

Investing in our future



Our responsible investment policy underpins a sustainable and long-term approach to managing wealth

May 2020





**Select plate from
Picturesque Botanical
Plates of the New
Illustration by Robert
John Thornton, 1799.**

This large volume of illustrations was originally in the library of natural history works collected by Lionel Walter, 2nd Lord Rothschild.

The 2nd Lord Rothschild was a notable and passionate natural historian and scientist. In 1892, he opened a private museum that housed one of the largest natural history collections in the world. Still open to the public today, the museum is now part of the Natural History Museum in London.

Thanks to his lifelong contribution to the preservation of the natural world, hundreds of subspecies carry the Rothschild name, including insects, birds, mammals and fish.

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

© 2020 Rothschild & Co Wealth Management
Publication date: May 2020.

A vision for tomorrow

Our everyday decisions have more power than ever before to change the world around us – from the food we eat to the clothes we wear and the way we travel. As well as adjusting our lifestyles, how we manage our wealth can also have a powerful influence when we invest in a way that is consistent with our values.

As professional investors, we know our decisions make a difference. We are committed to investing responsibly, not only because this approach allows us to deliver long-term sustainable returns for our clients, but because fundamentally it's the right thing to do. We want to help shape the future in a way that aligns with the causes and issues that are important to us all. After all, there's little point in preserving and growing wealth for future generations if we invest capital in a way that is detrimental to the air they breathe or the society they live in.

Many of our clients want to know that we're investing responsibly and in line with their vision of making the world a better place. While everyone's view of a better world will look slightly different, by making investments in sustainable businesses with responsible business practices we believe we can contribute to a more sustainable and resilient world.

The power of the ripple effect

The wealth management industry – in the way it allocates capital and defines value creation – can play a significant role in driving change and helping to tackle some of the world's greatest challenges.

Our investment approach combined with the reputation of our firm give us a very powerful voice when it comes to encouraging positive change. When we are managing your wealth, your voice becomes part of the £10 billion we are investing. This in turn has a ripple effect on the £3 trillion of total capital represented by the companies and funds in which we invest.

In a complex and constantly evolving world we don't pretend to have all the answers. While investing responsibly has always been central to what we do, this is an ongoing journey and we're constantly striving to improve how we integrate sustainability in our investment process in order to make better-informed investment decisions.

This latest edition of our responsible investment policy seeks to offer an insight into our thinking, the practical steps we are already taking as responsible investors, and our vision for tomorrow. Should you wish to find out more about our approach to responsible investing, please contact your client adviser.

A responsible investment approach

Preserving and growing wealth for multiple generations

Our objective is to preserve and grow the real value of our clients' wealth over multiple generations. We do this by building portfolios that aim to grow prudently over the long term, by outpacing inflation and avoiding large losses.

Our investment philosophy is underpinned by the following principles:

- **Bottom-up proprietary research.** We focus our time and energy on identifying companies and funds that we believe will deliver our investment objective. We believe in conducting our own investment research. Our intensive, fundamental research process provides a solid foundation for investment decisions and allows us to act with conviction.
- **Long term.** We believe we can best deliver our return objectives by owning investments over the long term. In the short term, share prices are unpredictable, but over the long term they reflect underlying business performance.
- **Investing sustainably** is the only way to deliver attractive returns over multiple generations. This involves taking a long-term view and investing in companies with sustainable business models and responsible business practices, as well as selecting actively managed funds that share this philosophy.
- **Best ideas.** Good investment opportunities are rare – only a small number of businesses and management teams have the ability to generate sustainable long-term returns. While diversification is important to limit the impact of investment missteps and to manage volatility at a portfolio level, we believe in investing with conviction and backing our best ideas.
- **Return and diversifying assets.** We balance our exposure to return assets with diversifying assets in order to limit the impact of major market corrections.

What is a sustainable investment?

