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Quarterly newsletter R-co Valor & R-co Valor Balanced

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The markets ended the quarter in positive territory for international equities, which were driven by the shift in core inflation⁽¹⁾ in the United States and by the end of China's "zero-Covid policy". The MSCI World gained +9.4% in the fourth quarter, and European markets outperformed US markets (Euro Stoxx 50 at +14.3% vs. S&P 500 at +7.1%). Chinese equities fared especially well in the last two months of the year, with the Hang Seng up by 14.5%⁽²⁾.

The shift in inflation figures boosted investor risk appetite. In the US, core inflation weakened in October for the first time in one year. This was not only below the previous month, but also below the consensus forecast. In Europe, while total inflation also declined for the first time during the year, core inflation appears to be fluctuating around 5% for the moment. On the central bank front, the fourth quarter saw a slowdown in the pace of rate hikes, with the Fed and the ECB both raising their key rates by 50 basis points at their most recent meetings, to, respectively, 4.25% and 2.50%. However, they did stick to their hawkish tone, and Jerome Powell reiterated the need to slow down economic activity, in order to rein in inflation.

In the United States, while the economy appears to be slowing down, based on the drop in the latest PMI⁽³⁾ releases, the job market remains extremely solid, with a historically low unemployment rate of 3.5%⁽⁴⁾. The latest releases nonetheless showed a slower increase in wages, thus providing some relief from fears of sustained wage inflation.

R-co Valor

Taking advantage of a diversified allocation as part of its "Carte Blanche" investment approach, R-co Valor offers a flexible exposure to all asset classes, without any sectoral or style bias, nor any geographical constraints or reference to a benchmark. This fund provides access to innovative and cross-functional investment themes through high-conviction investments. The core of the portfolio consists of long-term structural themes around which a more opportunistic stock selection is based. The portfolio managers seek to optimize the fund's risk-return profile through a concentrated portfolio, founded on in-depth analysis.

Main risks: Risk of capital loss, Risk associated with discretionary management, Market risk, Credit risk, Interest rate risk, Foreign exchange risk, Counterparty risk, Risk associated with the use of derivatives. This list is not exhaustive. Please refer to the "Risk profile" section of the Fund's prospectus.

(1) Inflation without food or energy.

(2) Source: Bloomberg, 30 December 2022.

(3) Purchasing Managers Index, an indicator that reflects their confidence in a particular economic sector.

(4) U.S. Bureau of Labor Statistics, January 2023.

The figures quoted relate to the past months. Past performance is not a reliable indicator of future performance and is not constant over time. The management team is subject to change. The characteristics/objectives/strategies mentioned above are indicative and subject to change without notice. This analysis is only valid at the time of writing. The geographical and sector allocations and distributions are not fixed and may change over time within the limits of the SICAV fund's prospectus.



Europe, meanwhile, appears for the moment to be benefiting from a stabilisation of the front lines in Ukraine, macroeconomic releases that may not have been brilliant but were still above forecasts, and falling natural gas prices, which is reassuring for this winter. And China seems to have entered clearly into a new phase in managing Covid, which has so far been the main obstacle to regional growth. The Party's shift in line with regard to the Chinese people, including its view that the Omicron variant

**“The Chinese recovery
is a double-edged sword...”**

was less dangerous, raises hopes for a full reopening of the economy in 2023. That being said, a recovery in the region is a double-edged sword – on the one hand, it could propel global growth forward, but on the other hand, it could feed inflation.

R-co Valor gained 5.6% on the quarter⁽⁵⁾. In terms of contribution, manufacturing stocks fared well, driven by the rebound of cyclical, particularly European ones. Financials were the worst contributor, after being hit specifically by a US stock. As for changes to the portfolio, we stuck with our strategy of taking profits by reducing our exposure of stocks that had rallied, such as Bombardier, Morgan Stanley and Richemont. Within the healthcare sector, and based on a resolutely bottom-up⁽⁶⁾ approach, we reduced our holdings in AstraZeneca, Pfizer and BioMarin Pharmaceutical, while raising them in Seagen (a biotech) and, to a lesser extent, Roche. Meanwhile, we also added to our exposure of certain tech and financial stocks in the portfolio. On the money market, late in the year we added French government bonds maturing in less than one year and yielding between 2.3% and 2.8%.

