

THIS FACT SHEET IS INTENDED FOR PROFESSIONAL INTERMEDIARIES ONLY

Manager's Commentary

The Newscap Diversified Growth Fund (DGF) rose by 2.7% in June which compares to a broad market rise of 3.1% as measured by the FTSE UK Private Balanced total return Index in sterling terms. Global equities rose by 6.6% in US dollar terms, which was 6.0% when converted back to sterling.

The best performing stocks were Centamin, Harmony Gold and Polymetal. The worst were Lilly, Weston and Orange. Sterling rose by 0.5% against the dollar and fell by 1.2% against the euro. The strong run for DGF in late May continued into June, with gold being a significant driver. Bonds continued their run, as the threat of deflation drags on.

Gold breakout

Following the Federal Reserve's commitment to ease monetary policy, gold broke out to a six-year high. Tensions in Iran soon followed which caused the perfect storm. Looking back to events six years ago, we remind ourselves how gold got here. US interest rates first turned up in 2013, starting with the rhetoric. They halted stimulus, then said they would hike rates, then kept reiterating that point until they finally did it in late 2015. That first rate hike coincided with gold's low at \$1,050. Then by late 2018, we saw the ninth hike and the stockmarket didn't like it. The Fed reversed course. They said they'd slow, then they'd hold, then they'd ease etc. Presumably they'll soon cut. It's a reminder that words can have more impact than actions when it comes to central banking. Moreover, the US dollar has been the strongest currency of them all. That gold is now flying in dollar terms, is a sign of strength. Gold is now rising in all currencies.

Despite the change of trend, gold may have gotten ahead of itself in the short term. Our approach sees gold as similar to inflation-linked bonds, with similar returns over the medium term. Bearing in mind that gold doesn't pay a yield, it stands to reason that it should lag over the long-term. Over the past month, gold rallied 10% ahead of similar inflation linked bonds, and that may be too much, too soon. It could be that gold is signalling change; a mix of easier money and greater uncertainty lies ahead. We are mindful that gold not only has friends in inflation linked bonds, but also in emerging markets, miners and other precious metals.

Seeking alternatives

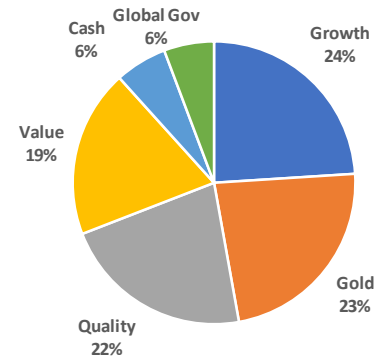
We have switched 5% of gold into US Treasury Inflation Protect Securities (TIPS), which is more defensive and a further 5% into silver, which is potentially more rewarding. If gold is strong, it should start to drag similar assets along with it, such as silver and the miners. Silver hasn't traded this cheaply versus gold for a generation, and the miners have been shunned. And if on the other hand gold pulls back, then TIPS will be a safer option while the premium unwinds. Given silver's relative value, there is a reasonable case that it will be more resilient from these levels.

Normally you would expect silver to outperform gold in a world full of animal spirits. That would probably be overstating current market conditions, but the potential is there. So long as credit and speculative stocks are doing well, there is a good chance that silver could build a trend. We shall be watching this closely.

Emerging markets

Emerging markets are the other alternative asset class that are buoyed by softer policy

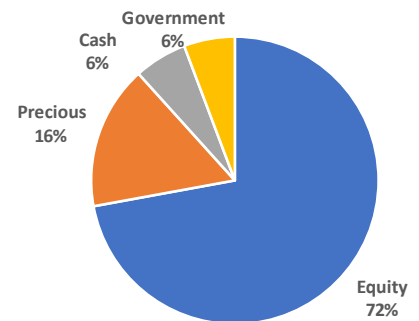
Allocation by Style



Equity Sector

Financials	19.1%
Consumer Staples	17.6%
Industrials	13.5%
Information Technology	13.2%
Materials	12.3%
Communication Services	7.5%
Health Care	6.1%
Consumer Discretionary	4.6%
Utilities	4.3%
Energy	1.8%

