

**FORM ADV PART 2A: FIRM BROCHURE**

**ITEM 1. COVER PAGE**



**RWC Asset Advisors (US) LLC**

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March 25, 2021

**Important Disclosure:**

This brochure dated March 25, 2020 provides information about the qualifications and business practices of RWC Asset Advisors (US) LLC and its affiliates (“RWC” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at +44 20 7227 6000 or our Chief Compliance Officer at [compliance@rwcpartners.com](mailto:compliance@rwcpartners.com). RWC is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser does not imply that RWC or its employees possess a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about RWC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2. MATERIAL CHANGES**

RWC is required to identify and discuss any material changes that have been made to the brochure since its last annual update. Please note below changes to RWC's business.

There have been no material changes to the brochure since the last update.

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#### **ITEM 4. ADVISORY BUSINESS**

##### **A. General Description of Advisory Firm**

RWC is a Delaware limited liability company formed on November 5, 2012. RWC is an investment adviser with a principal place of business in Miami, Florida. The Firm's principal owner is RWC Partners (US) LLC, which is owned by RWC Partners Limited ("RWC Partners"). RWC Partners is wholly owned by RWC Midco Limited ("RWC Midco") and RWC Midco is fully owned by RWC Holdings Limited ("RWC Holdings Ltd"). RWC Holdings Ltd is substantially owned by its staff (former and present, directly or via an employee benefit trust) with LPC Pinetree LLC retaining the remainder of the ownership.

##### **B. Description of Advisory Services**

RWC primarily provides investment advisory services to pooled investment vehicles (collectively referred to herein as the "Funds" and individually a "Fund") on a discretionary basis. These Funds rely on an exemption from registration under Section 3(c)(7) of the Investment Company Act of 1940, as amended ("Investment Company Act"). RWC also provides discretionary and non-discretionary investment advisory services to separately managed accounts ("Managed Accounts"). RWC also serves as the investment adviser to the RWC Global Emerging Equity Fund ("40 Act Fund") a mutual fund registered with the Investment Company Act (collectively, the Funds, Managed Accounts, and the 40 Act Fund will be referred to herein as "Clients").

RWC generally has broad and flexible investment authority with respect to certain of its Clients. The Firm may employ various strategies and can invest or trade in a wide variety of financial instruments, including, but not limited to: equities, currencies, commodities, fixed income, warrants, rights, options, swaps, preferred stocks, convertible securities and money market obligations, amongst others.

##### **C. Tailored Advisory Services**

Generally, the Firm does not expect to tailor its advisory services to the individual or particular needs of investors in the Funds. Such investors will accept the terms of advisory services as set forth in each Fund's governing documents. The Firm expects to have broad investment authority with respect to the Funds and, as such, investors should consider whether the investment objectives of the Funds will be in line with their individual objectives and risk tolerance prior to investment.

RWC may tailor its advisory services to the individual needs of its Managed Accounts by negotiating the terms of its advisory contracts. Managed Accounts may also be tailored for legal, regulatory or tax purposes. Each investment management agreement and related account documentation for a Managed Account will specify the particular investment program and any related investment restrictions.

##### **D. Wrap Fee Programs**

RWC does not participate in wrap fee programs.

##### **E. Assets Under Management**

As of December 31, 2020, RWC had assets under management of \$10,449,988,184.

## ITEM 5. FEES AND COMPENSATION

### A. Fees

RWC will charge a fee to each Client (other than the 40 Act Fund) that is based on a percentage of net assets under management (the “Management Fee”). The Management Fee is accrued daily and may be payable monthly or quarterly in arrears, as outlined in each Client’s offering memoranda or investment management agreement. For any subscription or redemption by an investor that is effective other than as of the first or last business day of a quarter, such investor will pay a pro-rated fee.

The applicable Management Fee schedule for each Client or investor is described in each Client’s offering memorandum or investment management agreement. RWC, or the Fund’s board, may, in its sole and absolute discretion, elect to reduce, waive or calculate differently the Management Fee with respect to any Client or investor. The Firm also receives an incentive allocation (“Incentive Allocation”) as discussed further in Item 6.

For its services to the 40 Act Fund, the Firm is entitled to a management fee, which is calculated daily and paid monthly, at an annual rate of 0.90% of the average daily net assets of the Fund. Please refer to the 40 Act Fund prospectus for complete details of fees and expenses.

### B. Charging Fees

The Firm generally deducts the Management Fee from Clients’ assets as accrued on a monthly or quarterly basis. Separately managed accounts Clients are billed directly for Management Fees incurred.

When a client invests in the 40 Act Fund, RWC does not bill the client a separate advisory fee because RWC will be compensated from the Fund’s expense ratio. Please refer to the 40 Act Fund prospectus for complete details of fees and expenses.

