

Mosaique Balanced CHF

Rothschild & Co WM Fund (SICAV SIF)

Cover: © Getty Images.
© 2024 Rothschild & Co
Wealth Management

This is not a promotion or solicitation of the Rothschild & Co WM SICAV SIF – Mosaique Balanced CHF, which is not usually available to execution only or advisory clients. When certain criteria are met discretionary portfolios may hold the Fund, but only at Rothschild & Co's discretion.

Values: All data as at 28th March 2024. Sources of charts and tables: Rothschild & Co and Bloomberg, unless otherwise stated. Past performance is not indicative of future performance and investments and the income from them can fall as well as rise. Fund performance is shown in Swiss franc, after all fees, in total return, combining income and capital growth. Returns may increase or decrease as a result of currency fluctuations.

Please ensure you read the Important Information section at the end of this document.

Fund manager's review

Stock markets around the world climbed to new highs during the first quarter of 2024, notably in the US, Europe and Japan. With inflation continuing to fade and recession fears receding, investors are optimistic that major central banks will be able to cut interest rates at some point this year, probably starting in the summer.

PORTFOLIO PERFORMANCE

The portfolio concluded the first quarter with a positive performance. Initially, the portfolio stormed into 2024 as it had left 2023, with outperformance coming from positions with quality and size characteristics. This was further supported by our tactical asset allocation positioning, which we have not changed since 3Q23: overweight equities (particularly overweight North America), underweight cash and neutral fixed income. Finally, market participation broadened beyond the 'Magnificent Seven' and while this helped the portfolio in the first two months, it began to fade in March as the market tended to favour more 'value' related names.

Within equities, as mentioned above, the overweight allocation worked well over the quarter. Our preference for companies exhibiting high quality characteristics, particularly with a large market capitalisation, performed well during the first two months, while being less exposed to companies with value and dividend yield characteristics also helped. However, these styles did not benefit the portfolio in March as the latter characteristics outperformed quality. While the aforementioned factors made a positive contribution, stock selection proved to be a challenge during the quarter.

Looking at single stock performance the key driver lies in momentum as the winners continue to win and losers continue to lose. ASML (+31%) remained on their stellar run from last year and was, once more, amongst the winners after a solid set of Q4-23 results and a positive 2025 outlook. Safran (+31%) also ended the quarter strongly with good H2-23 results with a positive outlook. The increase in engine spare parts sales was the main driver of performance. Elsewhere, the positive momentum continued for Novo Nordisk (+26%) and Amazon (+18%).

On the other side, Adobe and Nike were among the detractors. The former announced, in its quarterly results, that it was able to increase revenues by 11% and adjusted operating profit by 16% but was dragged down by its underwhelming financial guidance for the upcoming year. Similarly, Nike reported better-than-expected quarterly sales and earnings, but its guidance for the next fiscal year was also poorly received by the market and punished as a result.

In fixed income, the driver of performance was two-fold. On one side credit spread volatility has decreased and tightened significantly both in the Investment grade and High Yield categories, benefitting our cross-currency credit overweight stance. On the other side, the SNB has achieved its goals to tame inflation and therefore commenced cutting rates. We continue to favour a barbell approach in our positioning, owning high-quality paper combined with an element of a higher yielders on the shorter end of the curve.

PORTFOLIO ACTIVITY

Starting in January, we purchased a new equity hedging product to give the mandate an additional layer of protection against a market retracement. The previous hedging product expired in late December. We used the opportunity while equity markets continued their rise to safeguard the portfolio at attractive levels. Meanwhile, in equities, we introduced VAT to the portfolio. VAT is the world's leading supplier of high-end machinery parts (incl. vacuum valves and bellows) used in the manufacturing of high-tech products, primarily sold to the semiconductor industry. Therefore, we are confident that the company is well-positioned to gain from the development of cutting-edge technologies like 5G and Artificial Intelligence.