Completed on 11 January 2023

(5) Source: Rothschild & Co Asset Management Europe, 30 December 2022.

(6) An approach based on fundamental research into companies. Its purpose is to identify investment opportunities and to assess the outlook for profitability.

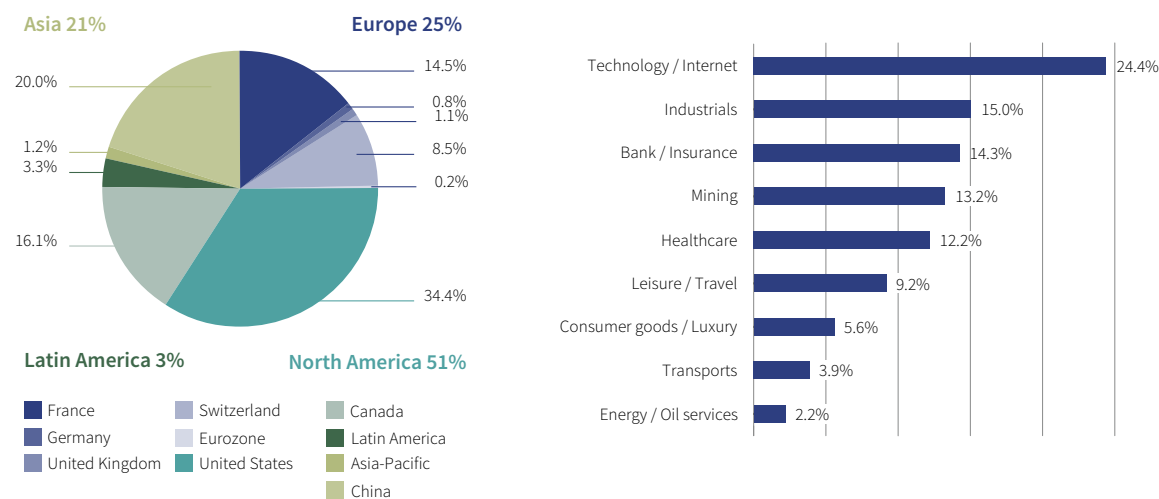
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R-co Valor: Portfolio's geographical and thematic breakdown



Source: Rothschild & Co Asset Management Europe, 30/12/2022.

R-co Valor: Portfolio's top 10 holdings

Stocks	Weight	Number of lines	47
Ivanhoe Mines	3.3%	Average weight	1.7%
Morgan Stanley	3.1%	Top 10 weight	28.0%
Trip.com Group Ltd-adr	3.1%	Top 5 weight	15.3%
Airbus Se	2.9%		
Teck Resources Ltd-cls B	2.9%		
Tencent Holdings Ltd	2.7%		
Abb Ltd-reg	2.6%		
Capgemini Se	2.6%		
Alibaba Group Holding Ltd	2.4%		
Biomarin Pharmaceutical Inc	2.4%		

Source: Rothschild & Co Asset Management Europe, 30/12/2022.

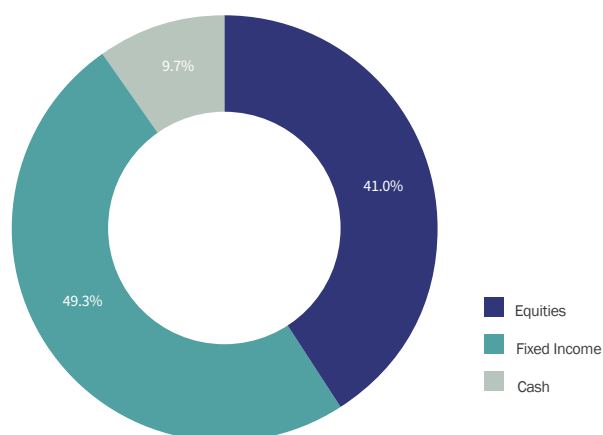
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Portfolio Allocation

As of the end of December, the fund's equity exposure was 41.0%, while its bond exposure was unchanged at 49.3%⁽¹⁾.

