



Mosaique Balanced CHF

Rothschild & Co WM Fund (SICAV SIF)

Cover: © Getty Images.

© 2022 Rothschild & Co
Wealth Management

This is not a promotion or solicitation of the Rothschild & Co WM SICAV SIF – Mosaique Balanced CHF, 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 30th September 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 Swiss franc, 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

Despite the risks to growth, central banks remained committed to bringing inflation under control with increases in interest rates, which weighed on equities and fixed income over the quarter. After rebounding in July, global markets came under downward pressure in August and September, with European shares among the hardest hit.

MARKET OVERVIEW

The third quarter was another bruising period for financial markets. Against a backdrop of high inflation and slowing economic growth, both equities and bonds declined.

The US entered a technical recession with Europe expected to follow suit over the coming quarters. Central banks continued to increase interest rates given ongoing inflationary pressures. Although headline measures have decelerated in line with easing oil and food prices. There were significant rate hikes over the quarter from the Federal Reserve, the Bank of England, and the European Central Bank. The messaging from the Federal Reserve following August's Jackson Hole summit put the expected "pivot" narrative to bed and led markets to price in a steeper path for future interest rates. The US 2-year yield moved from 2.93% to 4.23%, whilst the 10-year went from 2.97% to 3.83%.

PORTFOLIO PERFORMANCE

The portfolio performance was mixed for the quarter – July garnered rare positive performance in an otherwise troublesome year and was offset in August, suffering further in September. That said, the portfolio performed broadly in line with its respective underlying indices.

At the top level, our underweight Fixed Income and short duration within the asset class proved to be the right positioning in the face of the abovementioned rising rates. This positioning has been in place long before inflation was the topic is it today on the basis that interest rate normalisation was always a possibility. That said, our preference for credits over government issues on the back of a robust economy has worked against us. Our equity positioning was neutral, however, the portfolio benefitted well from options hedges built into the portfolio during the quarter.

In Equities, our preference for companies that demonstrate high quality characteristics such as strong profitability and lower debt was a

headwind: The market gravitated towards cheaply valued companies to avoid multiple compression driven by rising rates, despite the fact their earnings are much more exposed to weakening global growth. We maintain our tilt towards good quality businesses that have pricing power and can improve their competitive position within their industries during times of economic stress.

On the single stock level, Danaher and Roche were positive contributors to performance on the back of continued excellent operational execution and positive developments in the fight against Alzheimer's respectively. In addition, Morgan Stanley and Canadian National Railway also performed well relative to their respective peers. At the other end of the spectrum, Nike and Sonova came under pressure for essentially macro reasons. Adobe also experienced a setback following the announcement of the acquisition of rival firm Figma.

PORTFOLIO ACTIVITY

In Equities, we began by introducing LVMH to the portfolio following an attractive entry point by virtue of earnings multiple compression. To finance this addition, we sold our position in the SPDR S&P U.S. Industrials ETF. We also took some profit on Alphabet. Finally, we reinforced our exposure in the healthcare sector by increasing Novartis and the World Healthcare ETF. These trades were balanced by pruning Visa, which has performed well this year and by selling the European Monetary Union ESG ETF.

Elsewhere, to add a further element of protection to the portfolio we decided to add the One River Dynamic Convexity Fund which seeks to provide exposure to increases in implied volatility in equities, without the full negative carry associated with many long volatility strategies. Furthermore, in this volatile environment we built on this protective base to hedge the equivalent of 10% of our equity exposure.

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 performance

At the end of the third quarter 2022, the performance stood at -3.5% QTD and -17.3% YTD.

PERFORMANCE SINCE INCEPTION (%)*



* Data represents total returns of the investment strategy over the period from 14 October 2013 to 30 September 2022. The launch date of the Fund which implements this strategy was 1 January 2017.

PERFORMANCE TABLE (%)

	QTD	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
MOSAIQUE BALANCED CHF X	-3.5	-17.3	-16.0	-2.2	6.1	15.1

MONTHLY PERFORMANCE TABLE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	-3.7	-2.9	0.8	-2.6	-1.8	-4.9	4.0	-2.2	-5.1				-17.3
2021	-0.4	1.0	2.5	1.3	0.6	2.6	0.4	2.0	-2.9	1.7	-0.8	0.9	8.8
2020	0.7	-3.9	-8.5	5.6	2.3	1.9	1.6	3.0	-0.2	-1.7	4.4	1.0	5.5
2019	3.8	2.3	1.1	2.9	-2.2	1.5	1.0	-0.3	0.1	0.8	1.9	0.2	13.6
2018	0.6	-1.6	-1.0	1.6	-0.1	0.3	1.8	-0.2	0.3	-2.7	0.4	-4.0	-4.6