Data sources: Rothschild & Co and Bloomberg

Holdings are subject to change without notice. This document does not constitute a personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product. Past performance is not indicative of future performance and investments and the income from them can fall as well as rise.

Fund manager's review (continued)

In February, we switched our exposure to companies within the healthcare sector and divested our position in the hearing care provider Sonova. The proceeds were used to initiate a position in Novo Nordisk. Following the strong performance in 2023, we do not see any further upside for Sonova and thus decided to exit. By contrast, Novo Nordisk had an outstanding 2023 and continued its resolute performance in Q1, achieving higher highs, and increasing earnings potential.

In March, no further adjustments were made to the portfolio.

Fund performance

At the end of the first quarter 2024, the performance stood at 5.8% YTD.

PERFORMANCE SINCE INCEPTION (%)*



* Data represents total returns of the investment strategy over the period from 14 October 2013 to 28 March 2024. The launch date of the Fund which implements this strategy was 1 January 2017.

PERFORMANCE TABLE (%)

	QTD	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
MOSAIQUE BALANCED CHF X	5.8	5.8	11.8	1.9	17.6	34.4

MONTHLY PERFORMANCE TABLE (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	1.4	2.1	2.2										5.8
2023	3.9	-2.1	1.3	0.7	0.5	0.5	0.8	-0.3	-1.1	-1.6	3.3	1.7	7.7
2022	-3.7	-2.9	0.8	-2.6	-1.8	-4.9	4.0	-2.2	-5.1	3.0	2.9	-3.3	-15.3
2021	-0.4	1.0	2.5	1.3	0.6	2.6	0.4	2.0	-2.9	1.7	-0.8	0.9	8.8
2020	0.7	-3.9	-8.5	5.6	2.3	1.9	1.6	3.0	-0.2	-1.7	4.4	1.0	5.5

Portfolio holdings

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

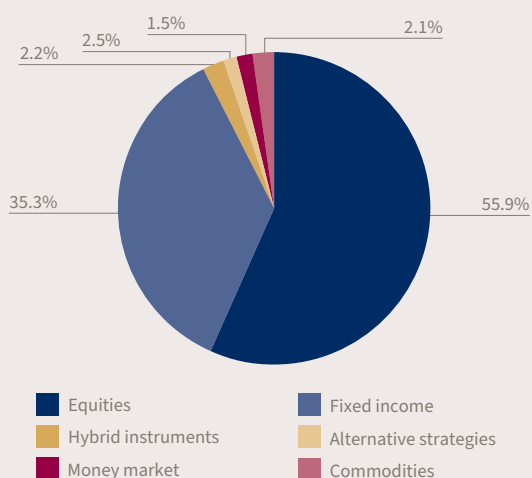
EQUITIES 55.9%		FIXED INCOME 35.5%	
North America 21.0%		Investment Grade 30.1%	
Microsoft	2.4%	Diversified CHF Investment Grade Single Bonds	26.6%
SPDR S&P U.S. Energy Select Sector UCITS ETF	1.6%	R-co Conviction Credit Euro Fund	1.9%
Visa	1.4%	Schroder Euro Credit Conviction	1.6%
Costco Wholesale Corp	1.4%	High Yield 5.5%	
Amazon.com	1.4%	Vanguard Emerging Markets Bond Fund CHF hedged	2.0%
Alphabet	1.3%	iShares USD High Yield Corp Bond UCITS ETF Hedged CHF	1.3%
Linde	1.2%	Muzinich Europeyield Fund	1.3%
S&P Global	1.1%	Vontobel Emerging Markets Corporate Bonds	1.2%
Adobe	1.0%	MULTI-ASSET & HYBRID INSTRUMENTS 2.2%	
Canadian Pacific Kansas City	1.1%	Structured Products (Yield) 1.4%	
JPMorgan Chase & Co	1.1%	Cert GS QSP Dynamic Hedging Strategy	1.4%
Apple	0.9%	Structured Products (Participation Certificate) 0.9%	
Invesco S&P 500 Equal Weight Technology ETF	0.9%	Cert BNP Paribas Iss 2023-02.06.25 on CSI300 Index, CSI500 Index	0.9%
Danaher	0.8%	Structured Products (Hedging) <0.1%	
Veralto Corp	0.8%	Wts Morgan Stanley 21.06.2024 put on MSCI World	<0.1%
Intuitive Surgical	0.8%	ALTERNATIVE STRATEGIES 2.5%	
Comcast	0.7%	Alternative Strategies 2.5%	
United Health	0.7%	Atropos CatBond Fund	1.7%
Nike	0.5%	One River Dynamic Convexity Fund	0.8%
Switzerland 16.0%		MONEY MARKET 1.5%	
Nestle	2.8%	Money Market 1.5%	
Novartis	2.7%	CHF Liquidity	1.5%
LongRun Swiss Small & Mid Cap Fund	2.5%	COMMODITIES 2.1%	
Roche	1.6%	Gold 2.1%	
Zurich Insurance	1.5%	Swiss Physical Gold Plus Fund	2.1%
Partners Group	1.2%		
iShares Core SPI ETF	1.1%		
Richemont	0.9%		
VAT Group	0.9%		
Sika	0.9%		
Global 8.8%			
LongRun Equity Fund	5.3%		
iShares MSCI ACWI UCITS ETF	2.2%		
iShares MSCI World Health Care Sector ESG UCITS ETF	1.3%		
Emerging Markets 3.1%			
Veritas Asian Fund	2.2%		
JPM Global Emerging Markets UCITS ETF ESG Screened	0.9%		
Europe 5.5%			
ASML	1.1%		
Safran	1.1%		
RELX plc	0.9%		
London Stock Exchange	0.9%		
LVMH	0.8%		
Novo Nordisk	0.6%		
Japan 1.5%			
MSCI Japan Socially Responsible UCITS ETF	1.5%		

