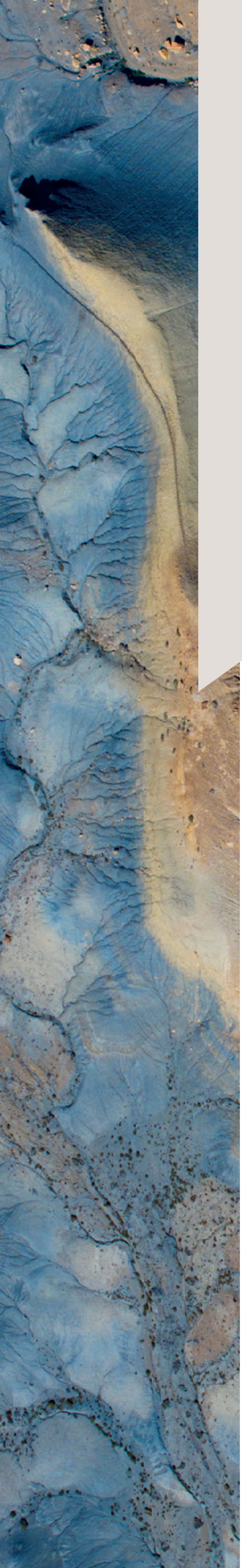
Rothschild & Co
Wealth Management

2023

Sustainability and Stewardship Report



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Foreword

In the modern world there is a tendency for us to be seduced by the latest trends before quickly turning our attention to something new. This happens in many walks of life. We all know the restaurants that used to have a queue around the block but are no longer flavour of the month, or the technology that once seemed futuristic but has quickly become the past.

At Rothschild & Co we have an investment philosophy that is rooted in taking the long-term view rather than being swayed by the flavour du jour. That allows us to focus on the things that matter.

We believe this applies to the issue of sustainability and stewardship as well. Sustainability has gone from being a fringe concern to a primary area of focus for companies in recent years. But as this topic reaches maturity, it's important to take a step back and refocus on the long-term goal of investing sustainably and encouraging sustainable business practices, and the benefits this brings to investors and wider society.

Sustainability doesn't lend itself to a number. It's complex and not binary. And it's very specific from company to company. Hence our focus on the issues that matter. And the issues that – if managed inappropriately – have negative effects in the long term. For the company, shareholders and society.

For us at Rothschild & Co, we've integrated sustainability issues that matter into our investment process for a long time. Put simply, what is sustainable about investing in a company that won't be around in 20 years?

Because of our long-term investment approach we firmly believe that sustainability factors are ultimately financial factors and need to be taken seriously. We take pride in the role we play as stewards of capital today, tomorrow and beyond.

We have never viewed sustainability as a binary topic, and it's clear that companies and investments cannot easily classified as 100% sustainable or unsustainable. It's important that this nuance isn't lost as the sustainability debate reaches critical mass.

If a company has a large carbon footprint but produces a product that helps other firms lower their emissions, where does it fit into a black-or-white decision-making process?

We are constantly asking ourselves questions about how we measure the impact of a particular investment. Are we using the best metrics to determine the sustainability of an investment? How can we use our place as active investors to encourage positive actions at the companies we invest in? How can we compare the credentials of a particular firm against another if they have different benchmarks and ways of assesing their own capaibilities?

We believe constant challenging of our beliefs and techniques is the only way to stay ahead of the curve and achieve our goal of investing wealth sustainability. We're proud of the progress we have made on this important topic, but will not rest on our laurels in the future.

We're delighted to have been able to invest in our team in the last year. In this report we'll outline the progress we have made in the sustainability and stewardship space in the last 12 months, and how we plan to improve our capabilities even further in the future.

Helen Watson
CEO, Rothschild & Co Wealth Management UK

Executive summary

It is with great pleasure that we present our annual Sustainability and Stewardship Report.

Over the past year, we have delved deeper into understanding the sustainability risks and opportunities inherent in the investments we manage on behalf of our clients. This has been a year of learning, growth, and evolution as we navigated the complexities of the ever-changing landscape. We have continued to take great pride in being thought partners to clients, effective fiduciaries of their assets, and partners to many of our investees.

We invite you to explore the pages of this report to gain insight into the actions, successes and challenges we continue to encounter on our sustainability journey.

Excitingly, this year marks a significant expansion in our team's capacity and capabilities, reflecting our commitment to continuous improvement. This year Nana Baffour (Sustainability Research Specialist) and I were joined by:

Blaine Abraham, Stewardship Manager. Blaine brings experience in equity research, sustainability integration and stewardship. In his role, Blaine will collaborate closely with the rest of our investment team to drive our active ownership efforts.

Tomas Yates, Sustainability Data Analyst. Tomas joins us with a background in sustainability-focused management consultancy. His expertise will bolster our ability to source, analyse and present data to our multiple stakeholders.

Brigette Pearson, Sustainability Research Specialist. Brigette's extensive experience working with large institutional clients on sustainability and corporate governance adds new depth and perspectives to our investment team and our wider business.

As ever, our actions are driven by our purpose, to preserve and grow the real value of our clients' wealth for multiple generations in a sustainable way.

We hope you enjoy the report and welcome any feedback.

Dan Drain
Head of Sustainability and Stewardship
Rothschild & Co Wealth Management UK

Sustainability

Nana Baffour
Sustainability
Research Specialist

Spotlight on our bond holdings

In last year's report we gave an indication of our plans for furthering our work on our fixed income holdings in 2023. Namely, we mentioned our ambition to add a materiality assessment, and to consider where we would engage with an issuer and how this would be done. These ambitions were achieved in 2023, and an overview of the engagement we had with bond issuers in the UK water industry can be found in the Stewardship section of this report.

To date, the highly diversified nature of bond issuers our analysts cover has necessitated a more uniform and ratings-based approach to considering sustainability. This is very different to how we have approached investing in shares, where our positions are more concentrated and are typically held for far longer given the theoretically infinite lifespan of the asset, compared to the generally limited timespan of a bond. However, it has been our intention to explore how we could move beyond this towards a more tailored approach for different issuers.

For us, a natural first step in that direction is dividing the bond issuers we cover by industry and identifying which sustainability issues are most financially material for each industry. This makes sense to us as this tends to be the key determinant of the factors that are relevant for a business, over other factors such as geography or company specifics. The Sustainability Accounting Standards Board (SASB) conducts this level of analysis covering 26 sustainability issues across 77 industries. Therefore, we have licenced its Materiality Map and used this to inform our fixed income team of the key topics to focus on across the 31 industries our issuers cover. Below is an example of this analysis for commercial banks, the industry where we have the most issuers.

It should be noted that whilst this table states null (indicated by a dash), our methodology considers greenhouse gas emissions to be medium as a baseline consideration unless considered high by SASB materiality assessment. Therefore, we have begun monitoring this using the forward-looking climate tools described in the next section.

The next step for us in 2024, is thinking about how we can be more systematic about locating and tracking appropriate data to help us understand the company specific performance on the most material topics.

As a reminder, details of how we embed sustainability considerations across the different components of our portfolios can be found in our Sustainability and Stewardship Policy available on our website.

It has been our intention to explore how we could move beyond this towards a more tailored approach for different issuers.

	DISCLOSURE TOPIC	COMMERCIAL BANKS REVENUE	OPERATING EXPENSES	NON-OPERATING EXPENSES	ASSETS	LIABILITIES	RISK PROFILE
ENVIRONMENTAL	Air quality	–	–	–	–	–	–
	Ecological impacts	–	–	–	–	–	–
	Energy management	–	–	–	–	–	–
	GHG emissions	–	–	–	–	–	–
	Waste and hazardous materials management	–	–	–	–	–	–
	Water and wastewater management	–	–	–	–	–	–
SOCIAL CAPITAL	Access and affordability	Low	–	–	Low	Low	Low
	Customer privacy	–	–	–	–	–	–
	Customer welfare	–	–	–	–	–	–
	Data security	Low	Low	Low	Medium	Medium	–
	Human rights and community relations	–	–	–	–	–	–
	Product quality and safety	–	–	–	–	–	–
	Selling practices and product labelling	–	–	–	–	–	–
HUMAN CAPITAL	Employee engagement, diversity and inclusion	–	–	–	–	–	–
	Employee health and safety	–	–	–	–	–	–
	Labour practices	–	–	–	–	–	–
BUSINESS MODEL AND INNOVATION	Business model resilience	–	–	–	–	–	–
	Materials sourcing and efficiency	–	–	–	–	–	–
	Physical impacts of climate change	–	–	–	–	–	–
	Product design and lifecycle management	Low	–	–	Low	Low	Low
	Supply chain management	–	–	–	–	–	–
LEADERSHIP AND GOVERNANCE	Business ethics	–	Low	Low	Low	Low	Low
	Competitive behaviour	–	–	–	–	–	–
	Critical incident risk management	–	–	–	–	–	–
	Management of the legal and regulatory environment	–	–	–	–	–	–
	Systemic risk management	Low	Low	Low	Medium	High	Low

Tomas Yates
Sustainability Data Analyst

Forward-looking climate metrics: what, how and why?

In recent years we have seen a huge increase in the breadth and depth of climate-related disclosures (such as carbon emissions) from companies. We see this as a welcome and necessary development as the world grapples with the challenges climate change is and will present. However, this data is inherently backward looking and often incomplete. Despite it helping us understand where a company or portfolio stands today, it doesn't answer the more important question of where it is going from a climate perspective. This is why we have taken a keen interest in two metrics developed by one of our research providers, MSCI. These are:

IMPLIED TEMPERATURE RISE – A COMPANY'S IMPACT ON THE TRANSITION

The implied temperature rise (ITR) provides an indication of how companies and investment portfolios align to global climate goals, such as the Paris Agreement goal of limiting the global mean temperature increase in the year 2100 to below 2°C, compared with pre-industrial levels.

This model is based on the concept of a global carbon budget. This budget describes how many more carbon emissions the world can emit such that global warming doesn't exceed 2°C by 2100 – and what percentage of that budget an individual company is allowed to emit. The ITR model describes what the global temperature rise would be in 2100 if the whole world overshot or undershot the emissions budget in the same way as a company's current path would imply.

Clearly, the future is impossible to predict, and no model is a crystal ball. However, there are additional limitations of this model that are behind our reluctance to use it as a driver of investment decisions or as a prominent feature in our stakeholder communications. The biggest of these is that the metric focuses solely on the business itself rather than any impact, good or bad, the business may have in the broader value chain. Although these interconnections would be extremely difficult to estimate, especially at portfolio level, we believe they are too important to ignore, restricting the current emphasis we put on the output of this tool.

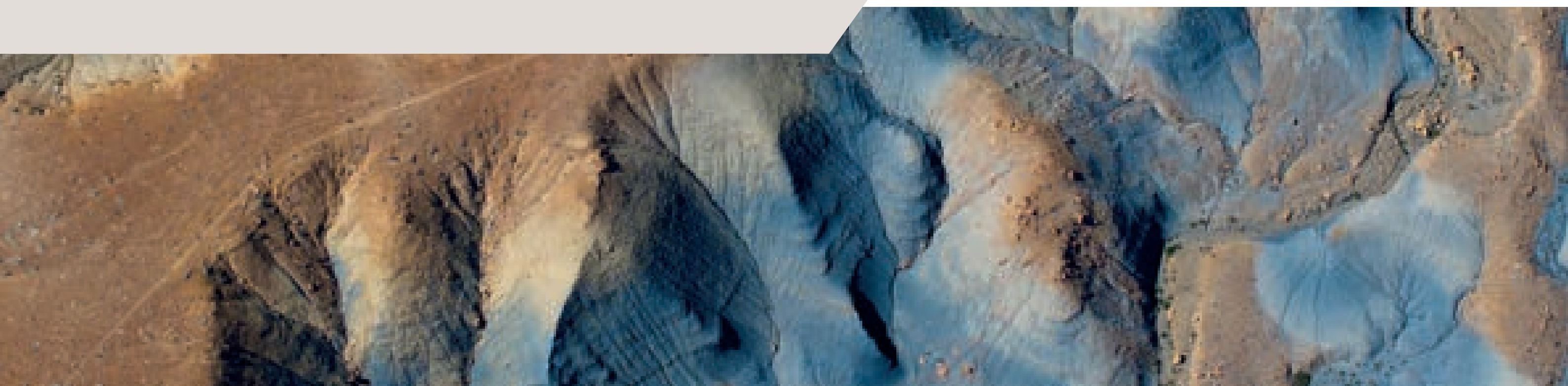
CLIMATE VALUE-AT-RISK – THE IMPACT OF THE TRANSITION ON A COMPANY

Climate value-at-risk (CVaR) estimates the impact of the transition to a 'net zero' global economy on a business. It can be thought of as a climate stress test.

CVaR is calculated as the theoretical costs of a climate change scenario divided by the current enterprise value of a company. By reporting values in this manner, the output can be used to compare firms in terms of the magnitude of potential transition risk, controlling for the size of each company.

