

Discovery Capital Holdings

30 June 2023

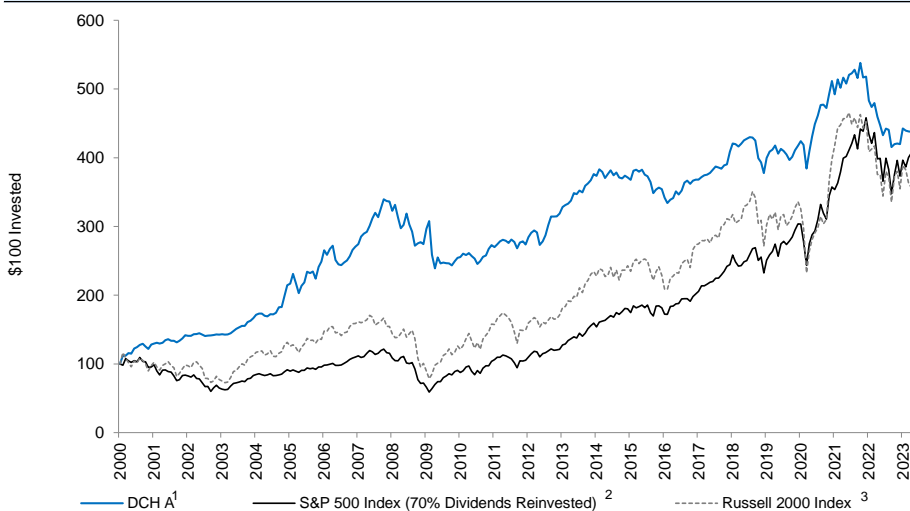


Fund Description

Discovery Capital Holdings (DCH) is a multi-manager fund which invests predominantly in equity strategies, both long and short and to a lesser extent in other strategies. The fund invests with managers who are in a development phase with relatively low assets under management, and in funds with limited performance history.

Performance (%)	<i>est</i>	<i>est</i>	Annualised Performance (%)				
	Jun	YTD	1Y	3Y	5Y	10Y	Since Inception
DCH (Class A) ¹	1.7	6.5	3.3	(0.1)	0.9	2.6 ¹	6.6 ¹
S&P 500 Index (70% dividends reinvested) ²	6.6	16.6	19.0	14.0	11.7	12.2	6.5
Russell 2000 Index ³	7.9	7.2	10.6	9.4	2.8	6.8	5.9

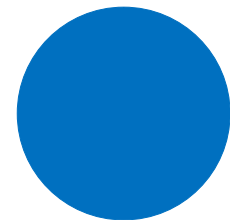
Performance Since Inception



Statistics

Annualised Return (since inception) ¹	6.6%
Annualised Volatility (since inception) ⁴	10.6%
Annualised Volatility (3yr) ⁴	10.3%
Beta (3yr) ⁵	0.43
Correlation (3yr) ⁶	0.76

Strategy Allocation



Emerging Managers 100.0%

Equity Exposure ⁷	(%)			
	Feb-23	Mar-23	May-23	Jun-23
Long Equity	108.0	111.1	110.1	111.3
Short Equity	(65.8)	(65.2)	(66.9)	(68.1)
Net Equity	42.2	45.9	43.2	43.2
Gross Equity	173.8	176.3	177.0	179.4

Estimated Strategy Performance	(%)
	YTD
Emerging Managers	6.5
DCH Total	6.5

Top Five Managers ⁸		Strategy
ACK Asset Partners	John Reilly, Richard Meisenberg	Emerging Manager
Armistice Capital	Steven Boyd	Emerging Manager
Casteknight Management	Aaron Weitman	Emerging Manager
Hill City Capital	Chip Frazier	Emerging Manager
Sunriver Management	Will Cook	Emerging Manager

Portfolio Allocation (%)	
Total No. of Managers	13
Top 5 Managers	52%

Commentary

DCH returned +1.7% in June and is +6.5% for 2023 YTD. The strongest performance was driven by managers with exposure to long themes in industrials (eg onshoring) which drove equity markets higher during the month – a top five manager for example generated +7% returns in June and is +24% for 2023 YTD despite only ~60% net long exposure.

At 1 July the flagship Leveraged Capital Holdings (LCH) fund made three new investments with existing DCH managers, reflecting the investment committee's high conviction its current portfolio of 'emerging managers'.

