



# Rothschild & Co Wealth Management UK Limited

## Client Brochure Form ADV Part 2A

CRD# 158022

SEC File # 801-72759

<b>Address</b>	New Court, St Swithin's Lane, EC4N 8AL, London, United Kingdom
<b>Contact</b>	wmloncompliance@rothschildandco.com or +44 207 280 5064
<b>Date</b>	23 March 2022
<b>Website</b>	<a href="http://www.rothschildandco.com">www.rothschildandco.com</a>

This Brochure provides information about the qualifications and business practices of Rothschild & Co Wealth Management UK Limited ("we", "us", "Rothschild & Co" or "our"). If you have any questions about the contents of this Brochure, we can be reached at the above contact details. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any U.S. state securities authority or by the UK Financial conduct Authority ("FCA").

Rothschild & Co is a registered investment adviser. Registration of an investment adviser does not imply a level of skill or training.

Each update of this Brochure will be delivered to clients within 120 days of the end of our fiscal year.

Additional information about us is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This is our updated Brochure since our annual amendment was filed on 23 March 2022.

Other than corrective amendments, the only Material change is the change in direct owner, as of 16th March 2022, Rothschild & Co Wealth Management UK Limited's new parent is Rothschild and Co Wealth & Asset Management SAS. Rothschild & Co Wealth Management UK Limited was sold by Rothschild & Co Continuation Holdings AG to Rothschild & Co Wealth & Asset Management SAS.

In future filings, this section of the Brochure will address those material changes that have been added since the most recent delivery to clients and posting of this document on the SEC's public disclosure website ("IAPD"), [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you would like a copy of this Brochure, you may download it from IAPD or contact us, details noted above.

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# Rothschild & Co Wealth Management UK Limited

## Item 4 – Advisory Business

### Principal Ownership

Rothschild & Co Wealth Management UK Limited was formed in 2002 and is a United Kingdom provider of discretionary, non-discretionary investment management and wealth management services to private clients and their connected structures. We are authorized and regulated by the UK Financial Conduct Authority and are registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940 (“Advisers Act”).

We are directly owned by Rothschild & Co Wealth & Asset Management SAS and remain ultimately owned by Rothschild & Co SCA. The Rothschild & Co Group is a global financial advisory group which is family-controlled and independent. It has been at the center of the world’s financial markets for more than 200 years.

**This Brochure discusses the services that we offer to our U.S. resident clients.**

### Advisory Services

For clients that have agreed to the Rothschild & Co Wealth Management Terms and Conditions (US), we provide investment advisory services on a discretionary basis to individuals, their connected structures and private funds. Each client’s assets are managed in a separately held account. We do not accept U.S. person orders to buy or sell securities.

### Customisation

We require each client to execute an investment management agreement (“IMA”) that details the nature of the discretionary investment advisory authority given to us, and that documents the client’s investment objectives, restrictions, guidelines, base currency and risk profile (“Profile”). Customisation is based upon the client’s individual preferences, personal circumstances and/or tax-management requirements as provided by the client and/or the client’s tax adviser, as applicable, and forms part of the Profile. Each Profile is managed as a bespoke portfolio, as discussed in Item 8.

### Investment Types

For the equity allocation of client accounts, we invest in common stocks that trade on international exchanges in their respective local currencies, through collective investment schemes or exchange-traded funds (“ETFs”).

Investments in the fixed income allocation of client accounts include global, government, agency and corporate issuer bonds in their respective local currencies, through collective investment schemes or ETFs. We invest mainly in investment grade bonds and primarily in securities whose underlying issuer rating from at least one of the two major rating agencies (Moody’s and Standard & Poor’s) is “BBB” or better.

Currency exposures within client accounts are managed, when appropriate, by using FX forwards. We also use put warrants. We do not do this in such a manner to be deemed a commodity trading adviser and we are an exempt Commodity Trading Adviser under the U.S. Commodity Exchange Act.