### C. Other Fees and Expenses

In addition to the Management Fee and Incentive Allocation, each Fund will bear its own expenses, which may include but are not limited to: investment expenses (e.g., expenses that, in the Firm’s discretion, are related to the investment of assets, whether or not such investments are consummated, such as brokerage commissions, clearing and settlement charges, custodial fees, bank service fees and interest expenses); research costs; investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of the applicable Funds’ investments) incurred by the Firm; professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; administrative expenses (including fees and expenses of an administrator); legal expenses; external accounting and valuation expenses (including the cost of accounting software packages); audit and tax preparation expenses; directors fees; costs of preparing, printing and mailing reports, offering materials and notices; entity-level taxes; corporate licensing; regulatory expenses (including filing fees); insurance premiums (to the extent not prohibited by ERISA); organizational expenses including the costs of maintaining the Funds’ registered office(s); expenses incurred in connection with the offering and sale of shares and other similar expenses related to the Fund; income taxes, withholding taxes, transfer taxes, stamp duties, filing fees or other governmental fees imposed on the Funds and extraordinary expenses

(including litigation and indemnification expenses, if any).

*Please refer to the relevant Fund's offering memoranda for a complete understanding of each Fund's fees and expenses. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's offering memoranda.*

Expenses charged on Managed Accounts will be negotiated separately at the time of the applicable accounts' opening.

From time to time, RWC and/or its affiliates, in their discretion, may make payments to certain affiliated or unaffiliated financial intermediaries to compensate them for the costs associated with distribution, marketing, administration and shareholder servicing support for the 40 Act Fund. These payments are sometimes characterized as "revenue sharing" payments and are made out of the Adviser's and/or its affiliates' own legitimate profits or other resources and may be in addition to any payments made to financial intermediaries by the 40 Act Fund. A financial intermediary may provide these services with respect to Fund shares sold or held through programs such as retirement plans, qualified tuition programs, fund supermarkets, fee based advisory or wrap fee programs, bank trust programs, and insurance (e.g., individual or group annuity) programs. In addition, financial intermediaries may receive payments for making shares of the Fund available to their customers or registered representatives, including providing the Fund with "shelf space," placing it on a preferred or recommended fund list, or promoting the Fund in certain sales programs that are sponsored by financial intermediaries. To the extent permitted by the U.S. Securities and Exchange Commission ("SEC") and Financial Industry Regulatory Authority ("FINRA") rules and other applicable laws and regulations, the Adviser and/or its affiliates may pay or allow other promotional incentives or payments to financial intermediaries. The level of payments made by the Adviser and/or its affiliates to individual financial intermediaries varies in any given year and may be negotiated on the basis of sales of Fund shares, the amount of Fund assets serviced by the financial intermediary or the quality of the financial intermediary's relationship with the Adviser and/or its affiliates. These payments may be more or less than the payments received by the financial intermediaries from other mutual funds and may influence a financial intermediary to favor the sales of certain funds or share classes over others. In certain instances, the payments could be significant and may cause a conflict of interest for your financial intermediary. Any such payments will not change the NAV or price of the Fund's shares.

The 40 Act Fund has adopted a distribution plan under Rule 12b-1 of the Investment Company Act for Class N Shares that allows the Fund to pay distribution and/or service fees for the sale and distribution of Fund shares, and for services provided to shareholders. Because these fees are paid out of the Fund's assets on an on-going basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges. The maximum annual Rule 12b-1 fee for Class N Shares of the Fund is 0.25%.

*To determine if the 40 Act Fund is an appropriate investment for you, carefully consider the funds' investment objectives, risk, and charges and expenses. This and other information can be found in the 40 Act Funds' prospectus, and if available, the summary prospectus, which can be obtained by visiting [www.RwcPartners.com](http://www.RwcPartners.com). Please read the prospectus, and if available, the Statement of Additional Information, carefully before investing.*

D. Timing of Fee Payments

As described above, Management Fees are generally paid monthly or quarterly in arrears. Accounts initiated or terminated during the relevant periods will be charged a pro-rated Management Fee.

For the 40 Act Fund, fees are calculated daily and paid monthly. Accounts initiated or terminated during the relevant periods will be charged a pro-rated fee.

E. Payments to Supervised Persons

Neither RWC nor any of its supervised persons will accept compensation for the sale of securities or other investment products.

#### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

RWC and its affiliates will receive an Incentive Allocation from certain of its Clients. The aggregate amount of such Incentive Allocation shall be allocable from net capital appreciation of the applicable Client. Any Incentive Allocation shall reduce such Client's net asset value.