Identifying sustainable investments involves more than just looking at the numbers. It requires considering a range of non-financial factors alongside more traditional financial metrics. In our view, sustainable businesses have the following critical, interconnected attributes:

- They have strong business models, which means they are likely to be able to sustain and grow their profits long into the future. These companies have strong competitive advantages, such as economies of scale, network effects (a phenomenon whereby increased numbers of customers improve the value of services or goods) or compelling intellectual property, to name a few.
- They have sustainable business practices that pay due regard to all stakeholders (including employees, customers, suppliers, and not just shareholders and senior management), and that manage their environmental, social and governance (ESG) responsibilities well.

Companies with sustainable business practices are more likely to prosper over the long term. They are likely to be better prepared to meet future strategic challenges.

Experience shows us that companies with sustainable business practices are more likely to prosper over the long term. They are better at managing their risks and responsibilities and are likely to be better prepared to meet future strategic challenges and take advantage of new business opportunities. They have happy, repeat customers, treat employees fairly, consider their environmental impact and implement robust corporate governance practices.

For example, if a company suffers reputational damage because it has been involved in an oil spill, or is discovered to be mistreating its workers or involved in a corruption scandal, its earnings are likely to suffer. This ultimately affects its intrinsic value and the price investors are willing to pay. Meanwhile, companies that manufacture their products responsibly, treat their supply chains respectfully, use energy efficiently, and invest in their employees and the communities in which they operate are more likely to outperform their competitors and return more value to shareholders.

Thinking, fast and slow*

We acknowledge that no business is perfect. Nor is sustainable investing straightforward: the world is complicated and the issues we need to consider as investors require extensive analysis and more critical, second-level thinking,

We believe our rigorous fundamental research gives us this in-depth understanding of a company and enables us to assess the long-term sustainability of a business and the quality of its management. By delving deeper, we can often reach a more nuanced conclusion. For example, we've identified businesses that at first glance seem harmful for the environment, but further analysis reveals their overall environmental impact is actually positive across the value chain. Meanwhile, other companies that initially appear to be sustainable sometimes do not stand up to more detailed scrutiny. An example of this would be certain large technology companies, previously regarded as ESG leaders in many respects, but where serious questions are now being asked about data privacy, tax policies, and business ethics in general.

As a general rule, we prefer to assess investment opportunities on a case-by-case basis, rather than apply blanket exclusions. However, there are some basic principles we think all companies should adhere to and certain activities that in our view are indisputably harmful to the environment or society. These are our 'red lines' and we don't invest in companies that cross these.

A tour of the mind

Thinking, Fast and Slow is a best-selling book published in 2011 by Nobel Memorial Prize winning economist Daniel Kahneman. This groundbreaking tour of the mind explains the two systems that drive the way we think. System 1 is fast, intuitive, and emotional; system 2 is slower, more deliberative, and more logical. Kahneman exposes the extraordinary capabilities – but also the faults and biases – of fast thinking, and reveals the pervasive influence of intuitive impressions on our thoughts and behaviour.

Red lines

We expect the companies we invest in to respect the United Nations Global Compact principles on human rights, the environment, corruption and labour practices. We will never knowingly invest in companies that breach these principles and would sell our shares if we discovered a company was doing so.

Additionally, we will avoid investing in companies whose primary activities involve the following industries:

- Armaments
- Gambling
- Mining thermal coal and coal power plants
- Pornography
- Tobacco.

ESG analysis is integral to our investment decisions

Identifying sustainable investments involves considering all factors that can affect long-term financial performance, including environmental, social and governance (ESG) issues. These are non-financial considerations that can both mitigate risk and unlock opportunities.

| Environmental | Social | Governance |
|-------------------------------------|--|----------------------------------|
| Climate change | Working conditions, including slavery and child labour | Executive pay |
| Greenhouse gas (GHG) emissions | Local communities, including indigenous communities | Bribery and corruption |
| Resource depletion, including water | Conflict | Political lobbying and donations |
| Waste and pollution | Health and safety | Board diversity and structure |
| Deforestation | Employee relations and diversity | Tax strategy |

Source: UN PRI

Amber zones

There are other sectors and businesses where there may be questions from a long-term sustainability perspective. While we don't exclude these activities outright, they fall into what we define as 'amber zones'. They require an even greater level of scrutiny and analysis for us to understand their environmental and societal impact before we invest. The following sectors are examples of activities that fall into our amber zones today.

