

# Global Water Equity

1st Quarter, 2010

## Investment Strategy Objective

The Global Water Equity strategy aims to invest in companies which offer a solution to global water shortages and which fall predominantly within the broadly defined eco-sector of clean water technologies. Water-related activities are those that influence the quality, availability or demand of water, including but not necessarily limited to: water production, transport and distribution; water conditioning; and sewage and liquid-waste treatment.

## Philosophy

Based on the belief that by generating and exploiting an information advantage we seek to drive superior and consistent investment results for the benefit of our clients - a philosophy we call RCM informed. This perspective enables us to identify what we believe are winning companies with high-quality franchises. Our investment professionals, working in a team-orientated meritocracy, focus on constructing portfolios offering attractive risk-adjusted returns.

## Global Water Equity

The Global Water Equity strategy philosophy recognises that the environment has a significant and increasing impact on businesses and financial markets. Population growth and industrialisation are putting a strain on limited resources, including fresh water. Historically, high oil prices have heightened interest in alternative sources of energy and in recent years water shortages across the world have increased the profile of clean water as a valuable and increasingly scarce resource. Similarly, a tightening regulatory environment around the world is forcing companies in all markets to commit more resources to clean business practices. Whilst we recognise that these global trends will likely last for generations, companies working on solutions appear to be benefiting already.

## Investment Rationale

- Identifying companies that derive a substantial and ideally predominant portion of their revenues or profits from water-related activities or are expected to do so in the near future.
- Great emphasis on fundamental, proprietary research in order to identify the most attractive investment opportunities.

## The RCM Advantage

- Global investment infrastructure.
- Innovative proprietary research platform generating bottom-up stock selection:
  - Over 60 sector-based fundamental analysts.
  - Grassroots® Research with a network of circa 300 independent journalists and field force researchers, with over 50,000 industry contacts\*
  - Dedicated in-house specialists with 34 years combined experience in the industry.
- A boutique culture offering dedicated business professionals engaging with clients proactively and dynamically.

\* Grassroots® Research is a division of RCM. Research data, used by Grassroots® Research to generate recommendations, are received from reporters and field force investigators who work as independent contractors for broker-dealers.

## Product Profile

Product Assets:	USD 59 million
Years Managed:	1
Benchmark:	S&P Global Water Index
Responsible Portfolio Manager:	Andreas Fruscki
Structure:	US domiciled mutual fund. Also available as a segregated strategy.

## Key Investment Professionals



### Andreas Fruscki

Global Water Equity Portfolio Manager; Sustainability Research Analyst - Water

Joined Firm: 2005

Investment Career Began: 2005



### Bozena Jankowska

Head of Sustainability Research Team; Sustainability Research Analyst - Clean Technology

Joined Firm: 2000

Investment Career Began: 2000



### Barbara Evans

Sustainability Research Analyst - Macro/Policy

Joined Firm: 2006

Investment Career Began: 2006



### James Britland

Sustainability Research Analyst - Alternative Energy

Joined Firm: 2008

Investment Career Began: 2006



### Vipin Ahuja, CFA

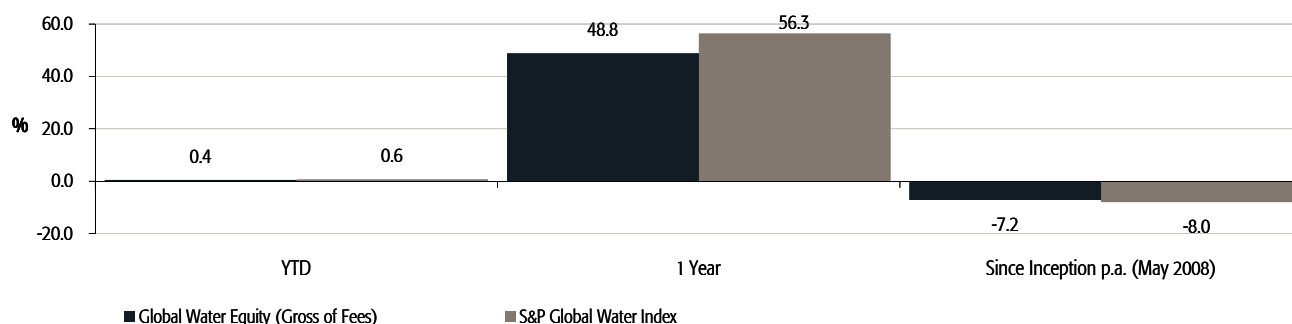
Sustainability Research Analyst - Clean Technology