To understand the output, it is valuable to also understand the underlying features of the metric. First, the types of climate risk, which is generally categorised into one of two areas:

- **Physical risk.** The risk and costs associated with increasing extreme weather events and chronic weather changes (e.g. heatwaves, droughts, flooding)
- **Transition risk.** The costs associated with current and forthcoming climate policies on a company (e.g. carbon taxation/emissions trading scheme, phasing out of fossil fuels)



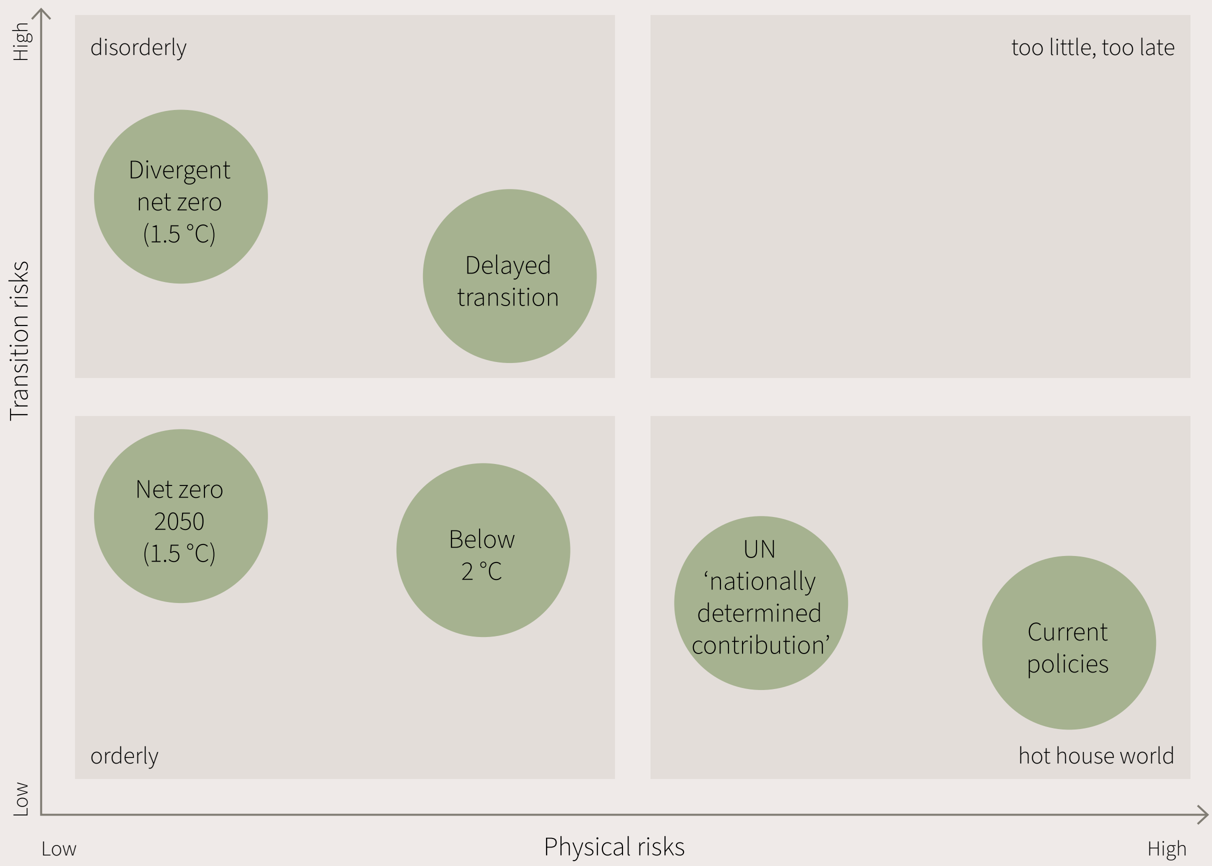
CVaR is based on understanding future climate scenarios and how under these scenarios, what different policies would look like, and the potential physical risks associated with action or inaction. The model is based on the Network for Greening the Financial System (NGFS) climate scenarios.

Conceptually, physical and transition risk can be thought of on two axes, whereby if you have aggressive change in policy soon, global temperatures are less likely to increase, leading to a scenario of lower physical risk. Conversely, if you were to do nothing now and rely on current policy, there would be low transition risk (as no policy is changing) but face higher potential physical risks because of increase global mean temperatures. This is illustrated in the graphic below.

Although the value is reported as a percentage of current company valuation, that forecast is not based on a specific time window. CVaR could instead be thought of as a way to model the potential maximum loss to a company's valuation due to climate change. This is a worst case scenario estimate, so actual future returns or losses will likely be smaller.

Like ITR, this forward-looking metric is not without limitations. Both physical and transition risks have very long horizons and as with any predictions, introduce a level of uncertainty. This analysis is highly sensitive to its inputs and perhaps therefore it is easier to compare values with peer companies in the same sector to avoid something looking more 'drastic', which could be the case when compared against companies from a range of different sectors and sizes.

We are continuing to engage with MSCI to better understand the tools and challenging some of the assumptions, as well as giving thought to how we may use the output.



Dan Drain
Head of Sustainability and Stewardship

Our plans for 2024

Like sustainability challenges, our quest to improve our processes has no end date.

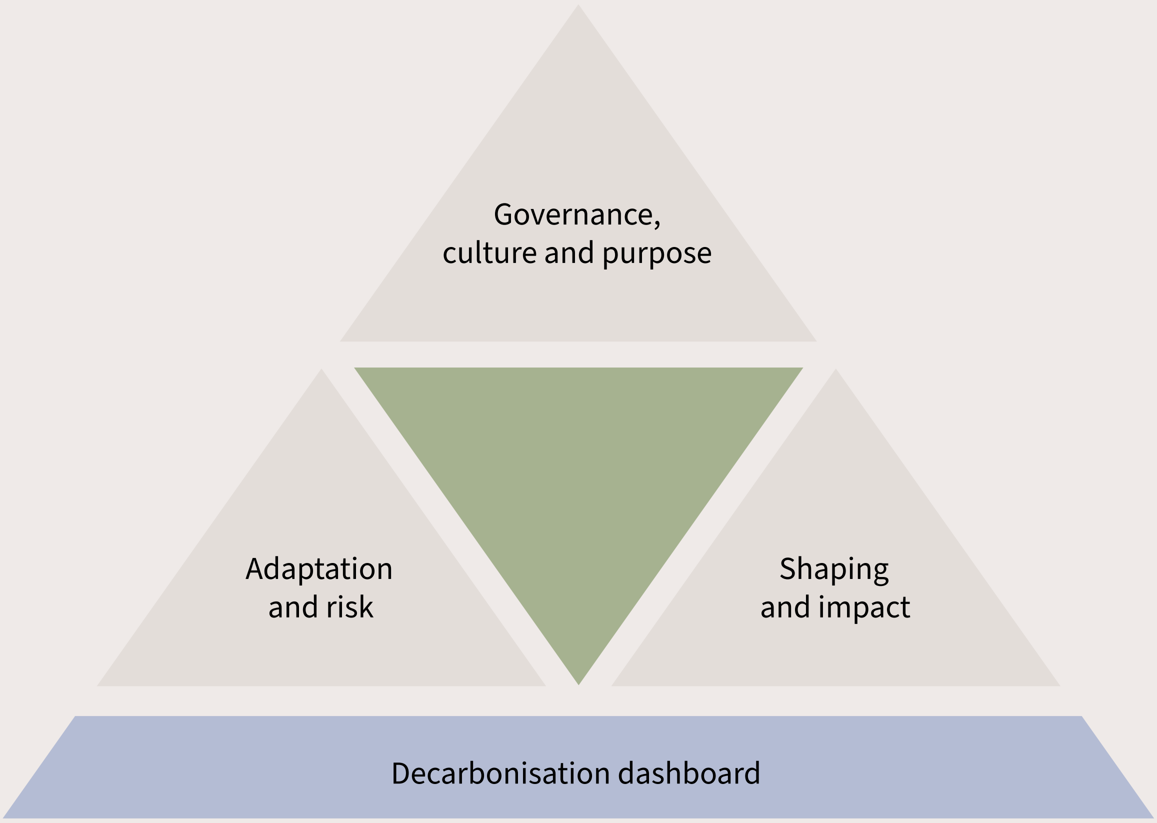
With new skills and experience joining the team this year, we have been asking what set of processes would allow us to look at companies holistically, but also through specific and important lenses.

One of our conclusions was that, although the impact of the environment and society on a company – and the inverse – are two sides of the same coin, different questions and data address each side.

Therefore, we will be separating our existing analysis into four parts to reflect this.

The first part, called 'adaptation and risk', will remain focused on identifying the sustainability topics that are financially material for a business, and obtaining data to quantify the magnitude of the risks they present. Recognising the excellent work done on this subject by SASB, we have licenced its Materiality Map and will use this as the foundation of this process in place of the proprietary map we developed for shares in 2021.

The second, called 'shaping and impact', will bring more structure to how we evaluate the impact the company has on people and planet. This approach, originally designed for the 'enablers' in our decarbonisation-focused Exbury strategy, helps us build an understanding of the nature, extent and future pathway of a company's impact, as well as any adverse impacts.



From both an adapting and shaping perspective, climate change remains a key focus for us. For several years, we have tracked the emissions of directly held companies and the associated reduction targets, encouraging companies to develop these where they are absent. As described above, we are starting to bring a forward-looking dimension to this and calling the expanded process, and third part, our 'decarbonisation dashboard'.

In our view, the final part – 'governance, culture and purpose' of a business plays a critical role in determining how a company both adapts to environmental and social developments and how it shapes them. This aids our understanding of these characteristics of our portfolio companies, which we can leverage alongside both academic research and practical experience.

We look forward to giving an update on this in next year's report.

Canadian Pacific Kansas City

During 2023 we added a new position to our New Court and Exbury strategies, Canadian Pacific Kansas City (CPKC).

OVERVIEW

CPKC is a North American railroad company offering a single line network from Canada to Mexico, as well as connecting the East Coast and West Coast.

Through its activities, CPKC takes a significant amount of high emission truck freight off the road, making it part of the solution to more sustainable transportation.

WHY IS CPKC AN 'ENABLER'?

- Transportation is responsible for 16% of global emissions – trucking makes up 5% of this.
- Rail transportation is four times more fuel efficient than a truck. A single train can take 300 trucks off the road, reducing emissions, road congestion and road fatalities.
- CPKC is at the forefront of technological innovation with the development of the first hydrogen-powered locomotive.

WHERE MUST CPKC TAKE CARE?

- Reduce operational emissions
- Manage labour relations well
- Maintain an excellent safety track record

CLASSIFICATION AS AN 'ENABLER'

Enabling themes

- Sustainable transport and infrastructure

Enabling activities

- Efficient logistics

How is CPKC doing as an 'enabler'?

DISPLACING ROAD-BASED FREIGHT

The merger between Canadian Pacific and Kansas City Southern to form CPKC, means that it has created the only railroad offering single line service from Canada to Mexico. This increases the number of routes where rail is an attractive alternative to road-based freight.

Positive impact

- Large amount of CO_2 emissions avoided
- Reduced particulates associated with road freight, improving air quality in cities
- Reduced risk of accidents involving hazardous materials
- Reduced injuries and fatalities from road freight

HYDROGEN LOCOMOTIVES

CPKC has developed its own hydrogen-powered locomotive.

First low-horsepower locomotives to be deployed in Q3 2023. Potential to replace all yard-based locomotives in the system.

Positive impact

- Diesel engines represent 80% of CPKC total emissions
- Replacing diesel locomotives with hydrogen powered engines has the potential to dramatically reduce overall emissions in the industry
- We need to monitor the source of hydrogen

CPKC GREENHOUSE GAS (GHG) REDUCTION TARGETS

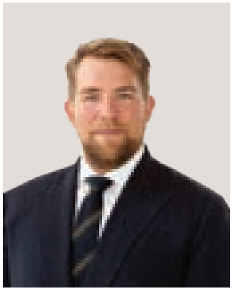
	Target reduction
Locomotive GHG intensity (ex-hydrogen)	↓ 38% by 2030
Absolute Scope 1 and 2 ex-locomotive GHG emissions reduction	↓ 27.5% by 2030

CPKC's intermodal traffic in 2022 was 1,839m units. The combined entity is expected to take an additional 130,000–200,000 units off the road. This is equivalent to an estimated reduction of 260,000–400,000 tonnes of CO_2 emissions per annum which will help CPKC towards achieving its GHG reduction targets.

INVESTMENT AND PROGRESS BEING MADE TOWARDS HYDROGEN-POWERED LOCOMOTIVES

The development of high-horsepower locomotives is under way with testing to start in H1 2024. Potential to replace part of the high-horsepower diesel fleet by 2030. CPKC are also Entering into a joint-venture with CSX to further roll out hydrogen locomotives across North America.

Stewardship



Blaine Abraham
Stewardship
Manager

Engagement

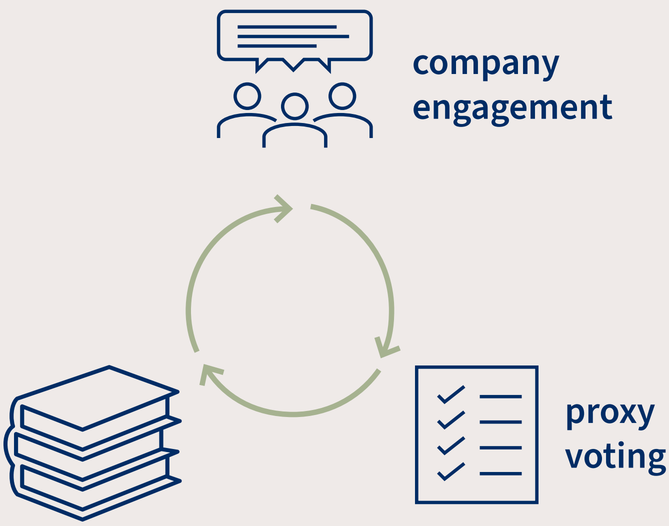
LOOKING BACK AT 2023

Having long-standing and effective relationships with our portfolio companies is a privilege that we are proud of at Rothschild & Co and a responsibility we take seriously. Stewardship has many different components and effective stewardship requires using these tools together for a common purpose.

