



# Mosaique Equity USD

Rothschild & Co WM Fund (SICAV UCITS)

Cover: © Getty Images.

© 2023 Rothschild & Co  
Wealth Management

This is not a promotion or solicitation of the Rothschild & Co WM SICAV UCITS – Mosaïque Equity USD, which is not usually available to execution only or advisory clients. When certain criteria are met discretionary portfolios may hold the Fund, but only at Rothschild & Co's discretion.

Values: All data as at 30<sup>th</sup> June 2023. Sources of charts and tables: Rothschild & Co and Bloomberg, unless otherwise stated. Past performance is not indicative of future performance and investments and the income from them can fall as well as rise. Fund performance is shown in US dollar, after all fees, in total return, combining income and capital growth. Returns may increase or decrease as a result of currency fluctuations.

Please ensure you read the Important Information section at the end of this document.

# Fund manager's review

Central banks increased interest rates further during the second quarter as they continue to tame stubbornly high inflation. Following strong but volatile performance at the start of the year, global equities continued to rally over the second quarter.

## PORTFOLIO PERFORMANCE

The first half of 2023 demonstrated an inverse in market sentiment, meaning that last year's 'worst' Equity investment style, growth, was this year's best thus far. Undoubtedly, this shift has helped the portfolio. Furthermore, during the second quarter of 2023, the portfolio continued to benefit from our preference for companies that demonstrate high quality characteristics, particularly large and mega cap exposure. The quarter began calmly as overall stress and default measures remained subdued. An economically fragile May, comprising major central banks' interest rate hikes and divergent manufacturing and service data, impacted performance. Yet, a resounding June rounded out a good quarter and maintained a positive first half of the year.

Whilst equities have performed well, the 'magnificent seven' largest US technology-related stocks have accounted for most of the market gains this calendar year so far. This rally's limited appeal raised concerns about its viability in the near-term, but we have already observed broader stock market participation in June, which we deemed a healthier market environment.

Over the quarter, we kept a neutral Equity positioning and stock selection was the main performance driver. The prospects presented by Artificial Intelligence functioned as a catalyst for the rally in the technology sector as well as quality mega-cap stocks and our exposure to both turned out exceptionally well. Also, financial names reacted well following the announcements of several weaker banks being acquired by competitors with solid balance sheets. Thus, the idea that a full-blown banking crisis was unlikely, became widely accepted. On the other end of our stock selection, our Asian (ex-Japan) exposed names lagged.

Among single stocks, Amazon (+26%), Adobe (+27%), Microsoft (+18%), Apple (+18%) and Alphabet (+15%) were amongst the top portfolio performers this quarter and all except Adobe were part of the abovementioned 'magnificent seven' stock rally this year. In addition, JPMorgan Chase gained more than 5% relative to its peers following its rescue of First Republic Bank.

The detractors contained Nike and Alibaba, both declining by double digits. The latter reported strong financial results, and the choice to streamline its business portfolio was unquestionably advantageous, yet sentiment is still proved to be too much of a risk in the region. Nike was also not immune to the overall softness in the footwear and apparel space that has affected its competitors. The consumer discretionary sector, previously boosted at the beginning of the year from China's reopening from Covid-19 lockdowns has seen a pull-back as consumers tightened their spending. To stem the flow, Nike spent more on marketing and promotions to drive volume and clear excess inventory, but this pressured their margins. Consequently, the retailer reported their first earnings miss for the first time in three years.

## PORTFOLIO ACTIVITY

Starting in April, we took the opportunity to increase exposure to the LongRun Equity fund, as we observed central banks curtail their continuous rate hiking phase.

In May, we purchased two structured products. First, we replaced our equity hedging product, which expired in June. This trade reinforced an element of protection against macro and geopolitical uncertainty.

Data sources: Rothschild & Co and Bloomberg

Holdings are subject to change without notice. This document does not constitute a personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product. Past performance is not indicative of future performance and investments and the income from them can fall as well as rise.

# Fund manager's review (continued)

Then, we introduced a structured product on China as we continued to view it as an attractive market. Moreover, the country has shown signs of stabilisation in the property market, a departure from the zero-Covid policy and valuations with growth potential. Rather than investing directly in volatile mega-cap Hong Kong listed names, we sought to balance the opportunity with the risk by building a capital protected structured product with an underlying, consisting of both the CSI 300 and CSI 500 indices. This was financed by a reduction of the Veritas Asian Fund.