Any performance fees charged by RWC will comply with the requirements of Section 205 of the Advisers Act and all applicable rules thereunder. The fact that the Incentive Allocation is payable only out of increases in net profits may create an incentive for the Firm to select investments which are riskier or more speculative than would be the case in the absence of such fees. As such, RWC has implemented internal controls to address the potential for any conflicts associated with performance-based fees and varying fee structures.



## ITEM 7. TYPES OF CLIENTS

As further described in Item 4 of this brochure, RWC provides discretionary investment advisory services to the Funds which operate as exempt investment companies under Section 3(c)(7) of the Investment Company Act. Interests in the Funds will be limited to individuals and entities that meet the criteria of (i) “qualified purchasers” as defined by the Investment Company Act; or (ii) “qualified clients” as defined by Rule 205-3 under the Advisers Act.

Prospective investors should refer to the applicable Fund’s offering memoranda for complete information regarding the minimum investment requirements for participation in the Funds. Typically, RWC requires a minimum investment of \$1 million, although the Funds’ board of directors maintains discretion to individually waive, increase or reduce the minimum investment required. For certain of the Funds, the minimum investment required by RWC varies based on the type of share class the investor wishes to invest in; the minimum investment required across all share classes in these Funds is typically \$100,000.

RWC also provides discretionary and non-discretionary advisory services to institutional investors and other pooled investment vehicles (including registered investment companies and undertakings for the collective investment of transferable securities (“UCITS”)) through Managed Accounts. The Firm may impose minimum account requirements on Managed Accounts, which would be described in the written investment management agreement entered into by and between the Firm and the Managed Account.

RWC provides portfolio management services to the 40 Act Fund, an affiliated mutual fund. RWC has entered into an advisory agreement with the Advisors’ Inner Circle Fund III (“SEI”) to provide such services. The 40 Act Fund may utilize similar investment strategies as other Funds and may impose different minimum requirements and fees across different share classes, all of which are described in the fund’s prospectus and other disclosure documentation.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### A. Methods of Analysis and Investment Strategies

*The descriptions set forth in this brochure of specific services that RWC offers should not be understood to limit in any way RWC’s activities. RWC may offer any services, engage in any activity and make any advisory decision, including any not described in this brochure, that RWC considers appropriate or necessary in the fulfillment of its fiduciary obligation or that it believes is in the best interests of its Clients. The investment strategies pursued by each Client are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved. This brochure does not contain a complete set of risk parameters; please refer to the offering memoranda for a comprehensive list.*

The Firm’s mission is to achieve the objectives set forth by the Clients. For the majority of RWC’s Clients, the Firm utilizes strategies, which include investing in developing economies and less established world markets (i.e., frontier and emerging markets) and a long/short U.S. equity strategy. The Firm believes that its global perspective, in combination with its knowledge of local markets, allows its investment teams to identify the natural growth opportunities existing in world markets and that an active investment style driven by extensive research and risk management can exploit the many inefficiencies that exist in certain markets. In analyzing an investment, RWC’s investment teams will generally take

into consideration technical market factors, quantitative analysis and qualitative research. RWC will seek to implement the strategies that it believes provide the best risk-adjusted return potential for the applicable Client.

## B. Types of Risks

*Listed below are some of the risks that will be associated with a Client investment. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Clients' investment strategies. For a complete explanation of each Client's relevant investment strategies and their associated risks, investors should review the relevant prospectus, offering memoranda or investment management agreement, which may contain additional explanations of strategies, risks and other related details not discussed below.*

**General Investment Risk:** All investments are subject to risk, including the possible loss of principal invested. Past performance does not guarantee future results and there is no guarantee that any particular asset allocation, or mix of funds, or any particular mutual fund, will meet Clients investment objectives or provide Clients with a given level of income.

**Key Man Risk.** Management of client assets is heavily reliant on key individuals(s). Should any of these individuals leave RWC, the organization may suffer adversely from the loss their expertise. While RWC has taken reasonable steps to mitigate the negative impact this may have, such risk cannot be avoided entirely.

**Counterparty Risk.** Some of the markets in which the Clients may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Clients have concentrated its transactions with a single or small group of counterparties. The ability of the Clients to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Clients.

**Corporate Actions.** Where the Clients are entitled to take part in corporate actions such as shareholder votes in respect of its investments, it may be necessary for a prime broker and custodian to take such actions on its behalf, but the prime broker and custodian are not bound to act upon the Clients' instructions.

Where the Clients are exposed to a security through a derivative transaction, the Clients will have no ability to influence any corporate action in respect of that security.

**Disclosure of Portfolio Information.** The composition of the Clients' investment portfolio is subject to confidentiality provisions. The Clients and the Firm may limit the amount and frequency of information disclosed and may disclose certain types of information on a delayed basis.