Joined Firm: 2009

Investment Career Began: 1997

# Global Water Equity, 1st Quarter, 2010

## Performance (Gross of Fees in USD)



Source: RCM, as at 31 March 2010, USD

## Representative Account

### Characteristics

Beta	0.99
P/E (Next 12 Months)	15.6x
Earnings Growth (Next 3-5 Years)	10.5%
P/E (Next 12 Months) to Growth	1.48x
Weighted Average Market Cap	USD 6.1 billion
Number of Holdings	29

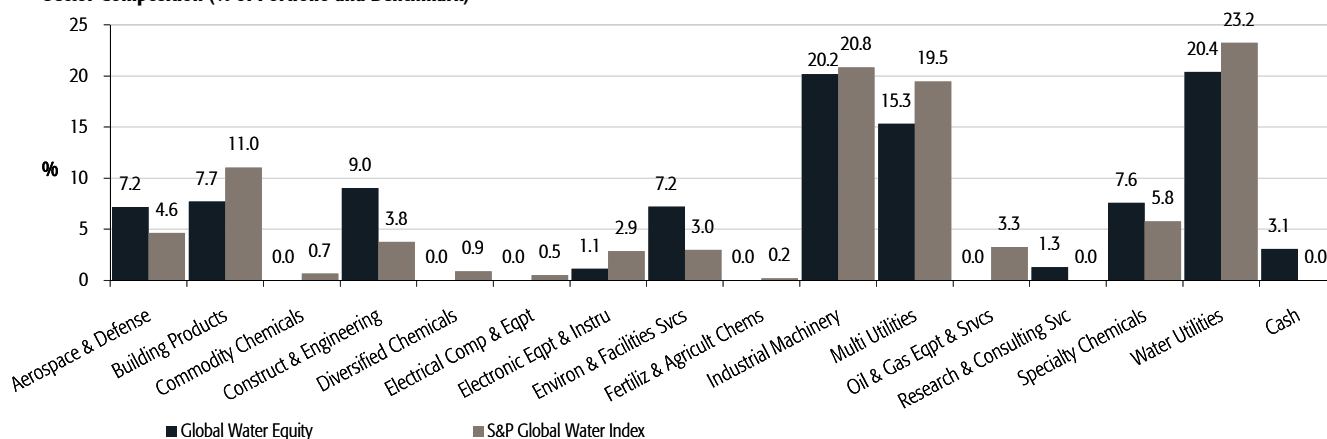
Source: RCM, as at 31 March 2010

### Top Ten Holdings

Geberit AG	7.7%
ITT Corp	7.1%
Veolia Environnement	6.3%
Andritz AG	5.7%
Danaher Corp	5.7%
Nalco Holding Co	5.7%
United Utilities Group PLC	4.7%
Kurita Water Industries Ltd	4.6%
Arcadis NV	4.1%
Tetra Tech Inc	4.1%

Source: RCM, as at 28 February 2010

### Sector Composition (% of Portfolio and Benchmark)



Source: RCM, as at 31 March 2010

Past performance is not a reliable indicator of future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

For purposes of compliance with GIPS the "firm" is defined as RCM ("RCM"), a global investment advisory organization, consisting of several affiliated firms, which operates under the brand name RCM. The affiliated firms that comprise the Firm include, among others, RCM Europe ("RCM Europe"). RCM Europe presents the Global Water Equity investment strategy in Europe, which seeks to generate positive returns over a full market cycle by investing in the eco-sector of Water. RCM Europe claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of RCM Europe's composites and/or a presentation that adheres to the GIPS® standards, please call +44 (0) 20 78 59 90 00, or write to RCM (UK) Ltd, 155 Bishopsgate, London EC2M 3AD.

The Representative Account information is for illustrative purposes only. Portfolio holdings are subject to change without notice and should not be considered a recommendation to purchase or sell individual securities. The information is for the sole use of the addressee, who it is believed are professional clients as defined by the Financial Services Authority.

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