Portfolio holdings

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

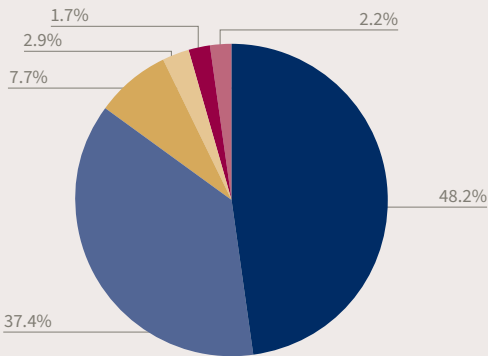
EQUITIES		48.2%	FIXED INCOME		37.4%																																																																																																						
North America		17.3%	Investment Grade		31.6%																																																																																																						
Microsoft		2.0%	Diversified CHF Investment Grade Single Bonds		28.0%																																																																																																						
Alphabet		1.5%	Muzinich Global Short Duration Investment Grade Fund Hedged CHF		2.0%																																																																																																						
Costco Wholesale Corp		1.2%	Schroder Euro Credit Conviction		1.6%																																																																																																						
Visa		1.2%	High Yield		5.8%																																																																																																						
S&P Global		1.1%	Vontobel Emerging Markets Debt Fund		1.9%																																																																																																						
Danaher		1.1%	iShares USD High Yield Corp Bond UCITS ETF Hedged CHF		1.4%																																																																																																						
Apple		1.0%	Vontobel Emerging Markets Corporate Bonds		1.3%																																																																																																						
Canadian National Railway		1.0%	Muzinich Europeyield Fund		1.3%																																																																																																						
United Health		0.9%	MULTI-ASSET & HYBRID INSTRUMENTS																																																																																																								
Linde		0.9%	Structured Products (Yield)		7.7%																																																																																																						
Morgan Stanley		0.8%	Dispersion Cert BNP Paribas Iss (Exp.14.04.23) on Equities		1.7%																																																																																																						
Invesco S&P 500 Equal Weight Technology ETF		0.8%	Cert Raiffeis Switzerland (Exp.02.10.23) on MSCI ESG Basket		1.6%																																																																																																						
Amazon.com		0.8%	Cert Morgan Stanley (Exp.02.08.23) on Nikkei225/SMI/S&P500/ESTX50		1.6%																																																																																																						
JPMorgan Chase & Co		0.8%	6.59% UBS Jersey (Exp.17.05.23) on FESX/ Nikkei225/S&P500/SMI		1.6%																																																																																																						
Adobe		0.7%	Structured Products (Hedging)		1.2%																																																																																																						
SPDR S&P U.S. Energy Select Sector UCITS ETF		0.6%	Wts Goldman Sachs 16.12.2022 S&P 500 Put/ Call Spread		0.9%																																																																																																						
Comcast		0.6%	Wts Morgan Stanley 13.10.2022 S&P 500 Put		0.3%																																																																																																						
Nike		0.5%	ALTERNATIVE STRATEGIES																																																																																																								
Switzerland		16.3%	Alternative Strategies		2.9%																																																																																																						
Nestle		3.7%	Atropos CatBond Fund		1.8%																																																																																																						
Roche		3.4%	One River Dynamic Convexity Fund		1.1%																																																																																																						
Novartis		2.5%	MONEY MARKET																																																																																																								
Cert ZKB on Rothschild & Co Swiss Small and Mid Cap Conviction		1.5%	Money Market		1.7%																																																																																																						
Partners Group		1.2%	CHF Liquidity		1.7%																																																																																																						
Zurich Insurance		1.2%	COMMODITIES			iShares Core SPI ETF		1.1%	Gold		2.2%	Sika		0.8%	Rothschild & Co Gold Fund		2.2%	Geberit		0.6%				Sonova		0.5%				Global		5.9%				LongRun Equity Fund		4.3%				iShares MSCI World Health Care Sector ESG UCITS ETF		1.6%				Emerging Markets		4.5%				Veritas Asian Fund		3.1%				JPM Global Emerging Markets UCITS ETF ESG Screened		0.9%				Alibaba		0.5%				Europe		2.7%				London Stock Exchange		1.1%				iShares STOXX Europe 600 Basic Resources UCITS ETF		1.0%				LVMH		0.6%				Japan		1.4%				MSCI Japan Socially Responsible UCITS ETF		1.4%			
iShares Core SPI ETF		1.1%	Gold		2.2%																																																																																																						
Sika		0.8%	Rothschild & Co Gold Fund		2.2%																																																																																																						
Geberit		0.6%																																																																																																									
Sonova		0.5%																																																																																																									
Global		5.9%																																																																																																									
LongRun Equity Fund		4.3%																																																																																																									
iShares MSCI World Health Care Sector ESG UCITS ETF		1.6%																																																																																																									
Emerging Markets		4.5%																																																																																																									
Veritas Asian Fund		3.1%																																																																																																									
JPM Global Emerging Markets UCITS ETF ESG Screened		0.9%																																																																																																									
Alibaba		0.5%																																																																																																									
Europe		2.7%																																																																																																									
London Stock Exchange		1.1%																																																																																																									
iShares STOXX Europe 600 Basic Resources UCITS ETF		1.0%																																																																																																									
LVMH		0.6%																																																																																																									
Japan		1.4%																																																																																																									
MSCI Japan Socially Responsible UCITS ETF		1.4%																																																																																																									

Percentages may not sum to 100% due to rounding.