Asset Allocation



Currency Exposure

GBP	70.3%
USD	19.8%
JPY	13.0%
HKD	4.8%
CAD	3.0%
CHF	2.1%
DKK	1.4%
AUD	1.2%
ZAR	1.1%
EUR	-6.7%
NZD	-10.0%

and a weaker dollar. In particular, local currency debt has started to perform along with gold, which is high time given six years of zero return; despite a 5% yield. Emerging equities are also buoyant, especially countries with a real yield. Russia and South East Asian countries are particularly strong. Thailand stands out as the Baht has doubled versus the pound over the past three decades. In addition, the Thai stock market has compounded at 20% in sterling terms over the past ten years; something that has gone broadly unnoticed.

Even in Turkey, where the forward PE is 4.5x, an election result boosted the market. While not a reason to commit capital alone, the inflation data has started to fall, which means the currency is more likely to be stable. Global investors are underweight and that has begun to change. Equities, in both Turkey and Thailand, have recently been added.

Outlook

Every scare in this market seems to be short-lived. Until recently, the US has led the world, but we now see that being shared with emerging markets and gold-related themes. What's clear is that Europe and Japan are unlikely to take the lead anytime soon. Investors are seeking something tangible and that translates into a real yield.

Charlie Morris, Lead Manager

If you would like to subscribe to the Diversified Growth Fund monthly update, please email Ieva: i.katiliute@newscapegroup.com.

Fund Managers



Charlie Morris
Lead Manager

c.morris@newscapegroup.com

Charlie Morris spent 17 years at HSBC Global Asset Management as the Head of Absolute Return. There he managed a \$3 billion multi-asset fund range as well as contributing to the overall strategy of the business. Charlie is now CIO at Newscap Capital Group, having joined in May 2016 to take over and restructure the Newscap funds business.

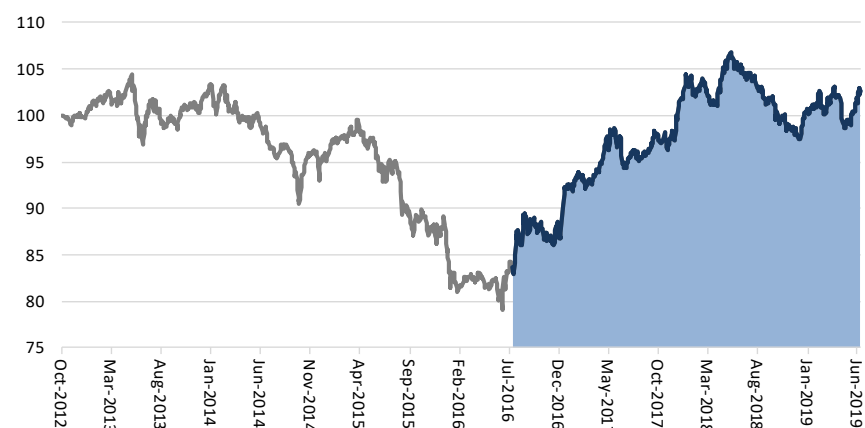


Fahad Hassan
Co-Manager

f.hassan@newscapegroup.com

Fahad worked at Legal and General for 11 years, where he ran over \$1 billion in institutional and retail mandates. Fahad is a co-manager on the Newscap Diversified Growth Fund. He is a CFA Institute charter-holder and has a deep understanding of industry structure, style factor investing and monetary economics.

