



## RWC Global Convertibles Fund

31st July 2019

### Fund Aim

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

**Fund AUM** \$733.3m

**Team AUM** \$1,066.9m

**Firm AUM** \$16,742.9m

### Fund Details

Manager	Davide Basile
Launch Date	29th December 2006
Structure	UCITS IV Lux SICAV
Domicile	Luxembourg
Share Classes	CHF, EUR, GBP, USD
Minimum Investment	
Share Class A	25,000
Share Class B	10,000,000
Share Class R	25,000
Share Class S	200,000,000
Annual Management Charge	
Share Class A	1.50%
Share Class B	0.80%
Share Class R	0.80%
Share Class S	0.60%
Distribution Frequency	Semi-Annual
XD Dates	28 Jun, 31 Dec
Pay Dates	11 Jul, 14 Jan
Dealing - Subscriptions	Daily
Dealing - Redemptions	Daily
Dealing Cut Off	13:00 CET (Trade date-1)
Administrator	Brown Brothers Harriman
Auditor	PricewaterhouseCoopers (LUX)

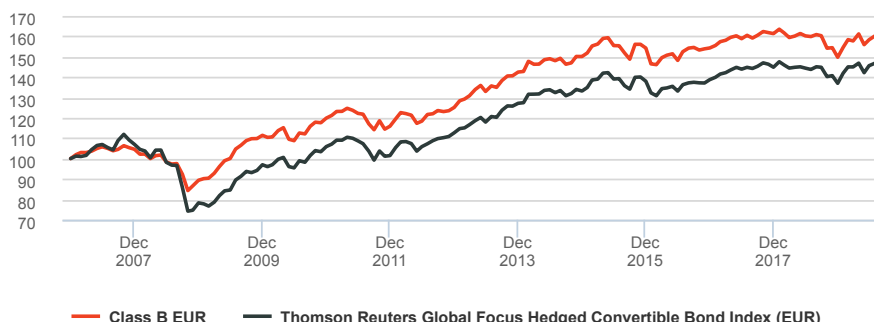
### Fund Codes

Share Class	ISIN	Sedol	Bloomberg
A CHF	LU0391202164	B3F8667	MPCGCAC LX
A EUR	LU0273642768	B1YB373	MPCGLCA LX
A GBP	LU0280814137	B1Y9SR2	MPCGCAG LX
A USD	LU0273642925	B1Y9SQ1	MPCGCAU LX
B CHF	LU0327224076	B29NGZ0	MPCGCBC LX
B EUR	LU0273643493	B1Y9SS3	MPCGLCB LX
B GBP	LU0280814301	B1Y9SV6	MPCGCBG LX
B GBP Dist.	LU0892083196	B87W1L2	MPCGBGD LX
B USD	LU0273643733	B1Y9ST4	MPCGCBU LX
R CHF	LU1319692791	BZ6CTB8	RWGCRCH LX
R EUR	LU1319692957	BZ6CTR4	RWGCORE LX
R GBP Dist.	LU1017300424	BJBPXN0	RWCACRI LX
R GBP	LU1017300267	BJBPXM9	MPCGBRA LX
R USD	LU1319692528	BZ6CST9	RWGCRUH LX
S CHF	LU1945294814	BJ4K203	RWGCSCH LX
S EUR	LU1751016087	BFWJL40	RWGCSE LX
S GBP	LU1751016160	BFWJL73	RWGCSCG LX

### Income Distribution

Share Class	Period	Dist per share
B GBP Hedge Dist.	Q2	£3.06
R GBP Hedge Dist.	Q2	£3.06

### Cumulative Performance - Class B EUR



### Cumulative Performance (%)

	NAV per Share	1M	3M	YTD	1Y	3Y	5Y	SI
B EUR	1,601.75	1.18	-0.63	6.98	0.18	5.05	8.20	60.18
Reference Index 1		0.83	-0.05	7.19	2.11	7.73	10.90	46.79

1. Thomson Reuters Global Focus Hedged Convertible Bond Index (EUR)

### Discrete Monthly Performance - Class B EUR (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	3.23	2.47	-0.41	2.19	-3.28	1.54	1.18	-	-	-	-	-	6.98
2018	1.35	-1.13	-1.40	0.46	0.78	-0.72	-0.21	0.61	-0.35	-3.83	0.17	-3.04	-7.19
2017	0.78	1.22	0.44	0.88	0.48	-0.88	1.04	-0.84	0.86	1.16	-0.33	-0.31	4.56

### Historic Annual Returns (%)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	4.57	-14.54	24.68	7.57	-3.31	7.96	13.85	5.36	2.75	0.04

### Commentary

July generally proved to be a positive month for developed equity markets, as the theme from the previous month continued with US and China resuming their stalled trade negotiations and the Fed providing support with rate reductions as expected, albeit with a less dovish tone than had been expected or desired by some market participants. This led the MSCI World higher by 0.3% and the S&P by 1.4%, with most markets giving up some gains as month-end approached. However, July proved to be a weak month for Asian markets, as softer than expected corporate earnings reports took their toll, along with protests in Hong Kong over the proposed Chinese extradition bill, as well as an ongoing trade dispute between South Korea and Japan. Yet in contrast to June, convertibles did have a strong return for the month—partially offsetting the timing mismatch discussed in the previous month—due in part to the strong performance of our semiconductor names which appreciated significantly over the period.

Over the month, The RWC Global Convertible Fund returned 1.18% (in Euro), ahead of the Thomson Reuters Global Focus Convertible Bond Index return of 0.83% and our USD return was 1.43% compared to an index return of 1.08%.

