

Mosaique Balanced USD

Rothschild & Co WM Fund (SICAV SIF)

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Wealth Management

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Values: All data as at 31st December 2022. 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 dollars, 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

A combination of slowing economic growth, inflationary pressures and rising interest rates, as well as heightened geopolitical risks, including Russia's invasion of Ukraine, created a challenging investment environment throughout 2022. Conditions in financial markets were volatile and most asset classes fell in value over the year.

MARKET OVERVIEW

After three positive years of investment performance, 2022 proved challenging with few assets delivering positive returns. The final quarter of the year saw some of these losses recouped as global equity markets recovered from their lows, driven partly by China's re-opening and partly by easing inflation measures and bond yields. Despite the positive quarter, both equities and bonds ended the year down by 16% (in local currency terms). Investors have been confronted with heightened geopolitical risk, including the outbreak of war in Europe, in addition to slowing economic growth and heightened inflationary pressures.

2022 saw a resurgence of inflation to levels not seen in decades. Double digit headline rates were recorded across the US, Eurozone and the UK, although these did start to recede towards the end of the year as commodity prices eased.

PORTFOLIO PERFORMANCE

The portfolio performed well this quarter, helping to recoup some of the losses from the lows earlier in the year. Back-to-back upswings in October and November offered comfort but was slightly curtailed by a difficult December.

In Fixed Income, there were positive contributions from the high carry we have in our bond selection and credit spreads tightening. Underscoring this, our preference for credits over government issues benefitted the portfolio this quarter.

Within Equities, the neutral positioning functioned well over the quarter. Stock picking was the main performance driver, where consumer exposed names contributed positively whilst health care and financials lagged. Our preference for companies that demonstrate high quality characteristics such as strong profitability was a net positive but was overshadowed by the market's preference for cheaply valued companies. As we head into a slower growth environment, we maintain our philosophy towards good quality business that have pricing power and can improve their competitive position within their industries during times of economic stress.

Among single stocks, Nike was the outstanding performer this quarter, with >40% return. The stock responded favourably to China's re-opening announcement and an exceptional earnings report in December. Positive earnings reports were also the main performance driver for some other names with increases in the share price relative to their respective peers: Comcast, Visa and Adobe. The latter also displayed a turnaround in sentiment versus last quarter following the announcement of the acquisition of rival firm Figma. Of the detractors, London Stock Exchange, Costco, and Amazon suffered. Amazon decelerated over the quarter as the share price reacted negatively to its fourth-quarter outlook.

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)

PORTFOLIO ACTIVITY

Several changes were made to the portfolios over the final quarter of 2022.

Starting with Equities, we redistributed proceeds from the reduction in the commodities sector across all equities. Here, we sold the Basic Resources ETF and purchased the MSCI ACWI ETF. Then, to reduce exposure to the cyclical banking sector in the context of an economic slowdown, we trimmed Morgan Stanley and Bank of America.

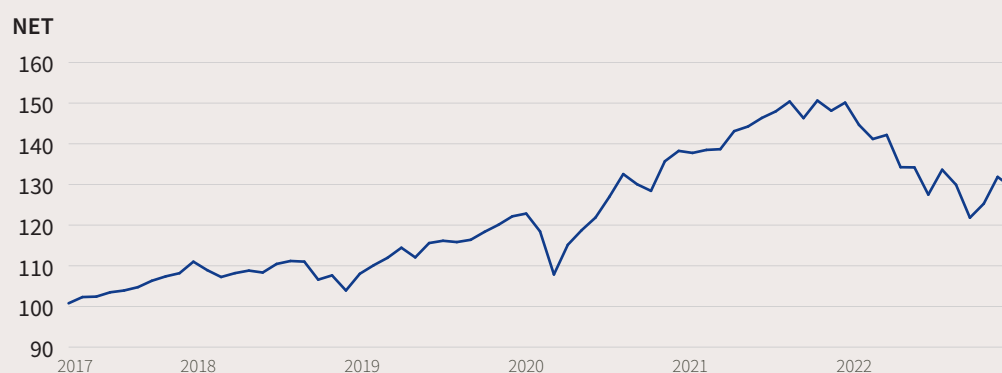
Elsewhere in Fixed Income, we sought to lengthen the portfolio duration to benefit from the more attractive yield environment. We reallocated 50% of the Muzinich Global Short Duration fund into the medium duration R-Co Conviction Credit fund.

Looking at structured products, as the market was significantly below the put strike in October, we decided to sell the remaining allocation to the conditional hedge. The initial profit on this hedge was taken in June. Finally, considering macro and geopolitical uncertainty, we opportunistically added another hedge in December to protect the equivalent of 10% of the portfolio's equity exposure.

