

THIS FACT SHEET IS INTENDED FOR PROFESSIONAL INTERMEDIARIES ONLY

March at a Glance

- **Trading Punches**
- **The Tech Unwind**
- **Coca Cola Embonor**

Manager's Commentary

The Newscap Emerging Market fund was down 2.5% in March. Kingdee Software, Petrofac and True Corp were the best performing stocks whilst Bitauto, PZ Cussons and Taokaenoi Food were the worst. The sell-off in equity markets that began in January has shown few signs of abating. Most global markets are now down year to date. Economic data has remained broadly positive, if weaker than the fourth quarter. While inflation data has remained low bond markets are not yet convinced they will stay that way. The Federal Reserve is on course for two more rate hikes this year after the 25 basis point hike in March. Asset markets are anticipating a pickup in GDP growth over the rest of the year which may not materialise. The narrative of earnings growth fuelled gains in equity market is about to be tested as first quarter earnings season begins. We remain defensively positioned, with a large allocation to cash and cash like instruments.

Trading punches

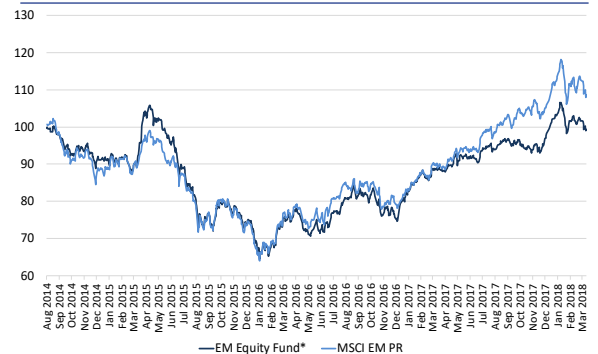
True to his pre-election agenda, Donald Trump announced wide ranging tariffs against China. While the EU and NAFTA dodged the initial blows, they too are likely to be impacted by America's new-found protectionism. The popular press was quick to remind us that tariffs never work. Surely, the risk of a trade war out-weighs the employment concerns of workers in a hand full of sectors. But this is a policy for the blue-collar worker, rather than common sense.

The Trump presidency comes at the end of two decades of stagnant median real wages growth in the US. Trump understands the concerns that bought him to power and will use every tool in his armoury to achieve the required outcome (higher real wages). His actions are designed to be inflationary and we shouldn't be surprised if he succeeds. The US labour market is extremely tight. The decline in the dollar and improving economic growth create the perfect environment for higher inflation.

The tech unwind

The last few weeks have tested investor resolve in the market's leaders. Bond proxies and growth stocks have done tremendously well in a world of low nominal growth. As the market cycle lengthens and inflation expectations pick up, investors are left exposed to the unwinding of stocks with stretched valuations. We were quick to point out that quality stocks were most vulnerable to an inflationary world. While we expected the larger-cap tech stocks to follow, we were surprised by their initial resilience. The Facebook saga opened up a can of worms and changed the narrative on the sector. President Trump's

Performance



Share Class E Acc USD Since inception: 18/08/2014.
Shown as main indicator for illustrative purposes as it is the longest standing Share Class
Data as at 31 March 2018
Source: Newscap Capital Group, MSCI - Bloomberg

Returns (%)

	1M	6M	YTD	1Y	3Y	5Y	S/I
E Acc USD	-2.5%	4.1%	-0.3%	12.3%	7.3%	-	-0.7%
F Acc USD	-2.5%	4.3%	-0.2%	12.8%	9.4%	-	2.0%
S Acc GBP	-2.7%	4.3%	-0.4%	13.3%	14.3%	-	7.2%
E Inc USD	-2.5%	4.1%	-0.3%	12.3%	7.7%	-	3.4%
E Acc GBP	-2.9%	2.9%	-1.0%	10.3%	4.9%	-	6.0%
S Acc USD	-2.3%	5.5%	0.3%	-	-	-	-10.1%
K Acc USD	-2.5%	-	-	-	-	-	0.5%
MSCI EM PR	-1.9	8.2%	1.4%	24.9%	8.8%	-	8.6%

Share Class E Acc USD ; Fund and MSCI data as at 31 March 2018; since 18/08/2014.
Data prior to 18/08/2014 unavailable;
Fund Source: Newscap; MSCI Source: Bloomberg

Rolling Annual Returns - year end 31/03

	2018	2017	2016
EM Equity Fund	12.3%	15.3%	-17.2%
MSCI EM Index	22.0%	14.5%	-14.1%

Share Class E Acc USD; Fund data as at 31 March 2018;
Daily data used for calculations; Figures are net of fees;
Fund Source: Newscap; MSCI Source: Bloomberg

Calendar Year Performance

	2017	2016	2015
EM Equity Fund	25.6%	6.2%	-18.2%
MSCI EM Index	34.4%	8.6%	-16.9%

Share Class E Acc USD; Fund and MSCI data as at 31 March 2018;
Daily data used for calculations; Figures are net of fees;
Data for the calendar year 2014 and 2013 unavailable;
Source: Bloomberg

