

30-Jul-10

NAV: 104.06

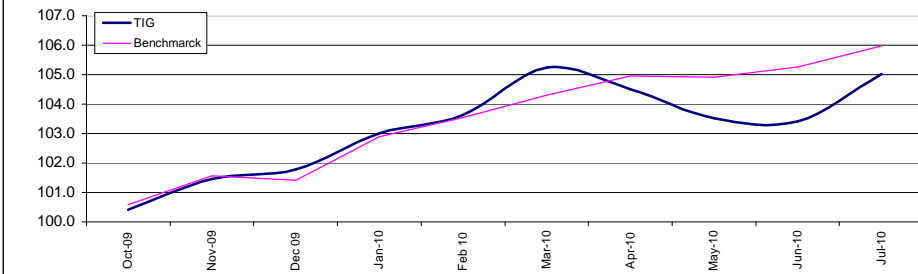
**Investment Policy**

The TOWER FUND is a FCP registered in Luxembourg. The compartment's objective is long-term capital appreciation. The compartment invests the majority of its total assets in corporate investment grade bonds on a worldwide basis. Most of the securities have a rating between AAA and BBB-. This fund suits investors who are looking for higher yield than money markets or Government securities in the investment grade universe. The investment time horizon should be at least 2-3 years. The investment objective is to have positive absolute returns rather than relative performance vs an index.

**Characteristics**

Manager	Banque Safdie
Portfolio Manager	Tassan-Din Daniel
Location	Geneva, Switzerland
Portfolio currency	EUR
Total net assets in mil. EUR	22.4
Inception date	10.15.2009
Reference Index	ML EMU Corporate Index
Management fees p.a	0.6%
Performance fee	10% above of EUR 1M
Price calculation	daily
Dividend distribution (Jul 29, 2010)	EUR0.46
Subscription	each Luxembourg business day until 4pm
Redemption	

**Performance in EUR**



**Net Returns**

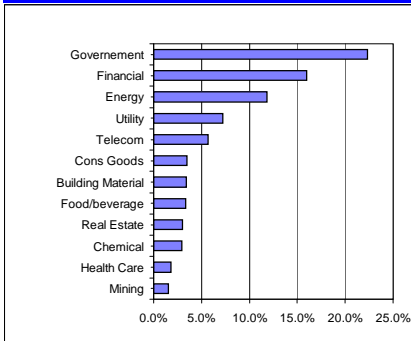
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year
<b>2010 TIG</b>	1.2%	0.7%	1.6%	-0.7%	-0.9%	0.0%	1.6%						3.5%
Libor 1M	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%						0.7%
Reference	1.5%	0.6%	0.8%	0.6%	0.0%	0.3%	0.7%						4.6%
<b>2009 TIG</b>										0.4%	1.0%	0.3%	1.8%
Libor 1M										0.1%	0.1%	0.1%	0.3%
Reference										0.6%	1.0%	-0.2%	1.4%

**Portfolio By Rating**

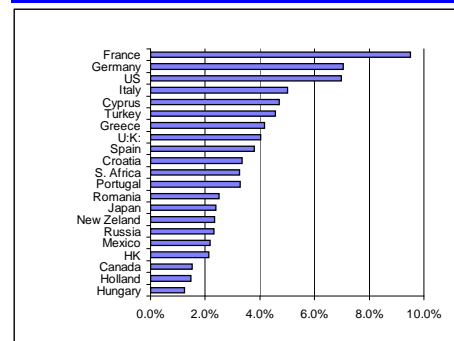
Current Avg Bond Ratings: A-

AAA	10%
AA+	2%
AA	1%
AA-	2%
A+	5%
A	7%
A-	7%
BBB+	21%
BBB	13%
BBB-	7%

**Sector Exposure**



**Country Exposure**



**Dividend & Performance**

Dividend Distribution Total Since Inception	EUR0.96
Average Dividend Yield	1.9%
Performance since inception	5.0%
Annualized performance since inception	5.9%

**Asset Allocation**

Corporate Bonds	68.1%
Government	22.3%
Cash	9.6%
<b>Total</b>	<b>100%</b>

**Statistics**

Tower Investment Grade Fund	
Bonds YTM	5.0%
Portfolio YTM	4.5%
Portfolio M. Duration	5.0
Portfolio Spread (bps)	259
Number of positions	55
ML EMU Corporate (EUR, AAA-A, ex T1)	
YTM	3.1%
M. Duration	4.2
Avg Spreads	167
Avg Rating	A+

**Comments**

- The EU financial support to its member states and the banking stress tests have reduced the short-term default risks in Europe.
- Corporates profits continue to improve which is reducing risk.
- The high Governments debt and deficit levels should keep the BCE from increasing rates in 2010.
- A slow growth environment with low inflation is positive for corporate bonds

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