**Illiquid Portfolio Instruments.** The Clients may invest part of its assets in illiquid investments. The

Clients may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. An investment in a Client is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

**Exchange Rate Fluctuations; Currency Considerations.** While the functional currency of each Client is US dollars, the Clients' assets will often be invested in securities denominated in other currencies and any income or capital received by such Client will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of each Client's portfolio and the unrealized appreciation or depreciation of investments.

**Derivative Instruments.** The Clients may utilize exchange-traded derivatives. The level of initial margin deposit normally required to enter into such instruments permits a high degree of leverage. These activities involve risks that can be substantial and expose investors to a high risk of loss, depending on the circumstances, as a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount placed as initial margin to enter into such instruments. The Clients may also utilize OTC derivatives, which can be highly volatile and expose investors to a potentially unlimited loss. OTC derivatives are bespoke, bilateral arrangements and, as traded by the Clients, are not subject to direct government regulation. Derivative instruments traded on an exchange are backed by that exchange, but that does not mean that they will be guaranteed in the event of failure of the exchange. Exchange traded and OTC derivatives may be illiquid.

**Concentration of Investments.** The Clients may not be diversified. The Clients may at certain times hold relatively few investments or be invested in few industries, companies, instruments or markets. The Clients could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

**Leverage and Financing Risk.** The Clients expect to leverage capital when the Firm believes that the use of leverage may enable the Clients to achieve a higher rate of return. Accordingly, the Clients may pledge its assets in order to borrow additional funds from dedicated credit and banking facilities for investment purposes. The Clients may also leverage its investment return with exchange-traded derivative instruments. The amount of borrowings and other forms of leverage which the Clients may have outstanding at any time may be substantial in relation to its capital. Investments made by the Clients may also contain a significant amount of inherent leverage.

While leverage presents opportunities for increasing the Clients' total return(s), it has the effect of potentially increasing losses as well and generally increases the volatility of the net asset value. Accordingly, any event which adversely affects the value of an investment by the Clients would be magnified to the extent the Clients are leveraged. The cumulative effect of the use of leverage by the Clients in a market that moves adversely to the Clients' investments could result in a substantial loss which would be greater than if the Clients were not leveraged.

The Clients will also be subject to interest costs associated with this leverage and should investment income and gains earned on investments made through the use of leverage be lower than these interests costs, the net asset value would decrease more rapidly than if the Clients were not leveraged.

On a winding up, as shareholders rank for repayment after all creditors, they may not get back their full investment if, having redeemed their shares, there are insufficient funds to discharge creditors.

The Firm may adjust the Clients' leverage based on research, volatility, risk considerations and the Firm's subjective judgment of economic and market conditions. Adjustments to leverage may result in greater profits or losses and increased brokerage costs. No assurance can be given that these adjustments will end up being beneficial to the Clients.

In general, the use of short-term margin borrowings results in certain additional risks to the Clients. For example, should the securities pledged to brokers to secure the Clients' margin accounts decline in value, the Clients could be subject to a "margin call," pursuant to which the Clients must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A "margin call" can essentially be made at the discretion of the relevant broker, regardless of the movement in value of the securities which the Clients have pledged to secure its margin account. In the event of a sudden drop in the value of the Clients' assets, the Clients might not be able to liquidate assets quickly enough to satisfy their margin requirements.

**Hedging Transactions.** The Clients may utilize financial instruments, both for investment purposes and for risk management purposes. For a variety of reasons, the Firm may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged.

While the Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients than if it had not engaged in such hedging transactions. Such an imperfect correlation may prevent the Clients from achieving the intended hedge or expose the Clients to risk of loss. The Firm may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk.

**Liquidity.** The Firm will endeavor to maintain the liquidity of the portfolio consistent with the ability of the shareholders to redeem their shares according to the terms of the Clients. Therefore, even in the event of a very large redemption, the Firm will strive to enable positions to be unwound without undue costs (in terms of bid-offer spreads etc.) to the Clients. However, liquidity is not a constant; at times particular financial instruments can become suddenly illiquid and, especially during a market crisis, even a wide range of instruments can become illiquid. Therefore, there can be no guarantee that the Clients could not suffer significant costs (in terms of bid-offer spreads etc.) in unwinding positions, for example to meet redemption requests or because of a reduction or removal of the Clients' ability to liquidate its portfolio. Such an event may limit or otherwise affect the ability of the Clients to operate or manage investment positions and strategies within its portfolio.

**Investments in Emerging, and Asian Markets.** Investing in emerging and frontier markets (including in the Asian markets) involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive

regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of the Clients' securities with local brokers and securities depositories and (xv) the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. The Clients could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on securities held by the Clients or gains from the disposition of such securities.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The Clients may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in local courts.

