

Mosaique Balanced USD

Rothschild & Co WM Fund (SICAV SIF)

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Wealth Management

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Values: All data as at 28th March 2024. 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

Stock markets around the world climbed to new highs during the first quarter of 2024, notably in the US, Europe and Japan. With inflation continuing to fade and recession fears receding, investors are optimistic that major central banks will be able to cut interest rates at some point this year, probably starting in the summer.

PORTFOLIO PERFORMANCE

The portfolio concluded the first quarter with a positive performance. Initially, the portfolio stormed into 2024 as it had left 2023, with outperformance coming from positions with quality and size characteristics. This was further supported by our tactical asset allocation positioning, which we have not changed since 3Q23: overweight equities (particularly overweight North America), underweight cash and neutral fixed income. Finally, market participation broadened beyond the 'Magnificent Seven' and while this helped the portfolio in the first two months, it began to fade in March as the market tended to favour more 'value' related names.

Within equities, as mentioned above, the overweight allocation worked well over the quarter. Our preference for companies exhibiting high quality characteristics, particularly with a large market capitalisation, performed well during the first two months, while being less exposed to companies with value and dividend yield characteristics also helped. However, these styles did not benefit the portfolio in March as the latter characteristics outperformed quality. While the aforementioned factors made a positive contribution, stock selection proved to be a challenge during the quarter.

Looking among single stock's performance the key takeaway lies in momentum as the winners continue to win and losers continue to lose. ASML (+31%) continued their stellar run from last year and was, once more, amongst the winners after a solid set of Q4-23 results and a positive 2025 outlook. Elsewhere, the positive momentum continued for Novo Nordisk (+26%) and Amazon (+18%).

Nike and United Health were among the detractors. Nike reported better-than-expected quarterly sales and earnings, but its guidance for the next fiscal year was also poorly received by the market and punished as a result. United Health was negatively affected by company specific factors. The main concern was their profitability slowing down from higher medical costs and while margins have improved, they reached a peak level due to higher operating costs. Furthermore, the stock dropped due to a government announcement that the Medicare Advantage rate for 2025 will be lower than anticipated and a cyberattack on one of their IT systems. The market reacted negatively despite company efforts to diligently restore systems and resume normal operations. We view the latter two examples affecting the company only as a short-term impact.

In fixed income, the driver of performance was two-fold. On one side credit spread volatility has decreased and tightened significantly both in the Investment grade and High Yield categories, benefitting our cross-currency credit overweight stance. On the other side, US inflation and customer spending has not yet cooled down, pushing the Fed to look to the second half of the year for the first rate cut. Therefore, we continue to build duration tactically and maintain a barbell approach in our positioning, owning high-quality paper combined with an element of higher yielders on the shorter end of the curve.

Data sources: Rothschild & Co and Bloomberg

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Fund manager's review (continued)

PORTFOLIO ACTIVITY

Starting in January, we purchased a new equity hedging product to give the mandate an additional layer of protection against a market retracement. The previous hedging product expired in late December. We used the opportunity while equity markets continued their rise to safeguard the portfolio at attractive levels.

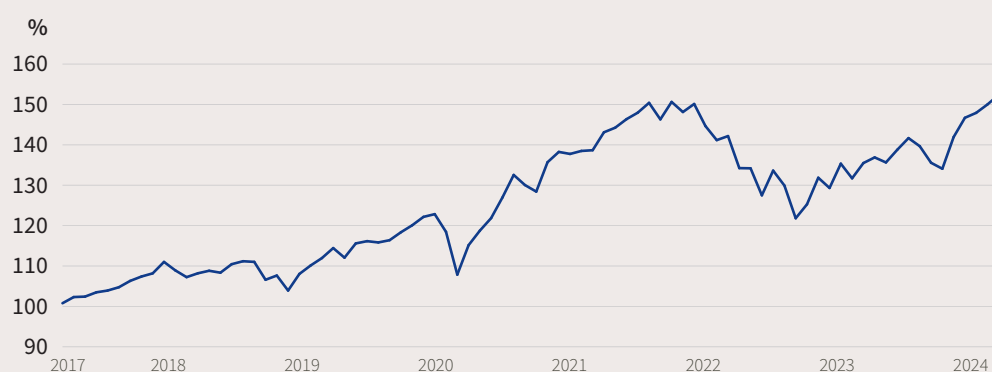
In February, we closed an exposure gap to the growing semiconductor industry given AI-related developments. Here, we increased the iShares MSCI Global Semiconductors ETF. Then, we reduced the iShares MSCI ACWI UCITS ETF to introduce Novo Nordisk to the portfolio. The pharma giant had an outstanding 2023 and continued its resolute performance in Q1, achieving higher highs and increased earnings potential.

