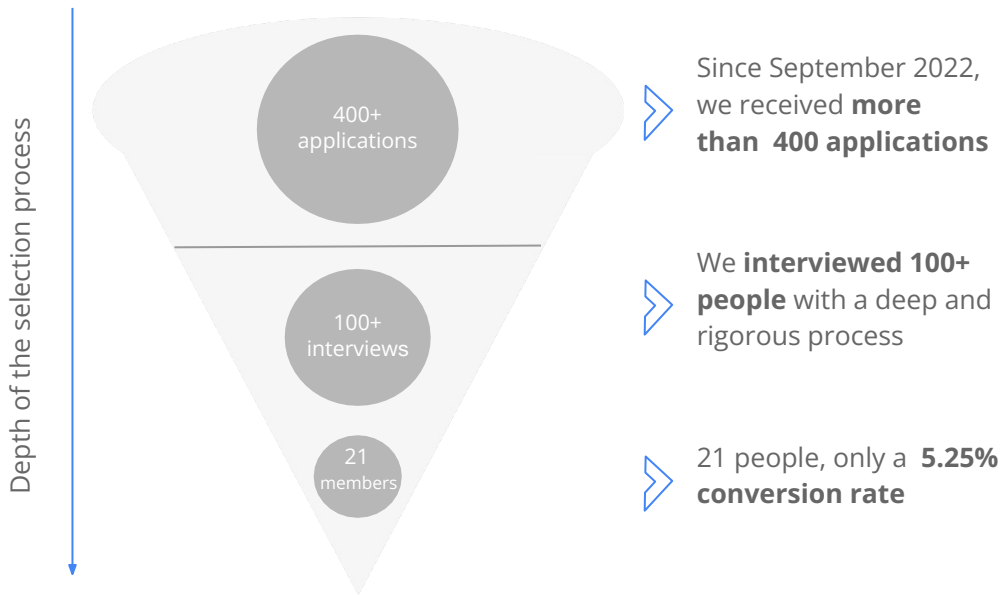
2023 Yearly Report

Key Updates and Milestones

Successful hiring funnel and team structures

We became a **household name** for talent in the student-led organization community, as seen by our **application pool**

Since September 2022, our **hiring funnel** results in a **5.25% conversion rate**



Sample of **companies** of current members and alumni

BlackRock.

McKinsey
& Company



J.P.Morgan

ALLEN & OVERY



Rothschild & Co

NOMURA

Houlihan Lokey

LAZARD



UBS



BAIN & COMPANY

The structure of the **EDEN Fund** aims to **resemble** that of a **professional** investment **fund**, **applying it** efficiently to an **academic environment**.

The fund management works as a **team with 3 key components**:

Positions

Define Leadership and Management Roles

Tasks

Define the work and activities linked explicitly with a position

Accountability

Define responsibilities and obligations

3

Analyst Cycles

Since September 2022

8

Investment Cycles

Since September 2022

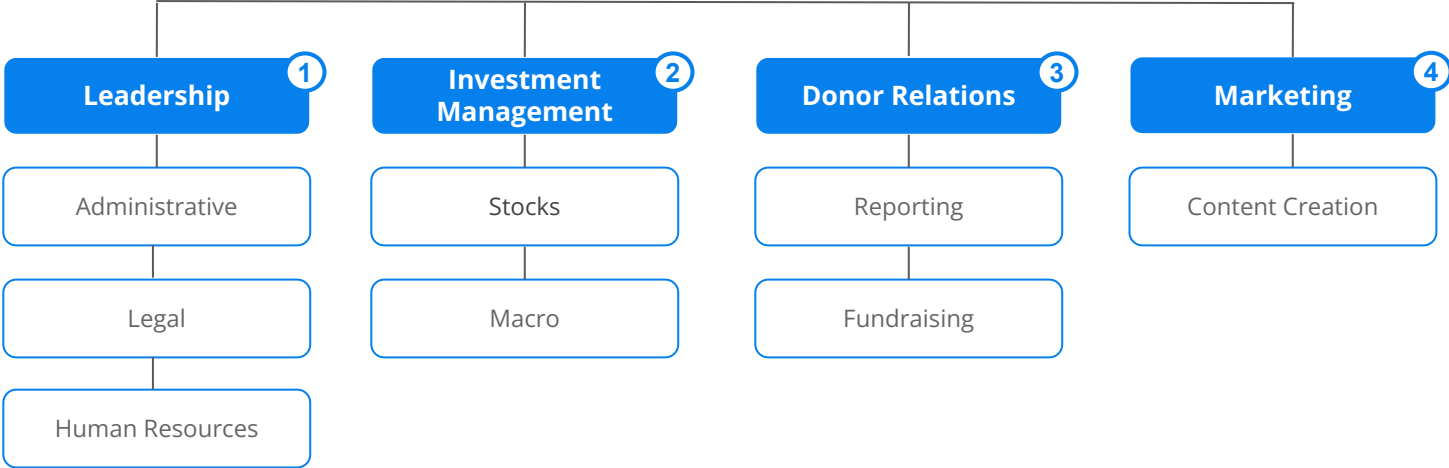
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Investment Proposals

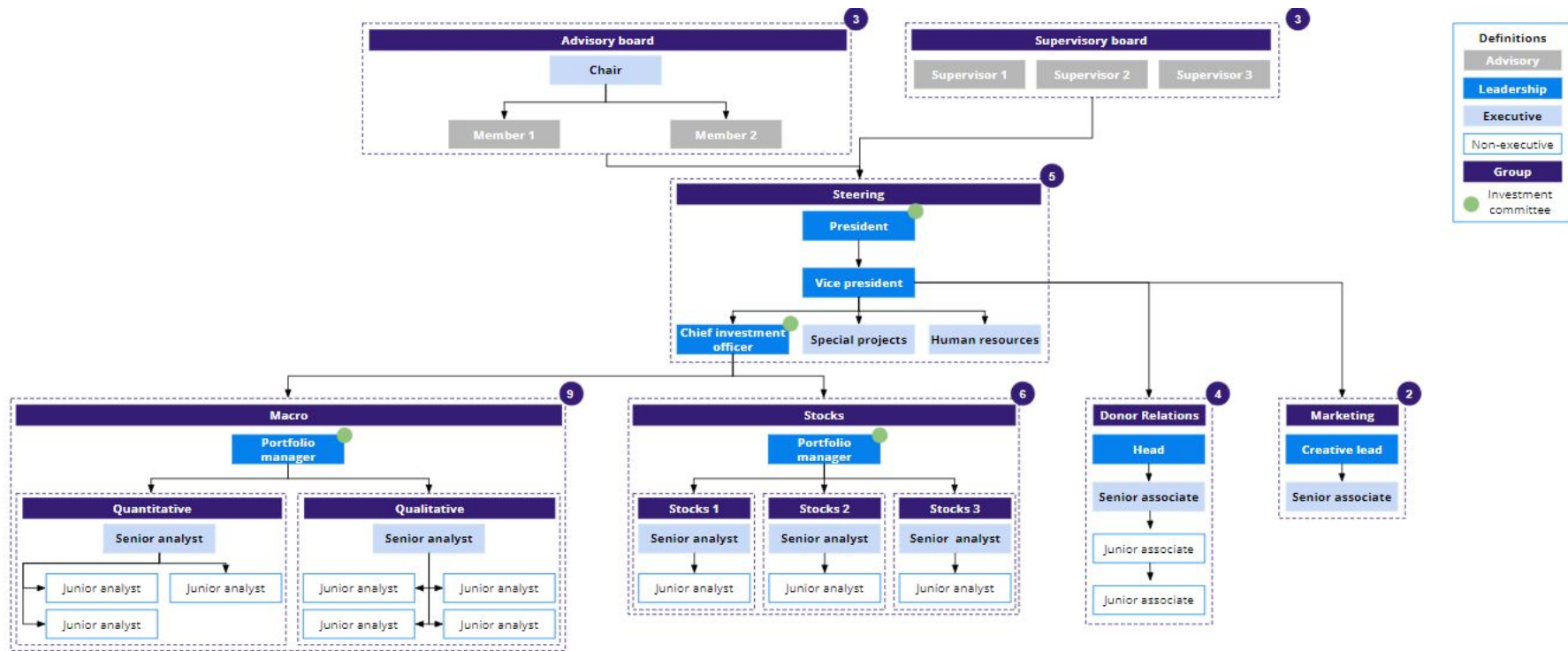
Since September 2022



EDEN's four teams collaborate to produce the **highest practical value, for both its members and the wider IE community**, in investment finance and operational divisions