**Investments in Currencies and Currency-Related Instruments.** A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Clients are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

**Debt Securities Generally.** The Clients may invest in private debt securities and other similar instruments. The Clients may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments, including sovereign issuers, may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. High yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities

tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing.

**Highly Volatile Markets.** The prices of financial instruments in which the Clients may invest can be highly volatile. Price movements of derivative contracts in which the Clients' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Clients are subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

**Limited Redemption Rights and Liquidity.** An investment in certain of the Clients (notably, the Funds) provides limited liquidity because the redemption rights of shareholders may be restricted. It is also not anticipated that there will be an active secondary market for shares of the Funds. Shareholders may redeem their shares of the Funds, subject to certain restrictions set out in the applicable Fund's offering memoranda.

**Risk of Investing in China.** The Chinese economy is generally considered an emerging market and can be significantly affected by economic and political conditions and policy in China and surrounding Asian countries. A relatively small number of Chinese companies represents a large portion of China's total market and thus may be more sensitive to adverse political or economic circumstances and market movements. The economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others. Under China's political and economic system, the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership. In addition, expropriation, including nationalization, confiscatory taxation, political, economic or social instability or other developments could adversely affect and significantly diminish the values of the Chinese companies in which the 40 Act Fund invests.

**Shanghai-Hong Kong Stock Connect Risks.** Funds that can invest in China may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect program subject to any applicable regulatory limits. The Shanghai-Hong Kong Stock Connect program is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), the Hong Kong Securities Clearing Company Limited ("HKSCC"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with the aim of achieving mutual stock market access between mainland China and Hong Kong. This program will allow foreign investors to trade certain SSE-listed China A-Shares through their Hong Kong based brokers.

A Fund seeking to invest in the domestic securities markets of China via the Shanghai-Hong Kong Stock Connect are subject to the following additional risks:

General Risks - The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied, which could adversely affect a fund. The program requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly trading in both Hong Kong and Shanghai markets through the program could be disrupted.

Shanghai-Hong Kong Stock Connect will only operate on days when both China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the China market, but a Fund cannot carry out any China A-Shares trading. As a result, a Fund may be subject to the risk of price fluctuations in China A-Shares during the time when Shanghai-Hong Kong Stock Connect is not trading.

**Clearing and Settlement Risk** - HKSCC and ChinaClear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

**Legal/Beneficial Ownership** - Where securities are held in custody on a cross-border basis there are specific legal and beneficial ownership risks linked to the compulsory requirements of the local central securities depositaries, HKSCC and ChinaClear.

As in other emerging markets the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Shanghai-Hong Kong Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Shanghai-Hong Kong Stock Connect securities would have full ownership thereof, and that those Shanghai-Hong Kong Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, neither the fund nor the depositary can ensure that the fund's ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the depositary and the Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Fund suffers losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants may be limited to assisting clearing participants with claims. It is anticipated that HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In which event, a Fund may not fully recover its losses or its Shanghai-Hong Kong Stock Connect securities and the process of recovery could also be delayed.

**Operational Risk** - The HKSCC provides clearing, settlement, nominee functions and other related services in respect of trades executed by Hong Kong market participants. China regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of a sale, pre-delivery of shares to the broker is required, increasing counterparty risk. As a result of which, a Fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

**Quota Limitations** - The Shanghai-Hong Kong Stock Connect program is subject to quota limitations which may restrict a Fund's ability to invest in China A-Shares through the program on a timely basis.

**Investor Compensation** - A Fund will not benefit from China local investor compensation schemes.

**Tax within China** - A Fund investing in Chinese securities may be subject to withholding and other taxes imposed in China. Given the current uncertainty as to whether and how certain gains on Chinese securities are to be taxed, the possibility of the rules being changed, and the possibility of taxes being applied retrospectively, any provision for taxation made by the management company or the investment manager may be excessive or inadequate to meet final Chinese tax liabilities on gains derived from the disposal of Chinese securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their Shares.

**Risks of Investing in Other Investment Companies.** To the extent that the 40 Act Fund invests in other investment companies, such as open-end funds, closed-end funds and ETFs, the Fund will be subject to substantially the same risks as those associated with the direct ownership of the securities held by such other investment companies. As a shareholder of another investment company, the 40 Act Fund relies on that investment company to achieve its investment objective. If the investment company fails to achieve its objective, the value of the Fund's investment could decline, which could adversely affect the fund's performance. By investing in another investment company, Fund shareholders indirectly bear the Fund's proportionate share of the fees and expenses of the other investment company, in addition to the fees and expenses that Fund shareholders directly bear in connection with the Fund's own operations. Because ETFs and certain closed-end funds are listed on national stock exchanges and are traded like stocks listed on an exchange, their shares potentially may trade at a discount or premium. Investments in ETFs and certain closed-end funds are also subject to brokerage and other trading costs, which could result in greater expenses to the Fund. In addition, because the value of ETF and certain closed-end fund shares depends on the demand in the market, the Adviser may not be able to liquidate the Fund's holdings at the most optimal time, which could adversely affect Fund performance.

