RWC Partners

29 January 2010

RWC Global Convertibles Fund

Investment Objective

To provide strong risk adjusted returns through the full market cycle by investing primarily in a diversified portfolio of convertible securities worldwide.

Fund Size €566.8m

Fund Details

Manager	Davide Basile
Launch Date	29 December 2006
Structure	UCITS III Luxembourg SICAV
Share Classes	EUR,USD,GBP,CHF
Distributor Status	GBP classes only
Annual Management Charge	
Share Class A	1.50%
Share Class B	0.80%
Dealing	Daily
Dealing Cut Off	3pm (CET Trade Date -1)
Administrator	Banque Privée Edmond de Rothschild Europe
Auditor	PricewaterhouseCoopers (LUX)

ISIN Codes

Class A EUR	LU0273642768
Class B EUR	LU0273643493
Class A USD	LU0273642925
Class B USD	LU0273643733
Class A GBP	LU0280814137
Class B GBP	LU0280814301
Class A CHF	LU0391202164
Class B CHF	LU0327224076

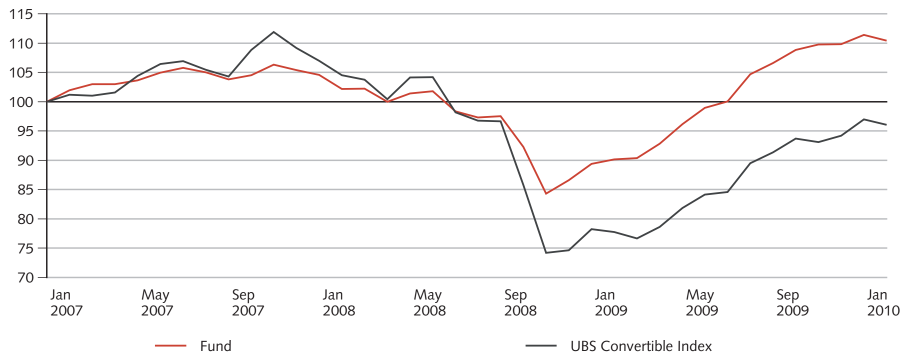
Bloomberg Code

Class B EUR	MPCGLCB LX

WKN Code

Class B EUR	A0MJUA

Cumulative Performance - Class B EUR (%)



Cumulative Performance (%)

	1 Month	3 Month	YTD	Inception
Class B EUR	-0.91	0.59	-0.91	10.41
UBS Global Focus Convertible	-0.96	3.15	-0.96	-3.96
Citi WGBI / MSCI World (60/40)	-1.14	1.36	-1.14	-2.63

Discrete Monthly Performance - Class B EUR (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	-0.91												-0.91
2009	0.89	0.24	2.69	3.59	2.92	1.11	4.63	1.80	2.11	0.86	0.06	1.45	24.68
2008	-2.31	0.07	-2.19	1.44	0.33	-3.37	-1.02	0.23	-5.39	-8.67	2.75	3.18	-14.54
2007	1.93	1.03	-0.02	0.65	1.28	0.78	-0.74	-1.11	0.65	1.75	-0.91	-0.75	4.57

Commentary

January 2010 saw a weak start to equity markets, with global indices down 3.5% to 4.5%. Within such a context convertibles behaved relatively well by participating only to a portion of this decline with our fund returning -0.91%. During the month our focus has been to reduce some of our European exposure in favour of the US, based largely on our view that GDP growth in the US is likely to be stronger than in Europe. At a sector level we are further reducing our already low exposure in Financials and Technology convertibles. We have increased exposure to Health Care, Energy and Consumer Staples. Although we believe that GDP growth could return within global economies, this may not necessarily translate into strong equity markets. We feel that risks such as interest rate increases and sovereign economy mistakes in exit strategies and inflation could derail the global recovery through 2010. Hence we are favouring a balanced delta within our fund at the lower end of our typical range, averaging 36% throughout January. In light of our views we continue to favour a low modified duration exposure, with our Rho ("modified duration equivalence") at the end of January standing at -2.1. Overall the asset class still exhibits significant cheapness from an implied volatility basis, which leads to a high convexity, or risk reward benefit which is skewed in favour of our investors. We feel that implied volatility is due to increase over the coming months, which would be beneficial to the asset class and fund. Issuance for the month totalled $5.7bn, we believe that 2010 will be a strong year from the primary market perspective adding to the performance of the asset class. From a fund specific perspective, we have witnessed net inflows from the middle of the month with a strong pipeline expected given the return of stability within the fund, cheapness of the asset class as a whole and economic uncertainty going forward, continuing to place convertibles as an ideal investment for multi asset funds.

