



New Court Fund EUR

Cover: Our office at New Court.
The site has been home to the
business in London since 1809.

Rothschild & Co
Wealth Management
New Court
St. Swithin's Lane
London
EC4N 8AL
+44 20 7280 5000
rothschildandco.com

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Wealth Management

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Values: All data as at 31st March 2024 (except inflation which is until 29th February 2024 as March 2024 data figures are not yet available). 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 euros, 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.

PERFORMANCE CONTRIBUTIONS

The portfolio returned +5.2% in the first quarter of 2024. The strategy has now returned +122.0% (net of fees) since inception vs. +103.5% for EUR inflation +3% since inception (31st December 2009).¹ This equates to an annualised return of +5.8% compared to +5.1% for EUR inflation +3%.²

PORTFOLIO PERFORMANCE

Equity markets rose higher over the first quarter (+9.5%) with broadened participation beyond the 'Magnificent Seven'.³ As inflation remained elevated, economies were resilient and the major central banks left their policy rates unchanged. Markets are now pricing in rate cuts from this summer onwards in both the US and Europe, acting as a tailwind for global markets.

The return assets performed well over the quarter, up 6.4%. Software company Topicus.com was our best performer (+38.0%), benefitting from the broader strength in 'growth' stocks over the period combined with good quarterly results. American Express (+21.9%) and Mastercard (+13.1%) similarly delivered impressive quarterly results and provided upbeat guidance on the outlook for 2024. Perhaps reflecting greater breadth in the market, two of the long-held steady compounders of value in the portfolio were also some of the best performers over the quarter with Berkshire Hathaway up 17.9% and chemicals firm Linde up 13.4%.

The cable companies struggled – Charter Communications (-25.2%), Cable One (-23.6%) and Comcast (-0.6%) – as results marginally missed market expectations. The share prices of these companies are particularly sensitive to the number of net broadband subscribers. In our view, these

share price reactions substantially exceed the true impact on the business of subscriber churn, as net quarterly numbers represent a small fraction of the total customer base. We continue to hold our cable positions and believe that ultimately the market could become a more stable duopoly between cable and fibre although we are continuing to test our assumptions and monitor the market.

Laboratory testing company Eurofins (+0.3%) also came under pressure following the release of quarterly results, reporting lower than expected free cash flow and a cut to the dividend. Eurofins is investing most of its cash back into the business, investing in new laboratories and technology but this is at the expense of near-term free cashflow and dividends. As long-term shareholders, we are encouraged by their investment in future growth – this should ultimately be reflected in shareholder returns although at present, the market is taking a short-term view.

Diversifying assets were overall slightly positive over the quarter (+2.6%). Strong performance from our trend followers offset the negative returns from our portfolio protection. All the trend followers were able to capture the upwards momentum in equity and selected commodity markets. A surge in cocoa, doubling over the quarter as supply came under pressure from bad weather and crop disease, as well as a rally in gold (+8% in USD in the first quarter) benefitted all three of the funds, with the Abbey Focus Fund up 14.4%, CFM IS Trends up 24.3% and CFM ISTEK up 14.1%. In line with our expectations in positive market conditions, Saba Capital Carry Neutral Tail Hedge (Saba) (-3.5%) and the Okura fund, managed by 36 South, (-1.5%) lost value over the quarter.

¹ The inception date of the Fund which implements this strategy was 19th April 2018. Performance for periods prior to 31st March 2018 is the Rothschild & Co Wealth Management UK Ltd Balanced composite, adjusted to reflect the Fund's 1% management charge and fund operational costs.

² Annualised figures are calculated on a compound basis to best represent the results of staying continuously invested from inception of the strategy.

³ The 'Magnificent Seven' stocks – Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

Data sources: Rothschild & Co and Bloomberg.

All returns are in local currency terms unless otherwise stated and are sourced from Avaloq.

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Fund manager's review (continued)

PORTFOLIO ACTIVITY

We made several changes to the portfolio over the first quarter of 2024.

In February, we sold Microsoft in full. When we initially purchased the holding in 2022, we had conviction in the specific cloud division of Microsoft. As a result, we initiated a small position although we were conscious of the valuation. Microsoft subsequently returned 49% and was trading on a forward price-to-earnings ratio of 35x, so we felt greater conviction in the forward return opportunities elsewhere in the portfolio.