Finally, in June, we introduced RELX to the portfolio financed by a reduction in the Energy ETF. The addition reflected the asset allocation decision to be overweight Industrials. RELX is one of the world's largest providers of information-based analytics and decision tools. The company focuses on organic development and improvement of value-adding solutions, broader data sets and more sophisticated analytics. RELX's revenue visibility is high due to subscription-based multi-year contracts, and benefits from high margin and low capital intensity. Given its competitive edge and projected growth, we were drawn to the company trading at a reasonable price and decided to add it to the portfolio.

# Fund performance

At the end of the second quarter 2023, the performance stood at 4.6% QTD and 11.2% YTD.

## PERFORMANCE SINCE INCEPTION (%)\*



\* Data represents total returns of the investment strategy over the period from 3 August 2020 to 31 March 2023. The launch date of the Fund which implements this strategy was 3 August 2020.

## PERFORMANCE TABLE (%)

	QTD	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
MOSAIQUE EQUITY USD XI	4.6	11.2	14.0			16.7

## MONTHLY PERFORMANCE TABLE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	6.5	-3.8	3.8	1.4	-1.8	5.1							11.2
2022	-4.8	-3.3	2.1	-7.9	-0.4	-7.2	7.0	-3.7	-8.6	4.9	8.1	-4.0	-18.0
2021	-0.4	1.7	0.9	4.8	0.9	2.1	1.6	2.4	-4.5	5.5	-3.0	2.6	15.0
2020								5.7	-3.2	-2.2	8.4	2.6	11.3

# Portfolio holdings

The objective of the fund is to generate capital growth over time, while maintaining a broad diversification through liquid securities.

<b>EQUITIES</b>	<b>94.3%</b>
<b>North America</b>	<b>53.2%</b>
Microsoft	5.4%
Apple	4.4%
SPDR S&P U.S. Energy Select Sector UCITS ETF	3.8%
Alphabet	3.1%
Visa	2.7%
Linde	2.6%
Costco Wholesale Corp	2.4%
Canadian National Railway	2.1%
S&P Global	2.1%
Otis	2.1%
Danaher	2.0%
Johnson & Johnson	1.9%
United Health	1.9%
Amazon.com	1.8%
Adobe	1.8%
American Express	1.7%
JPMorgan Chase & Co	1.7%
Nike	1.6%
iShares S&P 500 Information Technology Sector UCITS ETF	1.5%
Thermo Fisher	1.3%
Mastercard	1.3%
SPDR S&P U.S. Industrials Select Sector UCITS ETF	1.1%
Morgan Stanley	1.1%
Comcast	1.1%
Estee Lauder	0.8%
<b>Europe</b>	<b>13.4%</b>
iShares MSCI EMU ESG Screened UCITS ETF	2.6%
ASML	2.1%
London Stock Exchange	2.0%
LVMH	2.0%
Diageo	1.9%
RELX plc	1.5%
Epiroc	1.3%
<b>Emerging Markets</b>	<b>9.4%</b>
JPM Global Emerging Markets UCITS ETF ESG Screened	6.1%
Veritas Asian Fund	2.2%
Alibaba	0.7%
Tencent	0.5%
<b>Global</b>	<b>12.8%</b>
LongRun Equity Fund	5.0%
iShares MSCI ACWI UCITS ETF	3.9%
iShares MSCI World Health Care Sector ESG UCITS ETF	2.9%
SPDR MSCI World Materials UCITS ETF	1.0%
<b>Japan</b>	<b>5.5%</b>
MSCI Japan Socially Responsible UCITS ETF	3.4%
SPDR MSCI Japan UCITS ETF	2.1%

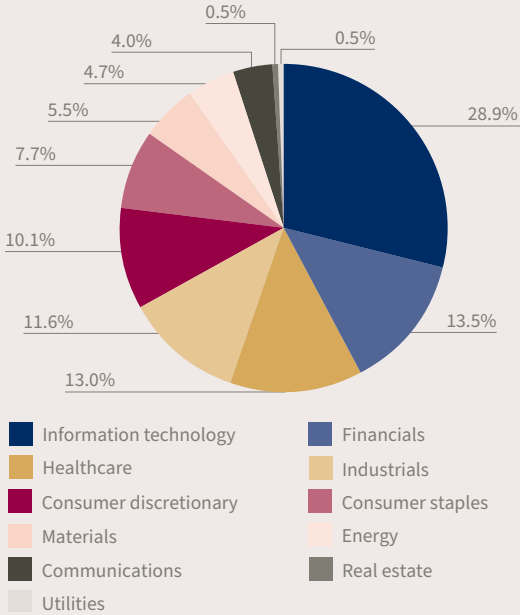
<b>MULTI-ASSET &amp; HYBRID INSTRUMENTS</b>	<b>1.9%</b>
<b>Structured Products (Yield)</b>	<b>1.7%</b>
Cert BNP Paribas Iss 2023-02.06.25 on CSI300 Index, CSI500 Index	1.7%
<b>Structured Products (Hedging)</b>	<b>0.2%</b>
Citigroup 15.12.2023 Put on MSCI World USD	0.2%
<b>MONEY MARKET</b>	<b>3.8%</b>
<b>Money Market</b>	<b>3.8%</b>
USD Liquidity	3.8%

Percentages may not sum to 100% due to rounding.