R-co Valor Balanced: Breakdown by asset classes



R-co Valor Balanced

As a diversified allocation fund, R-co Valor Balanced seeks to generate long-term performance while reducing its volatility through a diversified portfolio and the decorrelation stemming from investing across different asset classes.

This investment solution is founded on two sub-strategies. The first one is managed using a “carte blanche” approach, i.e. invested in all asset classes, without any sectoral or geographical constraints, while the second one focuses on fixed income, with a majority being Investment Grade. Each sub-strategy is managed on a discretionary basis, founded on both “top-down” and fundamental analysis to identify securities while providing ample flexibility in accordance with the portfolio management teams’ convictions.

Each sub-strategy seeks to generate performance, including the fixed income pocket which is not solely managed to lower the overall portfolio's risk.

Main risks: Risk of capital loss, Risk associated with discretionary management, Market risk, Credit risk, Interest rate risk, Foreign exchange risk, Counterparty risk, Risk associated with the use of derivatives. This list is not exhaustive. Please refer to the “Risk profile” section of the Fund's prospectus.

Number of lines of the equity pocket		47
Average weight		2.4%
Top 10 weight		33.8%
Top 5 weight		18.6%
Number of lines of the fixed income pocket		157
Modified duration		3.5
Gross yield		6.6%

Source: Rothschild & Co Asset Management Europe, 30/12/2022.

(1) Source: Rothschild & Co Asset Management Europe, 30/12/2022.

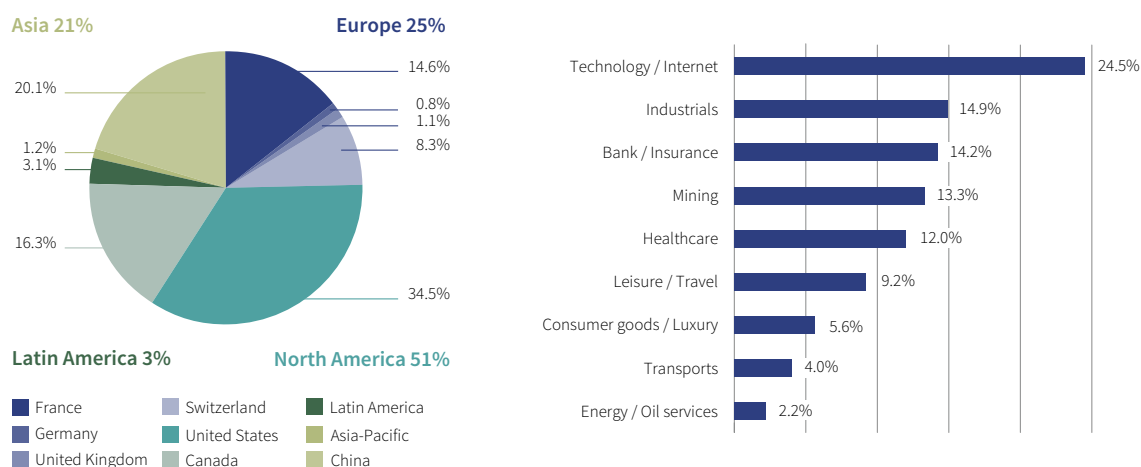
The features of the portfolio are not fixed and may vary over time within the limits provided in the fund prospectus.



Equity allocation

R-co Valor Balanced equity allocation replicates that of R-co Valor.
Both funds have the same exposures and are subject to the same modifications.

R-co Valor Balanced: Geographical and thematic breakdown of the Equity pocket



Source: Rothschild & Co Asset Management Europe, 30/12/2022.



