

THIS FACT SHEET IS INTENDED FOR PROFESSIONAL INTERMEDIARIES ONLY

May at a Glance

- **EM Debt**
- **HDFC Bank**
- **Home Product Center**

Manager's Commentary

The Newscap Emerging Market Fund was down 2% in May. The fund's defensive posture has helped limit volatility and protected against larger drawdowns in a difficult environment for emerging market equities. Com2uS, Premier Oil and Kerry Properties were the largest contributors over the month. Banco Macro, Beauty Community and TAV Havalimanlari were the largest detractors over the period. The biggest story over the month was the severe and continued decline in EM currencies versus the dollar. The Argentinian peso and Turkish lira saw double-digit declines. The increase in currency volatility is a source of angst for investors and will likely cause a swift about turn in the loosening of monetary policy that we have seen in the last two years. The Philippines, Indonesia and Turkey have raised interest rates in recent weeks. India is likely to follow and we should start to see an impact on global growth with a lag.

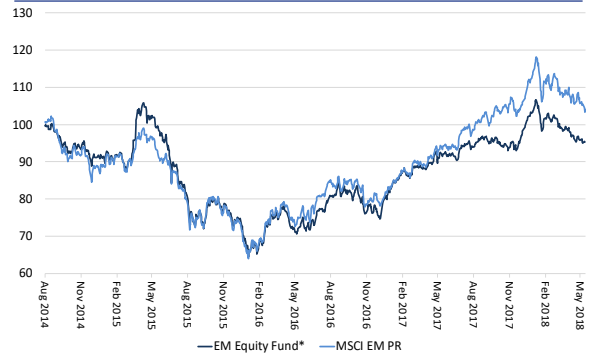
EM Debt

The search for yield has led investors to embrace asset classes once considered off limits. High yield bonds, leveraged loans and EM local debt have made their way into conservative portfolios as proxies for developed market debt. The emerging market bond sell-off in recent weeks is the tip of the ice-berg. The negative price action in these assets may lead to an exodus of risk averse capital. As the bid-offer on the underlying issues widens, gap risk is a possibility investors may need to contend with. A continued rise in the dollar may trigger capital controls which would restrict liquidity even further. It is time to question what you own in fixed income even if it purports to have daily liquidity.

HDFC Bank

Housing Development Finance Corp (HDFC) is India's largest housing financier. The bank is poised to benefit from a revival in mortgage lending. Near-term growth drivers include a government push for home ownership among low-income households, one of its customer segments. Improving housing affordability due to rising incomes and low borrowing costs should drive loan growth over the next few years. The company posted an 18% increase in revenues and a 28% increase in earnings in its latest quarterly report. The stock trades on a price to earnings of 18 times and a price to book of 3.6 times. While its valuation is high relative to its peers, we feel it is warranted given its industry leading growth and return on capital.

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 May 2018
Source: Newscap Capital Group, MSCI - Bloomberg

Returns (%)

	1M	6M	YTD	1Y	3Y	5Y	S/1
E Acc USD	-2.0%	2.0%	-4.4%	4.1%	-3.9%	-	-4.7%
F Acc USD	-2.0%	2.3%	-4.2%	4.6%	-2.0%	-	-2.1%
S Acc GBP	-1.9%	2.2%	-4.3%	5.1%	2.8%	-	3.0%
E Inc USD	-2.0%	2.0%	-4.4%	4.1%	-3.5%	-	-0.8%
E Acc GBP	-2.1%	0.8%	-5.3%	2.3%	-5.7%	-	1.4%
S Acc USD	-1.8%	3.4%	-3.3%	-	-	-	6.2%
K Acc USD	-2.1%	-	-	-	-	-	-3.7%
MSCI EM PR	-3.8%	-0.0%	-3.3%	11.5%	11.6%	-	4.05%

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

Rolling Annual Returns - year end 31/05

	2018	2017	2016
EM Equity Fund	4.1%	26.1%	-26.8%
MSCI EM Index	11.5%	24.5%	-19.6%

Share Class E Acc USD; Fund data as at 31 May 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 May 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	\$95.3	18/08/2014
F Acc USD	IE00BH4TTK42	\$97.9	26/08/2014
E Inc USD	IE00BH4TTJ37	\$99.2	22/09/2014
S Acc GBP	IE00BH4TVV94	£103.0	09/09/2014
E Acc GBP	IE00BN578D58	£101.4	04/12/2014
S Acc USD	IE00BH4TVT72	\$81.6	07/06/2017
K Acc USD	IE00BD5G3F92	\$96.3	13/02/2018

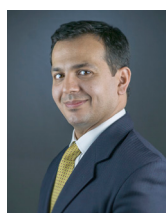
Home Product Center

Home Product Center is a Thailand-based company engaged in the retail home improvement business. Its business activities include selling goods and providing services, relating to construction, refurbishment and renovation through its shopping centres. The company's products and services include bathroom and sanitary ware products, kitchen and home appliances, electrical equipment and lighting. Thailand's housing market is recovering in response to improved credit availability. Homeowners are inclined to spend more on home improvement and this should boost revenues for the company. New housing registrations have expanded in recent months which should further spur revenues with a lag. The company has delivered high double-digit earnings growth and the stock trades on a price earnings of 33 times.