- **Alcohol.** The majority of people who drink alcohol do so in moderation and the alcohol industry mostly supports and promotes responsible drinking. However, we also recognise that alcohol can be habit-forming and can cause social harm as a result.
- **Airlines.** The airline industry accounts for around 2% of all human-induced CO₂ emissions, although its share is expected to increase significantly as other industries decarbonise and aviation traffic continues to grow. We acknowledge that there's no substitute for flying when travelling long distances, and also recognise the social and economic benefits the aviation industry brings: flying enables people to visit friends and family; it stimulates the tourism industry in many developing countries, and so on. When we analyse airline companies, we evaluate their commitments to the Paris 2050 goals; fleet efficiency; emissions per passenger kilometer flown; investments in better planes and alternative fuels; and participation in carbon trading and carbon-offset schemes.
- **Basic materials.** Historically, we've avoided investing in this sector because we struggle to identify differentiated business models and find it difficult to value the commodities that underpin their revenues. The environmental and social consequences of mining are also well documented. However, at the same time we recognise that our world as we know it relies on raw materials like iron ore, copper and cobalt. We acknowledge this sector also has an important role to play in providing the raw materials necessary for the transition to clean energy and meeting the Paris 2050 climate goals. Shareholders can play an equally important role by encouraging these companies to operate more sustainably by improving their social and environmental standards.
- **Fossil fuels.** We recognise that some energy companies are shifting their businesses towards renewable energy and have the knowledge and resources to invest prudently in these new areas. However, while the global economy will need fossil fuels for the foreseeable future, those companies that continue to rely on oil exploration and production are environmentally unsustainable in the long term.

Amber zones require a greater level of scrutiny and analysis in order for us to understand their environmental and societal impact before we invest.

A climate-neutral Europe

On 28th November 2018, the European Commission set out its strategic vision for achieving a climate-neutral Europe by 2050. The strategy aims to demonstrate how the region can lead the way in climate neutrality by investing in technological solutions and aligning action in key areas such as industrial policy, finance and research with this goal. The objective is in line with the Paris Agreement, which aims to keep the global temperature increase to well below 2°C and as close to 1.5°C as possible.

Looking beneath the surface: assessing impact

When assessing the impact of a company's activities, the story is often more complex than it first appears. For instance, consider a manufacturer of industrial gases. Its products are critical to certain areas of the economy. They include healthcare and clean water, as well as for companies that produce chemicals, fuels, electronics and metals – and even space exploration.

The processes involved to produce the gases are incredibly energy intensive – separating air into its pure components uses huge amounts of electricity. Measured on this basis alone, companies involved in this industry have a substantial carbon footprint.

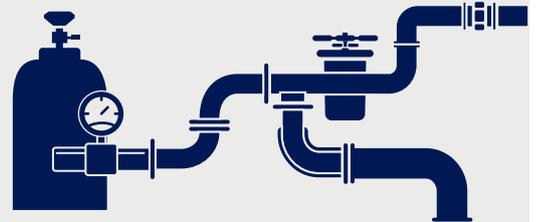
However, further analysis reveals that the products and technologies these companies provide enable their customers to improve their own economic and environmental performance. Examples include:

- steelmakers using oxygen to operate more efficiently;

- oil refineries using hydrogen to produce diesel with an ultra-low sulphur content; and
- engineering firms using a combination of gases and speciality metals to create a thermal barrier that improves the efficiency of power turbines and aircraft engines.

In fact, the total reduction in emissions that the customers and end-users are able to achieve more than offsets these companies' own emissions, resulting in a net positive impact on the environment and society.

Companies in this industry also stand to benefit from increased demand for environmentally friendly solutions, as regulation relating to climate change increases.



How we invest

Implementing our responsible investment approach

Investing responsibly is not a box-ticking exercise or simply a matter of adhering to a list of rigid criteria. For us, it involves considering all the issues that affect a company's financial performance over the long term, including relevant ESG factors. A one-size fits all approach that uses ESG screens and checklists is too simplistic because not all ESG factors are relevant to all companies.

