



Fund description

The Virgin Climate Change Fund is long only and targets companies with a lighter-than-average environmental footprint. This is based on our expectation that damage costs associated with environmental pollution that are currently external to most companies' P&Ls will be forced by regulators and legislators to be internalised. This should give a competitive advantage to "lighter" companies. The strategy is based on three main components. 1) Stocks in the GLG European Equity Fund are put through a "Green Filter", which restricts holdings to those that have a lighter than average environmental footprint in their sector, based on data from Trucost plc, the environmental consultancy. This will typically account for 75-100% of the weightings in the Virgin Climate Change Fund. 2) The "Solution Adopters". Companies that are world leaders in seeking and adopting ways to minimise their footprint. This may account for up to 15% of the Fund. 3) The "Solution Providers". Companies that own the intellectual property for the solutions to environmental problems, including the Alternative Energy stocks. This may account for up to 10% of the Fund.

	Historical Net Performance (%)												Year to date	Cumulative Net Return
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
2008	2.40	2.56	(0.14)	2.17	3.77	(10.92)	(7.92)	0.47	(18.03)	(19.60)	(7.70)	4.97	(41.49)%	MSCI* (32.30)%
2009	(3.81)												(3.81)	MSCI** (6.12)%

*MSCI Daily TR Net Europe Index (loc) since inception on 18 January 2008 Source: GLG Partners LP
 **MSCI Daily TR Net Europe Index (loc) 1 January 2009 to 31 January 2009: GLG Partners LP

Monthly comment

Pierre Lagrange
Senior Portfolio Manager



The Fund started the year well, outperforming its benchmark by 231bps in January, but this came in the context of a further 6.1% fall in the MSCI Europe Total Return (Local Currency index).

All the major drivers of excess return contributed to the outperformance, but the largest single factor was the welcome return to form of our stockpicking, which itself added three quarters of the total excess over benchmark. Three sectors stand out in this regard:

- Materials, where CRH benefited from the US Government plans to increase infrastructure spending;
- Financials, where Munich Re was up on the January reinsurance renewals season which was strong after a general decline in insurance capacity due to financial market dislocation and the twin hurricanes last year;
- Diversified Financials, where Fortis was up strongly on the renegotiation of the BNP deal in favour of Fortis shareholders.

We also had positive contributions from our stockpicking in Energy, Capital Goods and all Consumer sub-sectors, while no single sector detracted more than 18bps from overall Fund relative returns.

In addition we initiated new positions in Unilever and Colruyt, in the more defensive end of the spectrum.

Our sector selection also added a little to excess return, mainly because of our underweight Financials and our overweight Telecoms. At the sector level we are positioned fairly neutrally between cyclicals and defensives, remaining underweight Financials. Our beta remains around the market level, and we look to increase our stock specific risk over

the next few months as the success or failure of the policy initiatives around the world becomes clearer. With a beta exposure close to 1 we remain fully invested in the market, with however a strong overweight in high free cash flow and good earnings revision stocks. Risk is evenly distributed between sector and stock specific drivers.

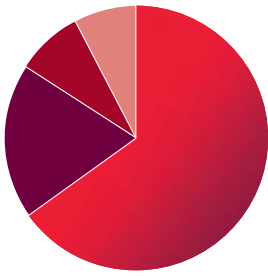
A better top down outlook and lower intra sector stock correlation would make us seek to increase risk exposure to single stock risk.

With Solution Adopters, coming into the earning season we took profit in some names such as Andritz, which was up more than 20% over the month. Meanwhile, we increased our position in Bayer which we believe to be both a sustainable agriculture player (plants stress tolerance program) and an efficiency enabler player (eco insulation and solvent free product range).

In Solution Providers, we increased position in Autonomy, whose results surprised positively once again.

Overall, at month end, the Fund's footprint was 38% lighter than the market and in line with our target.

Strategy Allocation



CASH	4%
SOLUTION PROVIDERS STRATEGY	6%
SOLUTION ADOPTERS STRATEGY	14.5%
CLEAN EUROPEAN EQUITY STRATEGY	75.5%

Source: GLG Partners LP

Largest Clean European Equity

COMPANY	INDUSTRY	% OF FUND
Vivendi	Communications	4.81%
Nokia OYJ	Technology	4.39%
Sanofi-Aventis	Consumer, Non-Cyclical	3.77%
Imperial Tobacco Group plc	Consumer, Non-Cyclical	3.36%
BAE Systems	Industrial	3.09%
Total SA	Energy	2.97%
Lloyds Banking Group plc	Financial	2.93%
E.on AG	Utilities	2.56%
Muenchener Rueckversicherungs	Financial	2.53%
Fresenius Medical Care	Consumer, Non-Cyclical	2.53%
BG Group plc	Energy	2.51%
Telefonica SA	Communications	2.39%
Experian plc	Financial	2.19%
Unilever NV	Consumer, Non-Cyclical	2.19%
BP plc	Energy	2.17%

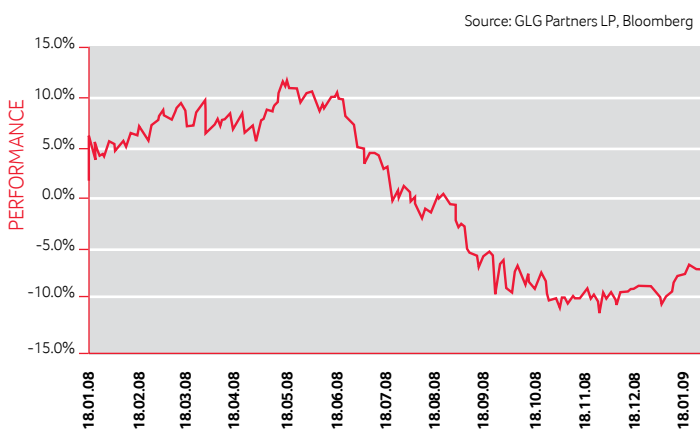
Largest Adopters / Providers

SOLUTION ADOPTERS	INDUSTRY	% OF FUND
Vodafone Group PLC	Communications	3.52%
Bayer AG	Basic Materials	2.34%
Novartis AG	Consumer, Non-Cyclical	2.32%

SOLUTION PROVIDERS	INDUSTRY	% OF FUND
Electricite De France	Utilities	2.63%
Autonomy Corporation PLC	Technology	1.97%
Gamesa Corp Technologica SA	Industrial	0.58%

Source: GLG Partners LP

Performance relative to MSCI Europe Index



Our aim is to have a 30%-50% Lighter Environmental footprint vs. MSCI Europe Index

MSCI EUROPE
2.9%

CLEAN EUROPEAN EQUITY STRATEGY
1.8%

BETTER BY
38%

Chart shows GLG's calculation of MSCI Europe Index and the Clean European Equity strategies environmental footprint using Trucost data. The environment footprint is the annual damage cost divided by market capitalisation.

Source: GLG Partners LP

Main characteristics

INCEPTION:
18 Jan 2008 at €1

CURRENCIES:
GBP

DEALING DAY:
Daily

DIVIDEND POLICY:
Non-distributing

DOMICILE:
UK

LISTING:
Not listed

REDEMPTION NOTICE:
1 business day

MANAGEMENT FEE:
1.75% per annum

PERFORMANCE FEE:
20% over BoE base rate

MINIMUM INVESTMENT:
£500 lump sum or £50 monthly

Exposure as % of Capital