EDEN organizational structure is divided into **seven main teams** of students and professionals, each serving a specific function and contributing to the overall success of the organization



Our team comprises enthusiastic **students, professors, and professionals** from a wide variety of backgrounds

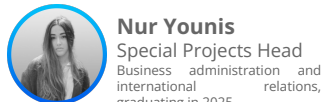
STEERING



Santiago Quintana
President
PLE and law, graduating in 2024



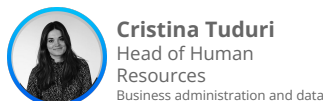
Edoardo Nicotra Menéndez
Vice President
Business administration and law, graduating in 2025



Nur Younis
Special Projects Head
Business administration and international relations, graduating in 2025

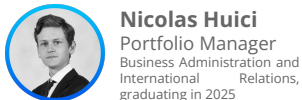


Giorgio Zanella
Chief Investment Officer
Business administration, graduating in 2024



Cristina Tuduri
Head of Human Resources
Business administration and data analytics, graduating in 2026

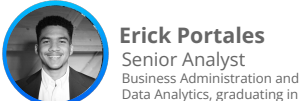
STOCKS



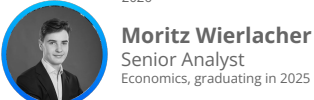
Nicolas Huici
Portfolio Manager
Business Administration and International Relations, graduating in 2025



Bérénice Desjars
Senior Analyst
Business Administration, graduating 2025



Erick Portales
Senior Analyst
Business Administration and Data Analytics, graduating in 2026



Moritz Wierlacher
Senior Analyst
Economics, graduating in 2025



Manoela Daher
Junior Analyst
Business Administration, graduating in 2025

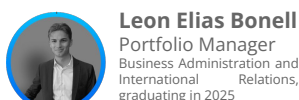


Adrian Hernandez
Junior Analyst
Economics, graduating in 2026



Francisco Dibbern
Junior Analyst
Business Administration, graduating in 2026

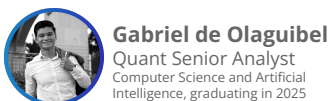
MACRO



Leon Elias Bonell
Portfolio Manager
Business Administration and International Relations, graduating in 2025



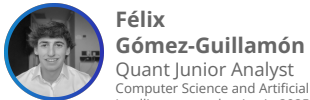
Alvaro Garris
Senior Analyst
Business Administration and Data Analytics, graduating in 2026



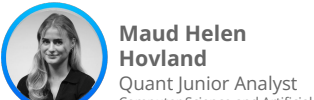
Gabriel de Olaguibel
Quant Senior Analyst
Computer Science and Artificial Intelligence, graduating in 2025



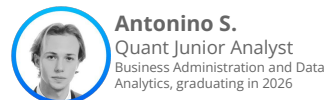
Beatriz Cruces
Quant Junior Analyst
Business Administration and Data Analytics, graduating in 2027



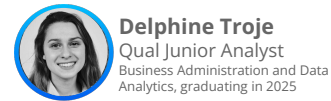
Félix Gómez-Guillamón
Quant Junior Analyst
Computer Science and Artificial Intelligence, graduating in 2025



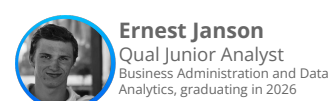
Maud Helen Hovland
Quant Junior Analyst
Computer Science and Artificial Intelligence, graduating in 2025



Antonino S.
Quant Junior Analyst
Business Administration and Data Analytics, graduating in 2026



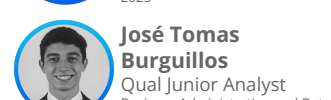
Delphine Troje
Qual Junior Analyst
Business Administration and Data Analytics, graduating in 2025



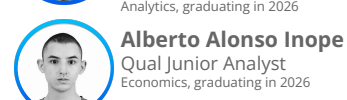
Ernest Janson
Qual Junior Analyst
Business Administration and Data Analytics, graduating in 2026



Joaquin Herz
Qual Junior Analyst
Business Administration and International Relations, graduating in 2025

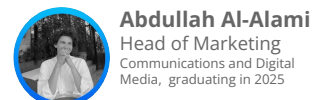


José Tomas Burguillos
Qual Junior Analyst
Business Administration and Data Analytics, graduating in 2026



Alberto Alonso Inope
Qual Junior Analyst
Economics, graduating in 2026

MARKETING



Abdullah Al-Alami
Head of Marketing
Communications and Digital Media, graduating in 2025



Jidapa
Associate
Communications and Digital Media, graduating in 2025

DONOR RELATIONS



Fabio Guarino
Associate
Economics, graduating 2026

Our Supervisory Board comprises professors and professionals with a wide experience in the realm of finance

SUPERVISORY BOARD



Laura Nuñez Letamendia
EDEN co-leading supervisor

Director of the HouseHold Savings Observatory, Finance professor at IE, and former portfolio manager & head of equity at Aviva and GVC Gaesco

Operations Supervisor at EDEN ensuring a sustainable growth and learning environment



Rafael Hurtado Coll
EDEN co-leading supervisor

CIO & CSO of Allianz Asset Management division in Spain since March 2020. Since 2005 he has been an Associate Professor in Finance at IE University

Operations Supervisor at EDEN ensuring an investment protocol with controlled risks and criteria



Henry Bradford
EDEN co-leading supervisor

Associate Dean BBA at IE University since 2022 . Ex-Vice Dean of CESA (2014-2021). Board of Directors of AMV Colombia. Held investment and treasury positions at Citibank and BBVA.

Operations Supervisor at EDEN ensuring the appropriate integration of academia and industry

Our Advisory Board, comprised by **EDEN Alumni**, is designed to provide guidance and succession

ADVISORY BOARD



Carlo Masera
EDEN co-founder & Chairman

Graduated in Business Administration at IE.
Investment Analyst at Blackrock since 2023.



Niccolo Tancredi Manenti
EDEN co-founder & Advisory Board Member

Graduated in Business Administration at IE.
Associate Consultant at Bain & Company since 2023.



Edoardo Sebastio
EDEN co-founder & Advisory Board Member

Graduated in business administration.
Intern at PAI Partners (Private Equity). Incoming full-time Investment Banking Analysts at Nomura.

2023 Yearly Report

EDEN Investment Approach

Updated Investment Policy

EDEN investment operations are wholly **guided** by our **Investment Policy Statement**, signed by all involved **students** and agreed upon with IE University and IE Foundation

The Investment Policy governs over:

- I. General Purpose and Scope of EDEN Fund
- II. Strategy, Fund Structure, and Investment Guidelines
- III. Governance

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- I. General Purpose and Scope of EDEN Fund**
- II. Strategy, Fund Structure, and Investment Guidelines
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EDEN's ultimate goal is to **offer students the most comprehensive hands-on experience** possible while also **benefiting the broader university community**

Specifically, **EDEN Fund will target to:**



Provide students with the **highest-quality practical experience** in finance and investments



Achieve a **maximized risk-adjusted return** compared to several selected benchmarks and **preserving capital** as a priority



Use proceeds to **support student scholarships** through IE Foundation

EDEN investment operations are wholly **guided** by our **Investment Policy Statement**, signed by all involved **students** and agreed upon with IE University and IE Foundation

The Investment Policy governs over:

- I. General Purpose and Scope of EDEN Fund
- II. Strategy, Fund Structure, and Investment Guidelines**
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EDEN, with the help of an experienced supervisory board have updated and defined an investment policy meant to mitigate all of the defined risks.