Performance



Share Class A Acc GBP from 19/10/2012 to 28/06/2019
 Charlie Morris taking over fund management - 29/07/2016
 Fund data as at 28 June 2019
 Source: Bloomberg

Returns (%)

Class	1M	6M	YTD	1Y	3Y	5Y	S/I
A GBP	2.7%	4.0%	4.0%	-1.7%	26.0%	4.6%	2.7%
B GBP	2.7%	3.7%	3.7%	-2.4%	25.8%	-	23.7%
S GBP	2.7%	4.2%	4.2%	-1.4%	-	-	19.4%
I GBP	2.7%	4.0%	4.0%	-1.7%	-	-	5.2%
F GBP	2.6%	3.7%	3.7%	-2.5%	-	-	0.6%
F SGD	2.7%	4.2%	4.2%	-1.7%	-	-	1.4%
N GBP	2.7%	4.4%	4.4%	-	-	-	-0.5%
N USD	2.9%	5.2%	5.2%	-	-	-	0.7%

Share Class A Acc GBP; Fund data as at 28 June 2019; since 19/10/2012.
 Data prior to 19/10/2012 unavailable;
 Source: Newscap Capital Group

Rolling Annual Returns - year end 28/06

	2019	2018	2017	2016	2015
Class A	-1.7%	10.3%	16.3%	-12.2%	-5.5%

Share Class A Acc GBP; Fund data as at 28 June 2019;
 Daily data used for calculations; Figures are net of fees;
 Source: Newscap Capital Group

Calendar Year Performance

	2018	2017	2016	2015	2014
Class A	-2.9%	12.6%	1.4%	-7.0%	-6.5%

Share Class A Acc GBP; Fund data as at 28 June 2019;
 Daily data used for calculations; Figures are net of fees;
 Source: Newscap Capital Group

Portfolio Characteristics

	DGF	FTSE 100	Gilts*
Volatility	6.3%	9.7%	5.1%
Yield**	1.0%	4.7%	0.7%

Data as at 28 June 2019
 Figures annualised;
 Source: Newscap Capital Group, FTSE 100 and Gilts - Bloomberg;
 *UK 10-year benchmark gilt;
 **Generated income will be reinvested within the fund.

Investment Themes

Equity Sector	Allocation
Developed	
Financials	19.1%
Consumer Staples	17.6%
Industrials	13.5%
Information Technology	13.2%
Total	63.4%
Emerging Markets	
Russia	4.8%
China	3.6%
Peru	1.2%
South Africa	1.1%
Total	10.7%

Top 10 Stocks

Holding	Size
ANTA SPORTS	1.5%
POLYMETAL	1.5%
VESTAS	1.4%
IBERDROLA	1.3%
OAKLEY CAPITAL	1.3%
SMITH & NEPHEW	1.2%
STANDARD CHARTERED	1.2%
XERO	1.2%
CIA DE MINAS BUENAVENTUR	1.2%
SBERBANK	1.2%

Data as at 28 June 2019; Source: Newscap Capital Group

Current Holdings

Quality	Growth	Value	Real Assets
MARKEL	VESTAS	TOKYO ELECTRIC POWER	SILVER
MORRISONS	CHINA LIFE	STANDARD CHARTERED	GOLD
BRITVIC	HONG KONG EXCHANGES & CLEARING	TULLOW OIL	HARMONY GOLD
RECKITT BENCKISER	ANTA SPORTS	STERICYCLE	POLYMETAL
FAIRFAX FINANCIAL	MAIL.RU	AGGREKO	CIA DE MINAS BUENAVENTUR
ROCHE	XERO	SBERBANK	CENTAMIN
PZ CUSSONS	QUANTA	VTB BANK	ZIJIN MINING
SMITH & NEPHEW	FACEBOOK	EAGLE MATERIALS	
ORANGE	SCHRODERS	OAKLEY CAPITAL	
WESTON	BROOKFIELD ASSET MANAGEMENT	BETTER CAPITAL	
BRITISH AMERICAN TOBACCO	RANDSTAD	UIL	
TOKIO MARINE	VISA	PERSHING	
IBERDROLA	IHS MARKIT	THIRD POINT	
NESTLE	GENPACT	X MSCI THAILAND	
DIAGEO	EDWARDS LIFESCIENCES	LYXOR MSCI	
MONDELEZ	COSTAR		
AUTOMATIC DATA PROCESSING	AMAZON.COM		
UNILEVER	ADOBE		
MICROSOFT	INTUIT		
	NINTENDO		