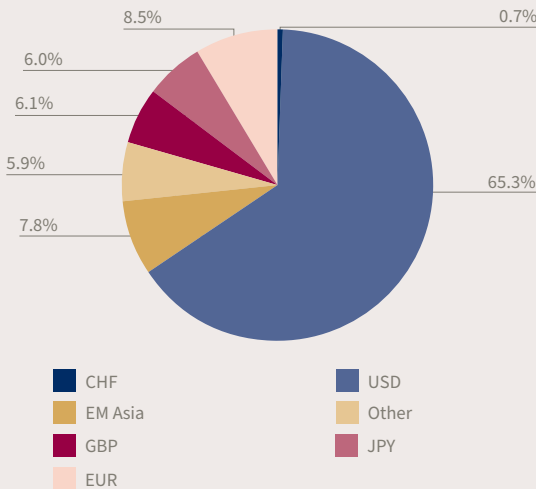
# Fund allocation

The Fund invests in equities, equity-related securities and money market instruments.

**EQUITY ALLOCATION BY SECTOR**



**FUND ALLOCATION BY CURRENCY**



Percentages may not sum to 100% due to rounding. The above currency exposure is net of foreign exchange hedges. For the purposes of more accurately managing currency risk, where appropriate, we reflect the currency exposure of certain funds based on the underlying securities held within the fund, rather than the denomination of the fund.

# Supporting information

## **ROTHSCHILD & CO WM FUND (SICAV UCITS) – MOSAIQUE EQUITY USD**

Legal structure	SICAV UCITS
Objective	Long-term return on invested capital by investing in a well-diversified equity portfolio.
Launch date	3 August 2020
Fiscal year end	31 December
Domicile	Luxembourg
Management company	Rothschild & Co Investment Managers
Fund administrator	CACEIS Bank, Luxembourg Branch
Depository bank	CACEIS Bank, Luxembourg Branch
Inception date	3 August 2020
Liquidity	Daily (trading cut-off 12:00 CET)



## Notes

At Rothschild & Co Wealth Management we offer an objective long-term perspective on investing, structuring and safeguarding assets, to preserve and grow our clients' wealth.

We provide a comprehensive range of services to some of the world's wealthiest and most successful families, entrepreneurs, foundations and charities.

In an environment where short-term thinking often dominates, our long-term perspective sets us apart. We believe preservation first is the right approach to managing wealth.



## Important information

All performance data refers to share class XI ACC.

Source: Rothschild & Co and Bloomberg

Sharpe ratio: Sharpe Ratio is the statistical measure of excess portfolio return over the risk-free rate relative to its standard deviation.

Annualized Volatility: Annualized Volatility is the measure of return dispersion for an asset over twelve month since inception.

Maximum Loss: This is the largest monthly drop in the portfolio's value during a given period. It is expressed as a percentage and reflects the fall in value during the time between the draw down peak (highest value) and the drawdown valley (lowest value).

This document is issued by the Rothschild & Co WM SICAV SIF, a société anonyme incorporated under the laws of Luxembourg, on a strictly confidential basis to a limited number of potential investors, being "well informed investors" pursuant to the Luxembourg Law of February 13, 2007 relating to specialized investment funds, as amended (the "SIF Law"), who have indicated their potential interest for the Rothschild & Co Wealth Management Fund. This document does not constitute a

personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product.

Further information and risk warnings on this Fund or other share classes or sub-funds of the SICAV-SIF may be found in the issue document, in the articles of association, in the annual report of the SICAV-SIF. The SICAV-SIF is subject to Luxembourg tax law. This may affect your personal tax situation. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Past performance should not be taken as a guide to future performance. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down.

The Fund may not be available in all jurisdictions and in some jurisdictions it may be available on a limited basis only, due to local regulatory and legal requirements. This document is not directed to, nor intended for distribution or use by, any person or entity in any jurisdiction or country where the publication or availability of this document or such distribution or use would be contrary to local law or regulation.

© 2020 MSCI ESG Research LLC. Reproduced by Permission. Although Rothschild & Co. Bank AG's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or to sell or when to buy or to sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with the data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.