Fund performance

At the end of the fourth quarter 2022, the performance stood at 6.2% QTD and -13.9% YTD.

PERFORMANCE SINCE INCEPTION (%)*



* Data represents total returns of the investment strategy over the period from 7 April 2017 to 30 September 2022. The launch date of the Fund which implements this strategy was 7 April 2017.

PERFORMANCE TABLE (%)

	QTD	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
MOSAIQUE BALANCED USD X	6.2	-13.9	-13.9	5.9	19.5	29.5

MONTHLY PERFORMANCE TABLE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	-3.6	-2.4	0.7	-5.6	0.0	-5.0	4.8	-2.8	-6.2	2.8	5.3	-1.9	-13.9
2021	-0.4	0.5	0.1	3.2	0.8	1.5	1.1	1.6	-2.7	3.0	-1.7	1.3	8.6
2020	0.6	-3.6	-8.9	6.8	3.1	2.6	4.2	4.4	-1.9	-1.2	5.7	1.9	13.2
2019	4.0	1.9	1.7	2.2	-2.1	3.2	0.5	-0.3	0.5	1.7	1.5	1.7	17.6
2018	2.6	-1.9	-1.5	0.9	0.6	-0.4	1.9	0.7	-0.1	-4.0	1.0	-3.5	-3.9

Portfolio holdings

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

EQUITIES	48.4%
North America 25.5%	
SPDR S&P U.S. Energy Select Sector UCITS ETF	2.6%
Microsoft	2.5%
Apple	2.2%
Alphabet	1.5%
Visa	1.5%
Otis	1.4%
Linde	1.3%
Canadian National Railway	1.2%
Costco Wholesale Corp	1.2%
United Health	1.1%
Danaher	1.1%
S&P Global	1.0%
Nike	1.0%
JPMorgan Chase & Co	0.9%
Adobe	0.9%
Invesco S&P 500 Equal Weight Technology ETF	0.8%
American Express	0.8%
Amazon.com	0.7%
Bank of America	0.6%
Comcast	0.6%
Morgan Stanley	0.6%
Europe 5.1%	
iShares MSCI EMU ESG Screened UCITS ETF	1.3%
Diageo	1.2%
London Stock Exchange	1.0%
LVMH	0.9%
Epiroc	0.7%
Emerging Markets 6.3%	
Veritas Asian Fund	4.0%
JPM Global Emerging Markets UCITS ETF ESG Screened	1.8%
Alibaba	0.5%
Global 8.0%	
LongRun Equity Fund	4.1%
iShares MSCI ACWI UCITS ETF	2.3%
iShares MSCI World Health Care Sector ESG UCITS ETF	1.7%
Japan 2.6%	
MSCI Japan Socially Responsible UCITS ETF	2.0%
SPDR MSCI Japan UCITS ETF	0.6%
Switzerland 0.9%	
Roche	0.9%

FIXED INCOME	38.0%
Investment Grade 31.6%	
Diversified USD Investment Grade Single Bonds*	29.2%
Muzinich Global Short Duration Investment Grade Fund Hedged USD	1.2%
R-co Conviction Credit Euro Fund	1.2%
High Yield 6.4%	
Vontobel Emerging Markets Debt Fund	2.1%
Muzinich Europeyield Fund USD-h	1.5%
Vontobel Emerging Markets Corporate Bonds	1.4%
iShares USD High Yield Corp Bond UCITS ETF	1.4%

MULTI-ASSET & HYBRID INSTRUMENTS	6.6%
Structured Products (Yield) 6.5%	
7.81% UBS Jersey (Exp.17.05.23) on FESX/Nikkei225/S&P500/SMI	1.7%
Dispersion Cert BNP Paribas Iss (Exp.14.04.23) on Equities	1.6%
Cert Morgan Stanley (Exp.02.08.23) on Nikkei225/SMI/S&P500/ESTX50	1.6%
Cert Raiffeis Switzerland (Exp.02.10.23) on MSCI ESG Basket	1.6%
Structured Products (Hedging) 0.1%	
Wts Goldman Sachs 16.06.2023 Put on MSCI World	0.1%

ALTERNATIVE STRATEGIES	2.7%
Alternative Strategies 2.7%	
Atropos CatBond	1.7%
One River Dynamic Convexity Fund	1.0%

MONEY MARKET	2.3%
Money Market 2.3%	
USD Liquidity	2.3%

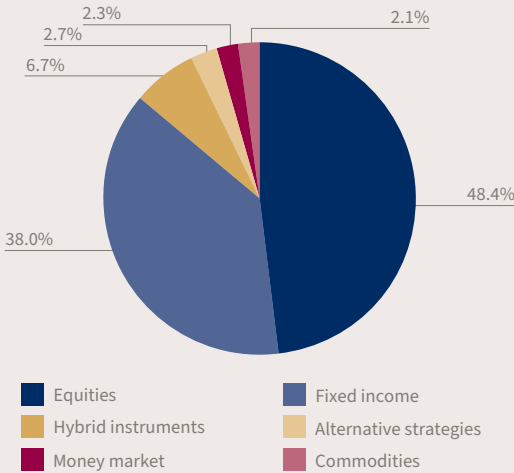
COMMODITIES	2.1%
Gold 2.1%	
Rothschild & Co Gold Fund	2.1%

Percentages may not sum to 100% due to rounding.