Environmental impact and fuel efficiency, for example, matter more to an airline and its ability to grow profits than they do for a bank. Meanwhile, social media companies need robust privacy policies; and cybersecurity is vitally important for financial services firms. Therefore, we concentrate on the most material issues for each investment and use this analysis to make more informed decisions.

Investing in direct equities

This focus on materiality forms part of our initial evaluation and ongoing monitoring of the companies we own – and we construct a materiality map for each company. This map details the most material ESG factors that can affect a company and provides our assessment of how management is addressing them. The materiality maps provide a framework for the issues we discuss with company management and allow us to monitor progress.

Our investment team assesses and debates ESG factors as an integral part of the investment process, just as we consider a company's competitive position, the sustainability of its business model, and the quality of its management. We care deeply about how these issues influence the companies we invest in and all our investment professionals have this mindset.

It's why we don't believe in having a separate ESG team. In our view, treating these factors as a separate exercise dilutes their impact. We believe that the responsibility for sustainable investing and its implementation within the investment process sits with each member of our investment team.

We acknowledge that we don't know everything, so to complement and challenge our own research we use Sustainalytics, a leading independent provider of company research

specifically focused on sustainability factors. Their research helps us identify potentially controversial issues relating to our investments, including both direct holdings in individual companies and third-party funds.

Investing responsibly involves considering all the issues that affect a company's financial performance over the long term.

Investing in funds

There is an additional challenge involved when selecting funds compared with direct equity investments because we are giving discretion to another team of investors. We look for a specific type of manager who we believe we can trust, which will allow us to partner with them over the long term. The managers we invest in must satisfy the following three criteria:

- **Alignment:** beliefs and values are substantially the same as ours, and the management fees are fair.
- **Integrity:** actions speak louder than words, which is how we build trust in a manager.
- **Transparency and access:** full insight into the portfolio and investment decisions.

We expect managers to have a formal ESG (or similar) policy. However, we are more concerned with the integrity of a manager's philosophy and approach, providing they demonstrate an ongoing commitment to investing sustainably. Encouraging them to adopt a policy is then an important part of our ongoing dialogue. We monitor the relevant sustainability factors for a fund manager across three material components – policy, process and portfolio.

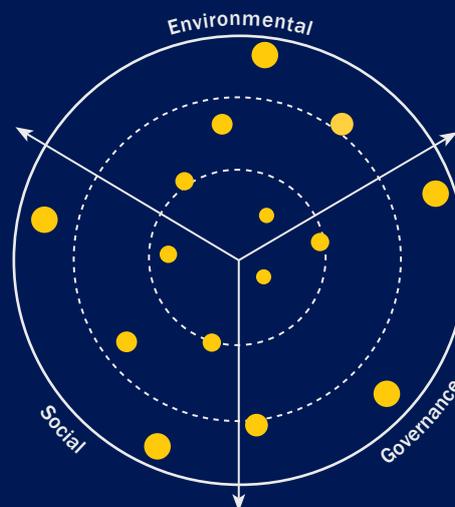
Policy. We evaluate a manager's investment philosophy and whether it makes clear reference to sustainability. If there is an ESG or sustainability policy in place, we review what it entails. In addition, we analyse the engagement strategy and proxy voting policy. Lastly, we look

Materiality matters

When assessing ESG risks and strengths there is an almost endless list of factors that can be considered. But not all ESG issues are relevant to all companies; factors that are financially material differ from one industry to another. Fuel efficiency, for example, matters much more to an airline and its ability to grow its profits, than it does to a bank.

Therefore, we concentrate on those factors we believe could have a material impact (negative or positive) on a company's long-term performance. We spend our time assessing the impact these could have on a company's operating model and long-term sustainability, and what this means for our investment thesis.

There is compelling evidence to suggest that good performance on material ESG issues translates into higher financial returns. As investors, we look for evidence that companies are focused on the material ESG issues that matter to financial performance.



at the manager's commitments to sustainable investing, such as membership of the UN PRI and other initiatives.

We expect our managers to vote on our behalf in shareholder meetings. As with investment decisions, our managers have complete discretion on how to vote, but we expect them to report back to us on important voting decisions. As a minimum standard, we expect our managers to execute proxy votes on non-standard issues whenever they can vote. However, in some jurisdictions it may be difficult to execute a proxy vote.