We reinvested some of these proceeds into Aikya, an emerging markets fund. Since our initial investment in 2020, we have become increasingly comfortable with their team and investment approach. We have spent time with Aikya understanding their research process and we have appreciated their transparency with us. At our most recent meeting, the team were excited about the fund's forward returns which are currently in the high double digits, compared to 10% historically. Aside from some notable exceptions (such as India), emerging market stock indices have lagged their developed market peers in recent years, particularly the US market (for example, the MSCI Emerging Markets index has returned just 12% over the last 5 years, while the MSCI US and the MSCI All Country World Index have returned 96% and 68% respectively, all in USD terms). Aikya has been reducing its exposure to India, as they mostly see bubble-like valuations, and are reallocating selectively to cheaper markets.

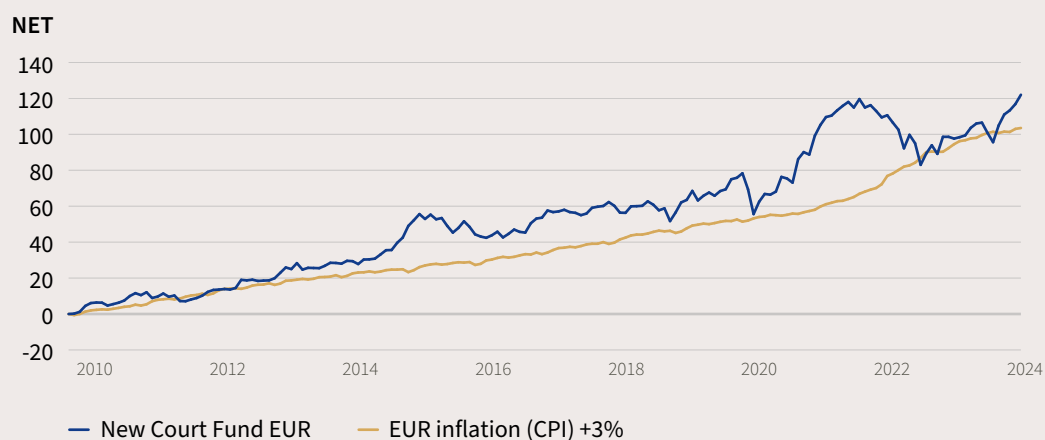
We increased our positions in Saba and Okura in March, with both funds seeing more attractive opportunities than they have done for some time. Saba believes credit spreads are dislocated from reality; there is still a lot of uncertainty on a macro basis and the credit market is complacent. Investment grade spreads are at near-historic lows and high yield spreads are far too low versus history given default levels are rising. Credit dispersion is also at ultra-low levels, allowing Saba to selectively add single name exposure in both high yield and investment grade credit. For Okura, volatility in certain areas is as cheap as they have ever seen. Both holdings should be well-positioned if a more 'risk-off' sentiment prevails in the market.

Towards the end of the period we also began redeeming our position in the Vanda fund. The political context surrounding China's equities has not cleared and has arguably deteriorated further. We have little confidence in our ability to predict if and when, this could change. Political interference in businesses was very limited when we first invested in early 2018, and not part of our original investment thesis, but became more of an issue during and following the pandemic. The regulatory crackdown on sectors such as private tuition demonstrated the ease with which state intervention can destroy shareholder value. We believe there are better opportunities elsewhere in the portfolio, where we have greater confidence about the longer-term outlook and shareholder returns.

Fund performance

Since inception, the Fund has outperformed the strategy's objective of inflation +3%. As at 31st March 2024, the net asset value per share was €13.68. The Fund size was €326.4 million.