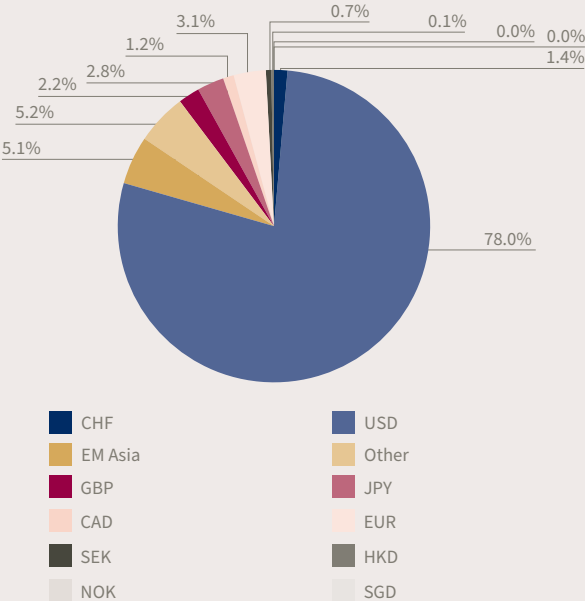
Fund allocation

The Fund invests in equities, equity-related securities, fixed income securities, alternative strategies, commodities and money market instruments.

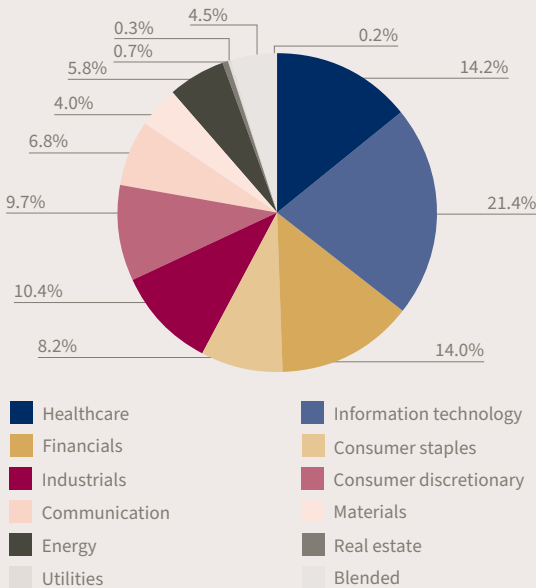
FUND HOLDINGS BY ASSET CLASSES



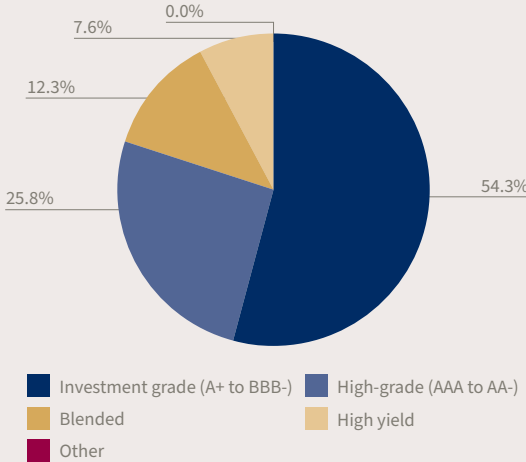
FUND ALLOCATION BY CURRENCY



EQUITY ALLOCATION BY SECTOR



FIXED INCOME ALLOCATION BY CREDIT RATING



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 SIF) – MOSAIQUE BALANCED USD

Legal structure	SICAV SIF
Objective	Long-term return on invested capital by investing in a roughly equal combination of bonds mainly denominated in USD and a well-diversified equity portfolio.
Launch date	7 April 2017
Fiscal year end	31 December
Domicile	Luxembourg
Management company	Rothschild & Co Investment Managers
Fund administrator	CACEIS Bank, Luxembourg
Depository bank	CACEIS Bank, Luxembourg
Inception date	7 April 2017
Liquidity	Daily (trading cut-off 15:00 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 Acc X.

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 draw down valley (lowest value).

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