Fact Sheet

October 2018

UCITS V

NEWPORT CORE PORTFOLIOS

I Acc USD NAV : 93.60

Structure
Investment Company with Variable Capital (ICVC)

Domicile
Dublin, Ireland

Investment Strategy
Multi-Strategy, Multi-Asset Balanced

Investment Manager
Newscape Capital Group Ltd
FCA regulated 193700

Investment Adviser
Newport Private Wealth Pty Ltd
ASIC regulated 451820

Launch Date
1 August 2017

NAV / Liquidity / Distribution
Daily (accumulation shares only)

Currency
USD base (GBP/EUR/AUD hedged)

Management Fee
A, B, C, R : 1.00% / I : 0.25%

Minimum Initial Investment
A, B, C, R : 7,500 / I : 5,000,000

Minimum Additional Investment
A, B, C, R : 1,000 / I : 500,000

Preliminary Charge
A : up to 5% / B , C, I, R : Nil

Contingent Deferred Sales Charge
A , C, I : Nil

Administrator
CACEIS Ireland Limited

Custodian
CACEIS Bank Luxembourg

Auditor
PricewaterhouseCoopers (Ireland)

Portfolio Commentary

Please refer to the rear of the fact sheet for a longer portfolio commentary

Investment Objective

The Fund's investment objective is to produce capital growth and a total return (total return includes interest, capital gains, dividends and distributions) higher than that of its peer group(s) while maintaining a lower level of annualised volatility and a focus on reducing the depth and breadth of potential portfolio drawdown.

Investment Strategy

The Fund will aim to achieve its investment objective by utilising a highly diversified portfolio of active strategies and global asset classes that are broadly separated into 3 sub-portfolios:

Strategic Asset Allocation (SAA)

The SAA portfolio aims to provide capital growth with a reduced level of volatility via strategic exposures to a wide range of asset classes. The manager's focus is on determining the relative attractiveness of asset classes based on an assessment of the macroeconomic environment, valuations and investor sentiment.

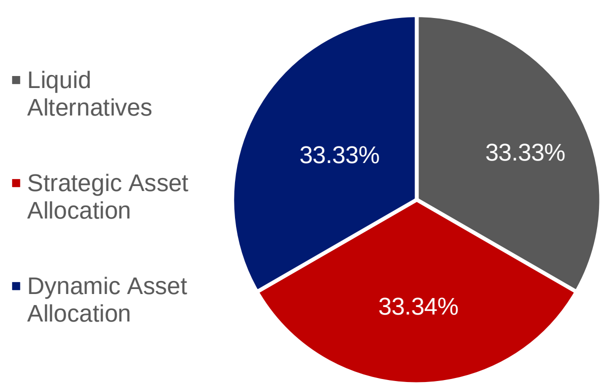
Dynamic Asset Allocation (DAA)

The DAA portfolio aims to provide capital growth whilst maintaining a focus on minimising the potential for deep drawdown that is typically associated with traditional strategic asset allocation. The portfolio uses a systematic active asset allocation strategy. All allocation decisions are made using quantitative methods and are unconstrained. Allocation rules are driven by time-series momentum & trend indicators, expected return and expected volatility factors.

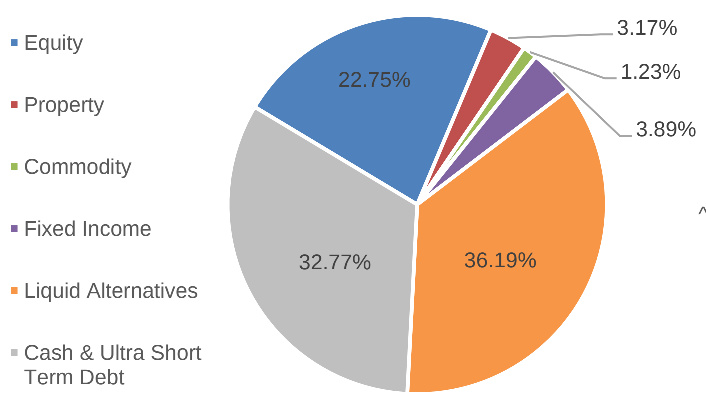
Liquid Alternatives

The liquid alternatives portfolio aims to provide capital growth without the level of volatility and drawdowns typically associated with growth type assets (i.e. equities) and other traditional long-only multi-asset funds. The portfolio is diversified across multiple liquid hedge fund strategies, styles & managers all of whom aim to deliver positive absolute returns regardless of economic and financial market conditions. All managers trade liquid instruments, have good liquidity terms, operate in UCITS compliant structures and are monitored on both quantitative and qualitative measures.

