



Fund Update : R-co Conviction Equity Value Euro — January 2026



Anthony Bailly
Head of European Equity



Vincent Iméneuraët
European Equities Portfolio
Manager

The final month of 2025 was marked by the widely anticipated Fed rate cut, persistent concerns over AI-related valuations, and renewed hopes for a resolution of the Russia-Ukraine conflict. In this context, the MSCI World stagnated at +0.1%, the S&P 500 declined by -0.5%, and the Eurozone outperformed with a gain of +2.5%¹.

Geopolitical optimism on the Old Continent triggered a pro-cyclical movement that particularly favored banking stocks (+8.2%)¹ and commodities (+4.1%). However, the retail sector (+15.2%)¹ led the way, supported by Inditex's strong earnings release and upbeat outlook (+16.8% for the month). Real estate (-2.1%) suffered from a still-resilient rate environment, while Healthcare (-2.6%) ended at the bottom of the rankings due to its defensive nature and the sharp drop in EssilorLuxottica (-12.6%)².

From a style perspective, December once again favored Value, which rose by +3.7%, while Growth³ gained only +1.0%¹. This brought Value's outperformance over Growth to more than 23 points since the start of the year. The valuation premium of Growth versus Value continued to decline from 78% to 74%¹ during the month, following the normalization trend that began in October 2022. We remain optimistic about the continuation of this normalization given i) the high-rate environment expected to persist, and ii) the revitalization of the European economy, which should benefit financial and industrial sectors.

The R-co Conviction Equity Value Euro fund benefited from this style bias (+3.7%)⁴, outperforming its benchmark (Euro Stoxx) by 120 basis points for the month. This outperformance was mainly driven by stock selection, with Société Générale and Forvia continuing their strong performance (+14.7% for the month and +161.6% for the year for Société Générale; +12.6% for the month and +56.9% for the year for Forvia), as well as the rebound of STMicroElectronics (+13.8%) and the solid performance of Alstom (+11.7%)¹.

During the month, we introduced Banco Monte Paschi into our portfolio. The stock appears attractive due to potential balance sheet optimization and synergies from its tie-up with Mediobanca. Moreover, the environment remains highly favorable for Eurozone banks, with a healthy macroeconomic backdrop, persistently high rates, and a steeper yield curve. Given the valuation level, which remains attractive at 10.3x PE⁵ despite its re-rating, the banking bet remains the portfolio's main conviction. We also made partial adjustments to trim positions that had recently outperformed (EDPR, Alstom) and reinforced certain convictions on temporary weaknesses (Technip Energies, Saint-Gobain).

The Eurozone offers an attractive diversification opportunity within equity markets. It benefits from a much lower concentration level than the U.S., still very reasonable valuations, and natural protection against a potential dollar weakening. Investments linked to infrastructure projects in Germany and European rearmament should enable the region in 2026 to move from a resilient macroeconomic environment to a revitalization phase, creating a virtuous cycle for the entire area. Our portfolio is structured to capitalize on these favorable factors and support this revitalization phase.

Más información sobre los fondos

R-co Conviction Equity Value Euro



Consulte este documento en nuestro sitio web



R-co Conviction Equity Value Euro performance over the last 10 years: 55,97%
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] Source: Bloomberg 05/01/2026 total return in €.

[2] Source: Bloomberg 05/01/2026

[3] A “value” strategy is when an investor looks for companies that are undervalued by the market at a given moment, i.e. whose market capitalisation is lower than it should be in view of the company’s results and asset value. Value investors select stocks with low price/book ratios or high dividend yields.

[4] Investors favouring the ‘growth’ style focus primarily on the potential for growth in company earnings, hoping that revenue and earnings growth will exceed that of their sector or the market average.

[5] Source: Rothschild & Co Asset Management, 31/12/2025

[6] Price-earnings ratio: Ratio between the share price and net earnings per share.

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 significantly 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 contained

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 disseminated 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.

Acerca de la división de gestión de activos de Rothschild & Co

La división especializada en gestión de activos del grupo Rothschild & Co ofrece servicios personalizados de gestión a una amplia clientela de inversores institucionales, intermediarios financieros y distribuidores. Articulamos nuestro desarrollo alrededor de una gama de fondos abiertos aprovechando nuestras aptitudes y competencias de gran recorrido en gestión activa y convicción, así como en gestión delegada. Con sede en París y delegaciones en 10 países de Europa, gestionamos más de 50 mil millones de euros y contamos con un equipo de 200 colaboradores⁽¹⁾.

Más información en: www.am.eu.rothschildandco.com

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

France

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

Suiza

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

Alemania – Austria

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

Bélgica – Países Bajos – Luxemburgo

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

Italia

Passaggio Centrale 3
20 123 Milano
+39 02 7244 31

España

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