### Assets under Management

As at 31 December 2021, we have US \$20,124,706,204 in assets under management.

## **Item 5 – Fees and Compensation**

Our fees are charged as a percentage of assets under management. The standard management fee is 1% per annum (plus VAT, if applicable). We negotiate fees and may adjust this fee upwards or downwards at our discretion depending on individual client situations.

Foreign exchange transactions may be subject to currency commission. We may effect these transactions with Rothschild & Co Bank AG, a related person, and to address the conflict of interest arising from this we are required under MiFID II only to use these arrangements where we consider we would achieve at least as good results for our client as we would from another broker or venue.

The management fee is inclusive of investment services, investment reporting and custody fees. Custody services are provided by a third party.

Our management fees are exclusive of brokerage commissions, transaction fees and other related market or third-party costs and expenses that are incurred by the client. Item 12 describes the factors that we consider in selecting brokers or counterparties for transactions and determining their commissions and fees.

These fees are billed quarterly in arrears based on the previous three month-end account values in the agreed reference currency. Clients are not required to pay fees in advance. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee.

All fees are agreed in advance with our clients and clearly stated in the IMA.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not offer performance-based or side-by-side asset management fees. We do not charge performance-based fees.

## **Item 7 – Types of Clients**

We offer asset management services primarily to high net worth individuals, trusts, companies, charities and pensions. The minimum client relationship size is £ 5,000,000, although we may accept smaller investments at our discretion.

In order to establish and maintain a relationship with us, each client must provide all necessary documents to demonstrate compliance with the relevant regulatory and tax authority requirements (including the UK, the U.S. and other jurisdictions, as applicable). A list of all required documentation will be provided as a basis of the establishment of the new client relationship.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Our investment philosophy is focused on the preservation of capital and the achievement of real returns over the economic cycle. We believe in active portfolio management within specified parameters and do not seek to follow or replicate any benchmark or index in managing portfolios.

Investment/portfolio strategies are agreed with each client from the range of portfolio strategies that we operate set forth below, taking into consideration each client's investment objectives and Profile as well as other factors (i.e. investment purpose, investment time horizon, financial and personal circumstances, and / or tax-management requirements as provided by the client and / or the client's tax adviser, as applicable).

We offer the following strategies and risk profiles: low risk, cautious, balanced, equity risk and return-assets.

Clients select one of the following account currencies: GBP, EUR, USD and CHF.

Each strategy and risk profile has a specified investment return objective (e.g. inflation + x%).

We implement each strategy and risk profile through a bespoke portfolio (“Portfolio”). No guarantee, assurance or representation is made that any Profile will achieve its investment objective.

Each Portfolio has a ‘Risk Budget’ that we use as the basis for investment to help deliver the investment return objective. The Risk Budget is not a target but acts as a cap on volatility. We ‘spend’ the Risk Budget by seeking attractive investments for Portfolios. Portfolios are monitored with reference to the Risk Budget to ensure that over the long term the risk associated is consistent with the Portfolio strategy. We perform regular stress tests of the Portfolios.

When defining and controlling risk, we make the distinction between two types of risk: volatility risk (which is temporary and comes from the regular and inevitable swings in asset prices that are a constant feature of financial markets); and the risk of permanent loss of capital in real terms. Permanent capital loss, in real terms, could result from a sustained rise in inflation that erodes purchasing power; an individual investment that collapses in price and never recovers; or an investment that is sold after a price collapse, preventing the investor from enjoying any subsequent rebound. Whilst we seek to limit volatility, it is an unavoidable feature of investing. We do, however, focus on managing risk factors that can turn volatility into permanent capital loss.

We build Portfolios from the bottom-up. This does not mean, however, that we disregard prevailing macro-economic environment. Our Global Investment Strategist, a senior employee of ours, formulates our investment views, which are reflected in our investment decisions.

