



RWC Continental European Equity Fund

28th February 2020

Fund Aim

To provide capital return and income to investors by investing primarily in Continental European equity securities

Fund AUM €48.7m

Team AUM €396.5m

Firm AUM €16,427.6m

Fund Details

Managers Graham Clapp
Russell Champion

Launch Date 14th December 2017

Structure UCITS IV Lux SICAV

Domicile Luxembourg

Share Classes EUR, GBP

Minimum Investment

Share Class B 10,000,000

Share Class R 25,000

Share Class S 100,000,000

Annual Management Charge

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

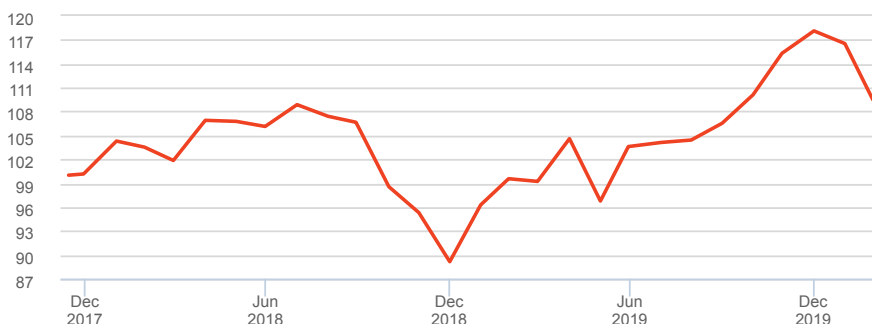
Administrator Brown Brothers Harriman

Auditor PricewaterhouseCoopers (LUX)

Fund Codes

| Share Class | ISIN | Sedol | Bloomberg |
|-------------|--------------|---------|------------|
| B EUR | LU1697531488 | BF8F669 | RWCEBEC LX |
| B GBP | LU1697531561 | BF8F6R0 | RWCEBGC LX |
| R GBP | LU1697531728 | BF8F744 | RWCERGC LX |
| S EUR Dist. | LU1966011980 | BJVM698 | RWCESED LX |

Cumulative Performance - Class B EUR



Cumulative Performance (%)

| | NAV per Share | 1M | 3M | YTD | 1Y | SI |
|----------------------|---------------|-------|-------|-------|------|------|
| B EUR | 109.49 | -6.04 | -5.04 | -7.31 | 9.98 | 9.49 |
| MSCI Europe ex UK TR | | -7.54 | -6.78 | -8.28 | 5.60 | 3.20 |

Discrete Monthly Performance - Class B EUR (%)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|-------|-------|-------|------|-------|-------|------|-------|-------|-------|-------|-------|--------|
| 2020 | -1.35 | -6.04 | - | - | - | - | - | - | - | - | - | - | -7.31 |
| 2019 | 8.00 | 3.42 | -0.34 | 5.41 | -7.49 | 7.07 | 0.50 | 0.29 | 2.02 | 3.36 | 4.73 | 2.44 | 32.52 |
| 2018 | 4.13 | -0.73 | -1.62 | 4.95 | -0.12 | -0.60 | 2.58 | -1.34 | -0.70 | -7.59 | -3.30 | -6.47 | -10.99 |

Commentary

The MSCI Europe ex UK Index fell -7.54% in February, as investors began to price in negative economic impacts from the spread of COVID-19 outside of China, with further central bank easing unable to support markets. The fund outperformed the index, down only -6.04%, primarily benefiting from positive stock selection. By sector, consumer discretionary and information technology drove the majority of outperformance.

Although the rising global spread of COVID-19 drove a broad market sell off, those sectors with a direct exposure to the negative impacts of the virus underperformed the market. Airlines performed particularly badly as demand began to fall and restrictions started to be placed on international flights between some countries to try and halt the spread of the virus. As a result, our holding in Wizz Air fell 20%.

The energy sector was also a significant underperformer, as the oil price fell c.13% in the face of weakening Chinese demand. Refinery throughout China fell c.25% from January levels, which is significant given that the country accounts for c.14% of global oil demand. Following strong performance in January, PGS was one of the worst performers of the month, falling 28%, exacerbated by its stretched balance sheet. We are actively assessing where stocks are mispricing the impact of COVID-19 both positively and negatively and will continue to react accordingly.

Ingenico was the best performer up 22%. Worldline bid for the company, offering 11 Worldline shares and EUR160 in cash for 7 Ingenico shares tendered. The company operates in the payments space supplying payment terminals to banks and retailers. The stock has been a significant source of contribution for the team since we first purchased a position in 2010. Having sold the position in 2015 as the EMV (Chip & Pin) cycle turned negative, we rebuilt a position as the business stabilised with a replacement cycle driven by their new Android based products. We believe the combination with Worldline makes sense, allowing the creation of a European leader in the payment market with large synergy opportunities.