Fundamental research, direct engagement with our portfolio companies and funds, and proxy voting form the core tools of our stewardship approach and work together as a flywheel. Fundamental research identifies companies' strengths and weaknesses – which may be addressed through engagement. Engagement conversations can identify new areas of research and offer suggestions for change, and proxy voting offers an opportunity to signal displeasure and initiate conversations with board and management. Working together these improve and reinforce each of the other processes, illustrated in the Berkshire Hathaway example below.

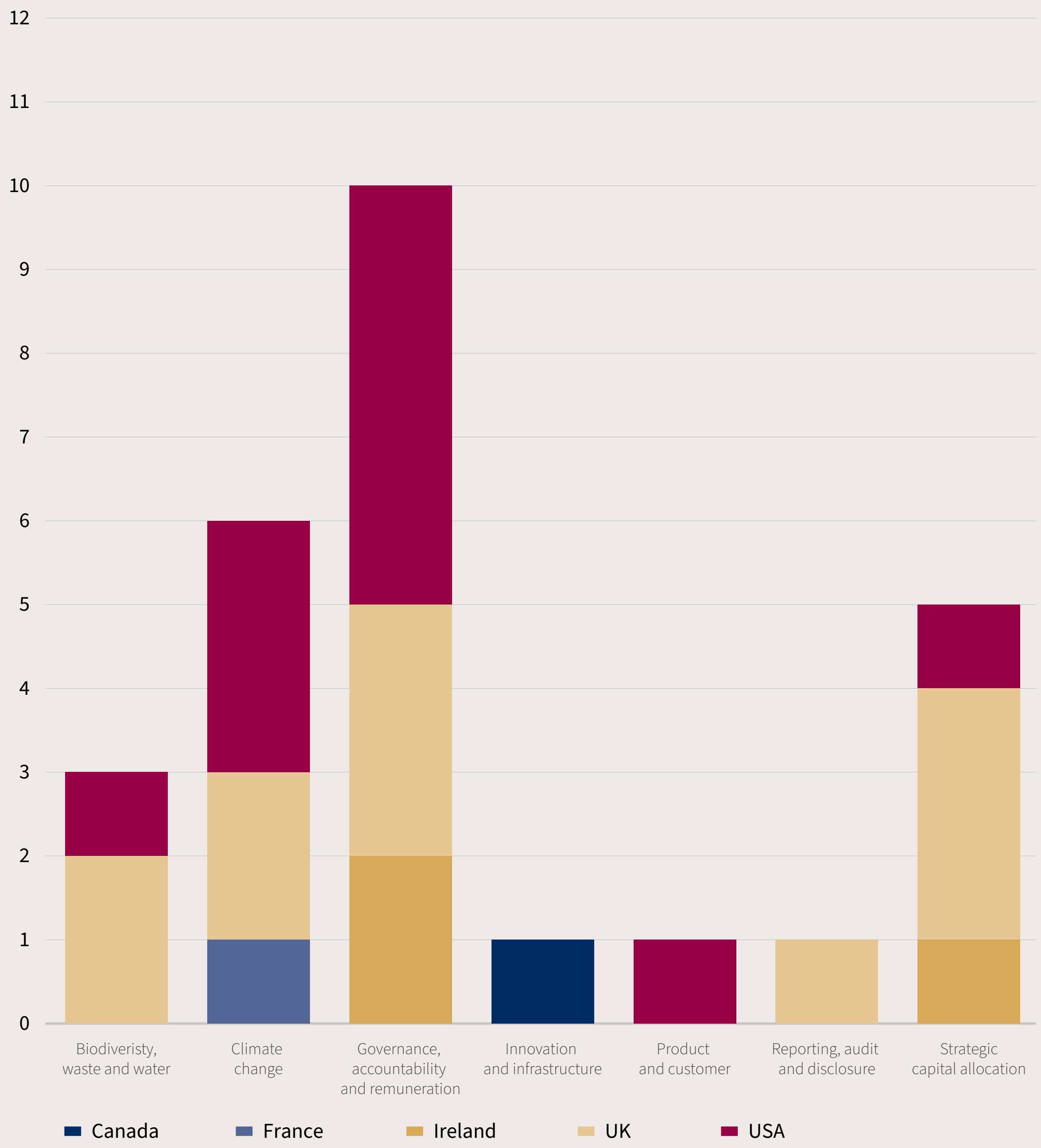
Engagements can be a mix of conversation, information gathering, call-to-actions, or direct requests and can be investor- or company-led. It can take many years to achieve a desired outcome and not all engagements will result in an action. However, every interaction with the company strengthens our relationship with them, demonstrates our deep understanding of the company and the issues, and reinforces our standing as partners, not just capital allocators.

In 2023 we engaged with our portfolio companies 27 times, excluding calls and meetings for purely financial objectives. We also participated in preliminary CA100+ engagement meetings for the working group on Berkshire Hathaway. Engagements were mostly 1-to-1 meetings, with a couple of group meetings led by the Investor Forum.



Our thematic focus for 2023 was climate change and governance, which is reflected in our engagement numbers. Climate change continues to be an important area where we believe that we can influence our portfolio companies, in particular on reporting and what minimum and best practice standards are. It is also imperative that our companies have the highest levels of governance and management incentive structures. We believe that optimising incentives is the most effective way of aligning management's interests with those of our clients.

ENGAGEMENT ACTIVITY IN 2023 SAW 27 ENGAGEMENTS OVER 14 COMPANIES



Examples of our engagement activity

BERKSHIRE HATHAWAY

Investment company Berkshire Hathaway (BRK) is the largest contributor to portfolio emissions, largely as a result of subsidiary Berkshire Hathaway Energy (BHE). As of December 2023, coal generation made up 4% of BHE's asset profile. However, renewable energy production capacity makes up 43% of overall capacity and is growing, and consequently, emissions have fallen from an estimated[1] peak scope 1 and 2 emissions of 73.6m tonnes of CO_2e to 65.5m in 2021 (most recent estimate).

Ultimately, we believe that Berkshire Hathaway Energy has best-in-class reporting and is on a net zero pathway. However, there is more to be done to improve the reporting of Berkshire Hathaway at group level.

We formally wrote a letter of engagement to Chairman and CEO Warren Buffett in 2022, and although we received a reply, limited change was forthcoming. This year we engaged with BRK in person at the AGM in Omaha, speaking with board members about our concerns over group emissions reporting. As further escalation, we voted against Susan Decker, Chair of the Audit Committee. Ms Decker has responsibility for reporting, and we wished to signal our displeasure with current performance. We also supported climate resolutions requesting more disclosure on climate reporting and BRK's alignment with the Paris goals. The resolutions achieved 27%, 18%, and 23% support. While these resolutions did not pass, to achieve these levels of support demonstrates a large backing from investors.

BRK provided feedback on these requests, suggesting that climate risks were already appropriately monitored within the insurance business and by the board and the collated reporting of these emissions at a group level is not worth the time, effort or resources.

Ultimately, there has been little progress against our long-term goals of achieving a consolidated emissions profile at the group level for Berkshire or establishing a clear hierarchy of responsibility for sustainability and reporting at the group level. The lack of progress made on this resulted in the full sale of Berkshire from the Exbury portfolio in the third quarter of 2022 (fully considering the more onerous environmental considerations in that strategy). Outcomes such as a full removal from the portfolio remain an action of last resort, though the implications of how a company reacts to an engagement provide an excellent data point for the investment team.

Berkshire remains a holding in New Court. Despite the slow progress, we continue to believe that it is a worthy and impactful issue, that the squeaky wheel will eventually get the grease, and persistent and targeted engagement will result in an improvement over the long term.

UNITED UTILITIES AND SEVERN TRENT

In 2023 it came to light that there were serious issues within the UK's water infrastructure. Rainfall had meant that overflow events – when sewage mixes with storm water and runs out untreated into the environment – had been far higher than forecast and that had been predicted. Huge amounts of investment was estimated to be needed to plug the gaps; some estimates suggested a £219 billion ($260 billion) price tag, with about £40 billion investment needed from an individual company like United Utilities, over five times its market capitalisation.

Unfortunately, the already high leverage most of the water companies carry mean there is little opportunity for them to tap the debt markets for these extra funds, and would instead have to raise prices and look for equity injections, leaving a bad taste in both customers' and shareholders' mouths.

As a result of these issues, the Investor Forum volunteered to facilitate conversations with each of the water companies. We engaged with United Utilities and Severn Trent, who form part of the fixed income holdings in the Sustainable Bond Fund. United Utilities (rated in its environmental performance assessment in 2023 as three stars out of four by the Environmental Agency) and Severn Trent (four stars out of four) were not the worst performers in the industry, however there are still improvements to be made. Our goal was to understand what went wrong to allow us to end up in this situation, and what can be done in the future.

[1] MSCI ESG ratings estimate.

In our meeting with United Utilities, they admitted that it was a mistake to both allow the water companies to take on so much debt, and to allow the cost of water to fall in real terms. They argued that they had focused on the consumer, but had wrongly assumed that the consumer had only one requirement – the lowest price possible – and underestimated the desirability of clean water runoff. We privately were concerned that this was the attitude of senior members of the board – duty to the environment is surely a top priority for any water company and will ultimately be their legacy, and we suspect it naive to consider that consumers would rather the cheapest possible water over being able to swim at the local beach.

One of the outcomes of this engagement is that we now understand assessing how water companies measure and perform against environmental targets is difficult. While water companies are very good at measuring outflows, pollution numbers are not entirely reliable. Not all of the pollution numbers that get reported to the regulator are from the companies – often the Environment Agency or public activists will report contaminated water events before the water companies know something is wrong. Increased work needs to be done by the industry to more accurately measure and monitor pollution levels, to provide a more accurate picture for investors and the regulator.

While the task of upgrading UK water infrastructure seems insurmountably vast, we must not let the size of the task paralyse companies from starting what needs to be done. Importantly, how these upgrades will be funded have many implications for shareholders, bondholders and customers. Ofwat is currently working its latest price review, which will set price controls for water and sewerage companies for 2025 to 2030. We will continue to engage with the water companies throughout 2024 to best understand how pricing will be set and how costs will be allocated.

DEERE

Deere & Company (Deere) is a recognised leader in agricultural machinery. The company has implemented environmental stewardship measures, striving to reduce greenhouse gas emissions and enhance energy efficiency in its manufacturing processes. Additionally, Deere is at the forefront of product innovation, developing advanced agricultural equipment that promotes precision farming techniques, optimising resource utilisation and minimising environmental impact. These efforts align with a broader commitment to supply chain sustainability, where the company collaborates with suppliers to ensure responsible sourcing and ethical practices.

In tandem with its environmental focus, Deere actively engages with local communities, demonstrating a commitment to social responsibility. This involves supporting community development projects, educational initiatives, and other programs that contribute to the wellbeing of the areas in which the company operates.

While the disclosure mentions the climate team responsible for addressing identified risks and opportunities, it lacks specific information on the short-, medium- and long-term time horizons. The disclosure does not provide information on the process used to determine risks and opportunities. We would prefer more detailed information with specifics to back up the anecdotal evidence.

Specifically, we rate its disclosure on emissions as industry leading reporting. However we need help in understanding how they will reduce their indirect emissions and biodiversity impact.

We engaged with Deere several times last year. Firstly to better understand its reporting and emissions reduction initiatives, and secondly to establish how these initiatives were being implemented into remuneration. Deere admitted it needed to improve its scope 3 emissions reporting in particular and while it was not able to disclose some of the initiatives currently, that progress would be made for next year.

With regards to remuneration, we encouraged Deere to incorporate its ‘leap ambitions’ into its remuneration structures. Its leap ambitions are goals designed to boost economic value and sustainability for customers. While we believe that its set-up is mostly right for the highly cyclical industry it operates in, it would demonstrate greater commit to its goals to have more ‘at-risk’ pay attached to achieving sustainability goals. Deere will look at incorporating this feedback for next year. It will solicit feedback for its remuneration plan closer to its AGM. These are both issues that we will follow-up with in 2024.

Deere’s ‘leap ambitions’ are focused goals designed to boost economic value and sustainability for their farming customers.

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RYANAIR

In 2023 we engaged with Ryanair on four occasions, primarily around strategic capital allocation and governance and remuneration. The airline’s capital allocation has primarily revolved around key areas that contribute to its operational efficiency, growth and shareholder value. We discussed the potential for the payment of a dividend.

Ryanair has consistently prioritised fleet expansion and modernisation as a fundamental component of its capital allocation strategy. Investing in a fuel-efficient and standardised fleet not only helps the airline achieve cost savings but also aligns with environmental sustainability goals. The company’s strategic decisions regarding aircraft acquisitions and retirements are often guided by a commitment to maintaining a young and efficient fleet.

Additionally, Ryanair has historically directed capital toward initiatives that enhance its digital capabilities and improve customer experience. Investments in technology, such as online booking systems, mobile applications and customer service platforms, reflect the company’s commitment to staying at the forefront of innovation in the highly competitive airline industry.

As a result of these lumpy investments, it has been difficult to think about paying a dividend in the past. However, going forward, even with gross capital expenditure of €2 billion (£1.7 billion), a dividend may now be possible.

With regards to governance, we see CEO Michael O’Leary as a key component in executing on their goals for the next five years. However, a robust board is needed to balance out such a strong personality. As a result, we were disappointed to hear that a key board member would not stand for re-election and we reached out to Ryanair to provide support and discuss succession planning for the board of directors.

Looking ahead to 2024

Just like our investment philosophy, the key to our engagement strategy is understanding that we are partners with our portfolio companies. We want to work with our companies to help improve them, not make demands with ultimatums.