PERFORMANCE SINCE INCEPTION (%)*



PERFORMANCE COMPARISON – OVER TIME (%)

	Q1 2024	YTD	2023	2022	2021	2020	2019	SINCE INCEPTION*
NEW COURT FUND EUR	5.2	5.2	11.6	-12.5	13.7	8.1	15.9	122.0
EUR inflation +3%	1.0	1.0	5.9	12.2	8.0	2.7	4.3	103.5
EUR inflation	0.3	0.3	2.9	9.2	5.0	-0.3	1.3	34.7
Global equities (in local currencies)	9.5	9.5	21.6	-16.0	20.9	14.2	26.2	291.4
Global equities (in EUR)	11.0	11.0	18.3	-13.2	27.3	6.8	29.1	358.7
EMU government bonds	-0.6	-0.6	7.1	-18.5	-3.5	5.0	6.8	33.8
Euro cash	1.0	1.0	3.4	0.1	-0.5	-0.5	-0.4	3.7

* Data represents total returns of the investment strategy over the period from 31st December 2009 to 31st March 2024. The inception date of the Fund which implements this strategy was 19th April 2018. Performance for periods prior to 31st March 2018 is the Rothschild & Co Wealth Management UK Ltd EUR Balanced composite, adjusted to reflect the Fund's 1% annual management charge and fund operational costs. Given that the Fund inception date is part way through the reporting period, the performance data between 1st April 2018 and the Fund inception date is shown for a representative account following the Fund's strategy. Past performance is not indicative of future performance. The value of investments and the income from them can fall as well as rise.

Indices used: EU inflation (EUR CPI), global equities (MSCI All Country World Index in local currencies and euro terms), EMU government bonds (Bloomberg Barclays EuroAgg Treasury Total Return Index), euro cash (Barclays Benchmark Overnight EUR Cash Index). All figures are calculated monthly from 31st December 2009 to 31st March 2024 (except inflation which is until 29th February 2024 as March 2024 data figures are not yet available).

Fund holdings

The Fund combines return and diversifying assets which are invested across global markets. The return assets are held to generate capital growth over the long term; the diversifying assets are held to protect capital and investment performance, particularly during difficult markets.

RETURN ASSETS (67.0%)

Companies	42.4%	Funds	24.6%
Admiral	2.8%	Aikya	1.0%
American Express	3.8%	Albizia ASEAN ³	1.7%
Ashtead	3.2%	Amundi US Tech ETF	2.7%
Booking	2.5%	Bares US Equity	3.1%
Cable One	0.6%	Berkshire Hathaway	4.3%
Canadian Pacific Kansas City	2.1%	Global Long-Term Equity Fund ³	0.3%
Charter Communications ¹	1.0%	Lansdowne Developed Markets	3.8%
Comcast	2.4%	Phoenix UK	3.3%
Constellation Software ²	2.2%	Vanda ⁴	1.1%
Deere	2.3%	Ward Ferry Asian Smaller Co's ³	3.3%
Eurofins	2.3%		
Linde	3.6%		
Mastercard	3.4%		
Moody's	3.1%		
Ryanair	3.9%		
S&P Global	2.7%		
Topicus.com	0.7%		

DIVERSIFYING ASSETS (33.0%)

Alternative strategies	8.4%
Abbey Focus Fund	3.9%
CFM IS Trends	2.1%
CFM ISTEK	2.3%
Portfolio protection	4.8%
Okura	1.7%
One River Dynamic Convexity	1.3%
Saba Capital Carry Neutral Tail Hedge	1.8%
S&P 500 4200 Resettable Put – June 2024 ⁵	<0.1%
S&P 500 4400 Resettable Put – December 2024 ⁵	<0.1%
Fixed income – nominal	6.5%
Fixed rate bonds ⁶	6.1%
Floating rate bonds ⁶	0.4%
Fixed income – inflation linked assets	9.9%
Inflation-linked bonds ⁶	0.4%
Inflation Focus Fund ⁷	5.6%
0.1% French Inflation Linked 2028	2.5%
0.1% German Inflation Linked 2033	0.9%
0.55% French Inflation Linked 2039	0.5%
Cash and cash equivalents	3.4%
Cash	1.1%
Cash / T-Bills (SOF) ³	0.3%
Cash / T-Bills (IGB) ⁶	2.1%
Currency hedges	
EUR FX hedge	36.3%
USD FX hedge	-32.8%
GBP FX hedge	-3.5%

¹ Implemented via Charter Communications and Liberty Broadband.

² Constellation Software also includes a holding in Lumine Group.

³ Implemented via 'Selected Opportunities Fund' (SOF). SOF is a Rothschild & Co vehicle that allows us to allocate to talented managers with limited capacity or liquidity.

⁴ The Vanda Fund is a Rothschild & Co vehicle managed by Cederberg Capital since 1st November 2018.

