



# Mosaïque Performance Snapshot

H1 2017 — H1 2023

## MESSAGE FROM THE CIO

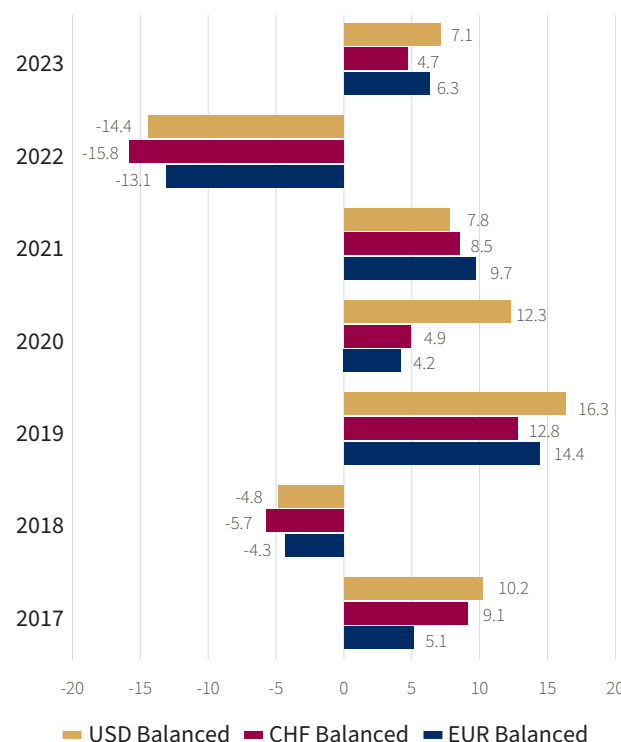
Our Mosaïque approach delivers portfolios which aim to outperform the strategic benchmark ARC<sup>1</sup> by harnessing market and macroeconomic trends. In 2022, a year, which was marked by declines in both equities and bonds only very few strategies were able to achieve a positive absolute performance. However, the narrative took a turn in the first half of 2023 during which we secured a ranking in the uppermost quartile when compared to ARC across all strategies. We are very pleased with this result as it substantiates the effectiveness of our investment approach in constructing diversified portfolios that span multiple asset categories, regions, and sectors.

In this snapshot, we present you with a performance overview and take a closer look at the developments throughout H1 2023, always remaining mindful that even in light of positive outcomes, there is no place for complacency.



**Dr Carlos Mejia**  
CIO, Rothschild & Co Bank AG

## ANNUAL PERFORMANCE YEAR BY YEAR (%)



## PERFORMANCE OVERVIEW

Since the inception of the Mosaïque strategy we have grown your wealth in comparison to our peers. We have achieved this by combining an effective tactical asset allocation process, in particular our long-held view on US equities, with a strong positive contribution from our security selection.

Spanning several eventful years for markets, Mosaïque portfolios have demonstrated resilience, performing well in a diverse set of markets such as the low volatility bull run of 2017, the heightened instability during the US-China trade war in 2018 and, of course, the COVID-19 crisis which began in 2020. During this time, the portfolios exhibited positive investment performance, until the incongruous and unprecedented 2022, during which both equities and bonds saw declines. Slowing economic growth and heightened inflationary pressures left very few asset classes posting a positive absolute performance.

The first half of 2023 demonstrated an inverse in market sentiment, with markets rallying far from their fourth quarter 2022 lows. In Q1, the robust reversal was due to inflation showing meaningful signs of abating, coupled with the absence of substantial economic repercussions from Central Banks' tightening measures. Company earnings proved to be much stronger than expected and China's economy finally reopened. These factors particularly benefited companies that demonstrate high quality characteristics, particularly those of large and mega-caps, aligning with our preferred investment style.

With inflation cooling down and the economy having thus far evaded setbacks, we see signs of positivity for the second half of the year. While short-term setbacks and corrections are always possible, we think a wider cyclical rebound to new highs may still lie ahead, and further declines in inflation may prove the catalyst.

