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Manager's Commentary

The Newscap Diversified Growth Fund (DGF) fell by 0.3% in February which compares to a broad market rally of 1.1% as measured by the FTSE UK Private Balanced total return Index in sterling terms, and a 2.3% rise for the FTSE 100.

The best performing stocks in DGF were Anta Sports, Tencent and Legal and General, with an additional boost from Nickel. The worst were the Argentinian banks; Grupo Financiero and Banco macro which gave back some of their January gains. Sterling continued to rally against the dollar and the euro and the currency hedges were effective as the threat of no deal fell. The equity futures hedges on the FTSE 100 and the EuroStoxx remained at 20% of the fund. These have reduced net exposure to 43.5%.

Gold was a significant detractor to performance over the month, falling by 1.8% in GBP terms. This was in part due to the improved macro conditions, as investors reduced exposure to safe haven assets. Longer-term, we believe the case for gold remains strong as falling real interest rates will likely continue. That is, rates are likely to remain low, while inflation surprises to the upside. In any event, we see the chances of tight policy to be low, which means gold should be well supported.

More generally, the strength of the market recovery is sending a loud and clear message that the deterioration in the economic data is temporary. Things are getting better.

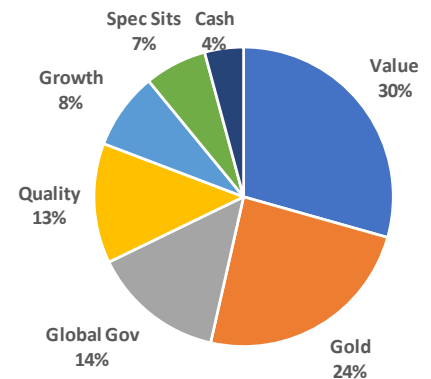
A Macro Recovery

It seems like we just experienced the shortest bear market in history. The 200 day moving average turned down mid last year and stocks were dumped en-masse, so much so, that 3,290 US companies made 12 month lows on 21st December last year. Then things turned around quickly on Boxing Day, but that is not uncommon for bear rallies; which later disappoint. We have become more constructive on the current rally because all the key market-based risk indicators have turned positive.

We are now seeing European debt spreads narrow, meaning that the great Eurozone recession has been pushed back. Commodity prices are rising. Speculative stocks, such as recent Initial Public Offerings (IPOs) and "high beta" companies are doing well, while defensive companies are lagging behind. The euro is rising versus the yen and corporate credit has recovered. And even Tesla is still riding high despite breaking every rule in the book.

While market indicators have improved, there has been a change in leadership. This will be China's year, and metal prices, which were asleep for much of last year, have reawaken. And none more so than nickel, which is a key component in the electric car.

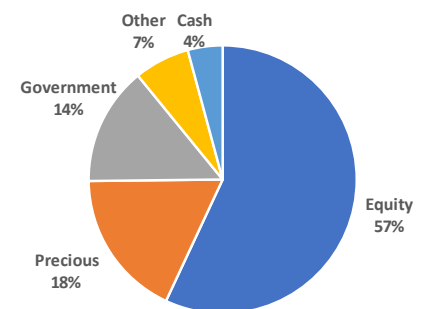
Allocation by Style



Equity Sector

Consumer Staples	10.3%
Industrials	4.1%
Communication Services	3.6%
Materials	13.2%
Energy	12.7%
Consumer Discretionary	7.7%
Financials	19.8%
Real Estate	10.6%
Information Technology	6.1%
Utilities	5.7%
Health Care	6.2%

Asset Allocation



Currency Exposure

GBP	79.48%
HKD	16.81%
CAD	3.70%
USD	3.30%
SEK	3.20%
JPY	2.11%
ZAR	1.93%
DKK	1.30%
CHF	1.10%
EUR	-12.93%

Nickel

The electric car has increased demand for batteries, with the main battery ingredients being nickel, lithium, cobalt and graphite. In 2017, there was a surge in the price of cobalt, which reversed last year and saw a 75% fall. Lithium demand has also been high, but supply seems to be met. The stand out metal is nickel, that trades cheaply compared to 2007 levels, and has recently seen the market tighten.

Nickel Could Lead the Metals' Boom



Source Bloomberg: London Metal Exchange spot nickel since 1990

We recently met an executive from Norilsk Nickel who described how nickel was the bottle neck in battery production as substitutes were being used to replace other components. While nickel itself may eventually face threats from substitution, that isn't the case today. Recognising that electric car production is entering the mainstream, the squeeze on the nickel price may well have begun. As a result, DGF now holds 2% of the fund in a nickel exchange traded fund (NICK).

Outlook

The market, or should I say the economy, is far from safe. But it would be most unusual for a correction to follow a market recovery. A month ago, we suspected there was a rally within a bear market. But now the trend has turned around, it is prudent to assume the bull has resumed.

As the evidence of this grows, DGF will further reduce equity hedges and find ways of allocating more capital to Asia and China.