EDEN's investment strategy is influenced heavily with the All-Weather Portfolio approach, exploiting a well-diversified multi-asset allocation that allows to have a reduced volatility, low drawdowns, and still deliver efficient returns in every macroeconomic condition identified as a function of two main factors: **Economic Growth and Inflation**

EDEN Fund is built to resist through all the Macro Scenarios...

... thanks to its multi-asset allocation, leading to reduced drawdowns and growth in the long-term
















EDEN's Touch

Macro Scenario	Growth (-)	Growth (+)
Inflation (+)	Recession	Expansion
Inflation (-)	Depression	Recovery

Winning Assets	Growth (-)	Growth (+)
Inflation (+)	Short-Term Bonds	Real Assets
Inflation (-)	Long-Term Bonds	Equity

Even though the All Weather is a passive strategy, at EDEN we decided to provide **additional value** through an **active management** of the **Equity component** in order to capture a positive alpha and provide excess returns compared to the moderate expected return of the traditional strategy.

EDEN adds to the All Weather's **Core** resilience **an active management** of the equity component **through two sub-portfolios: Stocks** and **Macro**

	Strategy	Portfolio share	Student involvement	Passive strategy	Risk	Alpha potential
Stocks (equity)	<ul style="list-style-type: none"> The part of the portfolio that bears more risk as it focuses on a discretionary selection of few undervalued companies with a positive outlook in order to capture alpha and boost the whole fund returns 	 <p>15%</p>				
Macro (equity)	<ul style="list-style-type: none"> A component more correlated to the general equity market that aims to creating alpha through the selection of sectors and geographical indices based on macroeconomic research 	 <p>25%</p>				
Core (debt & real assets)	<ul style="list-style-type: none"> The part of EDEN that provides diversification and stability to the fund through debt and real asset investments. The Core is passively managed through a periodic rebalancing of the different asset classes to the target allocation but allows for strategic under/overweight targets on a quarterly basis 	 <p>60%</p>				

 Very high
  High
  Flat
  Low

Stocks is EDEN's **smallest portfolio (15%)**, designed to **invest in few, but high risk-reward companies through a fundamentals-driven approach**

Objective

- The Stocks portfolio is **EDEN's core alpha generation portfolio**, where we place a high **risk-reward strategy** in **high conviction investments** by following a **fundamentals-driven approach**
- The portfolio is **designed to sustain potential losses**, as the remainder of the EDEN fund (85%) is **highly diversified and risk-averse**, therefore we **cherry pick companies** that are **steeply discounted and provide high upside**

Strategy

Allocation

- **Maximum allocation:** per stock and industry 1/3 of the sub-portfolio. Minimum allocation per stock 1/6

Holding period

- **12-24 months:** students dominate the investment and turnover is high in EDEN, therefore we prefer to target few stocks and exit positions quickly in to avoid risk of knowledge loss during yearly succession

Fundamentals

- **P/E:** 25 max, or below industry average - we prefer companies that are reasonably priced
- **Recommended Market cap:** \$3B min - \$15B max - we target lesser known companies specialized in one/three core businesses
- **Potential upside:** 35% minimum - we do not operate on thin margins assumptions
- **Analyst Consensus:** buy or greater

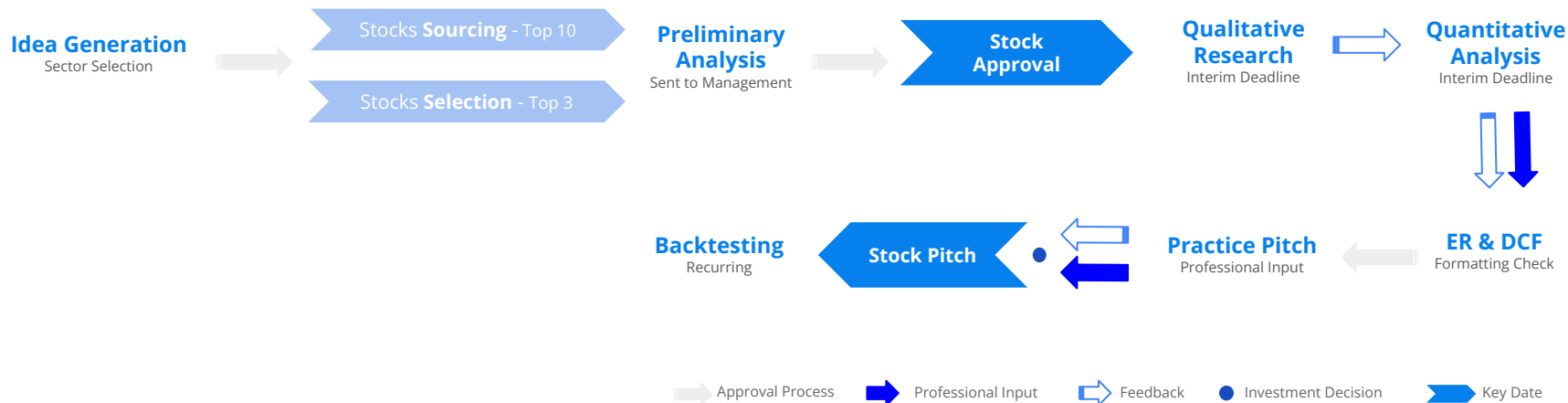
Business model

- **Simple:** we target companies which have 1-3 revenue streams maximum, we also prefer companies that our analysts understand well (i.e. interact with the product) to limit risks and increase upside

EDEN's investment process provides a high-quality analysis through recurring feedback, professional input, and interim deadlines

Process

- The new investment process begins with an idea generation session to **identify sectors of interest**. Using indicators such as P/E, market cap, and potential upside - among others, the Portfolio Manager (PM) will gather a list of **top 10 stocks per selected sector, which will be then weighted and narrowed down to 3**
- Each Asset Management Group (AMG) will conduct **preliminary analysis on the top 3 stocks of their chosen sectors**. The investment theses will then be submitted along with a suggestion for their top pick. Next, EDEN's Management will **select the equities to further analyse** by the respective AMGs
- **Interim deadlines, professional input, and recurring feedback loops** have been set to ensure high quality analysis



The **Stocks team** produces extensive research and analysis, focusing on quantitative and qualitative analysis

Equity Research Reports

Build a Bear Workshop
 Intrinsic valuation shows that Build a Bear stock is undervalued. This is consistent with the relative valuation which suggests that the company is currently valued below the peer market average.

Executive Summary
 Build-a-Bear is an experiential retailer and the leader in the stuffed animal market. The company has showed consistent financial growth over the years and management anticipates continuous openings of stores in the coming years. The company's strategy for driving growth on both sales and market base is operating in omni-channel with prominent names in the entertainment industry such as Disney and soccer leagues. Moreover, the firm is expanding its offerings with franchises and third-party partnerships. Finally, e-commerce is an investment target for the company which seems to set the success story of online sales by adapting its experience retail to an omnichannel version. All these factors place Build-a-Bear in a favourable position for the expected growth of the plush market.

Investment Thesis

- Store Opening** - With an upward trend of store openings in the past 2 years, management anticipates from 20 to 30 openings of stores in the next fiscal year.
- E-commerce** - Investing in an omni-channel, Build-a-Bear is trying to expand its retail experience to the digital mode. The platform focuses on an older customer segment.
- Plush market** - The plush market has been growing for the past years a consistent growth in the worldwide. For the last 2 years, growth rate was constant.
- Customer Base** - Planning to expand its customer base, Build-a-Bear has been focusing on teens and adults by offering collectible products.
- Licenses** - With long-term licenses with prominent names of the entertainment industry, such as Disney and soccer leagues, the company expands along with the success of these brands.
- Risks** - As the company offering is based on the experience of building the bear, the transition to e-commerce may erode its experiential value.

Analyst Coverage
 Buy
 NYS:BBW
 US:2020/1642
 Price: \$23.29
 Price Target: \$39.9
 Upside: 71.3%

Analysts
 Belinda Dewjant, Senior Analyst
 belinda.dewjant@edenfund.com
 +33 603 879 012
 Manouba Daher, Junior Analyst
 manouba.daher@edenfund.com
 +34 662 17 09 31

5-Year Price Chart

Earnings Beats/Missed

Stock Pitch Presentations

Investment Thesis
 Implied valuation suggests that Build-a-Bear is undervalued. Qualitative research points to increased growth in the near future.