Process. We assess how sustainability is implemented in the investment process and the quality of reporting. We expect our managers to report back to us at least once a year on how sustainability issues have impacted their investment decisions.

Portfolios. We monitor investment holdings on an ongoing basis. This allows us to identify potential controversial investments. We expect our managers to adopt the same standards as we have with regard to the UN Global Compact and our red lines. With investments that fall into our amber zones, we will engage with the manager to see whether they have addressed potential concerns sufficiently.

Similar to our materiality maps for companies, we create a sustainability heatmap for each of our funds. They provide a framework for

the issues we discuss with fund managers so that we can make sure they are meeting our sustainability requirements. They also help us to monitor progress.

If a manager does not meet our minimum expectations, we will set a timeline to implement processes and make improvements. If a manager does not respond in a satisfactory way by the end of this timeline, we will ultimately sell the fund.

Investing in bonds

We recognise that our process of applying a sustainable approach when investing in bonds is a different exercise than investing in equities. The characteristics of fixed income holdings in our portfolios are very different to our equity holdings.

Our fixed income investments serve as a defensive component. Due to the nature of fixed income securities, the upside is limited – we receive regular coupons and our principal back at maturity – and the downside is potentially large – (partial) loss of principal in case of a default or restructuring. Therefore, it makes sense to diversify exposure in portfolios across a large number of issuers, which in turn requires a more systematic approach to ESG integration.

Our starting premise is the same as for our direct equities, which is that each issuer is held to the principles of the UN Global Compact. We also draw the same red lines. We then use

Sustainalytics risk ratings to identify companies with weak ESG practices which, following our evaluation, may lead to some issuers being excluded from our investment universe.

Corporate governance

Ensuring high standards of corporate governance helps align the interests of company management teams with the interests of long-term shareholders. We believe that good corporate governance improves the quality of a business, which in turn leads to higher and more sustainable long-term returns. More specifically, we want to make sure that the companies in which we invest consider our interests as minority shareholders fairly. When assessing the corporate governance of potential investments, we consider the following issues:

Board composition. We look at board composition from three angles: independence of directors, separation of CEO and chairman roles, and board diversity. We expect boards to have a majority of fully independent directors. Second, the roles of chairman and CEO should be split. Third, the composition should be diverse in terms of background, gender and ethnicity. We recognise companies may meet some but not all criteria. For example, an entrepreneur founder or owner may retain a material interest in a business and a significant presence on the board. Therefore, we consider each company individually and verify whether our interests are sufficiently aligned with the decision makers.

Company culture. Many of the companies we own have oligopolistic characteristics. Those with strong competitive positioning and pricing power have the ability to abuse their market position. We believe this is driven by company culture and emanates from the top. We evaluate incentive structures, management behaviour and commentary, as well as external sources (such as former employees and Glassdoor, a website where current and former employees provide anonymous reviews), which provide useful insights into a company's working culture.

Shareholder rights. We look for a shareholder structure where one share equals one vote. However, some companies have dual share classes in which a smaller group of owners retains control. We assess each situation individually. Often the actions of company management or the board provide a useful insight. If our interests are fully aligned with decision makers, we may still decide to invest.

Executive compensation. We expect executive compensation to be fair and proportionate. We analyse executive compensation and verify that incentives are aligned with long-term

shareholders. We look at the composition (fixed versus variable), magnitude and metrics used to achieve payouts.

If we discover corporate governance issues at any of the companies in which we invest then we will engage with the management team to make sure our interests remain aligned.

Engagement is one of the most powerful tools we have to influence positive change.

Engaging with companies and funds

In our view, engagement is one of the most powerful tools we have to influence positive change. As active owners of our investments we can be agents for change – influencing the ways companies and fund managers manage their ESG risks and opportunities. If we can encourage companies to operate more sustainably, not only will this lead to better investment outcomes, but ultimately will create more positive outcomes for society and the environment. This is how the 'ripple effect' starts.