Fahad Hassan

CFA, Lead Manager

Fund Managers



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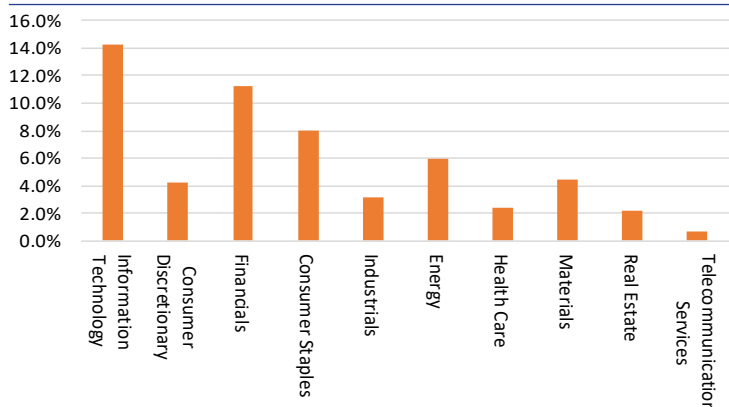
Fahad worked at Legal and General for 11 years, where he managed over a \$1 billion in institutional and retail mandates. Fahad is the lead portfolio manager of the Newscape Emerging Market Equity Fund and is a co-manager on the Newscape Diversified Growth Fund. He is a CFA Institute charter-holder and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



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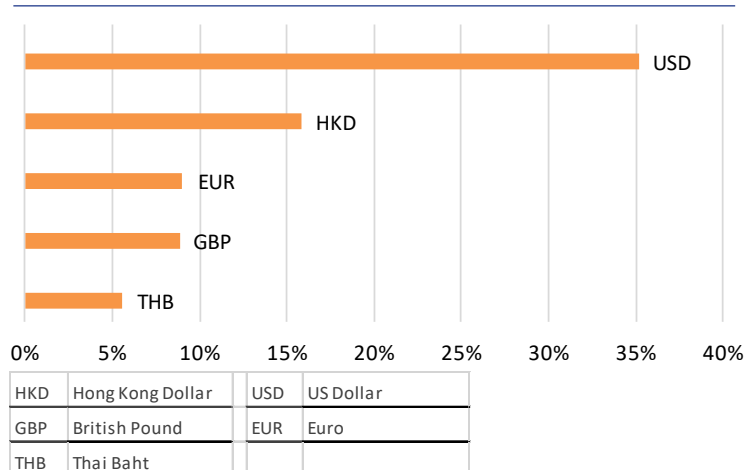
Charlie Morris spent 17 years at HSBC Global Asset Management as the Head of Absolute Return. There he managed a \$3 billion multi-asset fund range as well as contributing to the overall strategy of the business. Charlie is now CIO at Newscape Capital Group, having joined in May 2016 to take over and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

Sector Exposure (%)



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

Currency Exposure (%)



Data as at 31 May 2018; Source: Bloomberg

Allocation by Style

Style	Allocation
Quality	36.3%
Value	23.3%
Growth	16.6%
Special Situations	8.0%
Real Assets	5.4%
Cash	10.4%
Total	100.0%

Top 5 Industry Themes

Theme	Allocation
Global Government	21.0%
Debt Fund	8.0%
Internet	5.9%
Banks	5.6%
Beverages	5.3%

Top 5 Country Allocations

Country	Allocation
CHINA	9.9%
FRANCE	8.0%
HONG KONG	7.7%
BRITAIN	7.6%
THAILAND	5.6%

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)

Portfolio Characteristics

	EM Equity Fund	MSCI EM
Dividend Yield	1.8%	2.4%
Price to Book	2.2	1.7
Price to Earnings	10.2	11.6

Fund data as at 31 May 2018; Source: Newscap Capital; Average PE used; MSCI data as at 31 May 2018; Source - Bloomberg

Top 10 Stocks

Holding	Size
TAIWAN SEMICONDUCTOR	3.3%
COM2US CORP	2.8%
ALIBABA	2.5%
GLAXOSMITHKLINE	2.4%
TENCENT	2.4%
HDFC BANK	2.3%
CHINA MERCHANTS	2.3%
PETROFAC	2.2%
KERRY	2.2%
PING AN INSURANCE	2.2%
TOTAL	24.5%

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

Current Holdings

Quality	Growth	Value	Real Assets	Special Situations
AGUAS ANDINAS	ALIBABA	CHINA HUARONG	GOLDCORP	SHORT BOND ETF
CARLSBERG	BEAUTY COMMUNITY	CHINA MERCHANTS	HARMONY GOLD	
COCA-COLA FEMSA	BITAUTO	ECOPETROL	GOLD ETF	
COCA-COLA EMBONOR	BOYAA INTERACTIVE	HONG KONG EXCHANGES & CLEAR		
GLAXOSMITHKLINE	COM2US CORP	HDFC BANK		
GUDANG GARAM	PETROFAC	PING AN INSURANCE		
HOME PRODUCT CENTER	TAIWAN SEMICONDUCTOR	KERRY		
TRUE	TELEPIZZA	POLYMETAL		
	TENCENT	PZ CUSSONS		
		SANDS CHINA		
		SBERBANK		
		SHIN ZU SHING		
		STANDARD CHARTERED		
		TISCO FINANCIAL		
		TOPCO SCIENTIFIC		
		PTT		
		STAR PETROLEUM REFINING		
		HUABAO		

Data as at 31 May 2018
Source: Newscap Capital Group

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