Fact Sheet

December 2018

UCITS V

I Acc USD NAV : 89.34

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.

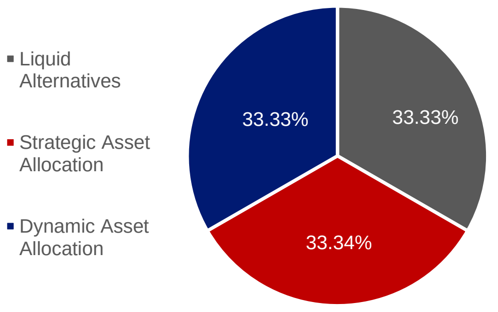
Dynamic Asset Allocation (DAA)

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.

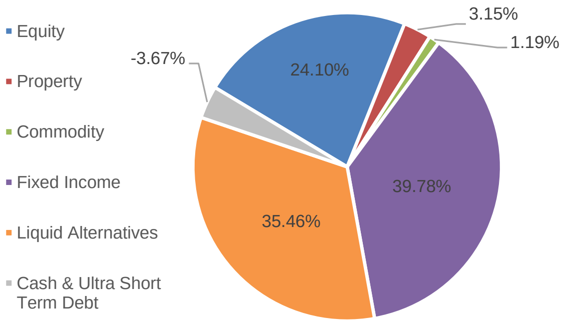
Liquid Alternatives

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.

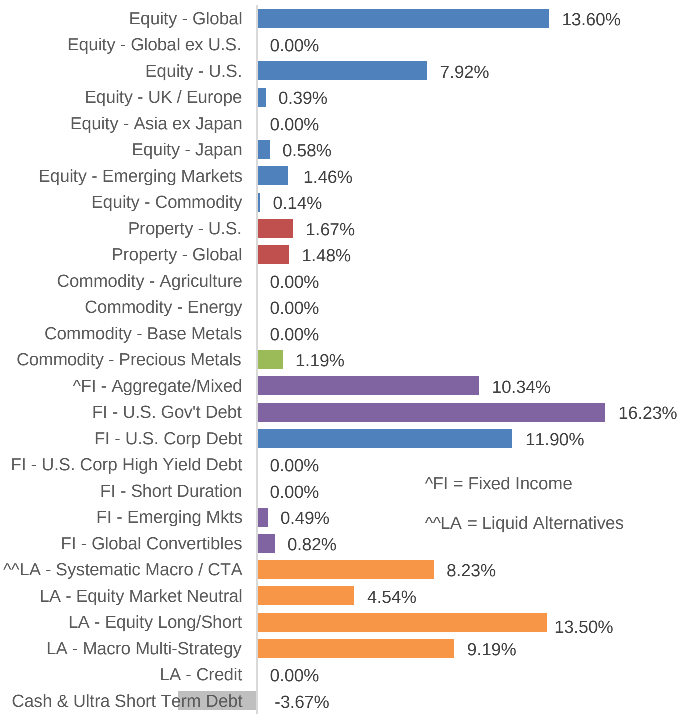
Target Strategy Allocation



Current Asset Allocation



Current Asset Allocation



Asset allocation as of 7 January 2019 - Source: Newscape Capital Group

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

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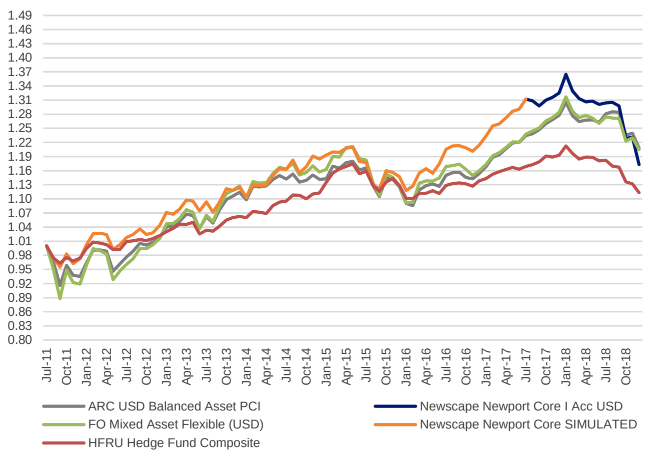
All fact sheet data is as at 31/12/2018

