

SARASIN

# Six Minute Strategy

## The rise of Security as a theme: How MAGA can be good for your portfolio

19 May 2025

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# Themes anchor our entire investment process

- **Six themes** based on long-term societal trends

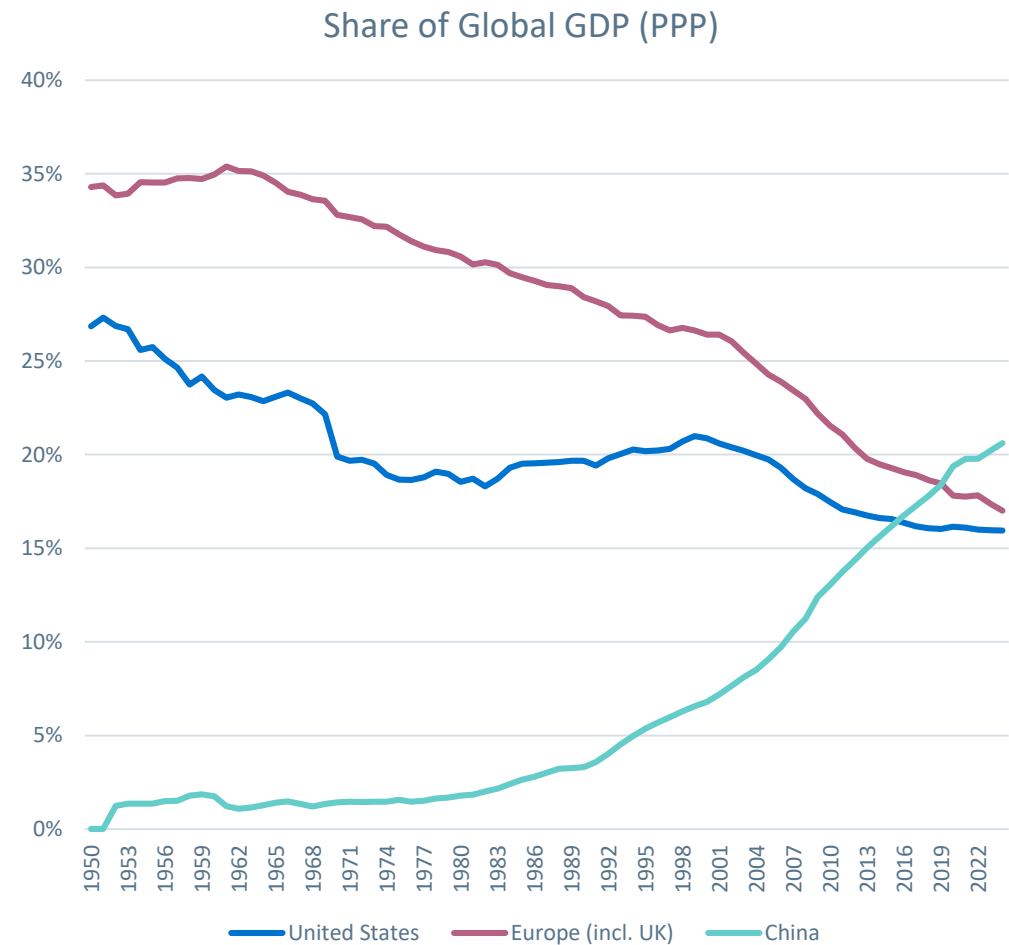
- **Stock selection:** Companies best placed to benefit from long-term themes and sustainable growth

- **New theme – Security:** As global politics and economics fragment, security is becoming a key driver of investment risks and opportunities.