⁵ Put warrants (options) behave like insurance; we pay a premium for them and hope that they expire worthless, losing only the premium (a very small deduction). They will increase in value if equity markets fall, thereby providing some protection to the portfolio in the event of a fall in the value of equities held in the portfolio.

⁶ Implemented via 'Investment Grade Bonds' (IGB). IGB is a Rothschild & Co vehicle that helps us to implement investment grade fixed income exposure in the portfolio efficiently.

⁷ Internally managed implementation vehicle which gives us exposure to inflation-linked assets globally.

Rothschild & Co do not charge an investment management fee with the IFF, IGB and/or the SOF.

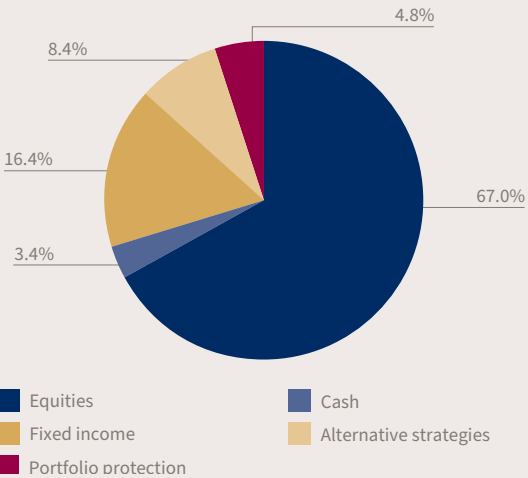
Holdings are subject to change without notice.

Percentages may not add up to 100% due to rounding.

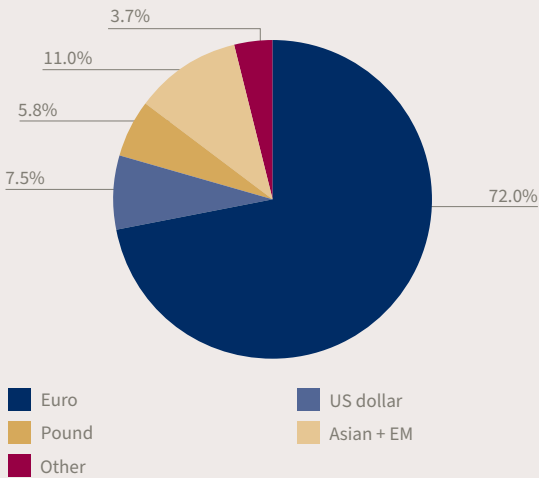
Fund allocations

The Fund is invested across global regions, asset classes and currencies. The fund manager follows a diversified investment approach and aims to preserve and grow the real value of the Fund over the longer term.

FUND HOLDINGS BY ASSET CLASS



FUND HOLDINGS 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 SICAV SIF – NEW COURT FUND EUR

Type of fund	A sub-fund of a Luxembourg Société d'Investissement à Capital Variable ("SICAV").
Objective	The objective of the Fund is to preserve and grow the real value of the Fund over the long term through a diversified investment approach. The Fund may utilise a wide range of asset classes in order to achieve its objective. These may include equities, cash deposits, bonds, warrants, money market instruments, derivatives and forward transactions, funds (regulated and unregulated), exposure to currencies, commodities and property.
Launch date	19 th April 2018.
Share class	Income and accumulation. Base currency is euros.
Estimated synthetic OCF ¹	1.38%. This includes the manager's fee (1.00%), other expenses (0.13%) and expenses on underlying fund investments (0.25%).
Transaction costs ²	0.05%
Pricing	Fund priced daily Subscriptions: daily (business days) Redemptions: weekly (Thursday) Settlement period: T+3
Comparators	EU CPI +3%. MSCI All Country World in EUR. Bloomberg Barclays EuroAgg Treasury Total Return Index. Barclays Benchmark Overnight EUR Cash Index.
Tax	UK Reporting status is available.

¹ The Ongoing Charges Figure (OCF) as calculated in December 2022. The OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. It is intended to provide a reliable figure that gives the most accurate measure of what it costs to invest in the Fund. The Synthetic OCF includes the disclosed ongoing fees of the underlying fund investments weighted on the basis of their investment proportion in the Fund. From time to time management fees may differ. This will be disclosed and explained to you in good time before you invest.

² The transaction costs show the most recent transaction figures available.

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.

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