Share Class Information

Share Class	ISIN	NAV	Inception Date
E Acc USD	IE00BH4TT267	\$99.3	18/08/2014
F Acc USD	IE00BH4TTK42	\$102.0	26/08/2014
E Inc USD	IE00BH4TTJ37	\$103.4	22/09/2014
S Acc GBP	IE00BH4TVV94	£107.2	09/09/2014
E Acc GBP	IE00BN578D58	£106.0	04/12/2014
S Acc USD	IE00BH4TVT72	\$84.6	07/06/2017
K Acc USD	IE00BD5G3F92	\$100.5	13/02/2018

twitter spat with Amazon, finally started to impact the stock's price and many names were caught in the ensuing cross fire. We are underweight the sector and view risk of further declines if the earnings begin to slow.

Coca Cola Embonor

Coca Cola Embonor SA is a Chile-based company engaged in the beverages sector. The Company focuses on the production and distribution of carbonated soft drinks in Chile and Bolivia, under the license of The Coca-Cola Company. Its product range also includes bottled water, energy drinks and fruit juices. Earnings growth should benefit from recent investments in plant and equipment and a cost cutting initiative. The stock trades on a PE of 21 and offers a 3.5% dividend yield.

Outlook

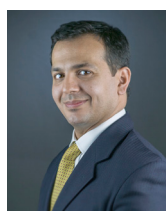
We can not predict that a bear market is underway, but are prepared for one. The shift in bond yields, following a decade of suppression, surely means disruption is on the horizon. Richly valued assets are where we see the greatest risk. That not only includes tech, but also cash generative companies that have engaged in buybacks. It also includes cyclical companies that are now deemed to be growth stocks. Some things never change; investors always seem to forget there's a cycle.

Fahad Hassan

CFA, Lead Manager

If you would like to subscribe to the Emerging Market Equity Fund monthly update, please email leva: i.katiliute@newscapegroup.com.

Fund Managers



Fahad Hassan CFA
Lead Manager
f.hassan@newscapegroup.com

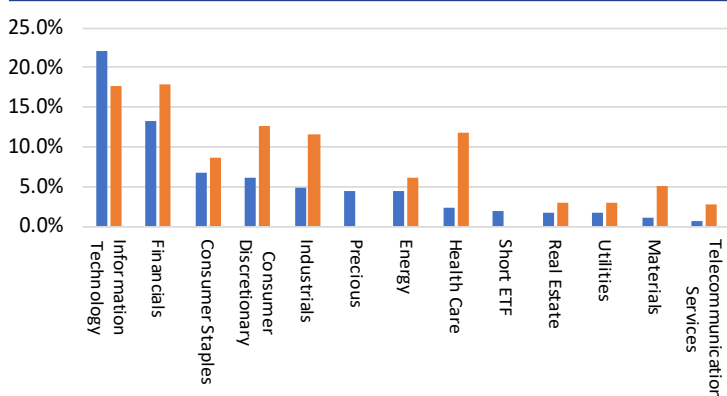
Fahad worked at Legal and General for 11 years, where he managed over a \$1 billion in institutional and retail mandates. Fahad is the lead portfolio manager of the Newscape Emerging Market Equity Fund and is a co-manager on the Newscape Diversified Growth Fund. He is a CFA Institute charter-holder and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



Charlie Morris
CIO and Co-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 Newscape Capital Group, having joined in May 2016 to take over and restructure the Newscape funds business.

Sector Exposure (%)



*Exposure amounts are solely illustrative and are not intended as predefined allocation limits.
Source: Fund data - Newscape; MSCI data - www.msci.com
Data as at 31 March 2018;

Allocation by Style

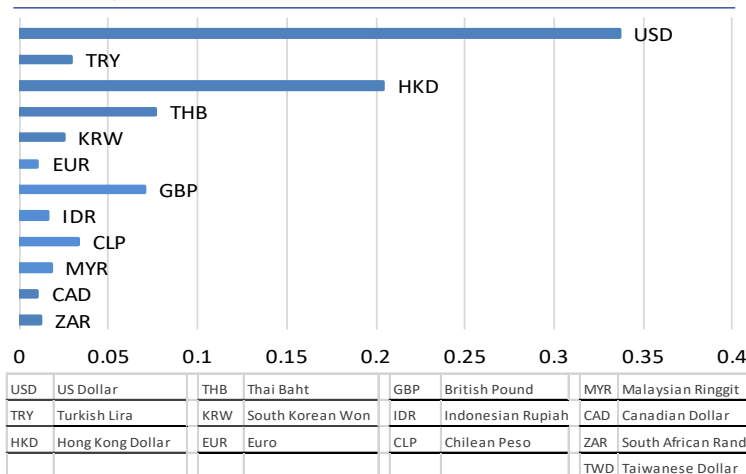
Style	Allocation
Growth	26.8%
Value	15.8%
Quality	19.2%
Global Government	6.2%
Real Assets	16.3%
Special Situations	3.9%
Cash	14.3%
Total	100.0%