# A multipolar world

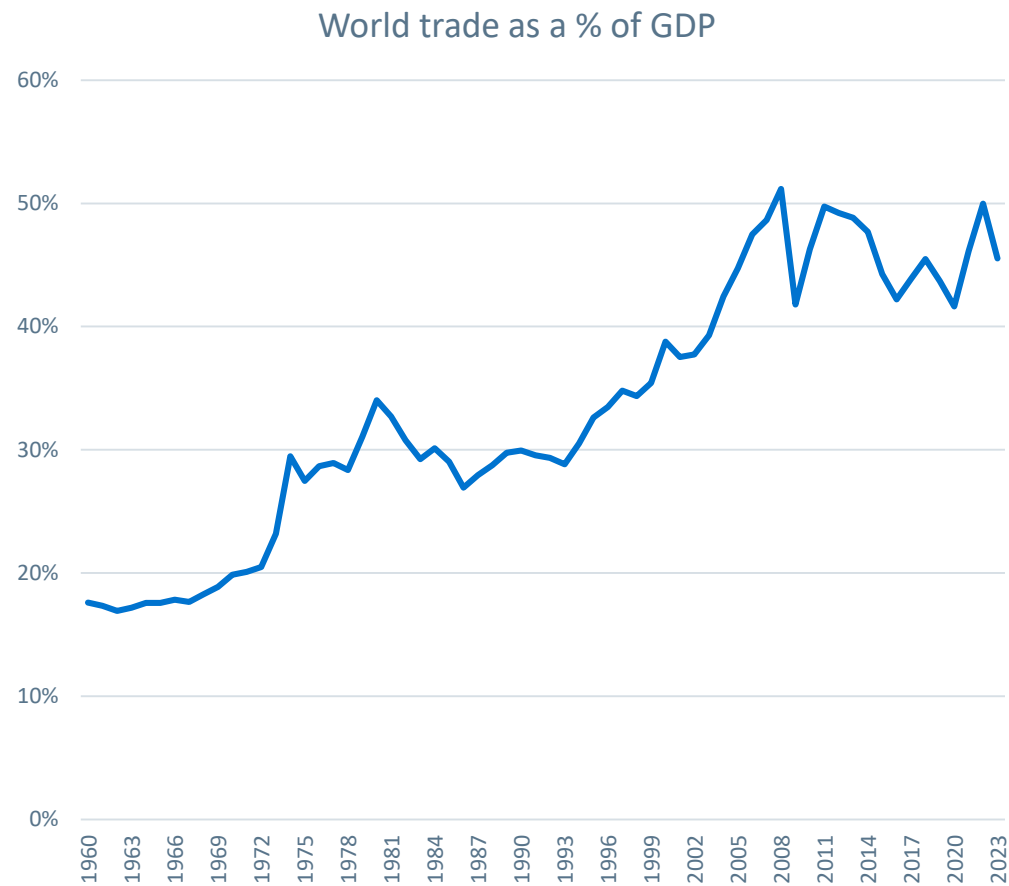
## A multipolar world



Source: Macrobond, 12.05.2025

PPP = Purchasing Power Parity

## While globalisation looks to have stalled



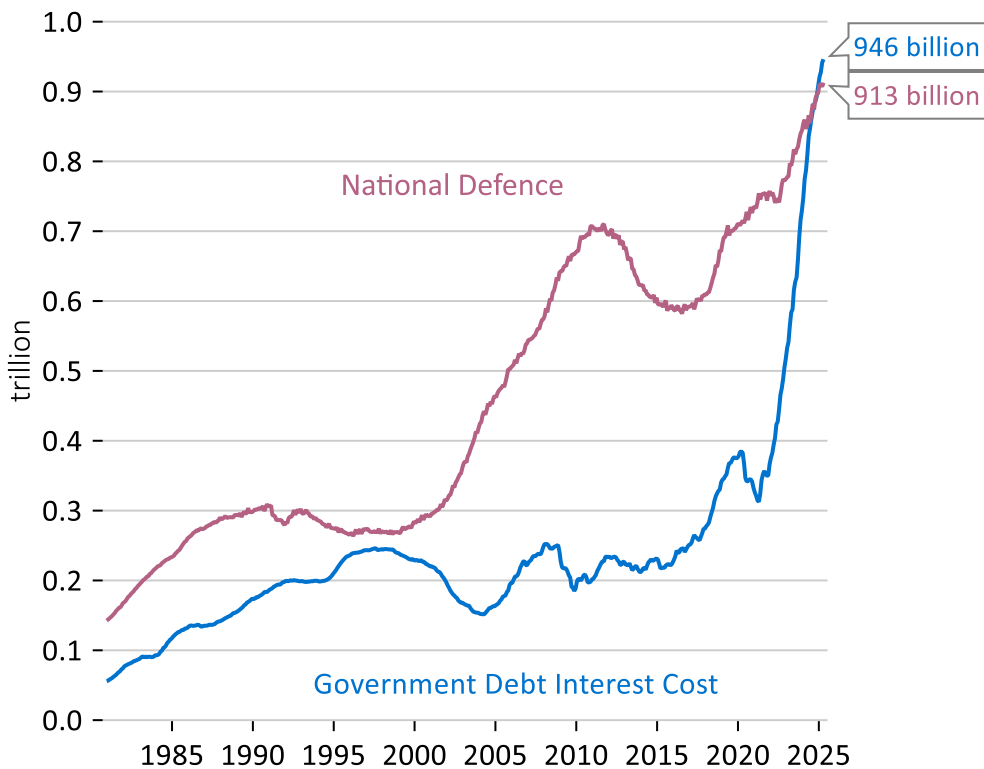