Fixed income allocation

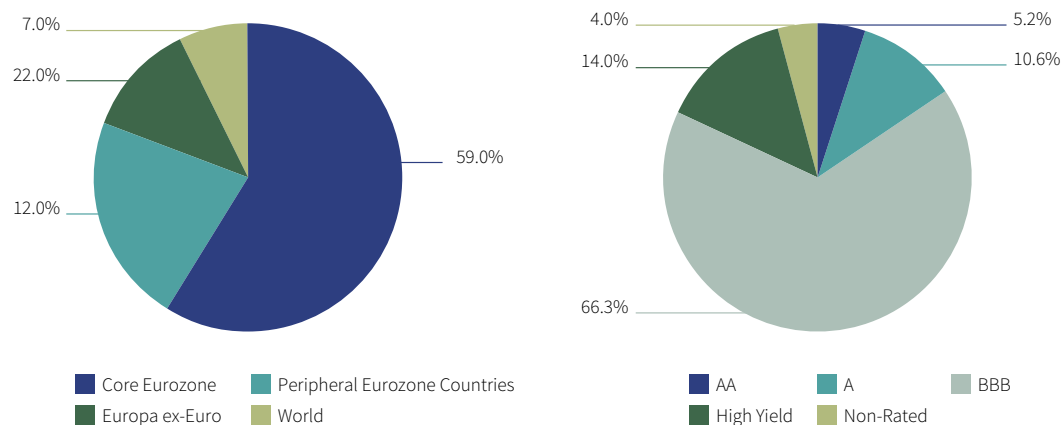
Interest rates moved up further late in the year, albeit at a more measured pace. The 10-year Bund yield ended at 2.56% (+46 basis points (bps)), and the 10-year US yield at 3.87% (5 bps)⁽²⁾. At the central bank level, the slower pace of in key rates, particularly by the ECB, drove the euro corporate bond market to its only positive quarter of 2022, at +1.2% by investment grade⁽³⁾ and +4.5% by high yield⁽⁴⁾⁽²⁾.

Within the fund's bond allocation, we took advantage of some very attractive investment grade yields to seize some opportunities, mainly on the primary market, with intermediate maturities

and a limited credit risk. We also positioned ourselves opportunistically on the secondary market on financial issuers. Our high yield and non-rated exposure were lowered marginally on the period and now accounts for 18% of the bond allocation. Market conditions allowed us to raise the portfolio's yield significantly during the year, to 6.6% as of end-December, with sensitivity⁽⁵⁾ of 3.5⁽⁶⁾.

Completed on 11 January 2023.

R-co Valor Balanced: Geographical and by rating breakdown of the fixed income pocket



Source: Rothschild & Co Asset Management Europe, 30/12/2022.

(2) Source: Bloomberg, 30 December 2022.

(3) A debt security issued by companies or governments that is rated by Standard & Poor's at between AAA and BBB-.

(4) High yield bonds are issued by companies or governments having a high risk. They are rated by Standard & Poor's at below BBB-.

(5) Sensitivity measures the impact of a 1% change in interest rates on a mutual fund's net asset value.

(6) Source: Rothschild & Co Asset Management Europe, 30 December 2022.

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ISIN: FR0011253624

Performance	2022	2021	2020	2019	2018	5 years	1 year volatility
R-co Valor C EUR	-8.1%	12.7%	6.7%	28.6%	-13.2%	23.5%	14.9%

Source: Rothschild & Co Asset Management Europe, 30/12/2022.

The figures quoted relate to previous years. Past performance is not a reliable indicator of future performance and is not constant over time.

They take into account all fund-related costs and expenses (e.g. management fees) but do not take into account fees charged to the client (e.g. issuance costs, deposit fees).

Recommended investment period: 5 years

SRII risk 6/7. The level of risk of the UCITS is 6 (volatility of between 15% and 25%) and primarily reflects a discretionary management policy on equities and fixed income markets. The historical data used to calculate this synthetic indicator may not be a reliable indicator of the UCITS' future risk profile. The risk category associated with the UCITS is not guaranteed and may shift upwards or downwards over time. A rating of 1 does not mean that the investment is "risk-

free". The capital invested in the UCITS is not guaranteed. Other important risk factors, not adequately taken into account by the indicator: credit risk, liquidity risk, impact of techniques such as derivatives. The occurrence of one of these risks may result in a decrease in the UCI's net asset value. For more information about the risk profile and its main contributors, please refer to the prospectus.