Portfolios are a combination of directly held securities and third-party funds.

We invest in assets that we expect to produce inflation-beating returns over the long-term and in assets that seek to provide genuine diversification, which we believe will help avoid large losses. We do not have a fixed allocation nor any mandatory or target allocation to any specific asset class. The appropriate combination of assets is determined by each Portfolio’s specific investment return objectives and risk profile.

We have a strong in-house investment team but recognize that we do not have a monopoly on either the best ideas or investment talent. For that reason, we invest our clients in non-affiliated third-party funds whose managers share our philosophy and high conviction approach; either managers with specialist knowledge or a complementary skill set. We see these managers as long-term partners and an extension of our research capabilities, providing local knowledge and specialist expertise. We only use third party funds where the track record and potential for excess returns fully justify the costs.

There are no prescribed ranges that determine the weightings between direct holdings and non-affiliated third-party funds in portfolios. Weightings are based on valuation and opportunity, although we are mindful of the additional costs involved in investing funds and this is a key consideration when making the decision between the two.

Our stock selection process is focused on finding issuers of securities with good or great management teams that trade at attractive valuations and that can be held for the long term. We believe in acting as long-term business owners. We conduct fundamental analysis through our research processes. When investing into individual stocks, our selection philosophy emphasizes company fundamentals, free cash flow generation over economic cycles and long-term industry drivers. For bonds and money market instruments, we focus on securities with a minimum rating agreed internally liquidity and issuer quality also are key considerations. For non-affiliated third-party funds, we use a systematic process using detailed quantitative and qualitative measures. Our due diligence and research is rigorous and seeks non-affiliated third party funds with a history of adding value versus an investable benchmark or achieving a target return. We also have extensive in-house expertise in alternative asset classes.

We believe there is value in using historic data to help guide future investment decisions. However, past performance is no guarantee of future results. Accordingly, our investment analysis process considers historic data in view of the current market environment, taking into consideration several factors, including, where we are in the investment cycle and potential future investment themes. This allows us to adjust and focus the proposed asset allocation for model portfolios in areas that we expect to generate the strongest returns in the long term.

## **Item 9 – Disciplinary Information**

There are no legal, regulatory or disciplinary events to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

We are ultimately owned by Rothschild & Co SCA. The Rothschild & Co Group is a global and family-controlled group with four main business units: Global Advisory, Wealth Management, Merchant Banking and Institutional Asset Management.

We do not trade, hold customer funds or assets or execute U.S. client account transactions (other than foreign currency forwards and spots, see Item 5) through any affiliate.

Neither we nor any representative of ours is registered (active nor pending) as a futures commission merchant, commodity pool operator or commodity trading advisor.

Our officers, directors and employees, called “supervised persons”, may have access to “confidential client information” (as defined in our Code of Ethics (“Code”). Such persons with such information are “access persons” (under our Code). This is a conflict of interest. To address this, our Code’s personal account dealing (“PAD”) policy and procedures require pre-clearance and reporting (initial, annual, transactional and quarterly) of all such activity. Compliance monitors all such activity.

Our Compliance Control Room maintains a non-public Sensitive List that details all the listed securities for which supervised persons hold non-public price sensitive information or confidential client information. No one may buy or sell a security on this list.

We provide training annually to all supervised persons reminding them of the Code’s requirements.

We use information barriers designed to restrict the flow of information between internal departments and from other Rothschild & Co entities. The operation of the information barrier involves a range of practices including the segregation of data and computer systems, as well as physical separation of certain businesses (and supervised persons) so that they are unable to access the same part of the office.

Conflicts of interest exist where supervised persons and their connected persons hold securities for their own account and where the same securities are held by clients. Our Code PAD requirements place controls and limitations on the ability of these persons to trade for their own account.

Supervised persons receive gifts or entertainment from prospects and clients. To address this, no one may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in the circumstances. All gifts of £250 and entertainment of £500 or more require line management and Compliance pre-clearance. In some instances, clearance may be conditioned or declined.