Consider our lack of 'underweight' or 'overweight' positions. If we don't believe an investment or asset class is going to help us deliver our clients' return objectives, we won't own it – and this means there isn't any low-hanging engagement fruit. With fewer than 20 direct company investments in the portfolio, we are confident that we own high-quality companies with sustainable business practices and we are therefore happy to follow their lead, offer guiding advice rather than demanding wholesale change.

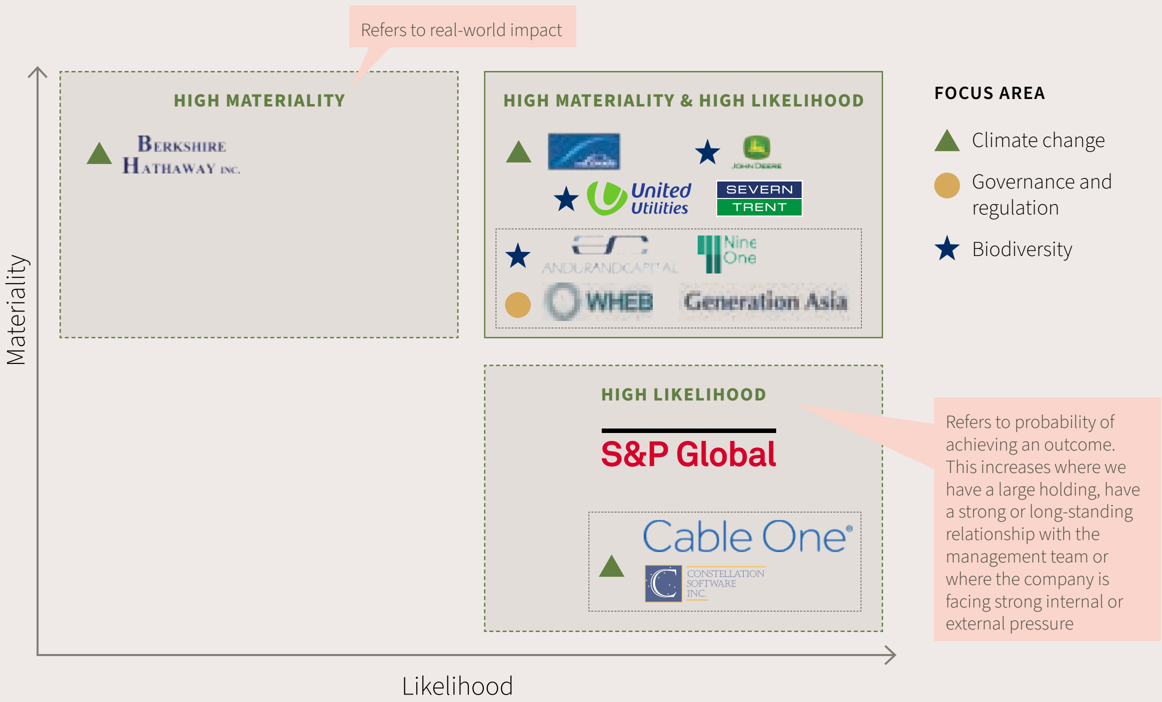
Furthermore, we are long-term holders with an average holding period of five years. Over half of the New Court strategy companies have been in the portfolio for over six years. As a result, when we say we act as long-term owners, we are trusted to do so by our portfolio companies. Where we believe that we can add differentiated value, we engage, and we are often listened to.

As we increased our resources in 2023, adding new personal dedicated to sustainability and stewardship, we are now in a position to do more and plan further ahead. When considering our stewardship activities for 2024, these can be divided into ad-hoc engagement activities, proxy voting and 2024 engagement goals.

The focus areas for our 2024 engagement goals are **climate change, biodiversity, regulation, and remuneration**. These areas reflect our core sustainability investment beliefs that businesses have a need to adapt. Moreover, they support the delivery of the additional focus of the Exbury strategy to enable the goals of the Paris Agreement and support the transition to a lower carbon world. We expect that there will also be many opportunities throughout the year outside of these areas where we can contribute through active ownership to our portfolio.

HOW WE PRIORITISE OUR ENGAGEMENTS

We take a practical approach, prioritising 'high materiality' and / or 'high likelihood' of outcome

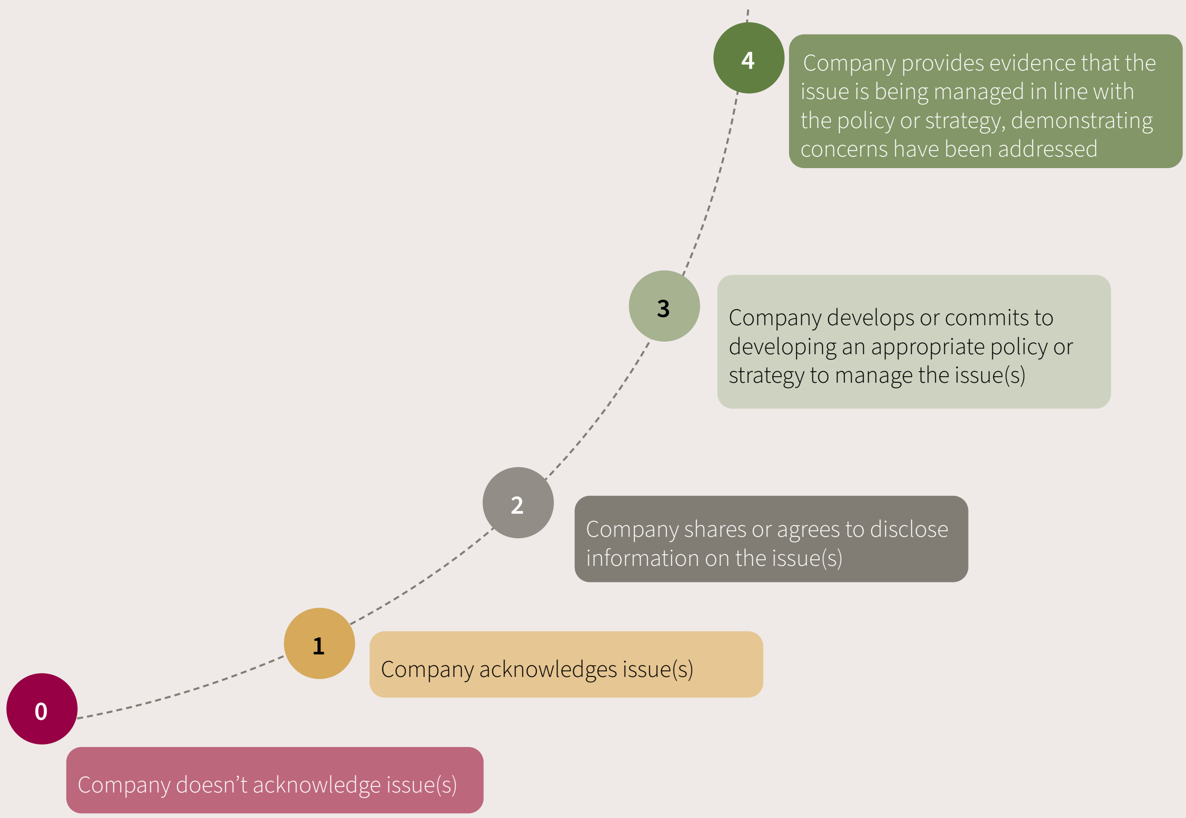


HOW DO WE PRIORITISE OUR ENGAGEMENTS?

The prioritisation of our stewardship activities is determined by considering the materiality of the engagement topic and the likelihood of an outcome. Materiality considers the real-world impact of a potential change; for example, the effect of even a 1% reduction in carbon emissions by Berkshire Hathaway is worth more than the total carbon emissions of the bottom half of contributors from the New Court portfolio combined. Likelihood refers to the probability of achieving an outcome – this would increase if we had a larger holding, a strong relationship with the CEO or board, the company had strong internal or external pressure to change, or similar factors. Using this framework allows us to more effectively allocate where our finite resources are spent. We will also consider the urgency of the issue, deadlines and other risks.

HOW DO WE ASSESS AND TRACK OUR ENGAGEMENTS?

As long-term partners with our investee companies, we see the benefits from engagement in the process, not just the outcome. As a result, we want to think of our discussions with companies on a continuum, not a pass or fail. To help keep track and demonstrate progress of our engagement program to our clients within this framework, we will use a label system to rank company engagements from zero to four, with zero meaning that a company has not yet acknowledged the issue, through to four demonstrating that evidence is being produced supporting the policies implemented. This is what we believe is a best-in-class process that we have adopted from one of our funds, Wheb, which believe is the gold standard for reporting on active ownership. Over time and (hopefully) through our involvement, engagements will progress from one through to four.



Note: language for engagement milestones adopted from WHEB Asset Management.

Areas of focus for 2024

CLIMATE CHANGE

Easing the climate crisis continues to be the number one priority for our engagement efforts. Net zero goals require annual emissions reduction to be 7-8% and there has been progress made against this goal, with 78% of New Court holdings having a negative three-year emissions growth profile with an average CAGR over those three years of -6.2%. However as we can see, we are not there yet, and we will continue to work with our portfolio companies to ensure a safe future. As a result, we plan on engaging with companies that represent 85% of New Court's scope 1 and 2 carbon emissions and 74% of scope 3 carbon emissions profile.

BERKSHIRE HATHAWAY INC.

Berkshire Hathaway is the largest contributor to portfolio emissions, largely as a result of subsidiary Berkshire Hathaway Energy (BHE). As of December 2022, coal generation made up 5% of BHE's asset profile. However, renewable energy production capacity makes up 43% of overall capacity and is growing, and consequently, emissions have fallen from an estimated[2] peak scope 1 and 2 emissions of 73.6m tonnes of CO_2e to 65.5m in 2021 (most recent estimate). We believe that Berkshire Energy has best-in-class reporting and is on a net zero pathway. However, it would be beneficial for the parent Berkshire Hathaway to consider consolidated emissions reporting at the group level for the following reasons:

1. Transparency: we believe it is important for investors to understand climate risks and opportunities. For Berkshire we see examples of subsidiaries that are part of the solution but also some where climate change is a risk that needs to be managed.
2. Setting an example: we believe that every company must do its part in the transition to a low carbon economy. Given the importance of the businesses that Berkshire owns and its position as a role model, we believe Berkshire should be setting an example for others.
3. Regulation: in Europe, we observe a rapid pickup in regulations forcing companies to adhere to a minimum standard of climate-risk reporting. We believe the United States is not far behind. Reporting for a company like Berkshire with its myriad of underlying companies presents more of a challenge but the sooner Berkshire develops a framework to report, the better.

Berkshire has been a successful long-term investment of ours, and has long been a target for engagement on these very issues – without much success, it must be said. We formally wrote a letter of engagement to Chairman and CEO Warren Buffett in 2022, and while we received a reply, limited change was forthcoming. In 2023, as an escalation of our engagement, we voted against Susan Decker, Chair of the Audit Committee, and who has responsibility for reporting. In 2024 we will continue to escalate our engagement by participating in the CA100+ working group for Berkshire Hathaway, and continue our engagement work directly with the company.

Long-term goals

- Overall reporting of consolidated emissions profile for BRK as an entity
- Clear hierarchy of responsibility for sustainability

Short-term goals

- Opening a dialogue with decision makers at BHE
- Acknowledgement of reporting issues and commitment to remedy

[2] MSCI ESG ratings estimate.

Linde is the second largest carbon emitter in the New Court portfolio, and is considered an 'enabler' despite the face value of its large emissions profile. One can think of these large emissions as a result of other industrial customers outsourcing their emissions to Linde. However Linde's end customers and end-users avoid more than twice the greenhouse gases of Linde's own emissions as a result of efficiency gains from Linde's more efficient production – or by using Linde products, like oxygen, in their own production process.

Therefore, we are mindful that one key to achieving net zero goals is that Linde continues to become more efficient and to reduce its own absolute emissions profile. Linde has set climate targets that have been ratified by the Science Based Targets Initiative (SBTI), has a clear pathway to achieving this goal, and is already making progress against these targets. We believe that we can strengthen and enhance these targets by ensuring that incentives of senior management are as aligned as possible to achieving this. We believe that effective structuring of incentives is a strong lever and an area where investors are well placed to **provide feedback to portfolio companies.**

Long-term goals

- Achieve strongly aligned remuneration structures for senior management

Short-term goals

- Open conversations on pay with board and remuneration committee
- Introduce stronger levers for environmental, social, and governance (ESG) objectives, such as gates or multipliers

Falling under the broader interests of tidying up portfolio reporting, these are companies with small emissions profiles that nonetheless do not provide emissions reporting for scope 1 and 2 emissions. Low priority – but we do feel that there is a high likelihood of an outcome for incremental gains.

Long-term goals

- Provide scope 1 and 2 emissions reporting
- SBTI approval net zero goals

BIODIVERSITY

Biodiversity is a key topic for investors to understand and contribute to in 2024, with the Task Force for Nature-related Disclosure (TNFD), the biodiversity-focused cousin of the Task Force for Climate-related Financial Disclosure (TCFD), releasing its final framework on 18 September 2023. This framework will provide guidance for organisations to integrate nature into their decision-making process in the same way that carbon emissions has been and attempts to use as similar language and structure as possible to the existing TCFD disclosure. While nature and biodiversity are more complex concepts to attribute a company's impact, the intertwined nature of both climate change and biodiversity means they can be seen as two sides of the same environmental coin: one a global impact and one a (more) local impact. To be able to achieve the same success as the TCFD, a common set of metrics and methodologies need to be settled upon and then implemented before ecological feedback mechanisms are irreparably altered.

Given that major markets have already announced plans to include mandatory disclosure on biodiversity-related frameworks like the TNFD, it is important that we as investors understand the nuances of these metrics and are able to guide our portfolio companies in best practice. Moreover, where we already understand the issues, we will engage with our companies to ensure minimum impact on the planet wherever possible.