*To determine if the 40 Act Fund is an appropriate investment for you, carefully consider the Funds' investment objectives, risk, and charges and expenses. This and other information can be found in the Funds' prospectus, and if available, the summary prospectus, which can be obtained by calling the number on the homepage of this Brochure. Please read the prospectus, and if available, the Statement of Additional Information, carefully before investing.*

#### **C. Risks in Recommending a Particular Type of Security**

RWC does not recommend primarily a particular type of security.



**ITEM 9. DISCIPLINARY INFORMATION**

Neither RWC nor any of its management persons have been involved in any legal or disciplinary events that are material to a Client, investor, prospective Client or prospective investor's evaluation of the Firm's advisory business or the integrity of its management.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Broker-Dealer Registration Status**

RWC is not registered as, nor does it have an application pending to register, as a broker-dealer.

However, certain RWC supervised persons and related sales personnel of the Firm may be associated with Foreside Fund Services LLC (“Foreside”), an unaffiliated, limited purpose, FINRA member broker-dealer, and in that capacity may engage in marketing, selling or supervisory activities with respect to shares in the 40 Act Fund. Supervised persons and related sales personnel may be internally compensated for successful marketing or selling activities with respect to shares in the 40 Act Fund.

### **B. CFTC Registration Status**

Neither RWC nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Industry Relationships Material to Advisory Business**

RWC Asset Management LLP (“RWC AM”), a limited liability partnership located in London, is an affiliate of the Firm registered with the SEC and the UK Financial Conduct Authority (“FCA”). RWC AM provides discretionary investment advisory services to: (i) Luxembourg and Cayman Islands’ domiciled privately placed pooled investment vehicles, certain of which are undertakings for collective investment in transferable securities (“UCITS”) or alternative investment funds; and (ii) offshore managed accounts. The principal owner of RWC AM is RWC Partners. In addition, RWC AM provides operational execution support to the Firm whereby RWC utilizes RWC AM’s execution desk to place trades on behalf of its Clients. RWC AM is not compensated for such execution services

RWC Singapore (Pte) Limited (“RWCPTE”), a private limited liability company incorporated in Singapore is also an affiliate of the Firm. RWCPTE is a fund management company that has been granted a capital markets services license by the Monetary Authority of Singapore. The principal owner of RWCPTE is RWC Partners.

Additionally, RWC Partners, a private limited liability company incorporated under the laws of England and Wales, is also an affiliate and indirect owner of the Firm. RWC Partners is authorized and regulated by the FCA. RWC Partners controls RWC AM, , RWCPTE and the Firm and provides them with operational support, resources and services, which include legal, compliance, IT, finance and risk management.

RWC has entered into an agreement with SEI to provide the infrastructure for the 40 Act Fund. Services provided by SEI include, but are not limited to, governance, legal, compliance and operational infrastructure.

In addition, as noted above, RWC has entered into an agreement with Foreside to provide for registration of registered representatives and supervisory support services for activities related to the 40 Act Fund.

D. Materials Conflicts of Interest Relating to Other Advisers

RWC will not recommend or select other investment advisers in exchange for direct or indirect compensation from those advisers that creates a material conflict of interest.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

The Firm has adopted a Code of Ethics (the “Code”) to comply with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act which sets forth standards of business and personal conduct for all RWC employees. The Code is predicated on the basic idea that employees of RWC will adhere to certain ethical and fiduciary standards and will conduct their affairs in accordance with the principles of professionalism, integrity, honesty and trust.

The Code establishes policies and procedures that are reasonably designed to: (i) prevent fraud and improper personal trading; (ii) identify circumstances that may result in an actual or potential conflict of interest or the appearance thereof; and (iii) provide a means to resolve such conflicts. Investors and prospective investors may request a copy of the Code by contacting RWC at the address or telephone number listed on the first page of this brochure.

### **B. Securities in which the Firm or Related Persons have Financial Interest**

RWC may recommend securities in which it and/or its affiliates directly or indirectly have a financial interest. All transactions made by employees are closely monitored on an ongoing basis by the Compliance Department to ensure pre-clearance has been sought and obtained when required, and to ensure the personal trading patterns of employees fall within the guidelines set forth in the Code.

Personal trading transactions by employees may raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for, a Client. The Firm has adopted policies and procedures designed to detect and when possible prevent such conflicts of interest and, when they do arise, to ensure that it effects transactions for Clients in a manner that is consistent with its fiduciary duty to its Clients and in accordance with applicable law.