We view engagement as an ongoing conversation, as we listen to the challenges companies and fund managers face and provide honest feedback as shareholders. This collaborative approach allows us to build rapport and develop mutual respect. It's also through this direct dialogue that we believe we can exert influence and make a difference.

Given our intensive, research-driven approach, we don't expect to encounter new material ESG issues with the assets in which we invest – significant ESG concerns would normally preclude investment in the first place. However, we recognise that no company is perfect. Just as we are on our own journey with regards to sustainability, many companies are also on a journey of improvement or change. When concerns or material issues do arise outside of our own red lines, we engage directly with management as our first and preferred course of action. We believe it's more responsible to address sustainability issues as an engaged shareholder rather than divesting and leaving the problems for others to solve.

As long-term owners of the companies and funds in our portfolios, we are able to engage directly and promptly with management when concerns arise because we have already established strong working relationships. We expect a clear strategy and timetable for addressing the

issue(s) in question, which we then monitor closely. We consider our engagement a success when we see positive change, but we acknowledge that these issues are often very complex and patience is nearly always required.

Ultimately, however, if we felt management were not responding appropriately or our engagement led us to conclude that the longer-term sustainability of the investment had been irreparably impaired, we would sell our holding.

The materiality maps we create for our investments provide the framework for the sustainability issues we focus on and discuss with management. We track the progress we believe they are making on any material issues as part of our ongoing monitoring work, and we report on all our engagement activities at the end of each year in our annual responsible investment report.

In addition to direct engagement we also participate in and support a number of investor initiatives to encourage increased transparency and sustainability standards, such as the UN-supported Principles for Responsible Investment, the Carbon Disclosure Project and the Task Force for Climate Related Disclosure.

Proxy voting

Voting is a key component of our process for engaging with companies. We vote on all resolutions at all AGMs and EGMs globally (unless we are restricted from doing so).

Our investment team reviews all resolutions ahead of shareholder meetings and we only decide how to vote after due consideration and discussion. We vote in the best interests of our clients and in accordance with the principles set out in the Corporate Governance section of this policy. As a general rule we aim to discuss and resolve any concerns with management before deciding to abstain or vote against a resolution.

We are fully transparent on our voting activity and report to our clients annually on our voting activity. You can find out more about the process in our separate *Proxy voting policy*.

The materiality maps we create for our investments provide a framework for the sustainability issues we focus on and discuss with management.

Climate change

Fossil fuel production has brought many advantages to the modern world. Cheaper and more available energy has helped lift millions of people out of poverty, supporting globalisation and improving living standards worldwide. However, global warming is now one of the greatest challenges facing humanity.

The science of climate change and the risks to the environment, the economy and society are widely accepted. In October 2018, the world's leading climate scientists warned that we only have 12 years to limit a climate change catastrophe.