Source: Macrobond, 12.05.2025

# It's not going to be easy to fund security

 US defence spending increasingly swamped by interest bill

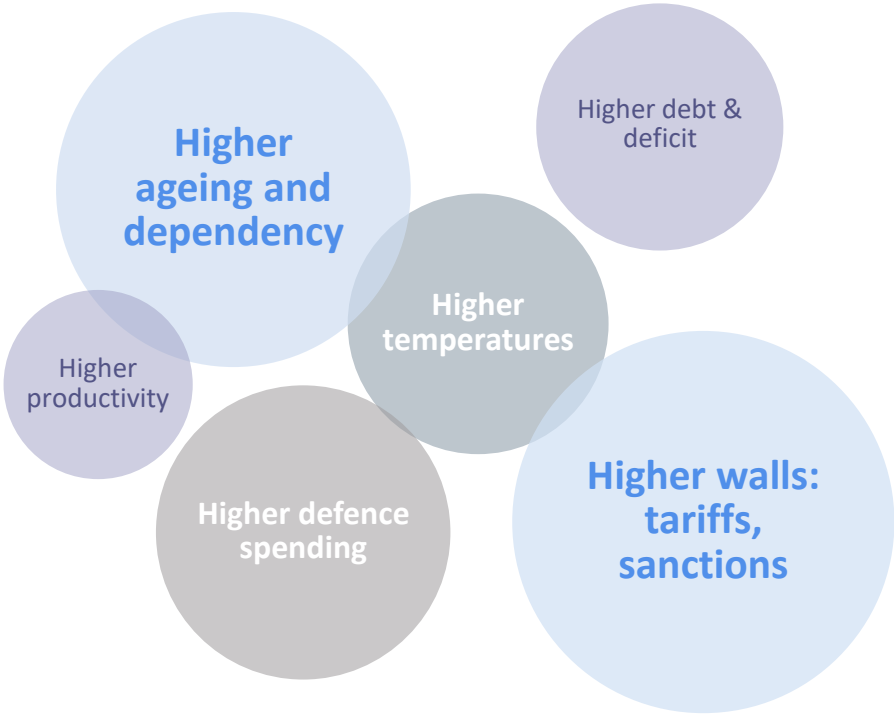
 Security priorities will squeeze public spending