Conclusion
 Recommendation: **BUY**
 Risk Rating: MEDIUM
 Target Price: \$39.9 (+71.3%)
 Current Price: \$23.29

Analyst Coverage
 Buy
 1- Buy 3
 2- Outperform 0
 3- Hold 0
 4- Underperform 0
 5- Sell 0
 0- No Opinion 0

Target Price
 Market: \$39.67
 High/Low: \$42.00 / \$36.00

Analyst Recommendations
 Buy 3
 Outperform 0
 Hold 0
 Underperform 0
 Sell 0
 No Opinion 0

Investment Thesis

- Store Openings** - With an upward trend of store openings in the past years, management anticipates from 20 to 30 openings of stores in the next fiscal year.
- E-commerce** - Investing in an omni-channel, Build-a-Bear is trying to expand its retail experience to the online mode. The platform focuses on an older customer segment.
- Growing Industry** - The plush market has been growing for the past years a consistent growth in the worldwide. For the last 2 years, growth rate was constant.
- Wider Consumer Base** - Planning to expand its customer base, Build-a-Bear has been focusing on teens and adults by offering collectible products.
- Risks** - As the company offering is based on the experience of building the bear, the transition to e-commerce may erode its value. The lack of differentiation in the product mix exposes the company to the exclusive market of plush.

DCF Valuation - Outcome, Estimates, Rationale

DCF	FCF 2018	FCF 2019	FCF 2020	FCF 2021	FCF 2022	FCF 2023	FCF 2024	FCF 2025	FCF 2026	FCF 2027	FCF 2028	FCF 2029	FCF 2030	Terminal Value	DCF Value
Marketplace	107	120	135	150	165	180	195	210	225	240	255	270	285	300	470
COF	(18)	(21)	(24)	(27)	(30)	(33)	(36)	(39)	(42)	(45)	(48)	(51)	(54)	(57)	(90)
EV	90	99	111	123	135	147	159	171	183	195	207	219	231	313	380
FCF Margin	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
FCF Growth	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
WACC	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
EV/FCF	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
FCF Yield	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
WACC	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
FCF Margin	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
FCF Growth	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
WACC	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
FCF Margin	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
FCF Growth	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
WACC	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
FCF Margin	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
FCF Growth	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
WACC	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%

Cash Flows

Used Assumptions

- FCF Margin: 17% constant.
- FCF Growth: 11.2% constant.
- WACC: 11.40%
- FCF Yield: 18.4%
- FCF Margin: 18.4%
- FCF Growth: 11.2%
- WACC: 11.40%
- FCF Yield: 18.4%

Estimates

Estimate	Market	Company
FCF Margin	18.4%	18.4%
FCF Growth	11.2%	11.2%
WACC	11.40%	11.40%
FCF Yield	18.4%	18.4%
FCF Margin	18.4%	18.4%
FCF Growth	11.2%	11.2%
WACC	11.40%	11.40%
FCF Yield	18.4%	18.4%

DCF Outcome: \$39.9, 71.3% upside

Macro is EDEN's second largest portfolio (25%), designed to invest in positions that will benefit from external trends through a macro-driven approach

Objective

- The Macro portfolio is **EDEN's economic trend driven portfolio**, where the fund adapts and diversifies its investments according to economic outlook in order to **mitigate risks** during downturns and **maximize returns** during bullish cycles
- The portfolio is **designed to prevent short-medium term excessive losses** during bad economic outlooks and to **complement positive returns** during optimistic outlooks. We select **sectorial and subindustrial ETFs** that we expect to **outperform** the rest of the market due to **external macroeconomic reasons**

Strategy

of holdings

No limitation: driven by the objective of diversifying and complementing the portfolio taking advantage of macro conditions we haven't settled a ceiling number of positions

Holding period

1. **Long-term positions (12-24 months):** we select positions that will benefit from long-term trends, excluding in the analysis transitory market noise
2. **Medium-term positions (6-12 months):** we select positions that will most profit from the current economic cycle and conditions
3. **Short-term positions (up to 6 months):** we select positions that will outperform the market due to a transitory macro condition

Fundamentals

Relative historical performance: we base our valuation on a statistical analysis of past sectorial and industries performance given the current economic conditions

Potential upside: sectors and industries that will outperform the upside potential of the market average

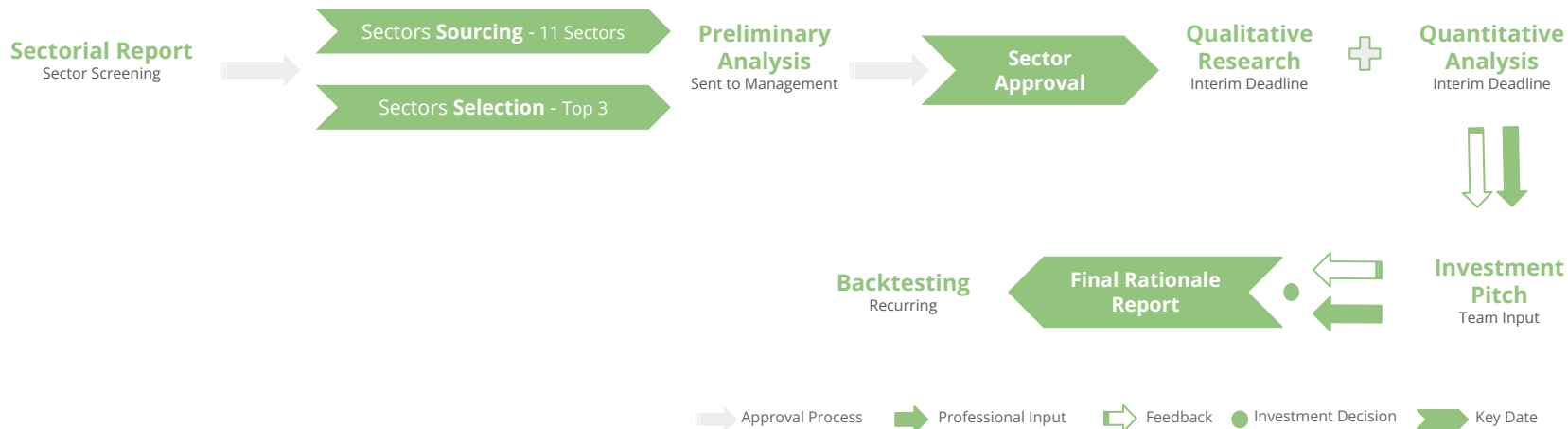
Catalysts

Simple: we target sectors and industries that can benefit from straightforward yet smart economic, political, legal and social actions and trends

EDEN's investment process provides a high-quality analysis through recurring feedback, professional input, and interim deadlines

Process

- The new investment process begins with the **sectorial report meeting**, where every analyst had the opportunity to follow the valuation and conditions of two-three sectors each. The **sectors with highest expectations are reviewed** more in deep by the quantitative analyst and the rest of the qualitative analysts
- Secondly, we **generate a quantitative analysis** to prevent analyst bias and we elaborate a further **subindustry study** from the top 3 selected sectors
- Finally, an **internal pitch is delivered** to the team in order to agree on the most attractive positions to buy
- **Interim deadlines, professional input, and recurring feedback loops** have been set to ensure high quality analysis



The **Macro team** engages in constant research which is used to update the entire fund and community on key news and for analysis on potential investments

Sector analysis: Consumer Staples

Weekly market commentary

Sector analysis: Aerospace and Defense

Performance Update for Mid-November
Consumer Staples (US)

Inflation has been high over 2022 partly due to high energy costs caused by the Russia-Ukraine war. It has also been the result of cost pressures generated by pent-up demand as economies recovered from lockdowns and firms scrambled to hire staff to meet this demand. Unusual for such economic conditions is the current shortage across the US and Europe further negatively impacting economic prosperity.

Inflation should be on a downward trend across developed economies over the next few months. For headline inflation, this requires that oil and natural gas prices at least stabilize at current levels. Oil prices have already fallen around 20% from their post-invasion peak in March. Natural gas prices have also fallen and should remain contained now that Europe has managed to fill its storage to almost 90% of capacity ahead of the northern winter.