Supervised persons are required to comply with the Group Policy on Anti-Bribery and Corruption.

We conduct training annually, in addition to online Group Legal, Compliance and Risk training. Supervised persons are required annually to attest that they have read, understood and will comply fully with the requirements in our written policies and procedures, and our Code, to confirm that they have complied fully with our gifts and entertainment policy and procedures. Our Anti-Bribery and Corruption policy states that no political donations of any sort on behalf of the firm are permitted.

Rothschild & Co Bank AG, an affiliate, calculates the valuations of clients’ portfolios for client reporting purposes. Our fees are calculated as a percentage of the value of clients’ portfolios. This is a conflict of interest, and to address this we require an independent review of the valuation methodology and results (a part of that company’s annual audit).

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **General**

Rothschild & Co has adopted a Code that applies to supervised persons. The Code describes the standard of business conduct and fiduciary duty we owe to our clients. The Code includes provisions relating to preventing the misuse of confidential client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, PAD requirements for access persons and their connected persons, procedures to seek clearance to engage in outside business activities or financial interests and reporting Code violations. The pay-to-play rule regarding political contributions applies to us, but we do not offer our services to U.S. institutional, pension or governmental institutional clients. All supervised persons must acknowledge the terms of the Code annually, or as amended.

We do not trade on our own behalf.

### **Prohibition on Insider Trading**

Our Code prohibits the use of unpublished price-sensitive information.

### **Personal Trading**

Our access persons and their connected persons must follow the Code's PAD requirements. These are designed to assure that the PAD activities and interests of these persons do not breach regulatory requirements or interfere with making decisions in the best interest of clients and implementing such decisions while, at the same time, allowing these persons to invest for their own accounts.

The PAD requirements include restrictions on trading certain securities, pre-clearance requirements and reporting requirements (initial holdings report, annual holdings report and quarterly transaction report). Subject to compliance with these requirements, access persons and connected persons may buy or sell securities. Subject to pre-clearance requirements to prevent the misuse of confidential client information, monitoring checks and subject to applicable laws, access persons and connected persons may trade for their own accounts in securities that are purchased for our clients, but for a period before and after client activity. Such trading is not permitted where an access person is involved with research, advice or recommendations that is or is to be used for clients.

Certain classes of securities have been designated as exempt from reporting requirements set forth in the Code and the Advisers Act.

Access person and connected person trading is monitored to prevent or address conflicts of interest and prevent the misuse of confidential client information. Code activity is monitored by the Compliance department and enforced by senior management.

## **Item 12 – Brokerage Practices**

Generally, and as described in Item 16, we are retained on a discretionary basis and are authorized to determine and direct execution of transactions within the client's Profile. As a fiduciary, we have a duty to act in the best interests of our clients.

We do not act as principal (trade for our own account) or trade with clients.

We do not use affiliated brokers or counterparties.

We do solicit or not take U.S. client orders to buy or sell securities.

We do not effect cross trades for U.S. clients.

## **Brokerage Relationships and Selection Criteria for Brokers and Counterparties**

Rothschild & Co has adopted policies and procedures regarding the best execution of trades for client accounts. We place client orders in listed and over-the-counter securities by routing such orders to the institutional desks of selected brokers and counterparties, but not affiliated brokers.

We do not permit U.S. clients to select brokers or counterparties for transaction execution. Broker and counterparty selection are at the sole discretion of Rothschild & Co.

Our objective in selecting brokers and counterparties and in placing trades is to seek to obtain a total consideration (price plus costs) in each transaction that is the most favorable for the client under the circumstances. The best net price, giving effect to brokerage commissions, spreads, and other costs (as applicable) is an important factor in this decision, but certain factors are considered as they are deemed relevant under the circumstances. We have procedures in place to review periodically our choice of brokers and counterparties to determine that, taking into account all the factors specified above, the broker or counterparty is providing the best results for our client orders on a consistent basis. In making this determination we will have regard to:

- prices offered for the particular type of instrument over time;
- average costs per trade charged for the type of trade over time;
- the order execution policy of, and any other guidance issued by, the relevant broker or dealer from time to time.