Finally, in March, we closed out the quarter with several changes. First, we exited Diageo and reinvested in L'Oréal. In comparison, the world's largest cosmetics company represents a clear advancement in terms of business quality, pricing power, and margin improvement potential over Diageo. We believe L'Oréal's relatively higher valuation is justified given its superior growth outlook. Later, we sold Epiroc and reallocated the proceeds to General Electric (GE). GE operates in the aerospace, renewable energy, and gas power sectors and will separate into two companies in early April 2024: GE Aerospace and GE Vernova. The former will be the company we will hold after the pending spin-off and is the world's largest commercial aircraft engine manufacturer, holding an 80% share of installed engines globally. The latter company will consist of the renewable energy and gas power sectors, which we will not own post-split.

Fund performance

At the end of the first quarter 2024, the performance stood at 3.9% YTD.

PERFORMANCE SINCE INCEPTION (%)*



* Data represents total returns of the investment strategy over the period from 7 April 2017 to 28 March 2024. 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	3.9	3.9	14.4	9.7	36.4	52.6

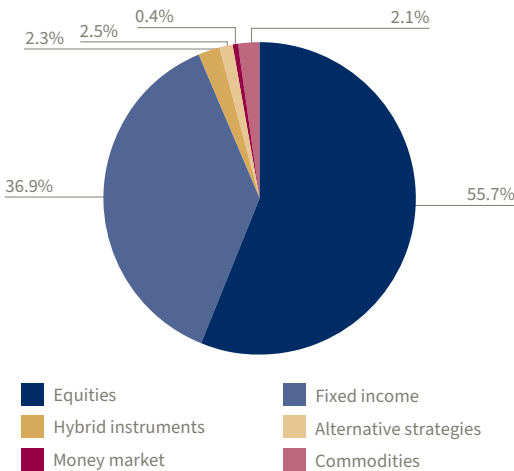
MONTHLY PERFORMANCE TABLE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	0.8	1.4	1.6										3.9
2023	4.7	-2.7	2.9	1.0	-0.9	2.3	2.1	-1.4	-2.9	-1.1	5.9	3.4	13.4
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

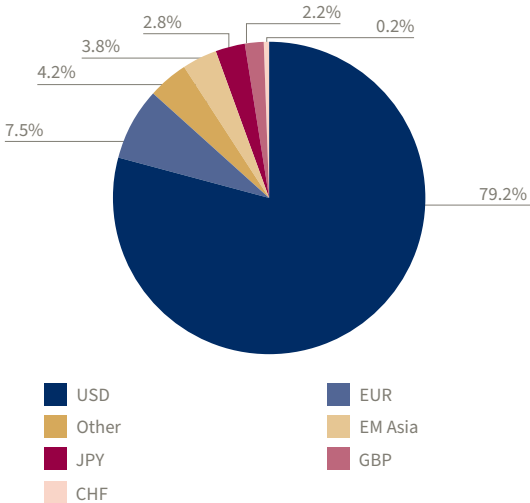
Fund allocation

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

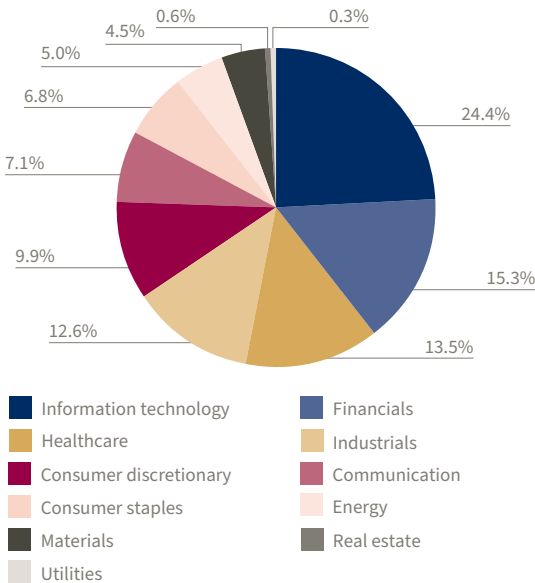
FUND HOLDINGS BY ASSET CLASSES



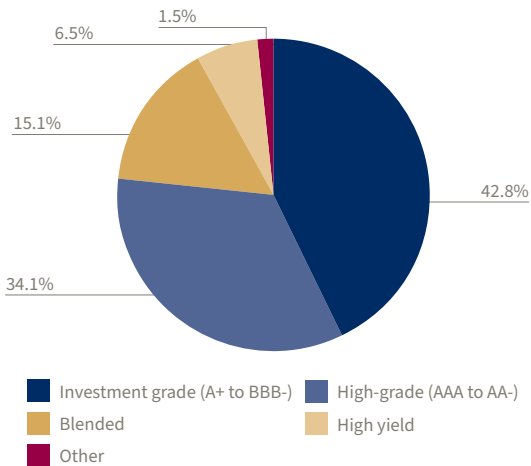
FUND ALLOCATION BY CURRENCY



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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