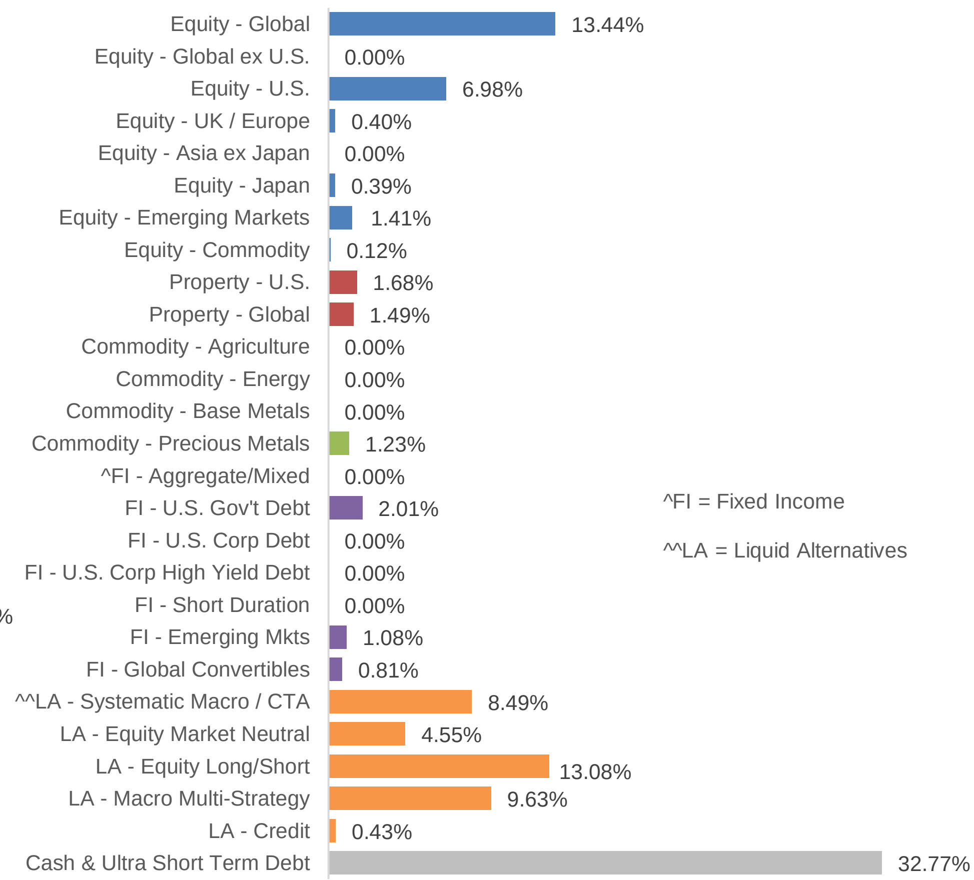
Target Strategy Allocation



Current Asset Allocation



Current Asset Allocation



Asset allocation as of 5 November 2018 - Source: Newscape Capital Group

Rounding may mean that the sum of the % allocations does not exactly equal 100%

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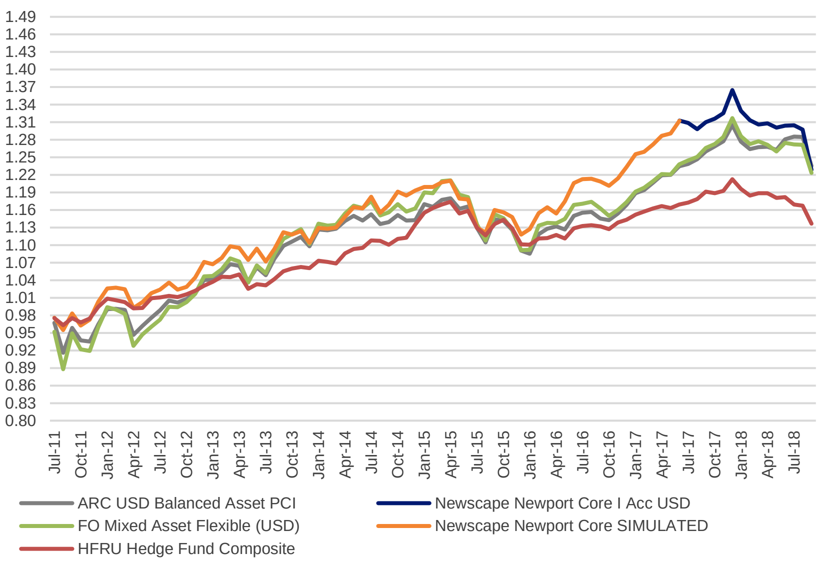
All fact sheet data is as at 31-10-18