## AT A GLANCE

### MOSAIQUE BALANCED PORTFOLIOS VS ARC<sup>1</sup>

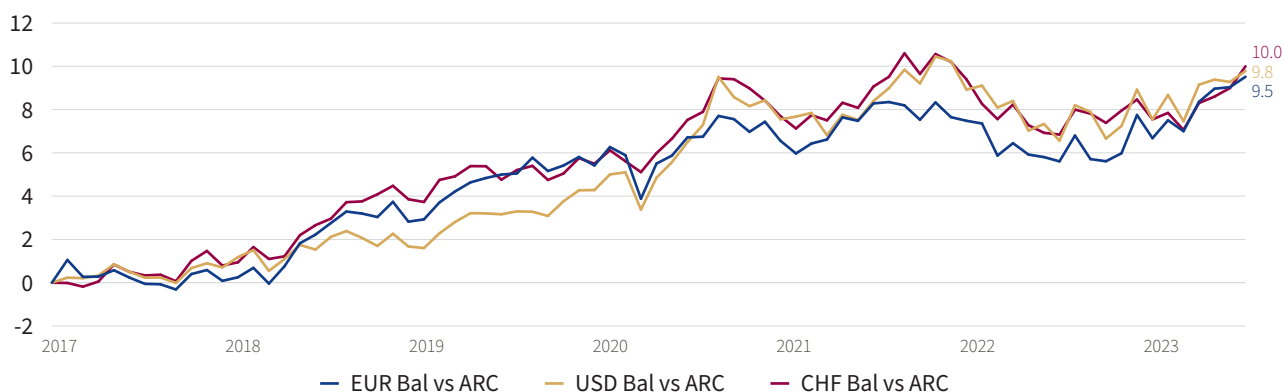
	2017	2018	2019	2020	2021	2022	YTD	CUMULATIVE RETURN <sup>2</sup>	ANNUALISED RETURN <sup>2</sup>
<b>MOSAIQUE BALANCED CHF</b>	9.0%	-5.7%	12.8%	4.9%	8.5%	-15.8%	4.7%	16.3%	2.2%
ARC CHF	8.2%	-8.6%	11.7%	2.2%	7.5%	-15.5%	3.2%	5.9%	0.8%
<b>MOSAIQUE BALANCED EUR</b>	5.3%	-4.3%	14.4%	4.2%	9.7%	-13.1%	6.3%	21.7%	2.8%
ARC EUR	5.2%	-6.9%	12.1%	3.0%	9.9%	-13.3%	4.0%	12.0%	1.6%
<b>MOSAIQUE BALANCED USD</b>	11.4%	-4.8%	16.3%	12.3%	7.8%	-14.4%	7.1%	36.7%	4.6%
ARC USD	10.7%	-5.7%	14.1%	9.6%	6.8%	-14.4%	5.6%	26.0%	3.4%

<sup>1</sup> ARC Private Client Indices are performance numbers by investments managers for discretionary mandates, here for Balanced investment strategies in CHF, EUR and USD, respectively.

<sup>2</sup> Returns calculated from January 2017 to June 2023.

### RELATIVE PERFORMANCE TO ARC (JANUARY 2017 – JUNE 2023, %)

Performance for Mosaïque portfolios is measured against a strategic benchmark known as ARC. This is based on comparative industry standards and our views seek to generate returns above and beyond that benchmark. To monitor our performance, we tailor benchmarks to each client's reference currency and risk profile. In the below chart we measure the cumulative outperformance of Mosaïque balanced portfolios in EUR, USD and CHF vs. ARC.



### ASSET ALLOCATION SUMMARY

In 2023 thus far, strategically we kept our asset allocation unchanged. We maintained our neutral positioning in equities across all regions, whilst tweaking some sectors to make careful and confident switches for the portfolios. Within fixed income, we sought to improve our quality and pivot the duration to a longer-dated view in the US as policy rates decelerated. Then, when Europe similarly slowed their rate hiking exercise, we also focussed on pursuing longer-dated bonds in the region.

In August, we made further changes to our Asset Allocation. Please access [here](#) the full report to learn more.

	-	Neutral	+		-	Neutral	+		-	Neutral	+
<b>US</b>				<b>EUROPE</b>				<b>SWITZERLAND</b>			
Money market				Money market				Money market			
Gold				Gold				Gold			
Fixed income				Fixed income				Fixed income			
Equities				Equities				Equities			



## PERFORMANCE BY RISK PROFILE VS ARC

Balanced vs ARC

	CHF			EUR			USD		
	YTD	3 YEAR	5 YEAR	YTD	3 YEAR	5 YEAR	YTD	3 YEAR	5 YEAR
1 <sup>st</sup> Quartile	*		*	*		*	*		*
2 <sup>nd</sup> Quartile		*			*			*	
3 <sup>rd</sup> Quartile									
4 <sup>th</sup> Quartile									

Data as at 30 June 2023.

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