Rothschild & Co
Asset Management

Fund Update : R-co Conviction Equity Value Euro — October 2025

Anthony Bailly
Head of European Equity

Vincent Iméneuraët
European Equities Portfolio Manager

While September is historically the worst performing month for the stock markets, the 2025 vintage was marked by a sustained rise in the equity markets. The latter were driven by the fall in key interest rates in the United States as well as by the continued enthusiasm for artificial intelligence, illustrated this month by Nvidia's massive investment in Intel. In the end, the US stocks in the S&P 500 outperformed the MSCI world with respective gains of +3.2% compared to +2.8% in euros[1]. The Eurostoxx index was in line with the global index. This pro-cyclical and long-duration context particularly supported technology (+11.2%), retail (+10.4%) and industrials (+5.1%)[1]. Conversely, defensive sectors were also under pressure, such as food and beverages (-4.0%)[1] and telecoms (-3.2%)[1].

In terms of investment style, the Growth style[11] benefited greatly from the outperformance of technology, with an increase of +5.2% compared to +0.6%[1] for Value**12**. This reduces Value's outperformance over Growth to +14.7 points year-to-date. **The valuation premium of Growth over Value now stands at 84%[1]. It remains well above pre-Covid levels (~65%)[1]** and the normalisation of this premium, which has already been taking place for more than a year, should continue given i/ the paradigm shift on rates since the Covid crisis ii/ the revitalisation of the European economy which must be carried out through the German infrastructure plan and the desire for European sovereignty.

The Value DNA of the R-co Conviction Equity Value Euro fund naturally penalised performance, as it only increased by +0.1% over the month[1]. This underperformance was therefore due to a negative allocation effect, mainly related to our underexposure to the technology sector. As mentioned, the hype around AI investments has largely helped the semiconductor sphere, with ASML gaining more than 30.0% in month[1]. The stock selection effect was also negative, notably due to the -3.2% decline in Sanofi[1]. The stock

suffered on the one hand from disappointing results in its next-generation treatment for eczema, and on the other hand from new threats of tariffs (weighing on the entire sector) from the Trump administration.

During the month, we introduced three new stocks to the portfolio. First, we initiated a position in **Wolters Kluver**. This high-quality stock, which operates more in oligopolistic markets, has suffered greatly from the threat posed by artificial intelligence to its market share and, more generally, its business model. This threat has led to a sharp downgrading of the stock, which we believe is excessive given the company's solid fundamentals and its ability to provide high-quality academic information to its customers. We carried out an arbitrage by initiating a position in **EDPR at the expense of its parent company EDP. EDP's outperformance compared to EDPR** since the beginning of the year (+30% vs. +1%)$_1$ seems to us to be mainly linked to EDP's own one-off factors, particularly in its hydropower business in Spain. EDPR has been penalised by its US exposure and Trump's threats to renewable energy. These threats seem exaggerated to us given the future energy needs of the world's largest economy and better regulatory visibility. It therefore seemed appropriate to us to make full use of this opportunity through EDPR rather than through its parent company. Finally, we have built up a position in the Austrian bank **Raiffeisen**. Its valuation remains one of the most attractive in the sector and we were interested in its exposure to areas of Central Europe and peripheral Germany due to the spread of the recovery to come over the next few years.

We remain convinced that the eurozone is entering a phase of economic revitalisation. The German infrastructure plan and the rearmament of Europe are all investments that should create a virtuous circle for the entire zone. **This upturn in activity makes the region particularly attractive, primarily given its much more reasonable valuation level than that observed in the United States.** In this context, we continue to believe in the ability of the Value style to outperform. Our portfolio remains positioned to take advantage of this positive momentum.

Learn more about the fund(s)

R-co Conviction Equity Value Euro

Check this document on our website

R-co Conviction Equity Value Euro performance over the last 10 years: 58,2%
Annual performance: 2023: 19.1% | 2022 : -9,6% | 2021 : 26,3% | 2020 : -9,85% | 2019 : 17,6% | 2018 : -12.7% | 2017 : 12.5% | 2016 : 4.15% | 2015 : 10.3% | 2014 : 4.1%
[1] Bloomberg as of 29/08/2025
[2] A "value" strategy is when the investor looks for companies that are undervalued by the market at a given time, i.e. whose market valuation is lower than it should be in relation to the company's results and asset value. Value investors select stocks with low price-to-book ratios or high dividend yields.
[3] The "growth" style investor focuses mainly on the growth potential of corporate earnings in the hope that the growth in sales and earnings will be higher than that of his sector or the market average.
[4] Source: Rothschild & Co Asset Management, 29/08/2025

The risk indicator assumes that you hold the product for 5 years. The actual risk may be very different if you opt to exit before maturity, and you may get less in return. We have classified this product in risk class 5 out of 7, which is between medium and high risk and mainly reflects its positioning on the Eurozone equity market. In other words, the potential losses linked to the product's future results are between medium and high, and if the situation were to deteriorate on the markets, it is likely that our ability to pay you would be affected. As this product does not provide market protection or a capital guarantee, you could lose all or part of your investment.