Hold / Buy
Ticker: XLP
Price: \$73.52
Price Target: -
YTD Performance: -4.64%

Analyst
Leon Elias Boneil, Junior Analyst
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LinkedIn: Leon Elias Boneil

6-Month Price Chart

Performance

In the last six months the performance of the "Consumer Staples Select Sector SPDR Fund" (XLP) displays a 4.64% gain in value. However, the S&P 500 only decreased by 4.72% in the last six months. A comparison chart also shows that the S&P 500 and XLP move quite in correlation to one another, with the XLP showing more resilience when entering into a bear market.

On a YTD basis the XLP is down by -4.64% while the S&P is down by -16.75%. The XLP also showed STD of 15.71 which is 5 points higher than the category average showing a slight degree of higher volatility during the current circumstances.

Market Outlook

While cost inflation may present a challenge in 2022, it also presents an opportunity for some consumer staples companies to increase prices and deliver better-than-expected results. Beverage companies such as brand-name soda (strong brand loyalty) makes generally have some of the best gross profit margins and pricing power. As long as cost inflation is dominating headlines, such investments may be best positioned within the sector.

Also, low rates, defensive producing or selling companies will continue to remain well in demand in the face of an economic downturn as they produce products that are considered necessities to consumers.

Potentially slowing economic growth could weigh on cyclicals and growth companies, boosting the relative attractiveness of defensive groups like consumer staples.

Hold / Buy
Ticker: XLP
Price: \$73.52
Price Target: -
YTD Performance: -4.64%

Analyst
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LinkedIn: Leon Elias Boneil

6-Month Price Chart

Weekly Market Commentary,
12-18 December

	1 week	1 month	1 year
STOXX 50, EU	-3.02%	-3.09%	-7.38%
S&P 500, US	-2.21%	-2.58%	-15.67%

Our view

Within the EU market, there has been a lot of recent developments, mixed economic outlooks with the market expected to fall however, certain countries supporting the euro economic zone. Furthermore, the new carbon scheme will lead to budgeting problems with some viewing it as protectionist while others celebrating its arrival. Finally, Germany has opened an LNG port which will be crucial to alleviate energy issues. In our view caution would be advised with certain sectors and countries being able to outperform the entire area.

The US economy, is benefiting from lowered inflation which has driven small rallies, while the inflation reduction act, which will continue to improve the overall economy and provide key opportunities for investments, which is why the US may provide better investment opportunities.

Finally, the Chinese economy has recently opened its doors, it is dealing with the ramifications of this policy, and will only provide greater opportunity for investments in the future.

News of the week

EU agrees landmark carbon market instrument.

The current Carbon Emissions scheme, impacts approximately 10,000 factories/power plants. The agreement will cover "all sectors of the economy". The price will peak up to 100 euros, which has raised fears of European competitiveness, however, this will be alleviated by a carbon tariff agreement will bring the EU in line with its goal to reduce carbon emissions to net zero by 2050. (Source: Euractiv)

US Consumer Inflation increases at lower rates than expected.

The CPI mood at 0.3% for November, but according to FOMC released it increased by just 0.1%, this means that prices have risen by just 1.1% in the past year. One critical factor is the rising in energy prices as driven by the energy index declining. Although the report is unlikely to affect the FED's interest rate calculations it shows that inflation is subsiding after two months of lowering growth. (Source: CNBC)

ECB adjusting its interest rate and monetary policy strategies.

The ECB elected to lower the rate at which they increased interest rates in their most recent meeting on Thursday, from 1.5% to 2%. Nevertheless, they framed this as a shift towards a long term approach in which interest rates will have to continue to climb at significant levels. This is due to their expectations that inflation will remain above the 2% level set out in the mandate until at least 2025. Yet, in a positive light any recession is expected to be the short lived and shallow. (Source: CNBC)

US government focused on ensuring equilibrium in the oil market.

The US Department of energy, has decided to refill its stockpiles of oil with 3 million barrels after having continuously emptied the reserves. This comes as part of an effort to encourage US producers to continue to produce oil to ensure price stability at lower levels, which currently stand at around \$75. This shows the combined efforts of the government to refill its reserves, while also stimulating production to ensure that prices remain at lower levels for consumers across the country. (Source: FT)

Analyst
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Performance Update for December
Aerospace and Defense (US)

Following the Russian invasion of Ukraine and the ongoing war developing, global tensions continue to rise as western nations continue to support Ukraine and sanction Russia. The world has been on high war alert as fears brew that Russia will use nuclear weapons at further neighboring territories. As a result, many western nations are vowing to boost military spending.

Post Covid lockdowns, much of the world has seen a rising demand for air travel at substantial rates often surpassing that pre-covid. As a result, the demand of air vehicles has also increased following this trend. Although despite this demand, many aerospace companies still have a significant way to go before returning to pre-pandemic levels of performance.

Performance

The aerospace and defense industry reported \$712 billion revenue in 2021 (up 4% over 2020), and \$42 billion of operating profit (up 158% according to PwC analysts). However, the industry remains well below pre-pandemic records. The 2021 industry revenue was 6% below the 2019 record of \$754 billion. The 2021 industry operating profit was 24% below the 2018 record of \$42 billion.

In the last six months the performance of the "Aerospace & Defense Sector SPDR Fund" (XAX) displays a 2.79% gain in value while the S&P 500 has decreased by 4.72% in the last six months. A comparison chart also shows that the S&P 500 and XLP move quite in correlation to one another however the XLP has less downside during a downturn while provide stronger performance during uptrends.

On a YTD basis the XAX is down by -4.03% while the S&P is down by -15.10%. The XAX also showed STD of 27.68 which is 14 points higher than the category average showing a substantially higher degree of volatility during the current circumstances.

Market Outlook

Commercial aviation is experiencing strong growth from pent-up demand. An international travel recovery is expected to occur to near pre-pandemic levels toward the end of the year, with a full recovery happening by the end of 2023. There is still some uncertainty, however, in China, the world's second largest and fastest growing aviation market, continues with lockdowns. Some health officials are forecasting another wave of COVID-19 infections this fall which—depending on the severity of the variant—could impact travel. However, full recovery for the industry is not a matter of "if" but "when".

Meanwhile, the defense industry is expected to be on an short-term threats due to geopolitical uncertainty and the following wave of modernization: hypersonics, small satellites, unmanned systems, directed energy, AI and artificial intelligence.

Hold / Buy
Ticker: XAX
Price: \$109.90
Price Target: -
YTD Performance: -4.04%

Analyst
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LinkedIn: Gabriel de Oquendo

6-Month Price Chart

The Core portfolio aims at improving EDEN structure and **providing the right diversification to achieve a long-term and constant fund growth**

Rationale

The Core portfolio is built after **quant-driven analysis** to solve for the difficulty of predicting which asset class will outperform in the future. Hence, **it does not need to be asset-weighted on economic forecasts**, as EDEN seeks to **capture its alpha through the active management of the equity component**

Objective

In order to achieve long-term maximised risk-adjusted returns, the Core aims to **providing diversification** in terms of:

- **Asset class** → bonds and real assets
- **Geography** → global exposure
- **Macroeconomic scenario** → recession, depression, expansion, and recovery
- **Currencies** → global currencies
- **Duration** → short-term and long-term hedges (bond duration)

Portfolio Management

The Core will be managed with a passive approach through periodical rebalancing to the target asset weight, which implies a reduction of the risks related to:

- **Market timing** → avoid the attraction of timing the market after specific events or conditions
- **Emotional involvement** → support in making decisions during negative periods by following a predetermined strategy
- **Discretionary allocation** → avoids over or under weighting asset-classes which might lead to instability of the strategy

Instruments

- The Core is constructed through **investments in ETF** to achieve the pre-set objectives in the most efficient way
- **Accumulation ETFs** are used in order to target capital growth and **no currency hedged products** are present considering the **additional costs** and the **low impact of FX** in the long-term

Core portfolio **allows** for a semestral **active strategic allocation**, allowing possibilities to capture performance under opportunistic market conditions