Performance

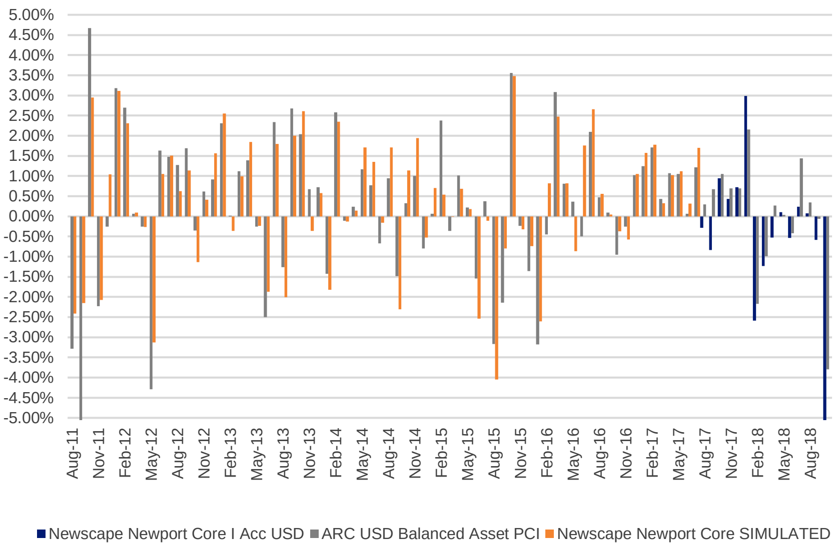
Performance	Returns (%) 1 month	3 months	6 months	YTD	3 Year	3 Year Ann.	Since Incep.	Since Incep. Ann.	Statistics Max Drawdown	Sharpe	Volatility
Newport Core Fund I Acc (USD)	**-5.30**	**-5.77**	**-5.95**	**-7.29**	**5.91**	**1.93**	**22.86**	**2.88**	**-9.98**	**0.41**	**5.75**
ARC USD Balanced PCI	-3.80	-3.53	-2.52	-3.29	7.99	2.59	23.56	2.96	-8.40	0.41	6.03
FO Mixed Asset Flexible (USD)	-3.75	-4.02	-4.20	-4.75	6.17	2.02	22.34	2.82	-11.21	0.31	7.5
HFRU Hedge Fund Composite	-2.64	-3.82	-4.38	-4.69	0.09	0.03	13.67	1.78	-6.29	0.36	3.56

Source: Financial Express (Holdings) Limited & Newport Private Wealth. Returns are to last month end. Statistics are since inception of simulated data. See disclaimer below for further details

Cumulative Returns Chart

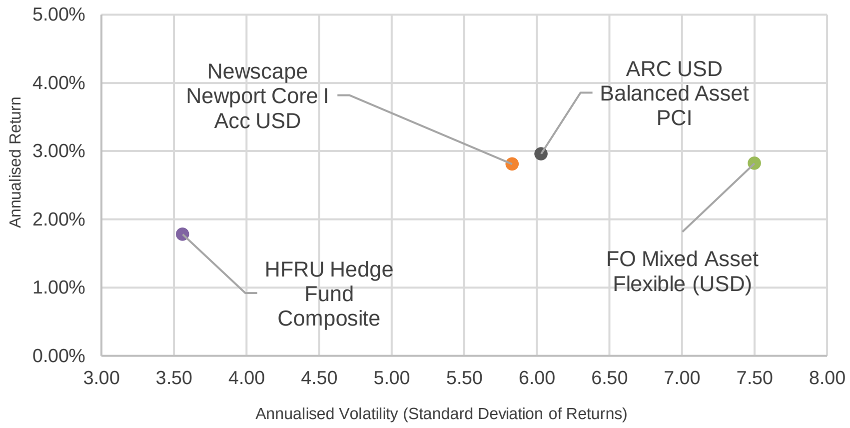


Monthly Returns Chart (%)



Source: Financial Express (Holdings) Limited & Newport Private Wealth. Returns are since inception of simulated data to last month end. See disclaimer below for further details

Risk vs. Return



Source: Financial Express (Holdings) Limited & Newport Private Wealth. Risk vs. Return figures since inception of simluated data. See disclaimer below for further details

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Fund Registrations

UK - FCA Recognised
SIPP Eligible
Singapore – MAS Restricted Scheme
Australia - Wholesale Investors

Fund Access

Direct via application form
Offshore life company portfolio bonds
Non-life open architecture platforms
Contact the Global Distributor for further information

Newscape Capital Group - Investment Manager

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Newscape is a diversified financial services boutique founded in 2008. Newscape's clients and investment partners include financial intermediaries, pension funds, professional families, trusts and fiduciaries, institutions and sovereign wealth funds.