Charlie Morris, Lead Manager

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

Fund Managers



Charlie Morris
Lead Manager
c.morris@newscapgroup.com

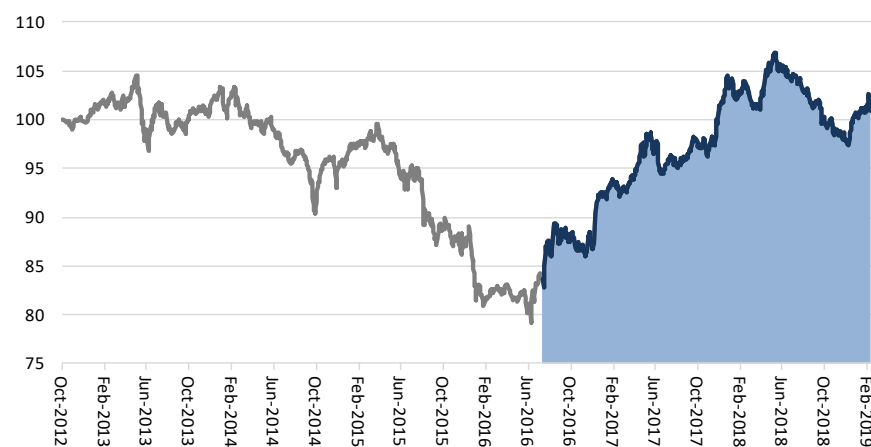
Charlie Morris spent 17 years at HSBC Global Asset Management as the Head of Absolute Return. There he managed a \$3 billion multi-asset fund range as well as contributing to the overall strategy of the business. Charlie is now CIO at Newscap Capital Group, having joined in May 2016 to take over and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



Fahad Hassan
Co-Manager
f.hassan@newscapgroup.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 28/02/2019
 Charlie Morris taking over fund management - 29/07/2016
 Fund data as at 28 February 2019
 Source: Bloomberg

Returns (%)

Class	1M	6M	YTD	1Y	3Y	5Y	S/I
A GBP	-0.3%	-2.2%	2.2%	-2.9%	23.2%	-2.3%	0.9%
B GBP	-0.3%	-2.6%	2.1%	-3.7%	22.8%	-	21.7%
S GBP	-0.3%	-2.1%	2.2%	-2.4%	-	-	17.2%
I GBP	-0.3%	-2.2%	2.2%	-2.9%	-	-	3.4%
F GBP	-0.3%	-2.5%	2.1%	-	-	-	-0.9%
F SGD	-0.3%	-2.2%	2.2%	-	-	-	-0.5%
N GBP	-0.2%	-1.8%	2.3%	-	-	-	-2.5%
N USD	-0.1%	-1.2%	2.5%	-	-	-	-1.9%

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

Rolling Annual Returns - year end 28/02

	2019	2018	2017	2016	2015
Class A	-2.9%	11.7%	13.5%	-16.2%	-5.4%

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

Portfolio Characteristics

	DGF	FTSE 100	Gilts*
Volatility	5.1%	12.0%	4.8%
Yield**	1.9%	4.4%	1.3%

Data as at 28 February 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	19.8%
Materials	13.2%
Energy	12.7%
Real Estate	10.6%
Total	56.3%
Emerging Markets	
China	8.7%
South Africa	1.9%
Russia	1.3%
Chile	1.2%
Total	13.1%

Top 10 Stocks

Holding	Size
MICRO FOCUS	1.4%
ELI LILLY	1.4%
ANTA SPORTS	1.3%
VESTAS	1.3%
CHINA LIFE	1.3%
ANTOFAGASTA	1.3%
POLYMETAL	1.2%
CIA DE MINAS BUENAVENTUR	1.2%
LUNDIN PETROLEUM	1.2%
TULLOW OIL	1.2%

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

Current Holdings

Quality	Growth	Value	Real Assets	Special Situations
MARKEL	BURBERRY	SSE	GOLD	OAKLEY CAPITAL
MORRISONS	VESTAS	MARKS & SPENCER	PLATINUM	BETTER CAPITAL
BRITVIC	TENCENT	LLOYDS	HARMONY GOLD	UIL
RECKITT BENCKISER	CHINA LIFE	TOKYO ELECTRIC POWER	POLYMETAL	BITCOIN
ELI LILLY	HONG KONG EXCHANGES & CLEARING	ANTOFAGASTA	OCEANAGOLD	NICKEL
FAIRFAX FINANCIAL	ANTA SPORTS	STANDARD CHARTERED	CIA DE MINAS BUENAVENTUR	
ROCHE	NASPERS	LEGAL & GENERAL	CENTAMIN	
PZ CUSSONS		IBERDROLA	ZIJIN MINING	
IMPERIAL BRANDS		BANCO MACRO		
SMITH & NEPHEW		GRUPO FINANCIERO GALICIA		
PICC PROPERTY & CASUALTY		MICRO FOCUS		
ORANGE		CANADIAN NATURAL RESOURCES		
GEORGE WESTON		PETROCHINA		
		LUNDIN PETROLEUM		
		TULLOW OIL		
		CHINA SHENHUA ENERGY		
		TOKIO MARINE		
		AAC TECHNOLOGIES		
		SWIRE PACIFIC		
		HANG LUNG PROPERTIES		
		SUN HUNG KAI PROPERTIES		
		KINGBOARD LAMINATES		
		WHEELLOCK		
		CK ASSET		
		CHINA OVERSEAS		
		SCHLUMBERGER		
		PIONEER NATURAL RESOURCES		
		STERICYCLE		

Data as at 28 February 2019
Source: Newscap Capital Group

Fund Details

AUM	£11.5 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	Ongoing Charges Fees
	Management Charge	
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%

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