Performance

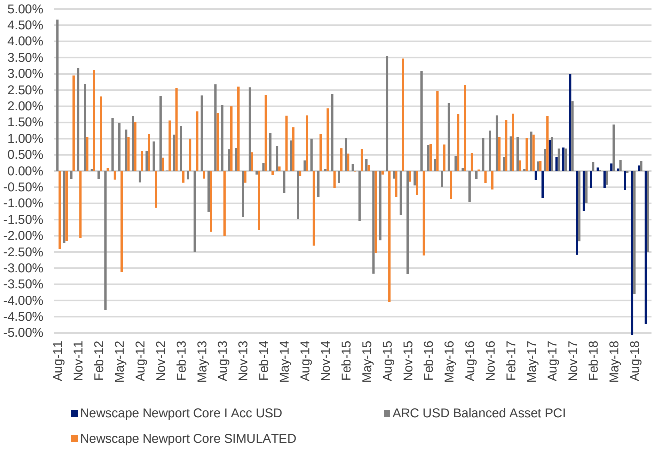
Performance	1 month	3 months	6 months	YTD	3 Year	3 Year Ann.	Since Incep.	Since Incep. Ann.	Max Drawdown	Sharpe	Volatility
	Returns (%)								**Statistics**		
Newport Core Fund I Acc (USD)	**-4.72**	**-9.62**	**-9.85**	**-11.51**	**2.17**	**0.72**	**17.26**	**2.17**	**-14.08**	**0.28**	**5.97**
ARC USD Balanced PCI	-2.50	-5.92	-4.30	-5.42	7.30	2.38	20.83	2.58	-8.40	0.34	6.05
FO Mixed Asset Flexible (USD)	-2.09	-5.25	-4.44	-6.23	6.82	2.22	20.43	2.54	-11.21	0.27	7.47
HFRU Hedge Fund Composite	-1.67	-4.65	-5.73	-6.67	-1.39	-0.47	11.31	1.45	-8.20	0.27	3.59

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

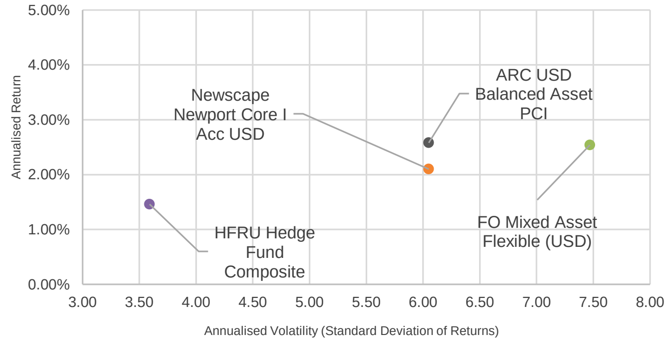


Monthly Returns Chart (%)



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



Contact Details

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

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

info@newscapegroup.com

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

Newport Private Wealth - Investment Adviser

enquiries@newportpw.com

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.

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

Following on from what was one of the best years that investors have ever experienced in terms of total returns across asset classes with low volatility, 2018 could not have been more different. Very few asset classes delivered positive real (i.e. after inflation) returns; something that didn't even occur in 2008 during the financial crisis. The S&P 500 index did not have a single negative month in 2017 while 2018 was one of the rockiest years for equity investors since the GFC. You could attribute the market conditions in 2018 to any number of reasons; the Trump trade war, uncertainty around U.S Fed monetary policy, slowing growth, the Brexit disorder, general west wing chaos and the potential legal issues for POTUS, Dems taking over the House of Representatives, possible impeachment in 2019, oil market collapse, Russian aggression in Crimea etc. Whatever the reason(s), it's certainly a year that US Dollar multi-asset investors would soon rather forget.

Overall, the fund portfolio's underperformance for the quarter (and the 2018 calendar year) relative to peer groups can be largely attributed to underweight fixed income and the subsequent overweight liquid alternatives. Rising US bond yields meant that the total return from US government bonds to 31 October 2018 was -2.08% (Bloomberg Barclays US Government index) and the portfolio had been underweight throughout much of the year. In November and December however, the Bloomberg Barclays US Government index returned +3.02% as a recovery in the U.S equity market never eventuated. Having significantly outperformed HFRU peer groups, but having also struggled somewhat throughout the year (-2.30% to 31 October 2018), the liquid alternatives portfolio returned -0.73% for the November/December period. While this certainly represented downside protection when compared to equity market beta, the liquid alternatives portfolio was not able to provide the same positive boost for the defensive side of the portfolio that a more traditional diversified fixed income allocation would have provided for other multi-asset manager peers.