Newport Private Wealth - Investment Adviser

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Newport is an Australian based specialist investment adviser with a global focus. Newport's investment and trading strategies are developed in house; flexible and innovative solutions can be tailored to the exact investment requirements of clients. Newport are specialists in providing asset allocation, investment selection, portfolio construction/modelling & alternative strategies.

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Fact Sheet Data : Performance figures presented prior to launch on 1 August 2017 are simulated. The inception of simulated data is 31/07/2011. Orange table and chart data indicate the inclusion of simulated data. Blue table and chart data indicate actual live fund data. The performance of the Strategic Asset Allocation component is that of Momentum's Harmony US Dollar Growth Fund Class E and the MSCI Emerging Markets Index. The performance of the dynamic asset allocation component is that of Newport's systematic Global Dynamic Asset Allocation Index (USD) Gross. The performance of the absolute return component assumes the same equal weighting to each of the managers at fund launch with an annual rebalance in June of each year. The weightings to each of the 3 portfolio components are rebalanced back to target weightings monthly. Simulated returns are expressed in USD and are net of an assumed institutional OCF of 1% p.a. Performance figures reflect reinvestment of capital gains and dividend income and do not take into account any taxes payable by the investor. Returns of greater than 1 year are cumulative unless otherwise stated and Statistics are annualised since inception of simulated data. Inception of simulated data = 31/07/2011. Risk free rate 0.50%. Market data source = Financial Express (Holdings) Ltd. FO Mixed Asset Flexible = the Financial Express FCA Recognised Offshore Mixed Asset Flexible fund sector. ARC USD Balanced Asset PCI = is a part of the Asset Risk Consultants Private Client Indices series

Portfolio Commentary

Market volatility was in full swing in October. There were 10 days in which the S&P 500 experienced a move of greater than 1% (up or down); twice as many days than in all of the 2017 calendar year. October's market correction was significant as it was a relatively severe market shock that started in a low-volatility environment. In the 25 years since the introduction of the $VIX, and prior to 2018, there had been a total of three corrections of 6% or more that started from a low (less than 15) $VIX environment; one in 1994, one in 1996 and one in 2015. So, historically, these sorts of quick and violent corrections starting within a low-volatility market are quite rare and we have experienced two just this year. What is also surprising is that there was no clear catalyst for the movements in broader asset markets. Economic fundamentals generally remain strong, unemployment (globally) is falling and earnings season in the US started positively. Nevertheless, the S&P 500 price index retuned -6.94% for the month having been down 9.36% at the monthly low. Despite the sharp move toward risk-off sentiment, the Bloomberg Barclays Global Aggregate (GTR) index returned -1.12% for the month. There were very few places to hide outside of gold and cash. The fund returned -5.29% for the month. The Financial Express OR Mixed Asset Balanced (USD) fund sector returned -4.91% and the Financial Express FO Mixed Asset Flexible (USD) fund sector returned -3.75%. The ARC USD Balanced Asset PCI returned -3.80%. It is here that we would remind investors that the Newport Core Fund (NCF) employs a markedly different portfolio to most funds in the multi-asset, multi-manager balanced (or flexible) fund sectors. Two thirds of the fund's portfolio is allocated to liquid absolute return strategies via both dynamic asset allocation and diversified liquid hedge fund strategies while only one third utilises more traditional strategic/tactical asset allocation; each of which is reviewed in a little more detail below.

Strategic Asset Allocation

The manager of the SAA growth portfolio returned -6.13% for the month. Global multi-asset growth fund sectors returned anywhere from -4.77% to -6.00%. A simple 70% MSCI World / 30% Barclays Global Aggregate composite would have returned -5.53%. Over the past 12 months, and since strategy inception, the manager is still ahead of fund sector peer groups.