Percentages may not sum to 100% due to rounding.

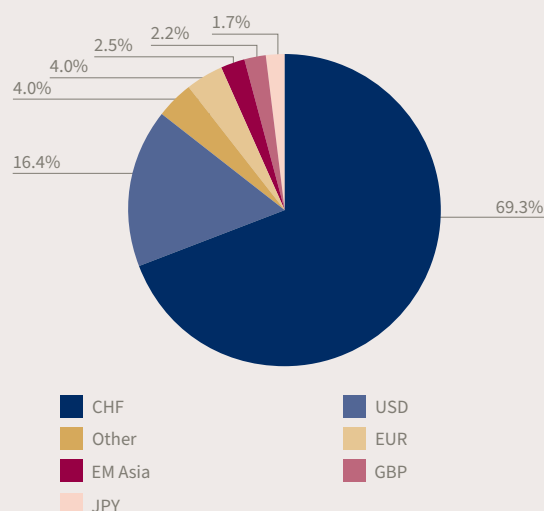
Fund allocation

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

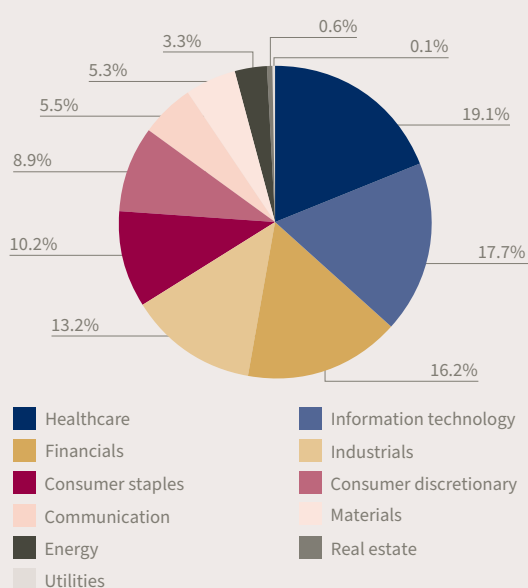
FUND HOLDINGS BY ASSET CLASSES



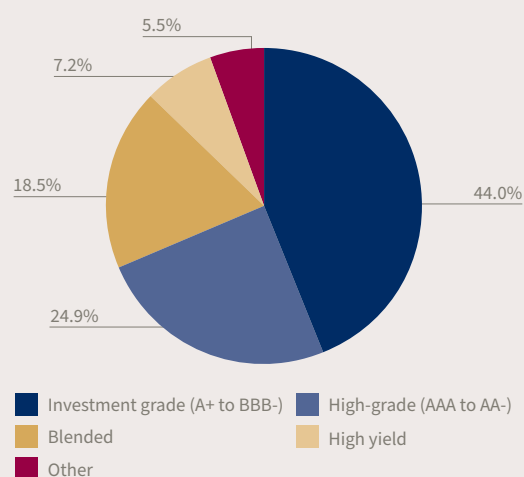
FUND ALLOCATION BY CURRENCY



EQUITY ALLOCATION BY SECTOR



FIXED INCOME ALLOCATION BY CREDIT RATING



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

Supporting information

ROTHSCHILD & CO WM FUND (SICAV SIF) – MOSAIQUE BALANCED CHF

Legal structure	SICAV SIF
Objective	Long-term return on invested capital by investing in a roughly equal combination of bonds mainly denominated in CHF and a well-diversified equity portfolio.
Launch date	1 January 2017
Fiscal year end	31 December
Domicile	Luxembourg
Management company	Rothschild & Co Investment Managers, Luxembourg
Fund administrator	Northern Trust, Luxembourg
Depository bank	Northern Trust, Luxembourg
Inception date	14 October 2013
Liquidity	Daily (trading cut-off 15:00 CET)

Notes

At Rothschild & Co Wealth Management we offer an objective long-term perspective on investing, structuring and safeguarding assets, to preserve and grow our clients' wealth.

We provide a comprehensive range of services to some of the world's wealthiest and most successful families, entrepreneurs, foundations and charities.

In an environment where short-term thinking often dominates, our long-term perspective sets us apart. We believe preservation first is the right approach to managing wealth.



Important information

All performance data refers to share class Acc X.

Source: Rothschild & Co and Bloomberg

Sharpe ratio: Sharpe Ratio is the statistical measure of excess portfolio return over the risk-free rate relative to its standard deviation.

Annualized Volatility: Annualized Volatility is the measure of return dispersion for an asset over twelve month since inception.