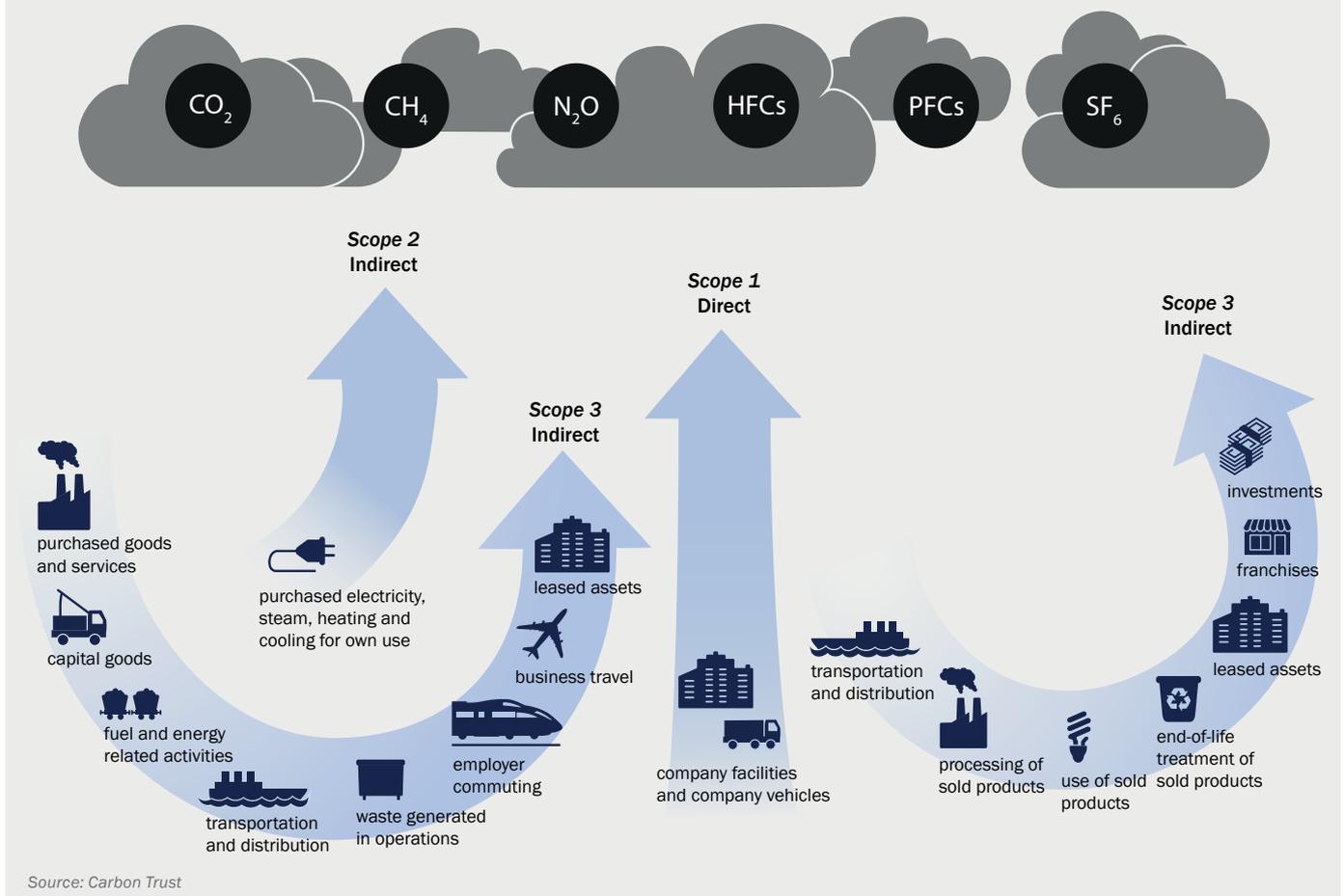
We monitor the risks for our portfolio holdings but see that the Paris 2050 goals and the transition to a low-carbon economy will also create opportunities. Many of these risks and opportunities will be driven by government policy and international agreements and will take shape over time.

As momentum gathers pace, companies will need to report more transparently on how their businesses are exposed to climate change. A framework for consistent reporting across industries is useful, and we support the efforts of the Task Force on Climate-Related Financial Disclosures (TCFD), a market-led initiative to help companies report on climate-related risks. Rothschild & Co is also a member of the Carbon Disclosure Project (CDP), a non-profit organisation that drives environmental reporting for companies, cities, states and regions.

At a portfolio level we have started to collect CO₂ emissions data for all our direct company holdings to help us understand where potential risks may lie. We aggregate this data to provide a measure of the carbon intensity (a proxy for climate risk) of our portfolios.

Unfortunately, this isn't as straightforward as it sounds. Many companies report their Scope 1 and Scope 2 emissions: those that are a direct result of a company's own operations [Scope 1], and those coming from the generation of purchased energy [Scope 2]. However Scope 3 emissions, which capture all indirect emissions that occur along a company's value chain (including both upstream and downstream activities) are not yet widely reported, even though they often represent a significant portion of a company's emissions. While measuring Scope 3 emissions is clearly more challenging – given that they are outside a company's direct control – they are obviously crucially important when it comes to evaluating a company's overall environmental impact and the associated business risks and opportunities for mitigation.

This is why we will actively engage with our company holdings to improve their climate-related reporting, helping the companies themselves, as well as us and others, to better assess the risks associated with climate change.