United Utilities and Severn Trent form part of our fixed income holdings. Acute concerns around water quality in 2023 – and in particular lots of raw sewage discharge – highlighted broader existential issues within the water industry. It necessitated engagement with our holdings to understand the massive investment in infrastructure that was needed and how to pay for this investment. The raw sewage discharge in particular played havoc with the natural environment, and there are still question marks over company balance sheets.

In 2023 as these issues came to light we participated in a group engagement that was facilitated by the Investor Forum. In 2024 we will continue to engage with our holdings, who have shown a willingness to change, even if they lacked a complete understanding of where they had gone wrong. While United Utilities (rated in their environmental performance assessment in 2023 as three stars out of four by the Environmental Agency) and Severn Trent (four stars out of four) were not the worst performers in the industry, there are still improvements to be made, in particular around consistent measurement that would provide the accountability necessary for performance improvement.

Long-term goals

- To standardise and raise the quality of industry metrics for measuring environmental impact of excess water discharges
- To improve individual company goals on these metrics
- To understand capital allocation plan for necessary investment for infrastructure
- To link remuneration to higher levels of environmental performance

Short-term goals

- Open dialogue with companies directly

While reducing the carbon emissions from agriculture is the key aspect of Deere's enabling case, reducing agriculture's impact on biodiversity is a crucial secondary impact – this is illustrated by Deere's 'see and spray' technology, which can reduce pesticide, fungicide, or herbicide use by about two thirds. This provides benefits for the farmer in lower costs – as well as environmental benefits.

While in the past runoff of excess product into the natural environment devastated ecosystems, limiting the use of these chemicals to the minimum amount necessary through see and spray has a massively positive impact on the biodiversity and ecology surrounding a farm. It is crucial to better understand the impact our farms are having on the world and how we can better protect them.

To this end we engaged with Deere several times this year, including on their scope 3 emissions reporting – however we would like to see improved biodiversity reporting. This topic is an ongoing area of growth for us, as we learn about new methods that allow better reporting, such as eDNA, a method of testing for biodiversity in a given area through DNA analysis.

Long-term goals

- Develop mature reporting numbers for biodiversity that are comparable and reliable
- Set targets for reducing biodiversity impact from Deere products

Short-term goals

- Understand current state of biodiversity metrics
- Get commitments from Deere to improve reporting metrics on biodiversity

These funds are classed as 'enablers' and have been chosen for their expertise within topics such as climate change and biodiversity. We plan to initiate conversations with our managers to develop our understanding on best practice biodiversity reporting and impact management, and to feed into our further research and interactions with our directly held companies.

Long-term goals

- Develop mature reporting numbers for biodiversity that are comparable and reliable
- Set targets for reducing biodiversity impact

Short-term goals

- Understand current state of biodiversity metrics

S&P Global

S&P is an 'enabler'. By including ESG factors in the credit ratings they issue, it is encouraging greater sustainability disclosures and performance from companies. This means it plays a key role in the developing sustainable bond market. Similarly, its ESG indices have a large influence in where capital is allocated. However, recently we have seen an increased risk of regulation within ESG rating businesses, with the UK government announcing that it would press ahead with plans to regulate agencies that evaluate ESG performance of companies. The EU is deliberating on regulation including the transparency and integrity of ESG ratings activity.

It is therefore material to S&P to understand the potential impacts of any regulation and steps taken to insulate business returns from disruption.

Long-term goals

- Deepen understanding of regulatory risks to S&P's business model

Short-term goals

- Ensure sufficient controls are in place separating indices business from ESG ratings business

THIRD-PARTY FUNDS

Proxy voting is a key lever in the stewardship toolkit and one that complements our other activities. We vote on all meetings according to our own research and insights. As part of deepening our relationships and understanding of our managers engagement activities, we wish to engage with them specifically on proxy voting, to understand their position on key issues, the proxy voting process, escalation process, and conflicts of interest policies. Particular interest will be paid to philosophies on remuneration, board of director best practice and treatment of shareholder proposals.

Long-term goals

- Increase understanding of manager proxy voting activity, outside of standard vote for/against statistics.
- Ensure alignment with Exbury objectives

Voting

During 2023 we voted on 414 resolutions at 25 company meetings, both figures up on 2022 due to the addition of new holdings across our strategies.

We are of the view that a simple statistical summary of our voting activity would give insufficient transparency into the many interesting individual votes placed and the reasons for our decisions. Therefore, in last year's report, we introduced a new way of proving this transparency by reporting on all votes deemed significant in the period.

We define a significant vote as one which was either:

- Against the recommendations of a board
- On a resolution proposed by a fellow shareholder
- On a climate-related topic

In the following pages show the same for 2023.

Details on all our voting activity is available to clients on request.

Company	Resolution No.	Resolution type	Proposed by	Board Recommendation	Our vote	Did resolution pass?	Comments
Visa	5	Requirement for independent chair	Shareholder	Against	Against	No	We have a general preference for an independent Chair, however we agreed with the board's position that it is useful to retain the flexibility to have an executive Chair when appropriate.
Deere	5	Termination pay	Shareholder	Against	Against	No	Deere's current severance program already limits cash severance payments to, in the case of the CEO, a maximum of three times, and in the case of all other executive officers, a maximum of two times base salary and target short-term incentive for the fiscal year in which termination occurs, plus a sum equal to Deere's contributions for the executive under Deere's defined contribution pension plans. This is also a part of the existing annual vote on executive compensation, which allows an option for expressing disapproval if required.
Charter Communications	5	Reporting on lobbying activities	Shareholder	Against	For	No	This is a similar proposal for more detail on lobby activities to ones we have supported in previous years.
Wells Fargo	5	Supermajority voting provisions	Shareholder	Against	Against	Yes	The last remaining supermajority provisions apply in very limited cases and are fair in our view, and therefore we don't support this resolution.
Wells Fargo	6	Political donations	Shareholder	Against	For	No	Given the company's commitments on environmental and social topics, we believe a basic report on how their political spending is consistent with this and deserves a basic report.

Company	Resolution No.	Resolution type	Proposed by	Board Recommendation	Our vote	Did resolution pass?	Comments
Wells Fargo	7	Climate reporting and strategy	Shareholder	Against	For	No	Similar resolution to the political spending resolution, but focused on climate.
Wells Fargo	8	Climate reporting and strategy	Shareholder	Against	Against	No	We do not support this resolution as the company already sets appropriate targets and makes appropriate disclosures.
Wells Fargo	9	Fossil fuel lending	Shareholder	Against	Against	No	We believe that this proposal to define a time-bound phase-out plan for fossil fuels is unworkable at this stage and therefore we cannot support this despite sympathies for the sentiment.
Wells Fargo	10	Reporting on harassment and discrimination	Shareholder	Against	Against	Yes	We believe existing policies and disclosures are satisfactory.
Wells Fargo	11	Collective bargaining policy	Shareholder	Against	Against	No	The company's existing policies are designed to 'comply with applicable local laws related to freedom of association and collective bargaining, including laws with respect to non-interference'.
American Express	5	Termination pay	Shareholder	Against	Against	No	The proposal is unnecessary because the Company's current severance plan already limits cash severance payments to one or 1.5 times the sum of the executive's base salary plus target annual bonus, which is well below 2.99 times base salary plus target annual bonus.
American Express	6	Data privacy	Shareholder	Against	Against	No	The company receives limited information about what products and services customers are purchasing with their cards. In addition, Information on the company's data management practices is readily accessible on their website and in regulatory filings.
Berkshire Hathaway	1i	Election of directors	Company	For	Against	Yes	As part of our escalation process, we are voting against Chair of the Audit Committee as she holds ultimate responsibility for the lack of progress on sustainability reporting at holding company level.
Berkshire Hathaway	4	Climate reporting and strategy	Shareholder	Against	For	No	We support this proposal as it is not overly onerous, makes sensible suggestions, and is only encouraging a level of disclosure that is mandatory in other jurisdictions (including the UK). Received 27% support.
Berkshire Hathaway	5	Climate reporting and strategy	Shareholder	Against	For	No	A TCFD aligned report would include most of this proposal. In addition, Berkshire's ownership of insurance, transportation and utilities businesses, organisations with high exposure to transition risks, warrants this collective governance as well as entity specific oversight. Received 18% support.

Company	Resolution No.	Resolution type	Proposed by	Board Recommendation	Our vote	Did resolution pass?	Comments
Berkshire Hathaway	6	Climate reporting and strategy	Shareholder	Against	For	No	As noted above, climate transition risk is pertinent for many of Berkshire's portfolio companies and this information is therefore very relevant. Ultimately received 23% support.
Berkshire Hathaway	7	Reporting on diversity and inclusion	Shareholder	Against	Against	No	Reporting has recently improved. Received 21% support.
Berkshire Hathaway	8	Requirement for independent chair	Shareholder	Against	Against	No	While we notionally support the separation of Chair and Executive, these roles will be separated once Mr Buffett is no longer in the posts and is not needed right now. Received 11% support.
Berkshire Hathaway	9	Refraining from public positions on political issues	Shareholder	Against	Against	No	We believe that this would be highly subjective and impractical to implement. Received 1% support.
Booking Holdings	5	Termination pay	Shareholder	Against	Against	No	The board's Compensation Committee recently adopted a Termination Policy with similar limits to those in the proposal and we therefore find this redundant.
Comcast	7	Racial equity audit	Shareholder	Against	Against	No	Comcast continues to make meaningful efforts regarding diversity and inclusion, guided by its external diversity, equity and inclusion Advisory Council and employees, and overseen by the board.
Comcast	8	Pension funds and ESG	Shareholder	Against	Against	No	Nearly all of the investment managers for funds offered within the pension scheme incorporate and consider ESG factors in their investment policies, processes and practices to varying extents, consistent with their legal fiduciary obligations. They plan to introduce new fund options that expressly take into consideration climate and other ESG matters as part of their investment mandate.
Comcast	9	Climate reporting and strategy	Shareholder	Against	For	No	We concluded that the company's current efforts and commitments fall within the proposal, not counter to it. The proposal encourages Comcast to be more holistic with their climate strategy and consider their supply chains, which in our view is achievable and fair.
Comcast	10	Political donations	Shareholder	Against	Against	No	We believe that current disclosures are adequate.
Comcast	11	Report on business in China	Shareholder	Against	Against	No	Geopolitical tension with China is a factor already considered in risk assessments.

Company	Resolution No.	Resolution type	Proposed by	Board Recommendation	Our vote	Did resolution pass?	Comments
Mastercard	6	Report on civil liberties	Shareholder	Against	Against	No	A request for a report on the discriminatory practices seems unnecessary considering that the company does not touch the consumer and acts only to provide switching and security services. Mastercard also demonstrates that it informs and educates its employees on discrimination and inclusion (evidenced by its annual global inclusion report).
Mastercard	7	Report on merchant category code	Shareholder	Against	Against	No	We agree with the board's assertion that: "we believe the report requested by the proposal concerning board oversight of management's decision-making regarding ISO's September 2022 decision to establish the MCC would not provide stockholders with any meaningful additional information."
Mastercard	8	Lobbying disclosures	Shareholder	Against	Against	No	Mastercard already provide much of the information being requested in the proposal and the proposal therefore seems redundant.
Mastercard	9	Bylaw amendments	Shareholder	Against	Against	No	We agree with the board's conclusion that the broad language of the proposal is overly onerous on Mastercard's ability to maintain bylaws and further is unnecessary considering the current structure and language of the bylaws.
Microsoft	5	Shareholder proposals	Shareholder	Against	Against	No	Proposal is asking for information that is already provided and is therefore redundant.
Microsoft	6	Shareholder proposals	Shareholder	Against	Against	No	Proposal is asking for information that is already provided and is therefore redundant.
Microsoft	7	Shareholder proposals	Shareholder	Against	Against	No	This proposal is redundant because Microsoft and LinkedIn both already provide semi-annual reports on Government Content Removal Requests and explain the principles and process used to evaluate and respond to such requests.
Microsoft	8	Shareholder proposals	Shareholder	Against	Against	No	Microsoft has communicated their position on weapons supplying to the US government with employees and in external communications like blog posts. As a result, we do not believe the requested third-party analyses would advance the interests of Microsoft, its shareholders, or other stakeholders. Microsoft has a policy which allows employees who disagree with working on certain projects to move internally to a different role.

Company	Resolution No.	Resolution type	Proposed by	Board Recommendation	Our vote	Did resolution pass?	Comments
Microsoft	9	Shareholder proposals	Shareholder	Against	Against	No	This proposal inaccurately portrays how Microsoft's 401(k) plan works, either simplifies too much or ignores the stringent fiduciary guidelines that govern the plan according to the law, and downplays the steps taken to provide participants with a wide selection of investment choices. These choices include options that consider Environmental, Social, and Governance (ESG) criteria within the given legal framework.
Microsoft	10	Shareholder proposals	Shareholder	Against	Against	No	Microsoft already provides enough data on tax returns for all current legislation, and we believe the proposal to be unnecessary.
Microsoft	11	Shareholder proposals	Shareholder	Against	Against	No	While it is worth monitoring the progress with the Saudi Arabia data centre as there has been significant human rights abuses creep, currently we see no need for this report.
Microsoft	12	Shareholder proposals	Shareholder	Against	Against	No	Microsoft already offers exemplary disclosure regarding engagement in public policy, as well as transparency and alignment with trade associations and political groups.
Microsoft	13	Shareholder proposals	Shareholder	Against	Against	No	Microsoft is actively participating in various forms of public disclosures concerning their initiatives, complying with the mandates of the European Union's Code of Practice on Disinformation as well as the Australian Code of Practice on Disinformation and Misinformation. In a continued effort to uphold transparency, Microsoft pledged to the United States Government in July 2023 to generate a new annual transparency report detailing their AI governance practices, specifically addressing how they plan to reduce the risks associated with misinformation and disinformation produced by AI. Consequently, the we believe the additional report the proposal has suggested is unnecessary.