Maximum Loss: This is the largest monthly drop in the portfolio's value during a given period. It is expressed as a percentage and reflects the fall in value during the time between the draw down peak (highest value) and the draw down valley (lowest value).

This document is issued by the Rothschild & Co WM SICAV SIF, a société anonyme incorporated under the laws of Luxembourg, on a strictly confidential basis to a limited number of potential investors, being "well informed investors" pursuant to the Luxembourg Law of February 13, 2007 relating to specialized investment funds, as amended (the "SIF Law"), who have indicated their potential interest for

the Rothschild & Co WM SICAV SIF. This document does not constitute a personal recommendation or an offer or invitation to buy or sell securities or any other banking or investment product.

Further information and risk warnings on this Fund or other share classes or sub-funds of the SICAV-SIF may be found in the issue document, in the articles of association, in the annual report of the SICAV-SIF. The SICAV-SIF is subject to Luxembourg tax law. This may affect your personal tax situation. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment. Past performance should not be taken as a guide to future performance. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down.

The Fund may not be available in all jurisdictions and in some jurisdictions it may be available on a limited basis only, due to local regulatory and legal requirements. This document is not directed to, nor intended for distribution or use by, any person or entity in any jurisdiction or country where the publication or availability of this document or such distribution or use would be contrary to local law or regulation.

© 2020 MSCI ESG Research LLC. Reproduced by Permission. Although Rothschild & Co. Bank AG's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or to sell or when to buy or to sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with the data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.