Core sub-portfolio target vs strategic view limits

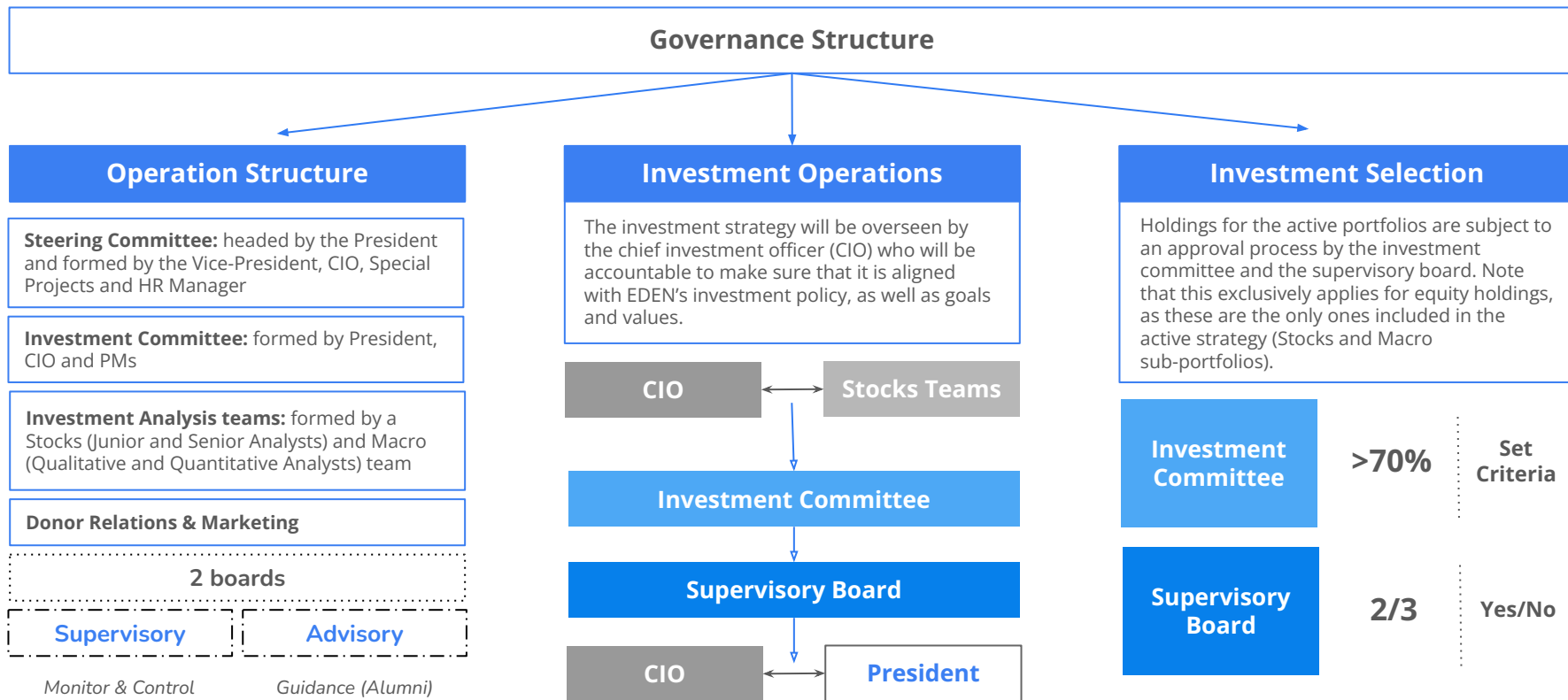
Holding	Target allocation	Strategic allocation
LT Government bonds	15%	+ or - 5%
Inflation-linked bonds	10%	+ or - 3.5%
LT Corporate bonds	5%	+ or - 2%
1-3 year treasury bonds	10%	+ or - 2%
Ultrashort corporate bonds	5%	+ or - 2%
Real estate	7,5%	+ or - 2%
Gold	7,5%	+ or - 2%
Total	60%	60%

EDEN investment operations are wholly **guided** by our **Investment Policy Statement**, signed by all involved **students** and agreed upon with IE University and IE Foundation

The Investment Policy governs over:

- I. General Purpose and Scope of EDEN Fund
- II. Strategy, Fund Structure, and Investment Guidelines
- III. Governance**

EDEN Fund is **entirely managed and run by students**. It is the **top priority** that this requirement does not change to maintain EDEN in line with its values. A **supervisory board of senior experienced finance professionals will overlook EDEN's operations**



The **Investment Committee** is the **core body** for Investment Decision making in EDEN, as they are **involved** both in the **investment analysis and in investment selection**

Investment Committee

The IC will have the power to execute any disinvestment of stock, ETF or MF at any moment without the authorization of the SB, having the duty to communicate it to the SB in the shortest possible time and always within one week.

Results

Stock	Final Vote	Result	Investment %	Investment \$	Shares
BBW	100.0%	Approved	5.0%	186	8
LON:C ARD	75.0%	Approved	2.9%	109	101
UAA	0.0%	Rejected			

Example

Rating Criteria (Vote = 0 - 0.5 - 1)

- Industry:** How resilient is the industry? How favourable are the industry trends and growth? How competitive is the industry? If these are favourable, award a one.
- Business:** Does the business have a strong model? Does it have clear strategic path? Does it have a strong track record? Is the business a leader in its industry, or does it have a sustainable competitive advantage? If these are favourable, award a one.
- Risks:** How significant are these risks, and how likely are they to occur? How well is the company positioned to manage or mitigate these risks? To what extent would these risks affect the valuation? If these risks are not a major threat, award a one.
- Valuation:** Is the valuation positive? Is there a clear upside in the DCF and multiple valuation? If these are favourable, award a one.
- Estimates:** How confident are you with the assumptions behind the valuation? Are they realistic? Overall, is there a powerful case for why the business may be undervalued? If these are favourable, award a one.

2023 Yearly Report

EDEN Investment Approach

Updated EDEN Holdings and Performance

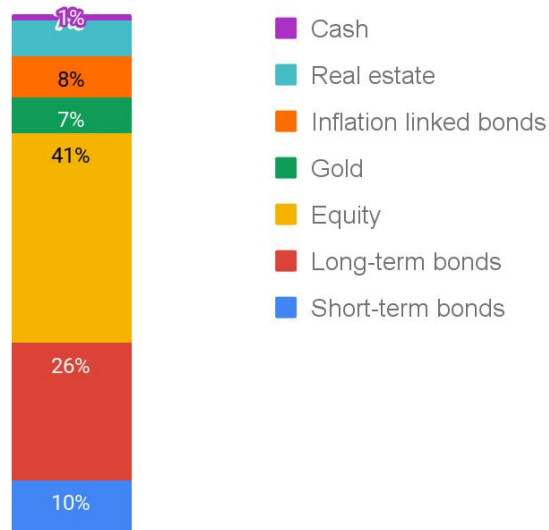
EDEN's newly launched diversified portfolio marks initial growth, setting stage for future investment cycles

Total Portfolio

Since Nov. 10th 2023

Value	€5,558
Cost	€5,343
Cash	€63
Return Today	0.0%
Absolute Return €	€215
Absolute Return %	4.0%
Invested	98.9%
Cash	1%