The Hive

Richard Bass
Co-Head of
Sustainable Capital

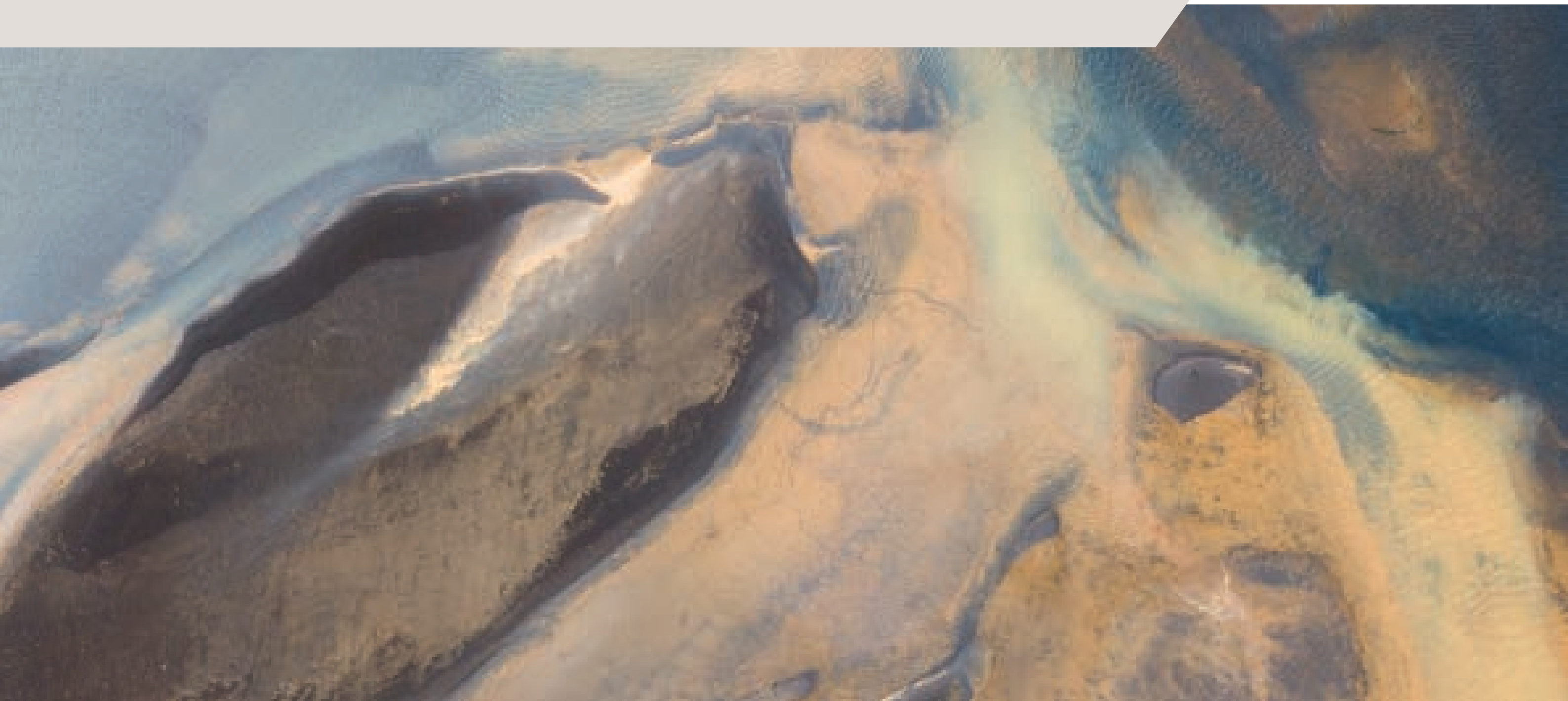
Michel van der Spek
Co-Head of
Sustainable Capital

During 2023 we launched a new sustainability initiative called the Hive. The aim of the Hive is to mobilise employees from different departments around sustainability topics. In order to do that we established five key areas of focus:

- **Impact network.** Build out our network of entrepreneurs and investors that are active in the sustainability and impact space
- **Knowledge library.** Grow our knowledge and expertise around specific topics in close collaboration with the Sustainability and Stewardship team and leverage the network that we have.
- **Branding and market positioning.** Use insights from the knowledge library to raise awareness on sustainability and impact topics through blogs, opinion pieces and podcasts that we incorporate into client materials
- **Industry practice.** Create a platform to share best-in-class industry practices and stay on top of new sustainability initiatives
- **Events.** Organise a series of events with relevant experts, including an annual gathering called 3-Space where we bring together impact entrepreneurs, venture capital and clients.

We were proud to host the inaugural 3-Space event in November 2023. The event was held in partnership with ImpactVC, an organisation working with venture capitalists to drive impact investing, UpLink, the open innovation platform of the World Economic Forum, and Big Society Capital, a social impact investor.

The event included collaborative sessions on how investment can drive a new breed of scalable start-ups and the tools needed to scale sustainability impact.



Our partners

Service providers

MSCI

MSCI is a leading provider of ESG data and analytics. Since onboarding with MSCI in 2020, we have been able to make our sustainability integration processes more data driven, robust and repeatable, with MSCI's database complementing data we obtain directly from investments.

Developments in 2023

This year we spent time building our understanding of MSCI's forward-looking climate tools, Implied Temperature Rise (ITR) and Climate Value-at-Risk (CVaR). This included several interactions with MSCI.

Industry initiatives

PRI Principles for Responsible Investment

The PRI is the world's leading proponent of responsible investment. All investment business lines at Rothschild & Co are UN PRI signatories. Rothschild & Co Wealth Management UK has been a signatory since 2018.

Developments in 2023

After not running in 2022, the PRI's annual reporting and assessment process returned in this year. Details about our performance are available on request. .

THE INVESTOR FORUM

A not-for-profit, practitioner-led membership organisation, set up by institutional investors in UK companies. The forum's purpose is to position stewardship at the heart of investment decision-making by facilitating dialogue, creating long-term solutions and enhancing value.

www.investorforum.org.uk/who-we-are/

We have been members since 2017.

Developments in 2023

We participated in the collective engagement the Forum led with UK water companies. For further details on this engagement, please refer to the Stewardship section earlier in this report.

The Personal Investment Management & Financial Advice Association (PIMFA) is the trade association for firms that provide wealth management, investment services and advice to everyone from individuals and families to charities, pension funds, trusts and companies.

www.pimfa.co.uk/about-us/who-we-are/

Developments in 2023

We are part of PIMFA's Sustainable Finance Strategic Committee and Working Groups and participated in a number of meetings during the year.

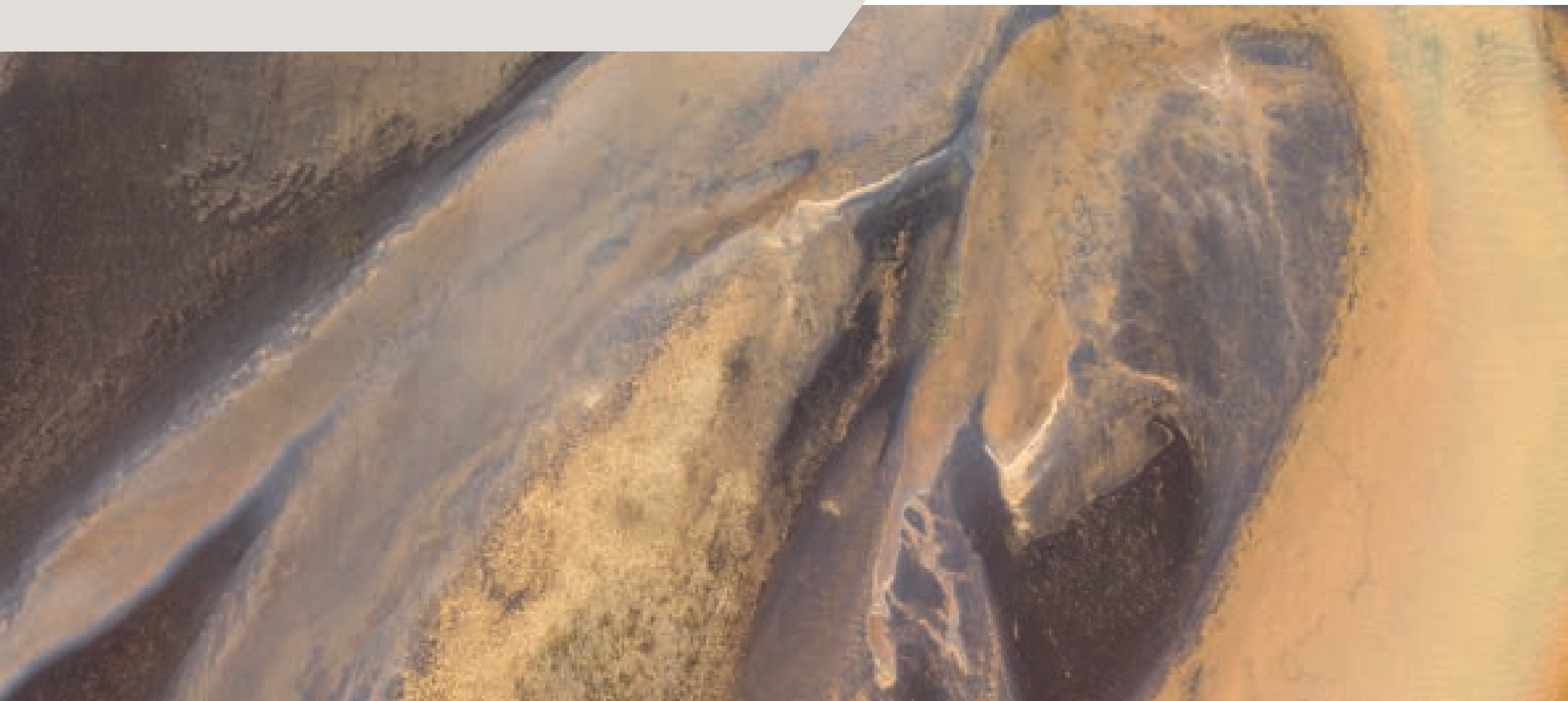
Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

www.climateaction100.org/

We have been members since 2021.

Developments in 2023

We are supporting members of the Berkshire Hathaway engagement. For further details on this engagement, please refer to the Stewardship section earlier in this report.



Who we are

Rothschild & Co Wealth Management UK

Rothschild & Co Wealth Management UK Limited is part of the Group's Wealth and Asset Management division.

Our **purpose** is to preserve and grow the real value of our clients' wealth for multiple generations in a sustainable way. This purpose shapes our **duty** to our clients, which is to achieve their financial objectives through both the allocation of their capital and the active ownership of the investments made on their behalf. This duty drives our **actions** and the consideration of any factors we believe are relevant to the long-term success of client portfolios.

We provide discretionary investment management to a wide range of clients, including private clients and families, and foundations and charities. Managing discretionary, multi-asset class portfolios is our core area of expertise, and we have one core investment strategy: wealth preservation in real terms. We focus all our time and energy on doing this well.

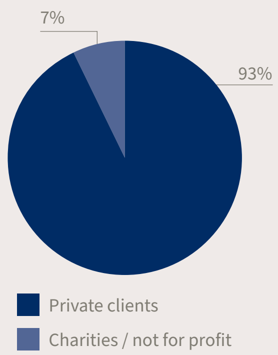
We look after £13.5 billion of assets as of 31 December 2022. More than 90% of our clients' portfolios are managed on a discretionary basis, with an 'inflation plus' return objective. We measure our success by the longevity and depth of our client relationships. Ultimately, the business's success depends on delivering successful investment returns for our clients.

Our 2027 vision is to be the best financial partner for successful families and individuals. This is not about asset growth but about focusing on the needs of our clients, which means delivering market-leading investment performance and exceptional client service.

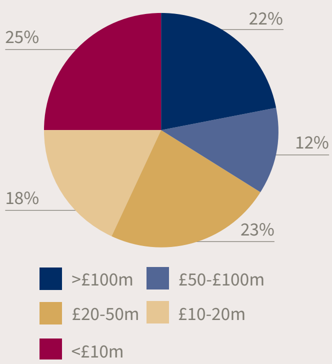
Given our distinct approach to managing portfolios, we spend a lot of time at the outset of the relationship getting to know our clients, understanding their priorities and motivations, and ensuring they fully understand our investment philosophy and approach. A key aspect of our investment offering is our client service. Clients have high expectations of Rothschild & Co Wealth Management UK, and we seek to exceed those expectations. Over the years, we have been fortunate to be recognised frequently by the industry for our levels of client service.

We have deliberately structured our business to make a clear distinction between the roles of the Portfolio Managers and Client Advisers. We employ highly experienced Client Advisers who are the main point of contact for clients and manage the day-to-day communications. This allows our investment team to focus on managing the portfolios and delivering performance. Our clients can expect to interact with engaged and experienced individuals who act in a way that is clear and transparent.