Fund allocation

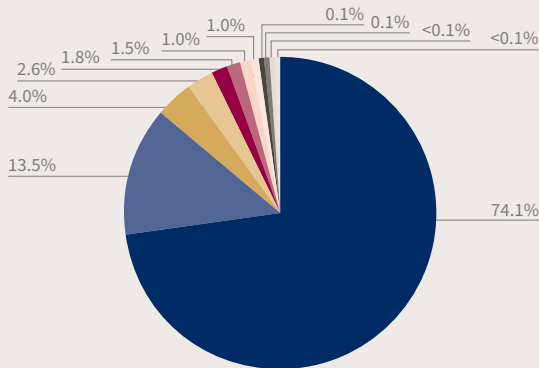
The Fund invests in equities, equity-related securities, fixed income securities, alternative strategies, commodities and money market instruments.

FUND HOLDINGS BY ASSET CLASSES



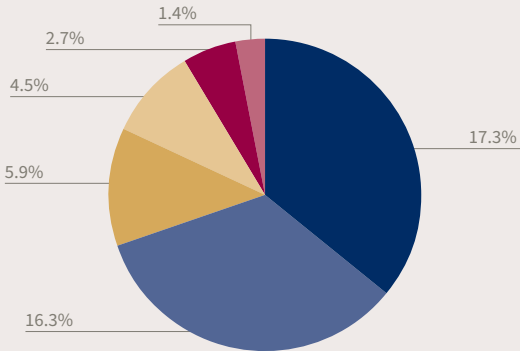
- Equities
- Fixed income
- Hybrid instruments
- Alternative strategies
- Money market
- Commodities

FUND ALLOCATION BY CURRENCY



- CHF
- USD
- EM Asia
- Other
- GBP
- JPY
- CAD
- EUR
- SEK
- HKD
- NOK
- SGD

EQUITY ALLOCATION BY GEOGRAPHY

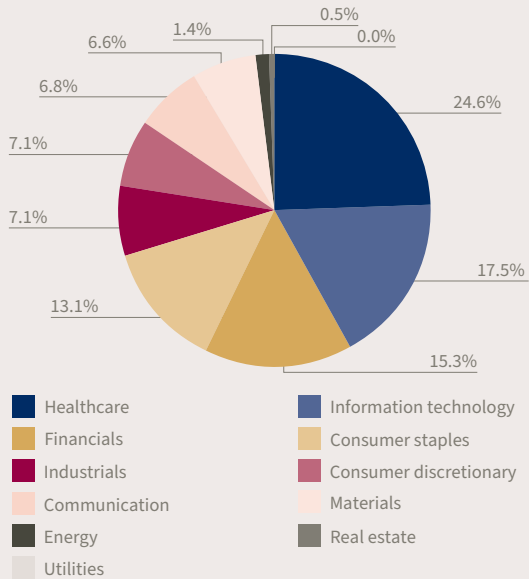


- North America
- Switzerland
- Global
- Emerging markets
- Europe
- Japan

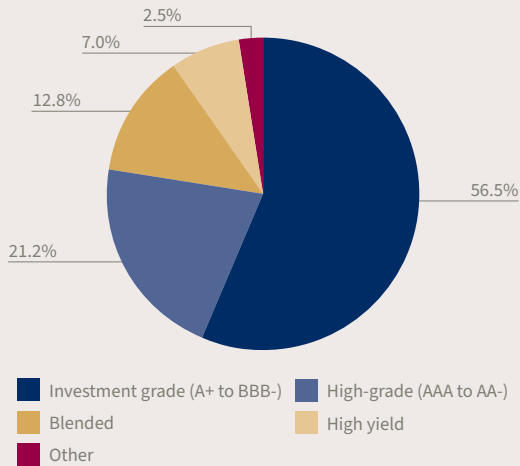
Percentages may not sum to 100% due to rounding. The above currency exposure is net of foreign exchange hedges. For the purposes of more accurately managing currency risk, where appropriate, we reflect the currency exposure of certain funds based on the underlying securities held within the fund, rather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

Fund allocation

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 CHF

Legal structure	SICAV SIF
Objective	Long-term return on invested capital by investing in a roughly equal combination of bonds mainly denominated in CHF and a well-diversified equity portfolio.
Launch date	1 January 2017
Fiscal year end	31 December
Domicile	Luxembourg
Management company	Rothschild & Co Investment Managers, Luxembourg
Fund administrator	Northern Trust, Luxembourg
Depository bank	Northern Trust, Luxembourg
Inception date	14 October 2013
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).

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 WM SICAV SIF. 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.