Asset Class Overview



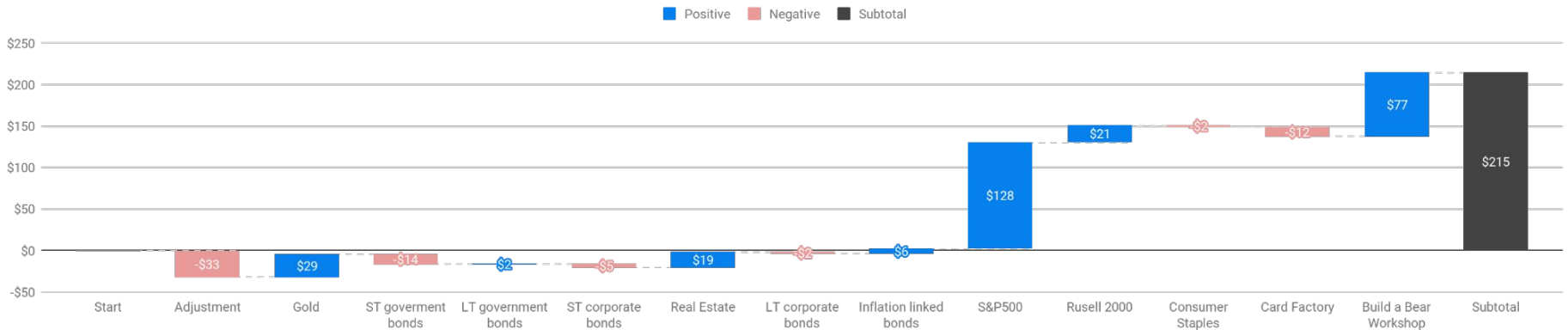
- Cash
- Real estate
- Inflation linked bonds
- Gold
- Equity
- Long-term bonds
- Short-term bonds

S&P 500 surge balances initial adjustments, leading to Net Positive portfolio performance

EDEN's return distribution for the first 2 months exhibits the expected dynamic for the portfolio going forward, with a diversified Core component responding predictably to macroeconomic conditions and with alpha generation in the equity component of the portfolio. In this case the Macro cash buffer S&P 500 with the Real Estate component of Core lead in overall performance.

Having said this, EDEN's portfolio is too premature to draw significant conclusions from this distribution.

EDEN Return Waterfall



Core portfolio stability with balanced asset performance; minor deviations in passive component alignments

Core Portfolio *Since Nov. 10th 2023*

Value €3,221

Cost €3,206

Cash -€22

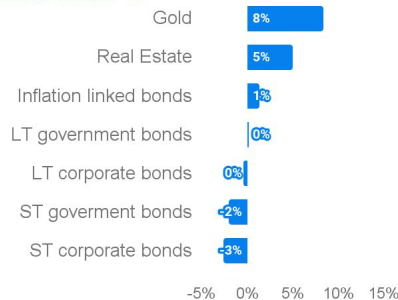
Absolute Return 0.5%

Invested 100.7%

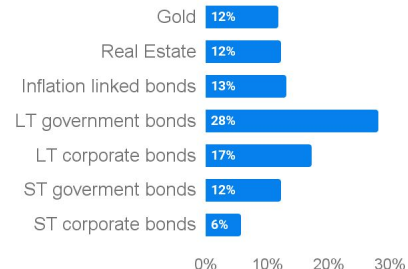
Cash -0.7%

Jan-2024 0.05%

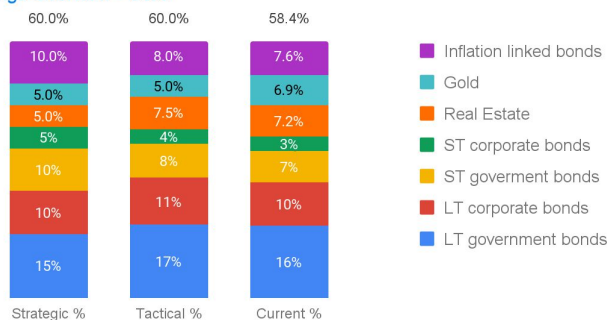
Holdings - Unrealized Return %



Holdings - Weight % (Weight = Core)



Holdings Overview - Core



Core is exhibiting performance aligned with the all-weather expectations under the current macroeconomic conditions.

The chosen tactical allocation is based on forecast for lower interest rates in 2024.
(Current will be adjusted to Tactical following cash inflows)

Recent **Consumer Staples** investment **weighs on short-term returns** amidst **S&P 500-led portfolio growth**

Macro Portfolio

Since Nov. 10th 2023

Value €1,454

Cost €1,336

Cash €30

Absolute Return 8.8%

Invested 97.9%

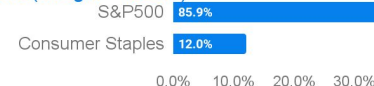
Cash 2.1%

Jan-2024 3.27%

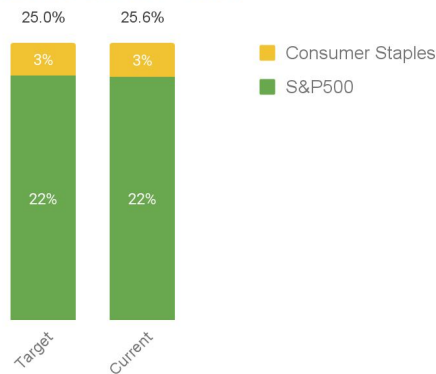
Holdings - Unrealized Return %



Holdings - Weight % (Weight = Macro)



Asset Class Overview - Macro



Macro's first investment in consumer staples seeks to benefit from the long term compounding capability of the sector.

Additionally it offers a hedge for uncertainty in markets and future macroeconomic conditions.

Newly acquired **Stocks** exhibit **initial market adjustment** driven by **BBW**, set for targeted growth by year-end

Stocks Portfolio

Since Nov. 10th 2023

Value €883

Cost €801

Cash €55

Absolute Return 10.2%

Invested 93.8%

Cash 6.2%

Beta n.a.

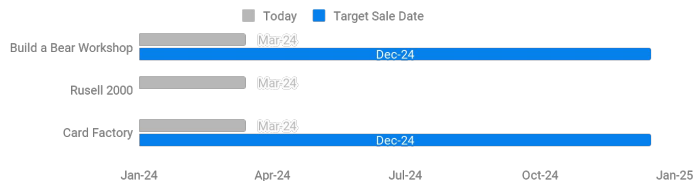
P/E Ratio #N/A

Jan-2024 1.39%

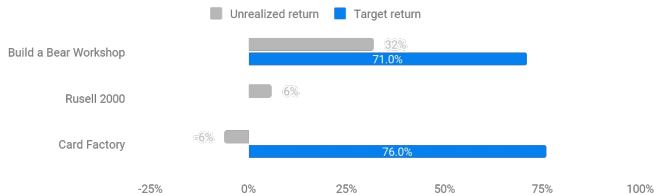
Holdings - Unrealized Return %



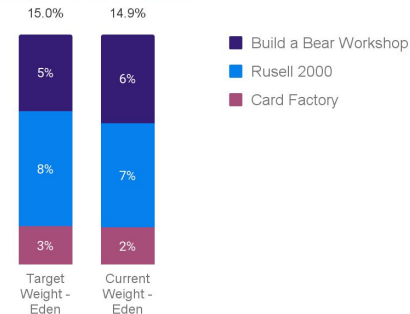
Holdings - Holding Period



Holdings - Current vs. Target Return



Holdings Overview - Stocks



Holdings exhibit positive risk factor premiums including high betas, small capitalisations, value profiles, prudent investments, and high profitability.

Russell 2000 serves as an appropriate benchmark for these factors.

Our latest investment cycle saw the **opening of 3 positions**, as analysts identified **favourable conditions to allocate capital for long term returns**.

CLOSED POSITIONS

OPENED POSITIONS

Closed positions

Return

Rationale

New positions

Target return

Rationale

Stocks

No positions closed this month

- Build a Bear Workshop 71%

Market leader. E-commerce expansion, plush-market growth and diversified licenses propose an attractive value proposition.

- Card Factory Plc 76%

Strategic growth initiative, partnership and acquisition strategy, omni-channel expansion, COVID recovery.

Macro

No positions closed this month

- SPDR S&P Consumer Staples ETF 15%

Defensive sector with potential for constant conservative growth.