During the 4th quarter of 2018, the Newport Core Fund I Acc USD class returned -9.85% compared to -4.44% for the Financial Express ("FE") FCA Recognised Offshore Mixed Asset Flexible (USD) fund sector and -5.70% for FE FCA Recognised Offshore Mixed Asset Balanced (USD) fund sector. The S&P 500 Index returned -13.52% in the fourth quarter (-9.03% in December alone). On a year-to-date (YTD) basis, the Newport Core Fund I Acc USD class has returned -11.53% compared to -6.23% for the FE FCA Recognised Offshore Mixed Asset Flexible (USD) fund sector and -7.60% for the FE FCA Recognised Offshore Mixed Asset Balanced (USD) fund sector.

Strategic Asset Allocation portfolio

The portfolio finished the quarter -9.64% while the FE FCA Recognised Offshore Mixed Asset Aggressive (USD) fund sector returned about -9.37%. Momentum's US Dollar multi-asset growth strategy has performed largely in line with sector/peer groups since fund launch (net of fees) to 31 December 2018. The smaller co-manager that we hold within the SAA diversified growth portfolio returned -2.49% during the quarter which was relatively pleasing given the market conditions.

Dynamic Asset Allocation portfolio

The Global Cross-Asset Trend (UCITS) index returned -15.7% (gross as it is an index) for the quarter pushing its return for the year down to -13.46%. The strategy is now in its largest drawdown since inception in 2001 and has given back most of the +15.56% return it generated in calendar year 2017. We know that short term (and relatively violent) market corrections within longer term upward trends are the Achilles heel of any longer term trend following strategy and this has been a prime example. In terms of upward trend and the strategy's allocations to them, it was positioned just as it should have been in October and November. However, the relative calm and small "recovery" that occurred late in November lead to "risk-on" positioning in December during which equity market falls continued. The behaviour of the US equity market during the quarter (S&P500 index -13.52%) was historically unprecedented in terms of intraday volatility and swings; long term (slower) trend following simply isn't designed to deal well with these sorts of periods. This strategy certainly wasn't alone last year with many other, but certainly not all, trend followers suffering similar falls. Some higher frequency trend followers focussed on shorter timeframes and mean reversion were able to capitalise. Although of little solace to readers/investors, the Aus Dollar version of this index/strategy returned (by contrast) -1.14% in 2018 and this can be attributed to the vast difference in equity market behaviour (volatility/swings) and trend stability in domestic Aus Dollar risk assets i.e. reduced whipsawing.

Liquid Alternatives portfolio

The hedge fund industry suffered through one of its worst years on record as the HFRU Hedge Fund Composite index returned -4.65% in the 4th quarter and -6.66% for the year. The fund's Liquid Alternatives portfolio (8 UCITS hedge fund managers) outperformed sector/peer groups in both the 4th quarter and for the year to 31 December 2018. The portfolio finished the period down 3.26% (gross) and -3.01% YTD (gross). Equity market neutral/long-short were the best performers for the year. Managed futures finished flat and one systematic multi-strategy recovered well in December after a fairly tough year. We maintain a positive outlook for long/short equity managers, particularly those with global perspectives, as managers look to benefit from a pickup in equity volatility and dispersion given the unpredictable macro backdrop. Non-directional relative value also looks attractive while systematic managers may struggle in choppy market action. 2018 aside, over longer time periods the liquid alternatives portfolio has exhibited the ability to provide more consistent and stable returns, both absolute and relative to peers, with a low equity market beta (0.14 to S&P 500) and low correlation to traditional asset classes and hedge fund composites.

As QE ends, investors should prepare themselves for more volatility. The unwinding of central bank balance sheets removes a major source of market stability. Slowing global economic growth and periodic shocks from geopolitical events will likely lead to higher volatility and less predictable asset class correlations. Representing the most diversified and unconstrained form of active management, we believe that hedge funds can be well positioned to exploit opportunities in a way that passive managers may not. When looking at fund performance comparisons with "peer groups" or asset classes, as always, we must keep in mind the fact that we run a very different portfolio to most managers in multi-asset balanced or multi-asset flexible fund sectors. Two thirds of the portfolio is actively managed with an absolute return objective (i.e. cash + inflation over a peak to peak market cycle) that can experience periods of lacklustre performance under certain market conditions. But this approach is necessary if we are to avoid longer and deeper equity bear markets.