### **C. Securities in which the Firm or Related Persons Recommend to the Funds**

The Firm, its principals, employees and affiliates may trade securities for their own accounts. It is possible that principals, officers or employees of the Firm may buy or sell securities that the Firm has recommended to Clients and may engage in transactions for their own accounts in a manner that is inconsistent with the Firm’s recommendations to a Client. The Firm addresses this conflict by implementing those policies and procedures described above.

## ITEM 12. BROKERAGE PRACTICES

### A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

RWC is authorized to determine the brokers or dealers to be used for each securities transaction over which it has investment discretion. Transactions will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Firm and/or certain other accounts, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers and custodians) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Firm may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

#### 1. Research and Other Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment managers using brokerage commissions to pay for certain brokerage and research services. Client commissions utilized to pay for such services are often referred to as "soft dollars." The use of soft dollars is only permissible when obtaining services that provide lawful and appropriate assistance in the performance of investment decision-making responsibilities. RWC uses soft dollars to obtain investment research and brokerage services in accordance with Section 28(e).

Clients may pay higher commissions in excess of those which another broker-dealer might have charged, in recognition of the value of brokerage and research services provided by the selected broker-dealer. RWC will only subject Clients to such higher commission rates if the Firm determines in good faith that the amount of commissions charged is reasonable in relation to the value of the services provided. The types of benefits the Firm receives due to soft dollars include: research reports on companies, industries and securities; economic, market and financial data; and access to broker-dealer analysts.

When Client commissions are used to obtain brokerage and research services, the Firm receives a benefit because it does not have to produce or pay for such services itself. As a result, RWC may have an incentive to select a broker-dealer based on the Firm's interests as opposed to solely the Client's.

Brokerage and research services obtained with soft dollars may be used to service one or more accounts, including Clients that may not have paid for the soft dollar benefits and therefore, any particular Client may or may not, in any particular instance, be the direct or indirect beneficiary of the research or services provided.

Research needs are assessed on an investment team-by-team basis, taking into account the specific strategies of each investment team as well as the role research plays in the investment process. The compliance team manages the assessment, together with the relevant investment team, and confirms the adherence to soft dollar rules and guidance. In addition, the finance team

manages the payment process, which serves as an additional review. An annual statement is produced for each Client, which includes total soft dollars accumulated, spent, and the balance for the period.

All new soft dollar arrangements are reviewed and approved by the Firm's compliance and finance teams who consider any potential conflicts of interest and ensure that best execution can still be achieved.

## *2. Brokerage for Client Referrals*

The Firm does not consider the prospect of receiving, or the receipt of, client referrals when selecting or recommending broker-dealers for client securities transactions.

## *3. Directed Brokerage*

Generally, it is the policy of RWC to not permit clients or investors to direct brokerage. However, RWC may permit Managed Accounts to direct the Firm to execute transactions through a specified broker-dealer. Such arrangements may put restrictions on the Firm with respect to the selection of broker-dealers for certain or all transactions. In these cases, the commission rates or other transaction prices and costs may be higher or lower than what the Firm may have been able to obtain in the absence of such restrictions.

### *B. Aggregated or "Bunched" Orders*

It is RWC's practice, where possible, to aggregate Client orders for the purchase or sale of the same security submitted contemporaneously (or near the same time) for execution using the same executing broker. RWC will also aggregate in the same transaction, the same securities for Clients where RWC has brokerage discretion. Such aggregation may enable RWC to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction.

In cases where trading or investment restrictions are placed on a Client, RWC may be precluded from aggregating that Client's transaction with others. In such a case, the Client may pay a higher commission rate and/or receive less favorable prices than Clients which are able to participate in an aggregated order.

Where the Client or its affiliate is the natural counterparty for trade execution for a strategy and the Client mandate would be involved in the aggregate trade, Client would trade behind the aggregate order in the event such a restriction is imposed on their account.

### **ITEM 13. REVIEW OF ACCOUNTS**

#### **A. Review of Client Accounts**

Each Client's portfolio will be frequently monitored and reviewed by RWC and its portfolio managers. The review will include monitoring the daily profit and loss, net asset value calculations and trade reconciliations performed by each Client's administrator.

#### **B. Factors that May Trigger a Review of Client Accounts**

A review of a Client, other than described above, may also be triggered by changes in market conditions, change of security positions, changes in investment objectives or policies or capital inflows/outflows, among other reasons.

#### **C. Content and Frequency of Reports**

Audited financial statements will be provided to investors in the Funds, generally within 120 days of the end of a Fund's fiscal year as required by Rule 206(4)-2 under the Advisers Act. Capital statements will be provided to Fund investors on at least a quarterly basis.