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Bond Quality Breakdown (%)

AAA	6.6
AA	0.0
A	11.1
BBB	19.1
< BBB	10.0
Non rated	52.2
Cash	1.1
Average rating	BBB

Statistical Analysis*

Volatility	4.7

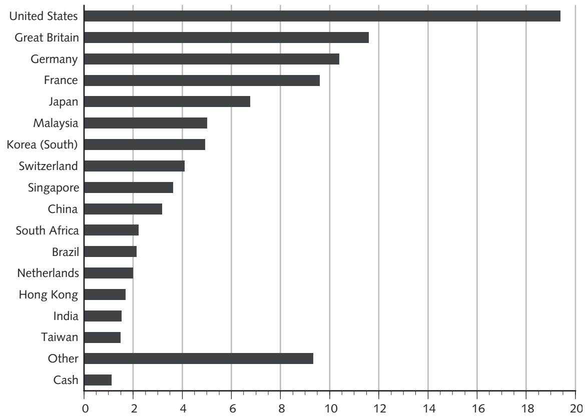
Additional Data (%)

Weighted Average Delta	36.0
No. of Convertible Bonds	103
Yield to Maturity / Put	0.1
Duration	1.97

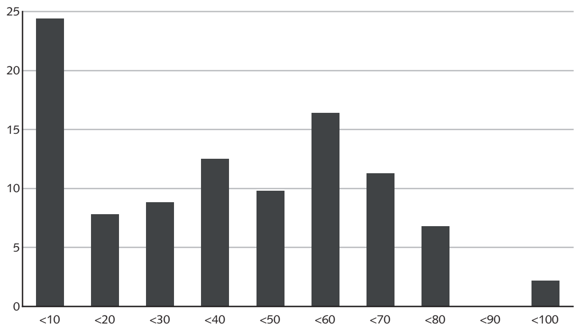
Additional Share Class NAV & Performance (%)

	NAV	1 Month	YTD
Class A EUR	1055.34	-0.98	-0.98
Class A USD	1046.41	-0.99	-0.99
Class B USD	1074.56	-0.92	-0.92
Class A GBP	537.37	-1.00	-1.00
Class B GBP	543.19	-0.93	-0.93
Class A CHF	120.88	-1.03	-1.03
Class B CHF	1015.02	-0.96	-0.96

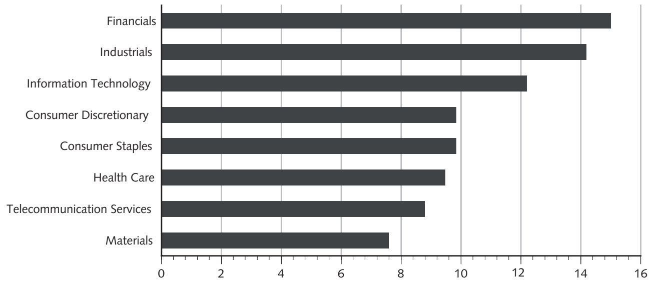
Geographic Breakdown (%)



Delta Distribution of Convertible Bonds (%)



Sector Analysis (%) (8 largest)



The information above may differ from figures published elsewhere due to differences in the standard deviation calculation methodology used. The above figures are quoted based upon the population methodology

*Relating to EUR share class using daily data.