Fund Details

Domicile	Dublin, Ireland
Legal Structure	ICVC
Investment Manager	Newscap Capital Group Ltd
Launch Date	August 2014
Investment Strategy	Emerging Market Equities
Currency	Acc & Inc: USD with multiple currency classes, EUR, GBP, AUD, SGD
NAV/ Liquidity	Daily
Management Fee	A: 0.75%, B&C: 1.5%, D&E: 1.75%, F&G: 2.25%, S: Nil
Minimum Investment	A: \$750,000, B-G: \$5,000, S: \$1.5m
Preliminary charge	A&S: Nil, B, D&F: 5%, C, E&G: 2%
CDSC*	A, B, D, F&S: Nil, C, E&G: 3%
Administrator	CACEIS Ireland Limited
Auditor	PricewaterhouseCoopers (Ireland)
Legal Counsel	A&L Goodbody Solicitors
Benchmark	MSCI Emerging Markets Index (MXEF)
OCF**	E Acc USD - 8.70% F Acc USD - 8.17% E Inc USD - 8.70% S Acc GBP - 5.91% E Acc GBP - 8.66% K Acc USD - 7.41%

*CDSC - Contingent Deferred Sales Charge
**Ongoing Charges Figure
(OCF is the basis upon which all share class figures have been calculated)

Currency Exposure (%)



Data as at 31 March 2018; Source: Bloomberg

Top 5 Industry Themes

Theme	Allocation
Software	8.6%
Banks	7.4%
Internet	6.2%
Commodity Fund	4.3%
Retail	3.8%

Top 5 Country Allocations

Country	Allocation
CHINA	15.2%
THAILAND	7.6%
BRITAIN	7.0%
HONG KONG	6.9%
TAIWAN	5.4%

Portfolio Characteristics

	EM Equity Fund	MSCI EM
Dividend Yield	2.0%	2.4%
Price to Book	3.4	1.8
Price to Earnings	13.2	14.7

Fund data as at 31 March 2018; Source: Newscape Capital; Average PE used; MSCI data as at 31 March 2018; Source - www.msci.com

Top 10 Stocks

Holding	Size
TAIWAN SEMICONDUCTOR	3.4%
IBRD*	2.8%
COM2US	2.5%
TENCENT HOLDINGS	2.3%
GLAXOSMITHKLINE	2.2%
ALIBABA GROUP HOLDING	2.1%
PING AN INSURANCE	2.1%
CHINA MERCHANTS PORT	2.1%
BANCO BRADESCO	2.0%
HDFC BANK	2.0%
TOTAL	23.8%

*International Bank of Reconstruction and Development
Data as at 31 March 2018

Current Holdings

Quality	Growth	Value	Real Assets	Global Government	Special Situations
GLAXOSMITHKLINE	NETEASE	STANDARD CHARTERED	GOLDCORP	US TREASURY N/B	ETFS 1X DAILY SHORT WTI CRUD
GUDANG GARAM	KINGDEE INTERNATIONAL	HDFC BANK	ISHARES PHYSICAL GOLD	US TREASURY N/B	
TRUE CORP	BITAUTO HOLDINGS	TOPCO SCIENTIFIC	HARMONY GOLD MINING	IBRD	
PZ CUSSONS	HOME PRODUCT CENTER	PTT			
HONG KONG EXCHANGES & CLEAR	EPAM SYSTEMS	BANCO BRADESCO			
HUABAO INTERNATIONAL	AAC TECHNOLOGIES	PING AN INSURANCE			
AGUAS ANDINAS	COM2US	PETROFAC			
COCA-COLA EMBONOR	IGG	SHIN ZU SHING			
TAV HAVALIMANLARI	BOYAA INTERACTIVE INTERNATIONAL	BANCO MACRO			
TAOKAENOI FOOD & MARKETING	TENCENT	TISCO FINANCIAL			
CARLSBERG BREWERY MALAYSIA	JD.COM	SANDS CHINA			
	ALIBABA	CHINA MERCHANTS PORT			
	BEAUTY COMMUNITY	KERRY PROPERTIES			
	TELEPIZZA	CHINA HUARONG ASSET MANAGEMENT			
	TAIWAN SEMICONDUCTOR	STAR PETROLEUM REFINING			

Data as at 31 March 2018
Source: Newscap Capital Group
*International Bank of Reconstruction and Development

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. Distributed by Easton Asset Management Limited, The Emerging Market Equity 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 C128280. 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. Investments in Emerging Markets may carry a higher level of risk than other investments. 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 28/02/2018 unless otherwise specified, and is for informational purposes only.

Newscap Capital Group Ltd is authorised and regulated by the Financial Conduct Authority: 193700