Managed Accounts receive ongoing written reports consistent with the applicable investment management agreement or other governing documents.

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

##### **A. Economic Benefit for Providing Services to Non-Clients**

The Firm will not receive an economic benefit from non-Clients for providing investment advice or other advisory services to the Clients.

##### **B. Compensation to Non-Supervised Persons for Client Referrals**

Generally, it is the policy of RWC to not provide compensation (directly or indirectly) to any person who is not a supervised person for Client referrals. However, RWC may, from time to time, use RWC Partners for investor referrals into the Funds. RWC Partners is not compensated as a placement agent by RWC. RWC may delegate certain of its placement agent duties to a third-party placement agent. Such third-party placement agent may be compensated by RWC or the Funds in accordance with Rule 206(4)-3 of the Advisers Act.



## **ITEM 15. CUSTODY**

Under Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), RWC is deemed to have custody of the Funds’ assets because it has the authority to obtain the Funds’ fund or securities, for example, by deducting advisory fees or otherwise withdrawing funds from the Funds’ custodial accounts. In addition, related persons who act as a general partner, managing member or in other similar capacities to the Funds would be deemed to have custody of the Funds’ assets.

In accordance with the Custody Rule, RWC’s Head of Operations is responsible for ensuring that the Funds’ securities are held only with a qualified custodian. RWC’s Chief Financial Officer is responsible for arranging for annual independent audits of the Funds by a qualified accounting firm within 120 days of the Funds’ fiscal year end and for obtaining audited financial statements prepared in accordance with GAAP. RWC arranges for the delivery of such audited financial statements to investors of the Funds within 120 days of the Funds’ fiscal year end.

RWC does not have custody over the assets of its Managed Accounts.

**ITEM 16. INVESTMENT DISCRETION**

Pursuant to the Funds' offering memoranda, and in accordance with the investment management agreements entered into by the Firm with such Funds, RWC is granted complete investment authority with respect to the types and amounts of all securities bought and sold by the Funds. The Firm will buy and sell securities and other instruments for the Funds on a discretionary basis in a manner consistent with each Fund's stated investment objectives and restrictions.

RWC is granted investment authority with respect to the types and amounts of securities sold or purchased by or on behalf of the Managed Accounts over which the Firm has been granted discretionary authority, and such discretion will depend on the terms of such Managed Account's respective investment management agreement. With respect to Managed Accounts over which the Firm does not have discretionary authority, such Managed Account will determine the types and amounts of securities sold or purchased on its behalf.

## **ITEM 17. VOTING CLIENT SECURITIES**

RWC has adopted proxy voting policies and procedures to ensure that any proxy voted on behalf of the Clients is voted in a manner which is in the best interests of its Clients pursuant to Advisers Act Rule 206(4)-6.

RWC has authority to vote certain of its Clients' securities over which it has investment authority. As such, the Firm has adopted proxy voting policies and procedures ("Proxy Voting Policy") in accordance with Rule 206(4)-6 of the Advisers Act. The Proxy Voting Policy is designed to vote proxies in the best interests of the Clients. In carrying out this responsibility, RWC and relevant personnel are obligated to: (i) know each affected Client; (ii) review each proxy and the related materials; and (iii) determine what vote represents such Client's best interests. To assist the Firm in understanding and analyzing a specific proxy issue, RWC personnel may utilize outside research, information and/or services, but ultimately RWC is responsible to vote each proxy in the best interest of each Client. Clients and investors can reserve the right to vote their own proxies.

The Proxy Voting Policy is designed to ensure that Client proxies are properly voted, material conflicts are avoided and fiduciary obligations are fulfilled. Because RWC personnel are discouraged from engaging in any material business other than providing investment management services to Clients, it is highly unlikely that any specific Client proxy will result in a material conflict of interest between RWC or any RWC personnel and any Client.

In the unlikely event that RWC or any of its personnel has a material conflict with a Client in connection with the voting of proxies, as determined by the Firm, in its sole discretion, RWC shall (i) prohibit any conflicted RWC personnel from participating in and/or having any influence on RWC's evaluation of the proxy vote; (ii) vote in accordance with the proxy voting recommendations of a majority of such Clients; or (iii) follow the proxy voting recommendations of an independent third-party proxy voting specialist.

Clients or investors may obtain information about how the Firm has voted proxies and/or a copy of the Proxy Voting Policy by contacting the Chief Compliance Officer at the telephone number on the cover of this brochure.

**ITEM 18. FINANCIAL INFORMATION**

- A. RWC will not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance and therefore has not included a balance sheet.
- B. RWC does not believe that there are any conditions that are reasonably likely to impair its ability to meet contractual commitments to the Clients.
- C. RWC has never been the subject of a bankruptcy petition.