Evolution Gaming was another strong contributor, up 18%. The company reported Q4 2019 revenue and profit growth of more than 50% and 80% respectively, ahead of analysts' expectations. The company continues to drive the market transition from traditional online casino slots towards live casino, where the player bets in real time through a video link to a croupier in one of Evolution's studios. The business has proven to be considerably harder to copy for competitors than we initially thought, and we would argue that Evolution is rather increasing the gap from its competitors as its peers focus on multiple products whilst Evolution has its full focus on live casino. In February, we had the opportunity to meet with Evolution's management as well as its competitors at ICE London (the largest global gaming B2B conference worldwide) and came away with the impression that Evolution's products and innovations remain superior. The company continues to launch new games and sign up new partnerships, including Flutter, which we believe will contribute to further growth going forward.

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.

Total Fund returns are calculated on a NAV-NAV basis net income reinvested and are shown net of all fees.

Source: RWC

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Exposure Summary (%)

| | |
|----------|------|
| Equities | 97.8 |
| Cash | 2.2 |

Top Ten Long Positions (%)

| | |
|--------------------------|-----|
| HelloFresh SE | 3.8 |
| Novo Nordisk A/S Class B | 3.6 |
| Ingenico Group SA | 2.8 |
| Alten SA | 2.7 |
| DCC PLC | 2.6 |
| APPLUS SERVICES SA | 2.6 |
| Bayer AG | 2.5 |
| Sonova Holding AG | 2.5 |
| Kone Oyj Class B | 2.5 |
| Elektro AB Class B | 2.4 |

Security Breakdown

| | |
|------------------------------|------|
| Total No. of Securities Held | 52 |
| Top Ten Positions* | 28.0 |

Market Cap Breakdown (% of NAV)

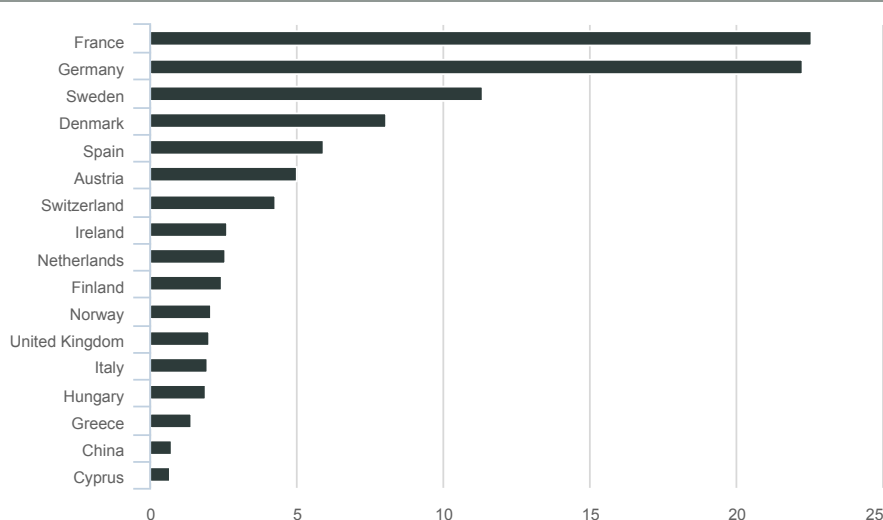
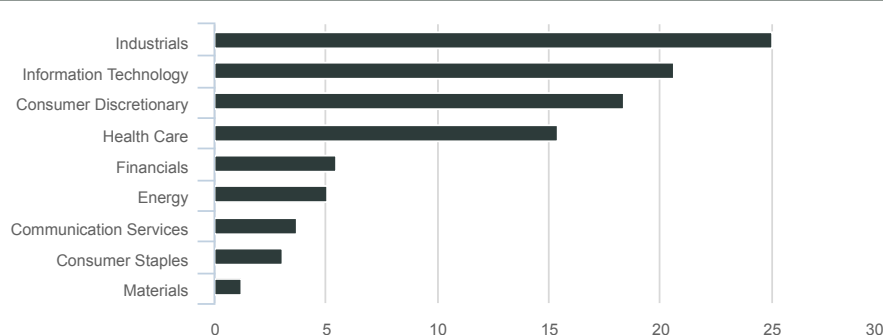
| | |
|-----------------|------|
| > \$25bn | 20.7 |
| \$10bn - \$25bn | 21.9 |
| \$1bn - \$10bn | 52.9 |
| < \$1bn | 4.4 |

Statistical Analysis

| | |
|--------------|-------------|
| | Fund |
| Active Share | 88.6 |

Additional Share Class NAV & Performance

| Share Class | NAV | 1 Month (%) | YTD (%) |
|-------------|--------|-------------|---------|
| B EUR | 109.49 | -6.04 | -7.31 |
| B GBP | 107.34 | -3.88 | -5.93 |
| R GBP | 102.47 | -3.89 | -5.93 |
| S EUR Dist. | 108.86 | -6.02 | -7.28 |

Geographic Breakdown (%)

Sector Breakdown (%)


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.

*Percentage of NAV.

Source: MDO, Factset (using GICS Sector Classifications via MSCI).

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