Dynamic Asset Allocation

The Global Dynamic Asset Allocation (UCITS) index (USD) returned -7.81% in October. The strategy's return in October is the 2nd worst month since index inception (31/12/2001); March of 2003 saw a -8.19% return. The strategy was risk heavy in October and focussed on a small number of allocations showing positive momentum/upward trend. The portfolio positioning and risk allocation was reflective of the relatively benign market conditions are the start of the month. The largest contributors to the portfolio's negative returns came from US mid and small cap equity exposures. Energy prices had also been exhibiting positive momentum since late 2017 but also pulled back along with broader asset market declines. Having no exposure to Asia and Emerging Markets equities was somewhat beneficial. Given the negative momentum / downward trend in bond prices (increasing yields) the index had no exposure to fixed income. Cash/ultra-short-term debt and gold were the only potential allocations that finished the month in positive territory. Longer term positive momentum / trend can still be identified in broad asset classes, however, equity market momentum in some regions like emerging markets and Asia ex Japan have rolled over. The strategy has shifted to 100% cash (ultra-short-term investment grade debt/credit) while the dust settles and momentum / trends are re-assessed; something it has certainly done before but only about 10% of the time since inception (in 22 out of 203 months). The sort of occurrence we witnessed in October (left tail event) is characteristic of a strategy with a positively skewed return distribution (i.e. a long-left tail) meaning a high frequency of gains and a low frequency of (occasional) larger losses. Going into October the markets had setup a veritable perfect storm for this type of strategy; negative momentum in 'defensive' asset classes, positive momentum in a small number of 'risk' allocations and a benign outlook for volatility. Negative monthly returns of this magnitude are historically rare but should not be unexpected from a long beta strategy. While the GDAA (UCITS) index (USD) is left licking its wounds it's important to remember that during the last bear market, over the period in which the S&P 500 price index fell 52.56%, the GDAA (UCITS) index returned +10.67% (gross). From inception (31/12/2001) to the end of October 2018 we can make the following comparisons:

	% Annualised Return	% Cumulative Return	% Max Drawdown	% Max Gain	% Max Loss	Negative Periods	Positive Periods	Sharpe	Sortino	Volatility
GDAA UCITS Index (USD)	**12.07**	**580.85**	**-9.82**	**26.39**	**-8.41**	**58**	**144**	**1.00**	**0.98**	**8.56**
US Consumer Price All Urban Consumers + 8%	10.41	426.26	-	-	-	-	-	-	-	-
Eurekahedge LOAR Index	8.65	304.25	-48.09	63.98	-40.42	67	135	0.41	0.34	12.64
Credit Suisse Global Macro Hedge	7.43	232.77	-14.94	15.74	-14.94	55	147	0.81	0.77	4.87
HFRI Macro (Total)	4.45	108.75	-8.02	23.40	-4.94	91	111	0.20	0.22	4.88

*Source: Financial Express Holdings Limited & Newport Private Wealth ● **Annualised** (31 Dec 2001 to 31 Oct 2018) ● **Return Period:** Monthly ● **Risk Free Rate:** 3.5%*

Liquid Alternatives

The Liquid Alternatives portfolio returned -2.55% while the HFRU Hedge Fund Composite index returned -2.63%. One long/short equity manager was able to eke out a small positive return in October. Going into the month they were only 6.60% net long (48.20% long / -41.60% short). Second best performance for the month (-1.29%) came from an equity market neutral manager (net short -0.20% going into the month) whose short book (largely financials and consume discretionary) couldn't quite outperform the negative performance of the long book (largely healthcare and IT). Systematic macro managers held up reasonably well but couldn't help being caught up in sharply reversing trends. The longer-term low equity market beta, low correlation & attractive Sharp Ratio make this portfolio a valuable addition to a well-diversified multi-asset portfolio. However, over the past 12 months a lot of hedge fund strategies/managers have clearly not found it easy to meet objectives. Over 12 months, the LA portfolio is down 2% compared to -5% for the HFRU Hedge Fund Composite index. The low equity market beta and low correlation characteristics over the past 12 months have deteriorated a little and it's something that we continue to monitor closely. Since its peak in March of 2015, the HFRU Macro index (UCITS) has returned -10.57%. Over the same period, the HFRU Hedge Fund Composite index returned -2.30% and the HFRI Macro (Total) index (non-UCITS) returned -3.03%. This further highlights just how difficult global macro managers have found multi-asset trading in the more recent global macro environment. Over the same time period, our portfolio of liquid alternatives managers combined to produce a more respectable +9.54% (gross). Since inception of simulated data the liquid alternatives portfolio has provided a return around that of the BLS US Consumer Price All Urban Consumers +3% index i.e. inflation + 3%.

We hold firm in our view that, over the long term, dynamic asset allocation and liquid alternatives can enhance the risk-adjusted returns of an existing multi-asset portfolio built on strategic asset allocation. This approach can potentially offer investors genuine diversification within a portfolio, reduced volatility, improved decorrelation characteristics and increased downside protection during extended bear markets. However, very few strategies are capable of avoiding the sorts of surprises that markets produced in October.