“Together, let us strive to turn our dreams into reality and bring a meaningful change to higher education”



Appendix

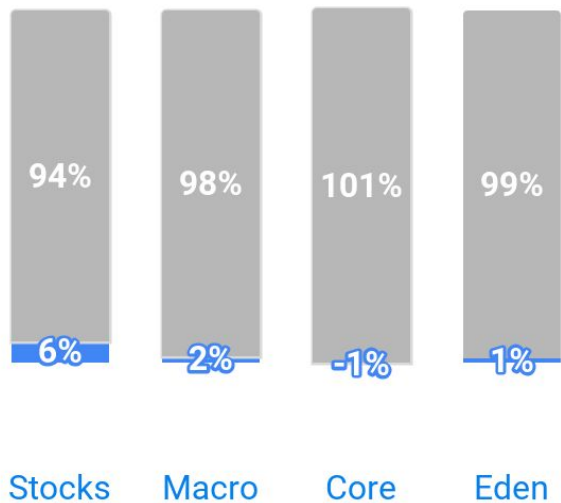
Appendix 1 - All Positions Detail

Portfolio	Fake Name	Stock Ticker	Name	Shares	Google Price	Change month	Last Price	Cost (Per Share)	Unrealized Gain/Loss	Unrealized Gain/Loss (%)	Realized Gain/Loss	Dividends Collected	Total Gain/Loss	Total Gain/Loss (%)
Core	Gold	BIT:SGLD	Invesco Physical Gold ETC	2.0	191.50	5.92%	€191.50	€176.72	€29.56	8.36%	€0.00	€0.00	€29.56	8.36%
Core	ST government bonds	LON:JU13	JPM BetaBuilders US Treasury Bd 1-3 yr ETF USD A	4.0	106.92	0.10%	€98.57	€100.39	-€7.29	-1.82%	-€6.04	€0.00	-€13.33	-3.32%
Core	LT government bonds	LON:IGLA	iShares Global Govt Bond UCITS ETF USD Acc	219.0	4.49	0.45%	€4.14	€4.14	€0.91	0.10%	€0.00	€0.00	€0.91	0.10%
Core	ST corporate bonds	LON:ERNA	iShares \$ Ultrashort Bond UCITS ETF USD Acc	35.0	5.72	0.35%	€5.27	€5.40	-€4.52	-2.39%	€0.00	€0.00	-€4.52	-2.39%
Core	Real Estate	LON:DPYA	iShares Dvlp Mrkts Prop Yld UCITS ETF USD Acc	83.0	5.22	0.77%	€4.81	€4.57	€20.36	5.37%	€0.00	€0.00	€20.36	5.37%
Core	LT corporate bonds	LON:VCPA	Vanguard USD Corporate Bond UCITS ETF USD Acc	11.0	42.96	-0.46%	€50.23	€50.57	-€3.78	-0.68%	€0.00	€0.00	-€3.78	-0.68%
Core	Inflation linked bonds	LON:SGIL	iShares GI Infl Lnk Govt Bd UCITS ETF USD Acc	3.0	120.24	0.51%	€140.59	€138.87	€5.17	1.24%	€0.00	€0.00	€5.17	1.24%
Macro	S&P500	BIT:VUAA	Vanguard S&P 500 UCITS ETF USD Acc	14.0	89.47	2.08%	€89.47	€80.56	€124.72	11.06%	€6.73	€0.00	€131.45	11.65%
Stocks	Russell 2000	BIT:R2US	SPDR Russell 2000 U.S. Small Cap UCITS ETF Acc	7.0	53.32	-0.60%	€53.32	€50.44	€20.17	5.71%	€0.00	€0.00	€20.17	5.71%
Macro	Consumer Staples	AMS:XXLP	SPDR S&P US Con St Select Sector UCITS ETF Acc	5.0	35.13	2.66%	€35.13	€35.29	-€0.77	-0.44%	€0.00	€0.00	-€0.77	-0.44%
Stocks	Card Factory	LON:CARD	Card Factory PLC	122.0	0.91	-7.47%	€1.06	€1.17	-€12.76	-8.95%	-€3.12	€0.00	-€15.88	-11.15%
Stocks	Build a Bear Workshop	BBW	Build-A-Bear Workshop, Inc	12.0	28.93	25.35%	€26.67	€20.22	€77.42	31.91%	€0.00	€0.00	€77.42	31.91%

Appendix 2 - Cash

Cash Depletion per Portfolio

■ Securities % ■ Cash %



EDEN

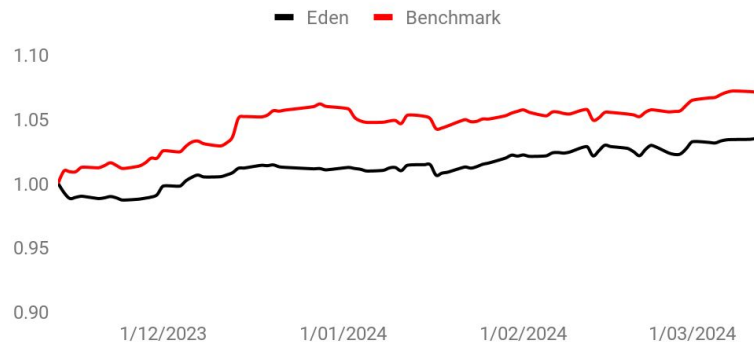
Cash imbalances are due to recurrent cash inflows and outflows of donations capital

Appendix 3 - Benchmarked Performance

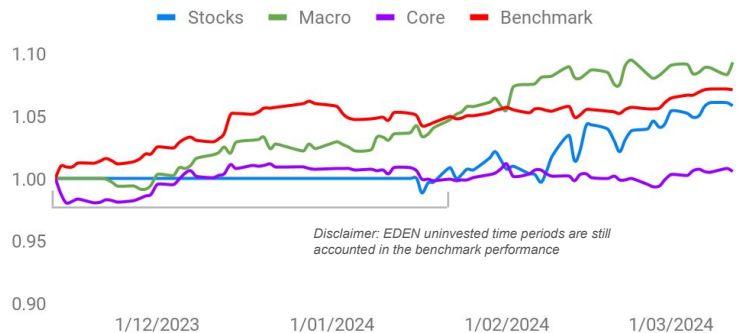
Performance VS. Benchmark

Eden Return	4.0%
Benchmark Return	7.2%
Excess Return (downside)	-3.2%
Eden Standard Deviation	4.2%
Benchmark Standard Deviation	4.8%
Eden Sharpe Ratio	1.25
Benchmark Sharpe Ratio	3.87
R-Squared with the Benchmark	0.85
Beta with the Benchmark	0.46
Jan-2024	-0.37%

Eden vs Benchmark (indexed)

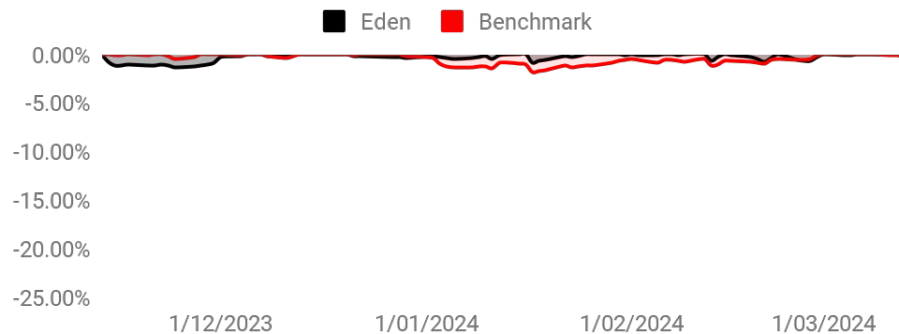


Eden Portfolios vs Benchmark (indexed)

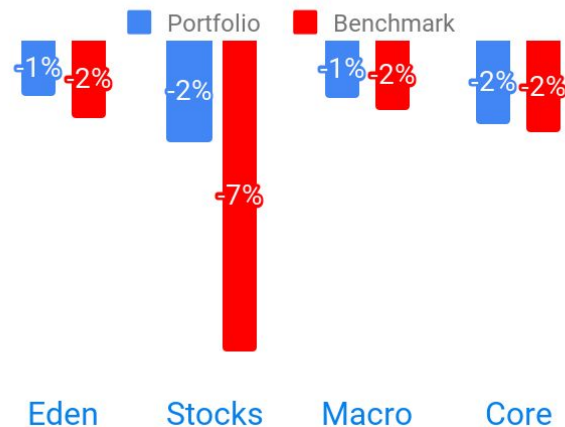


Appendix 4 - Drawdowns

Maximum Drawdown % - Eden



Maximum Drawdown / Portfolio



Benchmark is composed of 60% core policy allocation, 25% S&P500 and 15% Russell 2000