



R-co Valor

At the beginning of the year, the fund has a cautious positioning with 70% of market net exposure (historically low). For the past few weeks, we have slowly but surely increased the net exposure, we are now at around 87%.

Update on sectoral contributions over the past month

The one-month rolling period is interesting to consider as it corresponds to the acceleration of the epidemic at the international level.

Most affected sectors:

- Leading the way, financials which represent the third of the portfolio and clearly underperform other sectors (S&P Financials at -36.85% versus S&P 500 at -29.41%). Four of the five lines in the portfolio are North American stocks.
- Commodities (including oil), the sector is facing concerns about global demand.
- Lastly, industrial cyclicals, as they are confronted with concerns of disruption at a global level.

Most resilient sectors:

- Healthcare: the sector is not spared but outperforms others (S&P 500 Healthcare -20,59% VS S&P 500 -29,41%). One of the few stocks up, across all sectors, is Gilead (US Biotech). The company is currently testing a new drug called "Remdesivir" which could possibly cure Covid-19 patients.
- Mining (auriferous), with negative but quite resistant performances from Newmont Mining Corporation and Pretium Resources Inc.
- Chinese stocks with usually relatively high betas, such as Ping An Insurance, but also technology stocks, such as Vipshop with very good results and Trip.com with an adjustment earlier in the year

Futures on S&P 500 contributed significantly to the performance of the fund.

We recently strengthened Ping An Insurance, which is now the portfolio's top line. This move is justified by the desire to add a "quality" and "growth" into the portfolio.

Since the beginning of the year the picture remains the same. The fund has been impacted by its exposure to financials, commodities and oil. The Chinese technology sector has held up better than its US counterpart, with more sustainable valuation levels.

Market valuation is now attractive, nevertheless we currently have a limited view on stock market with a potential correction on short term. On this layout, we keep strong discipline and looking for opportunities.

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	2020	2019	2018	2017	2016	2015	5 years	1 year volatility
R-co Valor C EUR	-7.46%	28.63%	-13.17%	9.54%	19.92%	4.55%	30.25%	12.28%

Source: Rothschild & Co Asset Management Europe, 28/02/2020

The figures quoted relate to previous years, past performance is not a reliable indicator of future results



Recommended investment period: 5 years

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