Our commitments

Setting the highest standards of responsibility

We set ourselves the same high standards of behaviour that we expect from the companies and funds in which we invest.

Rothschild & Co Wealth Management UK is a signatory of the UN's Principles for Responsible Investment (PRI) and the UK Stewardship Code, and was awarded a Tier 1 rating. On 1st January 2020, a new Stewardship Code came into effect with enhanced requirements, which we welcome.

As a group we are also involved with a number of sustainability-related organisations and participate in industry forums and initiatives in order to continually increase our own knowledge of key issues and best practice.

The impact we have as a group on our people, the communities and our planet through the responsible management of our operations and resources plays a fundamental part in our approach to business and towards reaching our long-term strategic objectives.

We strive to operate in an ethical and sustainable way and our corporate values of being thoughtful, principled and creative govern how we work and engage with our clients, our colleagues and the communities in which we operate.

Our Corporate Responsibility strategy defines a clear commitment for the way we do business and sets out our ambitions and activities across five pillars.

Fostering responsible business practices.

We place a high emphasis on good conduct, personal accountability and commitment in the way we work with each other and clients.

Cultivating a responsible people culture. We aim to attract and retain the most talented people from a diverse range of backgrounds, cultures and experiences by creating an environment that empowers people to grow, deliver and excel.

Creating responsible investment solutions.

We want to play an active role in influencing business practices and drive investments towards a more sustainable economy.

Taking responsibility for our environment.

We are strongly committed to contributing to a more environmentally sustainable economy and limiting our environmental impact.

Taking responsibility for our communities. We want to affect positive change in our communities and help make a meaningful difference to young people from disadvantaged backgrounds.

Sustainable Development Goals (SDGs)

The 17 United Nations SDGs are ambitious targets that tackle the most pressing challenges facing the world. The goals are designed to end poverty, protect the planet and ensure prosperity for all.

Our environmental management strategy is aligned with four United Nations SDGs that we feel are most relevant to our day-to-day business activities.



THE INVESTOR FORUM



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.

Holdings mentioned in this report 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.

Important information

This document does not constitute a personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product. Nothing in this document constitutes legal, accounting or tax advice.

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.

Although the information and data herein are obtained from sources believed to be reliable, no representation or warranty, expressed or implied, is or will be made and, save in the case of fraud, no responsibility or liability is or will be accepted by Rothschild & Co as to or in relation to the fairness, accuracy or completeness of this document or the information forming the basis of this document or for any reliance placed on this document by any person whatsoever. In particular, no representation or warranty is given as to the achievement or reasonableness of any future projections, targets, estimates or forecasts contained in this document. Furthermore, all opinions and data used in this document are subject to change without prior notice.

This document is distributed in the UK by Rothschild & Co Wealth Management UK Limited. Law or other regulation may restrict the distribution of this document in certain jurisdictions. Accordingly, recipients of this document should inform themselves about and observe all applicable legal and regulatory requirements. For the avoidance of doubt, neither this document nor any copy thereof may be sent to or taken into the United States or distributed in the United States or to a US person. References in this document to Rothschild & Co are to any of the various companies in the Rothschild & Co Continuation Holdings AG Group operating/trading under the name "Rothschild & Co" and not necessarily to any specific Rothschild & Co company. None of the Rothschild & Co companies outside the UK are authorised under the UK Financial Services and Markets Act 2000 and accordingly, in the event that services are provided by any of these companies, the protections provided by the UK regulatory system for private customers will not apply, nor will compensation be available under the UK Financial Services Compensation Scheme. If you have any questions on this document, your portfolio or any elements of our services, please contact your client adviser.

The Rothschild & Co Group includes the following wealth management (amongst others): Rothschild & Co Wealth Management UK Limited. Registered in England No 4416252. Registered office: New Court, St Swithin's Lane, London, EC4N 8AL. Authorised and regulated by the Financial Conduct Authority. Rothschild & Co Bank International Limited. Registered office: St Julian's Court, St Julian's Avenue, St Peter Port, Guernsey, GY1 3BP. Licensed and regulated by the Guernsey Financial Services Commission for the provision of Banking and Investment Services.