SRII risk 4/7. The synthetic risk indicator shows the level of risk of this product compared to others. It indicates the likelihood of this product incurring losses in the event of market movements or our inability to pay you. We have classified this product in risk class 4 out of 7, which is a medium risk class and mainly reflects a discretionary management policy on equity markets and

fixed income products. This means that the potential losses from the future performance of the product are at a medium level and, should the markets deteriorate, it is possible that our ability to pay you will be affected. The risk indicator assumes that you hold the product for 5 years, otherwise the actual risk may be very different and you may get less in return.

Any investment is always subject to risk. Before investing, each investor must ensure the jurisdictions in which the UCI is registered. The KIID, the full prospectus as well as the net asset value (NAV)/net inventory value (NIV) are available on our website: am.eu.rothschildandco.com

ISIN: FR0013367265

Performance	2022	2021	2020	2019	2018	Since inception ⁽¹⁾	1 year volatility
R-co Valor Balanced C EUR	-11,8%	6,7%	5,0%	15,6%	-	9,6%	9,4%

(1) Inception date: 24/10/2018.

Source: Rothschild & Co Asset Management Europe, 30/12/2022.

The figures quoted relate to previous years. Past performance is not a reliable indicator of future performance and is not constant over time.

They take into account all fund-related costs and expenses (e.g. management fees) but do not take into account fees charged to the client (e.g. issuance costs, deposit fees).

Recommended investment period: 3-5 years

SRII risk 4/7. The level of risk of the UCITS is 4 (volatility of between 5% and 10%) and primarily reflects a discretionary management policy on equities and fixed income markets with a risk-balanced profile. The historical data used to calculate this synthetic indicator may not be a reliable indicator of the UCITS' future risk profile. The risk category associated with the UCITS is not guaranteed and may shift upwards or downwards over time. A rating of 1 does not

mean that the investment is "risk-free". The capital invested in the UCITS is not guaranteed. Other important risk factors, not adequately taken into account by the indicator: credit risk, counterparty risk, impact of techniques such as derivatives. The occurrence of one of these risks may result in a decrease in the UCI's net asset value. For more information about the risk profile and its main contributors, please refer to the prospectus.

SRI risk 3/7. L'indicateur synthétique de risque permet d'apprécier le niveau de risque de ce produit par rapport à d'autres. Il indique la probabilité que ce produit enregistre des pertes en cas de mouvements sur les marchés ou d'une impossibilité de notre part de vous payer. Nous avons classé ce produit dans la classe de risque 4 sur 7, qui est une classe de risque moyenne et reflète principalement une politique de gestion discrétionnaire sur les marchés

actions et produits de taux. Autrement dit, les pertes potentielles liées aux futurs résultats du produit se situent à un niveau moyen et, si la situation venait à se détériorer sur les marchés, il est possible que notre capacité à vous payer en soit affectée. L'indicateur de risque part de l'hypothèse que vous conservez le produit pendant 5 ans ; dans le cas contraire, le risque réel peut être très différent, et vous pourriez obtenir moins en retour.

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The SRRI indicator defines the risk/return profile of a UCITS on a scale ranging from +1, the lowest level of risk and a lower expected return, to +7, the highest level of risk and a higher expected return.



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As the specialised asset management division of the Rothschild & Co group, we offer personalised asset management services to a broad client base of institutional investors, financial intermediaries and distributors. Our development is focused on a range of open-ended funds, marketed under five strong brands: Conviction, Valor, Thematic, 4Change and OPAL, leveraging our long-term expertise in active management with conviction as well as in delegated management. Based in Paris and established in 9 European countries, we manage more than 23 billion euros and employ nearly 160 people. More information at: www.am.eu.rothschildandco.com



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