National Defence Spending and Debt Interest Payments



Source: Macrobond, 15.05.25

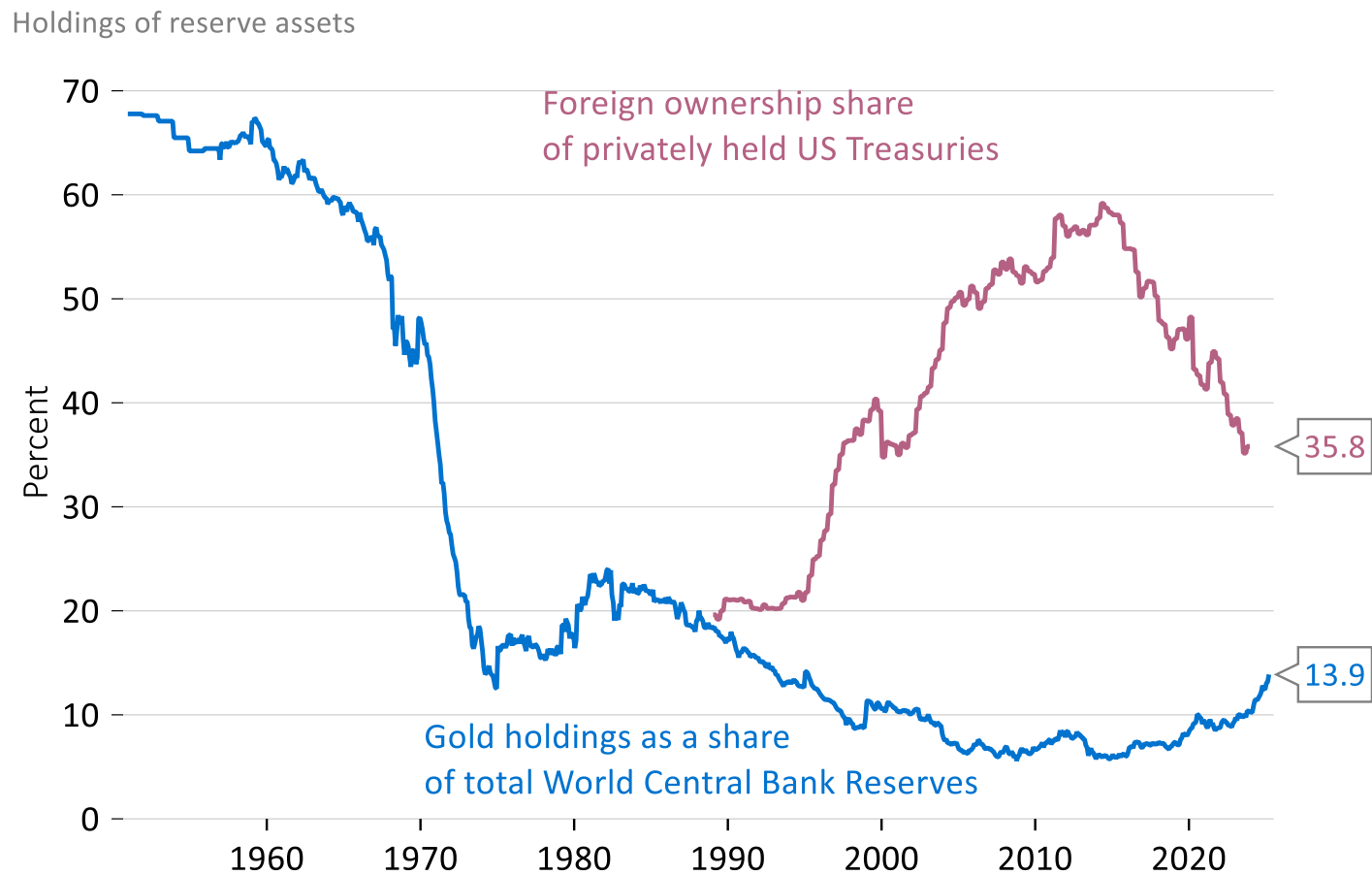
## Structural trends



# Dollar reserve status starting to erode



The decline in US assets held in global central bank reserves already reflect a fragmentation of the world economy



Source: Macrobond, 15.05.25



# Opportunity: Security needed as global alliances fragment

## Security of:

Energy and resources

Food supply

National champions

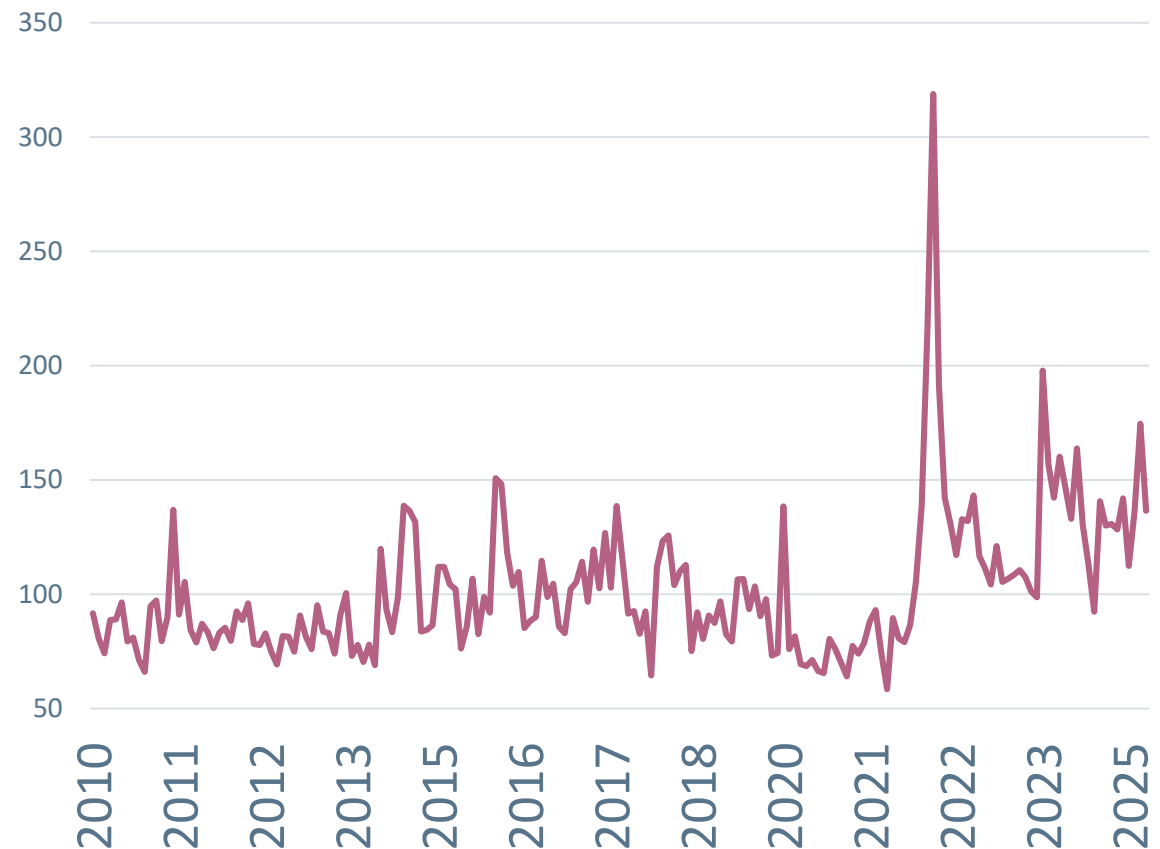
## Protection against:

Tariff disruption

Cyber crime

Climate disruption

## Geopolitical Risk Index



Source: <https://www.policyuncertainty.com/gpr.html>

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