Our top contributors to the performance come from some key overweight names in our portfolio which have risen on the back of strong earnings releases; among the top five, we see Western Digital, Sony, and Twitter. We continue to retain large weights in these names, but we have begun to reduce our exposure in Sony, where the rise in the underlying equity has made the profile of the bond more equity-like. As part of our process to rebalance delta, we have begun to reduce our exposure to Sony, albeit keeping a large overweight given that we continue to see value in the underlying stock.

We participated in some of the month's primary market activity, which was in line with the typical quieter pace of the summer months, with the notable issues being LG Display and Worldline. From a positioning perspective, we have a balanced delta of 47.5% as of month end, with an investment-grade average credit exposure and high level of convexity, which we see as appropriate in this market environment. We feel volatility will be a feature in the coming months as uncertainty surrounding trade and geopolitical risks prevail. The asset class continues to remain attractively priced with our fund exhibiting a good level of cheapness, which we feel offers investors an attractive way to participate to equities while retaining some capital preservation aspects.

Please note Firm AUM includes emulation account values from the previous month-end.

Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

The month end values shown for both the NAV and the index are the values released on the last day of the month. As such there is some mismatch between the two.

All performance details are NAV-NAV gross income reinvested. Source: RWC, Thomson Reuters, MSCI

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**Bond Quality Breakdown (%)**

AAA	0.0
AA	1.6
A	12.9
BBB	10.4
< BBB	10.6
NR	64.1
Cash	0.3
Average rating‡	BBB-

**Statistical Analysis\***

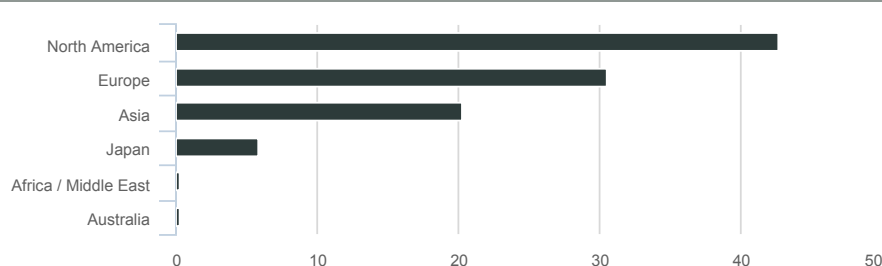
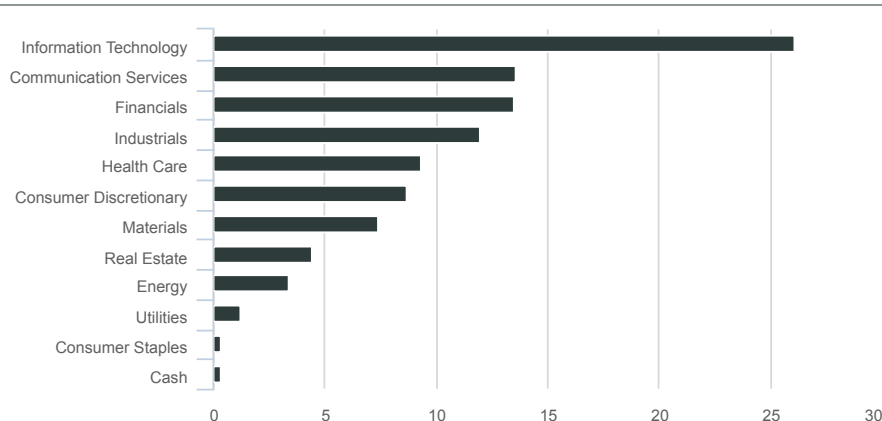
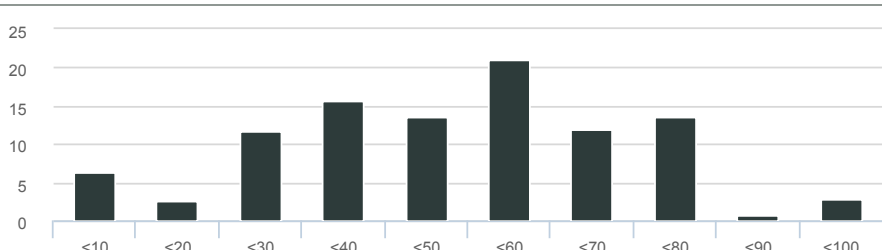
	Fund
Volatility	5.5

**Additional Data (%)**

Weighted Average Delta	47.5
No. of Convertible Bonds	109
Yield to Maturity / Put	-2.7
Rho**	-1.9
Modified Duration Equivalent	1.9
Current Yield	0.9

**Additional Share Class NAV & Performance**

Share Class	NAV	1 Month (%)	YTD (%)
A CHF	153.89	1.06	6.18
A EUR	1,413.68	1.11	6.46
A GBP	747.83	1.21	7.13
A USD	1,522.57	1.36	8.39
B CHF	1,399.55	1.13	6.70
B EUR	1,601.75	1.18	6.98
B GBP	814.56	1.29	7.65
B GBP Dist.	758.97	1.29	7.65
B USD	1,693.20	1.43	8.92
R CHF	99.95	1.13	6.68
R EUR	102.08	1.18	6.95
R GBP Dist.	757.93	1.28	7.62
R GBP	780.63	1.28	7.64
R USD	110.56	1.43	8.90
S CHF	101.73	1.15	1.73
S EUR	99.70	1.20	7.13
S GBP	104.83	1.31	4.83

**Geographic Breakdown (%)**

**Sector Breakdown (%)**

**Delta Distribution of Convertible Bonds (%)**


S GBP Share class launched on 30/01/2019. S CHF share class launched on 20/02/2019.

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.

\*\*Interest rate sensitivity.

‡Includes implied ratings applied to non-rated holdings which are calculated internally with no input from ratings agencies.

Source: RWC, Morningstar.

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