We have implemented policies and procedures to address the conflicts of interest associated with our brokerage practices. Rothschild & Co will periodically obtain information as to the general level of commission rates being charged by the brokerage community and evaluate the overall reasonableness of commissions, spreads and mark-ups and mark-downs paid on client transactions by reference to such data. To the extent our clients have been paying higher commission rates for its transactions, we will determine if the quality of execution and the services provided by the broker / dealer justify these higher commissions. We may remove a broker or counterparty from the Approved Broker List. In addition, based in part on this best execution analysis, we seek to establish target allocations by broker or counterparty on an annual basis. The Investment Committee reviews activity in the accounts, including portfolio turnover.

## **Order Aggregation (“Batching”) and Allocation**

We may purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security are aggregated or “batched” as one order.

It may not be possible to execute an order in a single transaction. Because of size, timing issues or market fluctuations, the prices obtained on two or more transactions within a single day may vary, possibly substantially. We use an “averaging” procedure pursuant to which two or more purchases or sales of a particular security will at times be undertaken at different times over the day and confirmed at an average price. Here, the price shown on the confirmation of the client’s purchase or sale will be the average execution price on all of the purchases and sales that are aggregated for this purpose.

For orders that are partially filled, shares will be allocated pro-rata among participating accounts that day, based on their pre-trade allocation pro rata share of the order. Pre-trade allocations reflect factors such as cash considerations, the use of round lots, restrictions or to reduce unnecessary custodial costs. Additionally, if we are unable to determine that it would be impractical to allocate a small number of securities among one or more accounts, we may allocate such securities in a manner it determines in good faith to be a fair allocation.

## **Research**

We generate our own research, via our in-house research team. We visit companies and their management, and visit reports are monitored by management and Compliance. We purchase research from third parties, but we pay for this out of our own funds under MiFID II. There are no soft-dollar arrangements in place.

## **Trade Errors**

We have trade error policies that provide for the resolution of transactional errors. Once discovered, errors are required to be reported internally as soon as possible. It is Rothschild & Co's policy to resolve any error identified in a client account in a manner that avoids harm to the client account. Clients receive gains, we bear losses and we do not net gains against losses.

## **Item 13 – Review of Accounts**

We review client accounts and Portfolios at least weekly and more frequently in the case of relevant market events and other occurrences that may result in investment opportunities or investment risks. Individual securities are reviewed on an on-going basis to ensure appropriate Portfolio construction and to implement investment decisions. Portfolio managers consider performance, portfolio risk, security selection, and portfolio allocation. Meetings are held periodically with the members of the Portfolio management team and our Portfolio implementation team and Compliance to review client accounts which are outside standard Portfolio parameters.

Custodians provide account statements to clients monthly or quarterly at a minimum. Apart from this, we provide a quarterly summary of account activity. These include portfolio appraisal reports exhibiting securities positions, cost, market value and estimated income and asset value.

## **Item 14 – Client Referrals and Other Compensation**

Neither we nor any of our related persons, supervised persons or representatives receive economic benefit from any parties other than the fee we receive to manage portfolios. We do not have any solicitation agreements within the ambit of Rule 206(4)-3 under the Advisers Act.

## **Item 15 – Custody**

We do not have custody as this term is defined and applied in the Advisers Act.

## **Item 16 – Investment Discretion**

We receive discretionary authority at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

## **Item 17 – Voting Client Securities**

We do not vote proxies for US resident clients, and do not provide advice to clients about how to vote proxies. We do not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies, class actions and shareholder litigation.

## **Item 18 – Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.