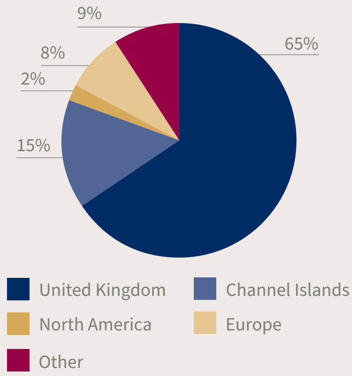
ASSETS UNDER MANAGEMENT (AUM, %) BY CLIENT TYPE



DISCRETIONARY AUM (%) BY SIZE OF PORTFOLIO RESIDENCY



AUM (%) BY CLIENT RESIDENCY



Philosophy and beliefs

INVESTING FOR GENERATIONS

As a family-controlled business, we have been investing for generations for over 200 years, and we aspire to do so for decades to come. Regardless of client type or portfolio size, our clients look to us to be a safe and secure home for their assets. We manage our clients' assets with the same care and diligence we do our own. Through our investments, we aim to preserve the wealth of future generations, as well as the environment and society they will inherit.

OUR BELIEFS

The following beliefs underpin our investment philosophy and determine the way we invest our clients' capital. We believe that:

1. Long-term thinking creates greater value

A long-term investment horizon allows us to ignore short-term market noise and focus on what really matters. Instead of chasing short-term returns, we act and think like business owners and build active partnerships with the companies and funds that we invest in.

2. Investors need to protect themselves against inflation in order to preserve and grow wealth in real terms

Even modest levels of inflation erode the real value of capital over time. Our investment objective is to outpace inflation. We do this by investing in high-quality companies with pricing power and high barriers to entry.

3. Sustainability is a fundamental investment issue

Sustainability factors or ESG factors cannot be separated from economic factors; they are an inherent part of the long-term risks and opportunities for any company. Sustainability analysis is explicitly integrated into our investment process. As long-term investors, we want to own high-quality businesses that have resilient business models and sustainable business practices.

4. Navigating market downturns well is a crucial part of the journey

We seek assets that provide genuine protection during periods of market stress. This allows us to smooth the journey for our clients. Our in-depth research on companies means that we invest with conviction while minimising the risk of permanent capital loss. Taken together, we build sensibly diversified portfolios, combining investments in high-quality companies with assets that provide insurance in times of turbulence.

INVESTMENT PHILOSOPHY

Our investment philosophy is built on preserving and growing our clients' wealth in real terms for generations. We seek to deliver strong risk-adjusted returns over the long term while avoiding large losses during periods of market weakness.

We build portfolios with two distinct parts: 'return assets', which we expect to generate inflation-beating returns over time, and 'diversifying assets' which help us avoid large losses. The appropriate split between return and diversifying assets is determined by clients' individual return objectives and tolerance for risk.

Our approach is benchmark agnostic, and rather than a market index determining how we construct portfolios, we look globally for the best investments to meet our clients' investment objectives, regardless of asset class, sector, or geography. This is 'bottom-up' investing, whereby the asset, sector, and geographical mix of our portfolios is an output of our investment decisions, rather than the starting point.

Everything we invest in is selected on its own merits. There are no 'underweight' or 'overweight' positions; if we don't believe an investment or asset class is going to help us deliver our clients' return objectives, we won't own it.

We do not employ a strategic asset allocation but instead rely on a risk budget to manage risk at the portfolio level. While we agree that portfolios need to be diversified, achieving genuine diversification requires more than just selecting the ratio between equities and bonds, and other asset classes. It's about understanding the underlying risk characteristics of each asset and how they will behave in different market environments, rather than relying on asset 'labels'.

RETURN ASSETS

Return assets are investments that we believe can generate real capital growth and therefore drive long-term performance. We think we can best achieve our objective of growing our clients' capital by owning high-quality businesses for the long term, either directly or indirectly via funds. There are two aspects to 'high quality'. One is what the business does, and the other is how it does it.

We believe high-quality businesses have resilient business models: these companies are likely to be able to sustain their market position and grow their profits long into the future. They have durable competitive advantages, such as economies of scale, network effects, and a compelling brand or intellectual property, to name a few.

At the same time, high-quality businesses need to demonstrate sustainable business practices. Environmental and social factors can become financial factors over the long term. Companies need good governance to manage their material ESG risks and opportunities well. Stakeholder interests need to be balanced appropriately – not just those of shareholders and senior management – but also employees, customers and suppliers, as the detrimental treatment of other stakeholders may be profitable in the short-term, but long-term success is dependent on the successful balancing of these interests.

DIVERSIFYING ASSETS

The role of the Diversifying assets is to protect our clients' capital in periods of market stress and to limit the impact of equity market falls, thereby smoothing some of the inevitable highs and lows of being invested in equity markets. The diversifying assets serve to protect portfolios from systemic risks, such as market dislocations caused by recessions or events that cannot be foreseen, such as the COVID-19 crisis or the war in Ukraine.

We don't pretend that we can predict what the next market crisis will look like or when it will happen. To make portfolios robust in any scenario, we look to diversify our return assets, but also to 'diversify our diversifiers' to have multiple lines of defence. We identify a variety of diversifying strategies that will behave in different ways to make our portfolios robust in different market scenarios. Some assets aim to provide protection against a sharp market crash, others against a slow protracted downturn. We also consider how the portfolio behaves in inflationary or deflationary scenarios.

Return assets

- Assets we expect to generate real capital growth and drive long-term performance
- Includes all securities and funds we would expect to be correlated to equity (stock) markets, albeit to varying degrees
- Examples include equities, certain hedge funds, property, corporate bonds, and commodities

Diversifying assets

- Assets we expect to provide genuine diversification or protection
- Display little correlation to equity markets, even in extreme conditions
- Examples include inflation-protected government bonds, diversifying hedge funds, cash, and portfolio protection (put options)

Overview of our strategies

NEW COURT

Our broadest strategy, combining return and diversifying assets with an objective of wealth preservation in real terms and long-term capital growth.

HALTON

Our most concentrated strategy investing in listed equities only.

EXBURY

This strategy combines return and diversifying strategies with an objective of wealth preservation in real terms and long-term capital growth.

Furthermore, within Exbury we have an additional focus on investing in assets enabling the goals of the Paris Agreement and supporting the transition to a lower-carbon world.

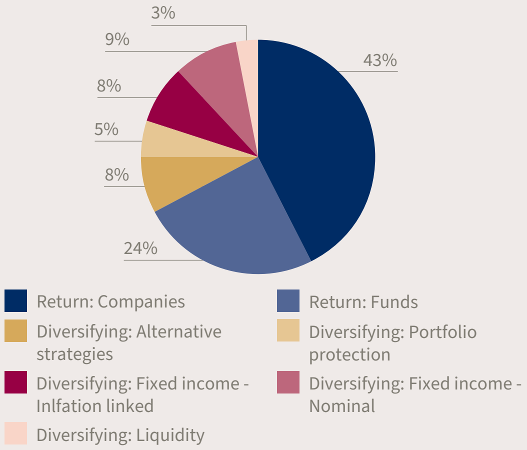
We call these 'enablers', defined by a meaningful contribution to at least one of the four themes below:

- powering our world
- sustainable transport and infrastructure
- responsible production and consumption
- finance and the transition

Allocations in a typical client portfolio

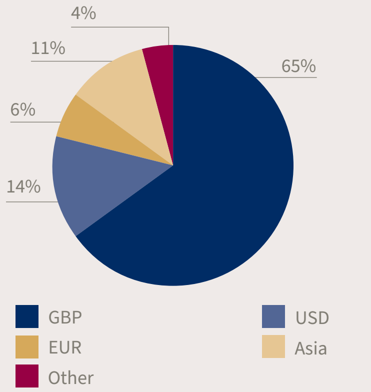
PORTFOLIO BREAKDOWN

Approximate allocations at the end of 2022 were:



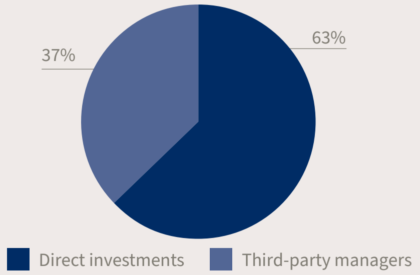
CURRENCY POSITION

By revenue



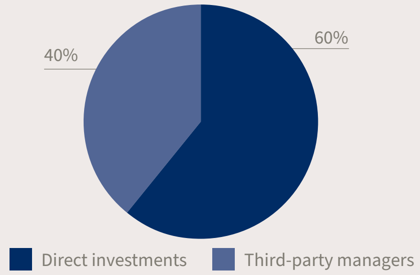
DIRECT INVESTMENTS VS. THIRD-PARTY MANAGERS

Return Assets



DIRECT INVESTMENTS VS. THIRD-PARTY MANAGERS

Diversifying Assets



The above allocations are based on clients with a 'Balanced' risk profile, which is representative of the assets at Rothschild & Co Wealth Management UK Allocations for clients with different risk profiles will differ

Rothschild & Co Group

Rothschild & Co's purpose is to provide a distinct perspective that makes a meaningful difference to our clients' business and wealth, our planet, and the communities we are part of.

As a family-controlled business with more than 200 years of heritage, we know that long-term value creation depends on the balanced consideration of the interests of all our stakeholders. Enabling a future where everyone can thrive is a fundamental requirement for sustaining a successful business over the long term, managing risks for the Group's stakeholders, and unlocking opportunities for growth. As such, sustainability is fundamental to delivering the Group's strategy across its business model.

With a team of 3,800 talented financial services specialists on the ground in over 40 countries across the world, we deliver a unique global perspective across four market-leading business divisions: Global Advisory, Wealth Management, Asset Management, and Five Arrows.

In 2021, the Group formalised its long-term ambition to use its influence and expertise to support the sustainability transition of the global economy as a key pillar of the Group strategy and to further drive business line strategy integration.

A common set of strategic priorities provides the Group with a clear focus, ensuring that sustainability is an imperative across the Group's business model, including its:

- direct operational impact
- investment approaches in the Wealth and Asset Management and Five Arrows businesses
- transaction advice in the Global Advisory business, including dedicated ESG advisory expertise
- client and mandate onboarding
- engagement of other operational supply chain partners
- approach for support of charities and social enterprises.

The Rothschild family control creates the stability and long- term perspective not matched by many organisations. We are unconstrained by short-term thinking – our decisions are not driven by quarterly or annual results – and can be patient. This manifests in a culture of responsible business and long-term value creation for our clients, staff and other stakeholders.

Responsible management of our operations, resources and services plays a fundamental role in our approach to business and achieving our long-term strategic objectives. The importance of getting it right cannot be overstated, given the potential impact on our people, the industry, local communities and the planet.

Our culture is rooted in the Rothschild family values and is central to our longevity and success. This commitment to a culture of responsible business is firmly embedded in our business model.

Rothschild & Co's purpose is to provide a distinct perspective that makes a meaningful difference to our clients' business and wealth, our planet, and the communities we are part of.

Group vision: sustainability commitment as a key pillar in our group strategy

SUPPORTING THE SUSTAINABILITY TRANSITION IS KEY TO OUR BUSINESS MODEL

Values-driven culture

We promote a culture of responsible business and long-term value creation for our clients, stakeholders, and investors

Thoughtful

- Considered
- Strategic
- Long-term

Principled

- Responsible
- Empathetic
- Committed

Creative

- Innovative
- Collaborative
- Entrepreneurial

Three established businesses

One group consisting of three established business

KEY DIFFERENTIATION

Long-term view

- Family-controlled
- Strong capital position
- Enduring client relationships

People-centric

- Breadth of experience
- Deep know-how
- Partnership culture
- Well-connected

Unique brand heritage

- Strong credibility
- High affiliation

BUSINESS ALIGNED STRATEGY

Focus

Build strong market positions and expertise around our three core businesses

Growth

Growth across our three businesses, both organically and through targeted acquisitions, mitigating the impact of cyclicality in our markets

Value creation

Three established businesses with strong synergies between them focused on sustainable performance and value creation

Strong returns

Effective use of capital generates long-term profit growth, supporting our progressive dividend policy

Sustainability ambition

Use our influence and expertise to support the sustainability transition of the global economy