Advertising communication. The information, comments and analyses in this document are provided for information purposes only and should not be construed as an investment or tax advice, or as an investment recommendation from Rothschild & Co Asset Management Europe. The information/opinions/data mentioned in this document considered legitimate and correct on the day of publication, in accordance with the economic and financial environment in place at that date, are subject to change at any time. Although this document has been prepared with the greatest care from sources that Rothschild & Co Asset Management believed to be reliable and in good faith, no representation or warranty, express or implied, is made as to information accuracy or completeness, which are indicative only and are subject to change without notice. Rothschild & Co Asset Management Europe has not independently verified the information contained in this document and cannot be held responsible for any errors, omissions or interpretations of the information contained in this document. This analysis is only valid at the time of writing of this report.

Furthermore, given the subjective nature of certain analyses, we draw your attention to the fact that any information, projections, estimates, anticipations, assumptions and/or opinions are not necessarily put into practice by the management teams of Rothschild & Co Asset Management , or its affiliates, who act according to their own convictions. Certain forward-looking statements are prepared on the basis of certain assumptions, which are likely to differ either partially or totally from reality. Any hypothetical estimates are, by their nature, speculative and it is possible that some, if not all, of the assumptions relating to these hypothetical illustrations may not materialise or may differ significativement from current determinations. The information does not presume the suitability of the UCI presented to the profile and experience of each individual investor. Rothschild & Co Asset Management Europe shall not be liable for any decision taken on the basis of or inspired by the information containe

The UCIs presented above are organised according to French law and regulated by the French financial markets authority (AMF). Any investment is always subject to risk. Before any investment, please imperatively read the key investor information document (PRIIPs KID) and prospectus of the UCIs carefully, especially its section relating to risks. Each investor must also ensure the jurisdictions in which the UCI is registered. The PRIIPs KID, the full prospectus as well as the net asset value (NAV) /net inventory value (NIV) are available on our website: am.eu.rothschildandco.com. The information presented is not intended to be disseminated and does not constitute in any way an invitation for US nationals or their agents. The units or shares of the UCIs presented in this document are not and will not be registered in the United States pursuant to the U.S. Securities Act of 1933 as amended (“Securities Act 1933”) or admitted under any law of the United States. These units or shares may neither be offered, sold in or transferred to the United States (including in its territories and possessions), nor directly or indirectly benefit to a “US Person” (within the meaning of Regulation S of the Securities Act of 1933) and equivalent persons (as referred to in the US “HIRE” Act of 18 March 2010 and in the FATCA provisions).

Figures provided relate to previous years. Past performance is not a reliable indicator of future performance and is not constant over time. The value of investments and the income derived from them may vary both upwards and downwards, and is not guaranteed. The value of investments and the income derived from them may vary both upwards and downwards, and is not guaranteed. It is therefore possible that you may not recover the amount originally invested. Exchange rates variation may increase or decrease the value of the investments and the resulting income when the reference currency of the UCI is different from the currency of your country of residence. UCIs whose investment policy is aimed more specifically at specialised markets or sectors (such as emerging markets) are generally more volatile than common and diversified allocation funds. For a volatile mutual fund, the fluctuations may be particularly large, and the value of the investment may therefore fall sharply. The performances presented do not take into account any fees and commissions received on the subscription and redemption of units or shares of the UCI herein. The portfolios, products or securities presented are subject to market fluctuations and no guarantee can be given as to their future development. The tax treatment depends on the individual situation of each investor and may be subject to change.

Although Rothschild & Co Asset Management 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 redisseminated in any form and may not be used as a basis, 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 sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or other damages (including lost profits), even if advised of the possibility of such damages.

No part of this document may be reproduced, in whole or in part, without the prior written permission of Rothschild & Co Asset Management , under pain of legal proceedings.

About the Asset Management's division of Rothschild & Co

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 leveraging our long-term expertise in active management with conviction as well as in delegated management. Based in Paris and operating in 10 European countries, we manage more than 50 billion euros and employ nearly 200 people[(1)].
More information at: www.am.eu.rothschildandco.com

(1) Source: Rothschild & Co Asset Management, 31/07/2026.

France

29, Avenue de Messine
75008 Paris
+33 1 40 74 40 74

Belgium – Netherlands – Luxembourg

Rue de la Régence 52
1000 Bruxelles
+32 2 627 77 30

Switzerland

Rothschild & Co Bank AG
Rue de la Corraterie 6
1204 Genève
+41 22 818 59 00

Italy

Passaggio Centrale 3
20 123 Milano
+39 02 7244 31

Germany - Austria

Börsenstraße 2 - 4
Frankfurt am Main 60313
+49 69 299 8840

Spain

Paseo de la Castellana 40 bis
28046 Madrid
+39 02 7244 31

Visit our internet site

Follow us on LinkedIn