Data as at 28 June 2019
Source: Newscap Capital Group

Fund Details

AUM	£10.4 m
Domicile	Dublin, Ireland
Legal Structure	ICVC
Investment Manager	Newscap Capital Group Ltd
Fund Launch Date (Share Class A Acc)	19-Oct-12
Currency	GBP
Liquidity	Daily
Administrator	CACEIS Ireland Limited
Depository	CACEIS Bank, Ireland Branch
Auditor	PricewaterhouseCoopers (Ireland)
Legal Counsel	A&L Goodbody Solicitors

Codes	Bloomberg ticker	ISIN
Class A Acc GBP	NDVGRAS ID	IE00B8J3XG20
Class B Acc GBP	NEWDBAS ID	IE00B8HF7910
Class S Acc GBP	NEWDSAG ID	IE00BH7Y4H86
Class I Acc GBP	NEWDIAG ID	IE00BD5G3046
Class F Acc GBP	NEWDFAG ID	IE00BD5G2Q33
Class F Acc SGD	NEWDFAS ID	IE00BYW7R167
Class N Acc GBP	NEWDNAG ID	IE00BYW7R837
Class N Acc USD	NEWDNAU ID	IE00BYW7R613

Charges	Annual Management Charge	Ongoing Charges Fees
Class A	0.75%	2.27%
Class B	0.75%*	3.11%
Class S	0.00%	1.67%
Class I	0.75%	2.27%
Class F	1.50%	3.02%
Class N	0.00%	1.52%

*The manager has rebated 1.00%
(OCF is the basis upon which all share class figures have been calculated)
For full details on the charges and fees please refer to the fund supplement and KIID:
OCF as of December 2018

Disclaimer

Issued in the United Kingdom and intended for Professional Financial Advisers only by Newscap Capital Group Ltd ("Newscap") of 86 Jermyn Street, London SW1Y 6JD; authorised and regulated by the Financial Conduct Authority (193700). Newscap is registered in England & Wales: 03944811. The Diversified Growth Fund (the "Fund") is an open-ended sub-fund of Newscap Funds plc (the "Company"), an umbrella fund with segregated liability between sub-funds, incorporated with limited liability as an investment company with variable capital ("ICVC") under the laws of Ireland, registered number C48050 and therefore qualifies as a UCITS under all relevant laws and regulations with Fund reference number C100608. The Fund is a recognised collective investment scheme for the purposes of Section 264 of the UK Financial Services and Markets Act 2000 ("FSMA"). This document is for information purposes only and does not constitute advice, an offer or solicitation to invest in the Fund. Any decision to purchase or sell securities should be made solely on the information contained in the Fund's Offering Memorandum, Supplement and Key Investor Information Document (KIID) ("Fund Documents"). Any share class with an exit fee or a Contingent Deferred Sales Charge (CDSC) should only be suitable for long-term investors. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. Past performance is not a guide to future performance; investments may go down as well as up, and you may get back less than your original investment. Full details of the investment risks and charges are contained within the Fund Documents. The information contained in this document is believed to be correct, complete and accurate and every effort has been made to represent accurate information. However, no representation or warranty, expressed or implied, is made as to the accuracy, completeness or correctness of the information contained in this document. Newscap assumes no responsibility or liability for any errors or omissions with respect to this information. Unless otherwise stated, the source of all figures contained herein is Newscap. If you are uncertain with regards to any of the matters contained within this document you should seek professional independent financial advice. All data provided is from Newscap Capital Group Ltd ("Newscap") as at the 28/06/2019 unless otherwise specified, and is for informational purposes only.