Appendices

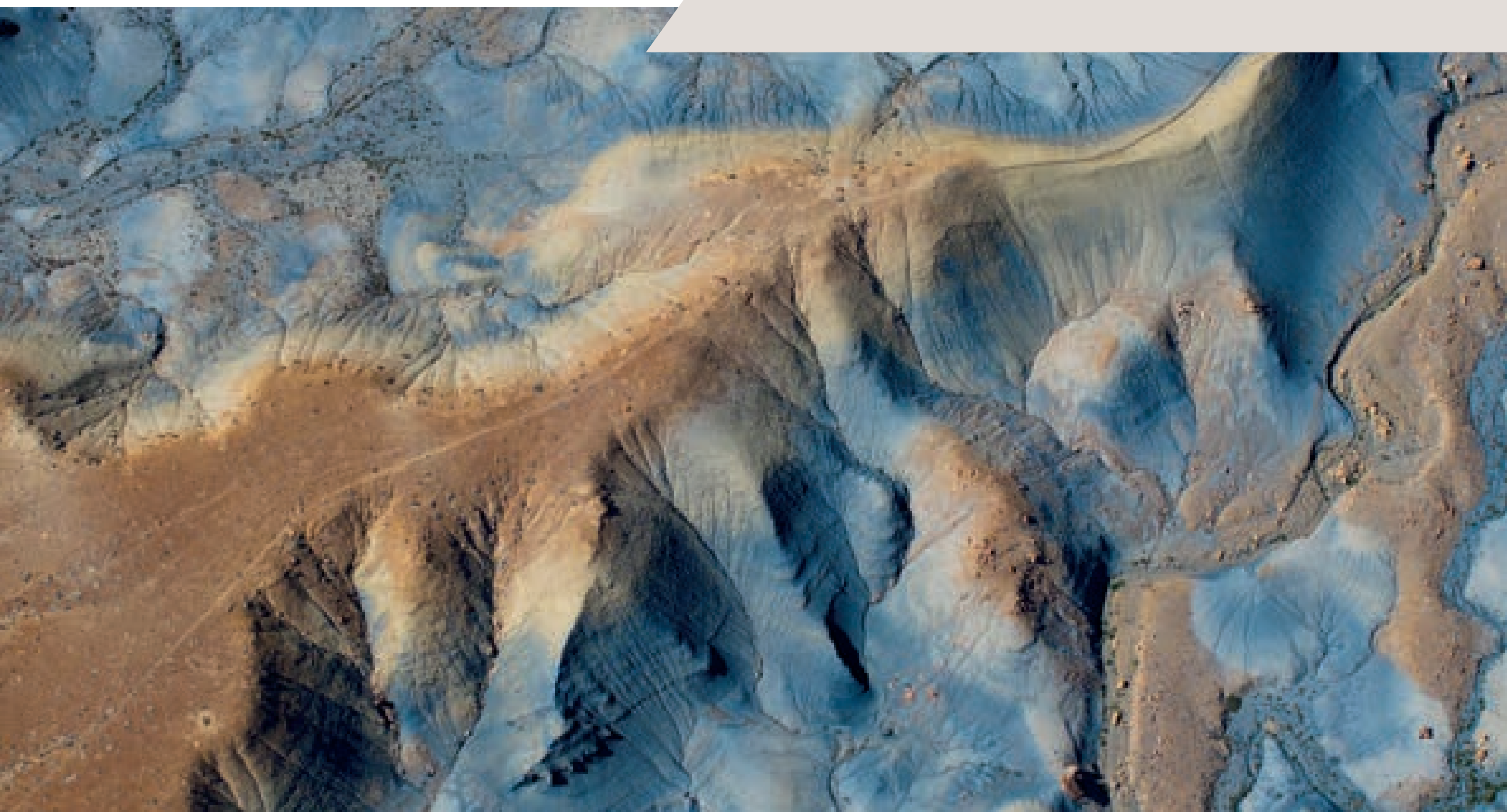
Appendix 1 – UK Stewardship Code mapping table

The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Rothschild & Co Wealth Management UK was a signatory of the previous Code and has been a signatory of the current Code since 2021.

The table on page 43 details where information relating to each principle can be found in this report.

Rothschild & Co Wealth Management UK was a signatory of the previous Code and has been a signatory of the current Code since 2021.



Appendix 2 – Governance at Rothschild & Co Wealth Management UK

Within Rothschild & Co Wealth Management UK, responsibility for stewardship rests with the Co-Heads of Portfolio Management who set the investment strategy and direct the investment team's activities. Investment decisions are made by the four Co-Heads of Portfolio Management and are implemented by the specialist portfolio management team across all discretionary portfolio models. While there is an official investment committee meeting every week, decisions can be taken at any point in time.

The Co-Heads of Portfolio Management have a wealth of investment experience and have worked together for more than a decade. They report directly to Helen Watson, the CEO of Rothschild & Co Wealth Management UK.

As part of their oversight, the Co-Heads of Portfolio Management ensure that sustainability and stewardship are fully embedded in the research and ongoing ownership of investments. The wider investment team is made up of over 20 experienced individuals. Each member of the investment team plays an important role in considering stewardship in their research and analysis and integrating this into the investment process.

Governance of sustainability issues across our business is the subject of an internal review as we are preparing for Taskforce on Climate-Related Financial Disclosures (TCFD) reporting in 2024.

Details about the sustainability strategy across the wider Rothschild & Co Group can be found on our website.

Appendix 3 – Conflicts of interest

As a client-centric business, we seek to always act in our clients' best interests, treat all clients fairly and communicate with them in an honest and transparent way.

We believe the likelihood of conflicts of interest arising in our investment or stewardship activities is limited, given the focus of our investment activities, the concentrated nature of our investment portfolios, and the fact that no individual has sole responsibility for any investment, stewardship or voting decision.

However, we recognise that potential conflicts of interest may arise from time to time, and our policies and procedures are designed to enable us to identify them at an early stage, including with counterparties, third parties, and in relation to stewardship.

Rothschild & Co Wealth Management UK's Conflicts of Interest Policy sets out our minimum requirements and standards. It also describes how we identify, manage and escalate conflicts of interest to prevent clients being adversely affected:

- Any conflicts of interest identified either through compliance monitoring activities, internal audit or business detection are escalated to Compliance and recorded in the Conflicts of Interest register.
- An assessment will be undertaken on the conflict of interest, the risk it represents and the organisational response in relation to this conflict of interest: decline to act or accept with risk mitigation measures in place and disclosure.
- Any material conflicts of interest and the corresponding response will be recorded and escalated to the board for their awareness.

The policy provides clear guidance on management of conflicts that might arise in relation to:

- access to inside information
- confidential client information
- the order and execution of trades
- management of client accounts
- voting and engagement
- personal account dealing
- gifts and entertainment
- outside interests.

Rothschild & Co Wealth Management UK's Conflicts of Interest policy is publicly available on our website. The policy and its related procedures are reviewed at least annually by the Rothschild & Co Board, together with our Risk and Compliance team, and updated as appropriate.

Conflicts of Interest training is part of the induction programme for all new employees, and existing employees are required to complete annual refresher training.

We recognise that potential conflicts of interest may arise from time to time, and our policies and procedures are designed to enable us to identify them at an early stage.

How we mitigate and manage potential conflicts

Potential conflict	Mitigation/or management
Inside information	When engaging with investee companies, it is our strong preference not to be made an 'insider'. Given the concentrated nature of our portfolios, it's also something that we expect will only happen rarely. Occasionally, client teams will be given inside information by clients who are directly involved with listed companies. In the event we receive any type of non-public price sensitive information, it must be reported immediately to Compliance. In order to ensure adherence to our legal and regulatory obligations, Compliance will determine whether trading activity in the security in question needs to be restricted. Restrictions may be hardcoded in our systems and trading prohibited until it is deemed that the information is in the public domain. This includes personal dealing, which will also be monitored by Compliance. Being part of the wider Rothschild & Co Group, there are strict information barriers in place designed to restrict the flow of information between Group entities performing conflicting functions. This includes the segregation of data and computer systems, as well as physical separation of certain businesses and staff (prohibiting access to the same part of the office).
Preferential treatment of one client over another	Our order management system is designed to deliver fair allocation of aggregated orders across multiple clients. This is subject to regular review by Compliance.
Accepting gifts and entertainment	The firm has a strict policy on the acceptance of gifts and hospitality, which may give rise to a conflict of duties owed to clients or the firm. Gifts and/or hospitality can only be accepted if modest and/or infrequent. All gifts and entertainment are recorded and reviewed by Compliance.
Connected persons	Rothschild & Co Wealth Management UK employees may not act for a client where they have close links (such as a familial relationship) with the client concerned, as this may influence the employee to put that client's interests ahead of those of others.
Outside interests	Rothschild & Co Wealth Management UK employees cannot hold any outside activity or position outside their professional capacity that may conflict with their duties to the firm and its clients. Prior clearance must be granted in advance of engaging in any outside activity and, in certain circumstances, clearance may be withheld.

Appendix 4 – Communications

We aim to report our activities and information about portfolios to our clients in a fair, balanced and approachable way. This is in line with our general approach to client reporting, which we design to be user friendly, free of jargon and relevant. We are transparent about parts of the portfolio that are performing well and those which are performing less well, and the reasons why. The same applies to our reporting on sustainability and stewardship. Since 2021 we have made a quarterly presentation available to clients that includes relevant news from portfolio holdings, key internal developments, stewardship highlights and both portfolio level and asset level data. Examples below.

Example ESG metrics

Quantifying environmental, social and governance factors across the portfolio's Return Assets

Metric	Definition	Portfolio level	Market comparator
Environmental			
Carbon footprint (scope 1+2)	Total scope 1+2 carbon emissions per $1m invested (Mt. CO_2e per $1m invested)	68	94
Weighted average carbon intensity (scope 1+2)	Measure of exposure to carbon-intensive companies, achieved by calculating the carbon intensity of each holding and then the weighted average by portfolio weight. (Mt. CO_2e/$m EVIC)	59	53
Carbon emissions disclosure (scope 1+2)	Percentage of companies reporting their scope 1+2 emissions	71%	88%
Carbon emissions reduction target	Percentage of portfolio companies with an emissions target	72%	86%
Social			
Sustainable business practices (UN Global Compact)	Percentage of portfolio companies compliant with UN Global Compact principles	98%	83%
Diversity programmes	Percentage of companies compliant with workplace diversity programmes	73%	83%
Governance			
Board Independence	Percentage of portfolio companies whose boards are more than 50% independent	95%	92%
Significant Vote Against Pay practices	Percentage of portfolio companies invested in companies with where the companies have received a negative vote in excess of 10% against its pay policies and practices	36%	32%
At least 30% of board are female	Percentage of portfolio companies where more than 30% of the board are female	69%	52%

Source: Rothschild & Co, MSCI ESG Manager, Bloomberg.

- The above analysis relates to the portfolio's Return Assets on a 'look-through basis, i.e. it includes companies held both directly and via third-party fund holdings.
- The 'portfolio' is representative of the GBP New Court Balanced strategy as at 31 December 2022.
- All companies covered by MSCI ESG data are included in the environmental metrics, those providing no data have a zero value. Only companies providing data are included in the calculation of the social and governance metrics. Coverage for both the portfolio and the comparator is typically above 90%, although these numbers will fluctuate.
- The 'market comparator portfolio' comprises the largest 2,000 free-float market-capitalisation-weighted global equities subject to a minimum market cap of USD 5.5 billion and a free float of at least 50%, using Bloomberg data.
- This information is provided on a best endeavours basis and is reliant on third party data providers and may be subject to potential pricing delays and indicative numbers where noted as such.

We are also happy to have ad hoc interactions with clients, either about specific holdings or issues, through to general discussions about the relationship between sustainability themes and their investments.

Carbon emissions disclosures and targets

Example reporting for portfolio companies, as at 31 December 2023

Company	Total emissions (Scope 1+2)	Disclose carbon emissions?	Disclose to CDP?[1]	Report in line with TCFD[2]	Has reduction target?	Net zero target	Reduction interim target?	Interim target year	Target reduction %	SBTi commitment or approval[3]
Admiral	3,047	Yes	Yes	✓	✓	2040	✓	2030	50	×
American Express	116,156	Yes	Yes	✓	✓	2035	×			✓
Ashtead	329,820	Yes	Yes	✓	×		✓	2030	35	×
Berkshire Hathaway[4]	75,492,236	No	No	×	×		×			×
Booking Holdings	5,045	Yes	Yes	×	✓	2040	✓	2030	95	✓
Cable One	28,492	No	No	×	×		×			×
Charter Communication	1,632,176	Yes	No	✓	✓	2035	×			×
Comcast	2,071,035	Yes	Yes	✓	✓	2035	✓	2030	50	✓
Constellation Software	40,112	No	No	×	×		×			×
CPKC	3,050,198	Yes	Yes	✓	✓	2050	✓	2030	37	✓
Deere[5]	1,081,400	Yes	Yes	✓	✓		✓	2030	50	✓
Eurofins[6]	202,387	Yes	Yes	✓	✓	2025	×			×
Linde	37,716,000	Yes	Yes	✓	✓	2050	✓	2035	35	✓
Mastercard	56,002	Yes	Yes	✓	✓	2040	✓	2025	38	✓
Microsoft	5,520,663	Yes	Yes	✓	✓	2030	×			✓
Moody's	8,506	Yes	Yes	✓	✓	2050	✓	2030	50	✓
Ryanair	14,269,535	Yes	Yes	✓	✓	2050	✓	2030	10	✓
S&P Global	26,503	Yes	Yes	✓	✓	2050	✓	2025	25	✓

Changes since last quarter in red

Source: Rothschild & Co, MSCI ESG Manager, company data

[1] CDP: the Carbon Disclosure Project, a central body that systematically looks at a company's carbon disclosures thus indicating a certain level of reliability of said emissions disclosure.

[2] TCFD: The Task Force on Climate-Related Financial Disclosures, created in 2015 by the Financial Stability Board to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.

[3] SBTi: The Science Based Targets Initiative defines and promotes best practice in defining emissions reductions and net zero targets in line with climate science. An SBTi approved target indicates a level of scrutiny of a company's targets.

Whilst Berkshire Hathaway (BH) has no interim target at the overall Group level, two of its subsidiaries accounting for 90% of overall carbon emissions, BNSF Railway and BH Energy, have targets to reduce GHG emissions by 46% by 2030.

We are classifying Deere as having a net zero target, which we believe is implicit through its commitment to the SBTi. We will monitor the company's progress on target setting.

Eurofins partially discloses to the CDP and has internal look-through on the majority of the emissions profile of the business. This internal look-through has informed the setting of the company's carbon neutrality target. Eurofins partially reports in line with TCFD in their annual ESG report.

The above holdings illustrate investments made within the portfolio at the discretion of Rothschild & Co Wealth Management UK Limited. They are not shown as a solicitation, recommendation or promotion of any security or fund on a standalone basis. Holdings are subject to change without notice.

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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. Investing for return involves the acceptance of risk: performance aspirations are not and cannot be guaranteed. Should you change your outlook concerning your investment objectives and/or your risk and return tolerance(s), please contact your client adviser. 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. Income may be produced at the expense of capital returns. Portfolio returns will be considered on a "total return" basis meaning returns are derived from both capital appreciation or depreciation as reflected in the prices of your portfolio's investments and from income received from them by way of dividends and coupons. Holdings in example or real discretionary portfolios shown herein are detailed for illustrative purposes only and are subject to change without notice. As with the rest of this document, they must not be considered as a solicitation or recommendation for separate investment.

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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.