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Annual Returns (%)

	<i>est</i>									
	2023	2022	2021	2020	2019	2018				
DCH ¹	6.5	(19.0)	1.3	22.5	10.5	(7.6)				
Index ²	16.6	(18.5)	28.1	17.7	30.7	(4.9)				
Index ³	7.2	(21.6)	13.7	18.4	23.7	(12.2)				
	2017	2016	2015	2014	2013 ³	2012	2011	2010	2009	
DCH ¹	11.1	3.9	(4.5)	(1.4)	18.0	16.4	0.4	7.2	(7.2)	
Index ²	21.1	11.2	0.7	13.0	31.5	15.2	1.5	14.4	25.6	
Index ³	13.1	19.5	(5.7)	3.5	37.0	14.6	(5.5)	25.3	25.2	
	2008	2007	2006	2005	2004	2003	2002	2001	2000	
DCH ¹	(18.5)	24.3	8.6	16.1	28.8	16.7	0.7	10.5	28.2	
Index ²	(37.4)	4.9	15.1	4.3	10.3	28.0	(22.5)	(12.2)	(4.6)	
Index ³	(34.8)	(2.7)	17.0	3.3	17.0	45.4	(21.6)	1.0	(2.6)	

Monthly Returns (%)¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	DCH ¹	Index ²	Index ³
2023	5.4	(0.7)	(0.3)	(0.1)	0.4	1.7							6.5	16.6	7.2
2022	(6.8)	(1.9)	1.2	(4.1)	(2.7)	(3.2)	2.2	(0.4)	(5.7)	1.1	0.2	(0.2)	(19.0)	(18.5)	(21.6)
2021	(3.8)	4.4	(2.3)	3.0	(1.7)	2.5	0.5	1.0	(2.3)	4.2	(3.9)	0.3	1.3	28.1	13.7
2020	1.6	(1.3)	(8.2)	6.4	5.4	4.2	2.8	3.3	0.1	(1.0)	4.3	3.8	22.5	17.7	18.4
2019	5.8	2.3	0.7	1.5	(2.8)	1.7	(0.7)	(1.2)	(2.0)	1.2	2.4	1.6	10.5	30.7	23.7
2018	2.9	(0.2)	(0.8)	1.0	1.2	0.6	0.5	(0.1)	(1.0)	(6.0)	(1.6)	(3.9)	(7.6)	(4.9)	(12.2)
2017	0.0	1.0	0.7	0.3	0.6	1.3	1.2	(0.4)	(0.4)	1.2	0.4	4.8	11.1	21.1	13.1
2016	(3.6)	(2.3)	1.5	0.7	2.8	(1.3)	1.6	3.3	0.8	(1.3)	1.3	0.3	3.9	11.2	19.5
2015	(0.9)	3.6	0.4	(0.7)	0.7	(1.9)	(0.6)	(2.2)	(4.4)	1.5	0.9	(0.7)	(4.5)	0.7	(5.7)
2014	(0.7)	2.6	(1.0)	(2.3)	1.6	1.4	(1.8)	1.1	(1.9)	(0.5)	1.1	(0.7)	(1.4)	13.0	3.5
2013	3.0	0.9	0.7	1.3	3.3	(0.4)	1.4	(0.7)	2.7	1.0	1.3	2.5	18.0	31.5	37.0
2012	3.9	2.2	1.1	(1.0)	(6.2)	1.9	3.2	5.1	4.0	0.0	0.1	1.3	16.4	15.2	14.6
2011	(1.0)	1.5	1.6	0.8	(0.5)	(1.2)	1.8	(1.2)	(3.3)	3.1	0.7	(1.7)	0.4	1.5	(5.5)
2010	0.4	1.9	(0.8)	1.2	(1.6)	(1.5)	(3.1)	1.7	2.5	0.8	3.7	2.0	7.2	14.4	25.3
2009	8.2	3.8	(15.9)	(7.6)	6.6	(3.4)	0.4	(0.4)	(0.1)	(1.2)	2.6	1.9	(7.2)	25.6	25.2
2008	(4.0)	2.7	(5.6)	(5.0)	1.6	5.5	(5.0)	(3.5)	(6.9)	1.2	0.6	(1.1)	(18.5)	(37.4)	(34.8)
2007	1.4	4.0	1.5	0.9	2.9	3.6	2.6	(2.0)	4.2	3.9	(0.7)	(0.2)	24.3	4.9	(2.7)
2006	6.5	(2.5)	3.3	1.8	(7.7)	(2.6)	(0.4)	1.6	1.3	2.4	3.6	1.7	8.6	15.1	17.0
2005	1.2	6.5	(5.7)	(6.8)	5.2	2.3	7.1	(0.8)	1.0	(4.4)	7.6	3.3	16.1	4.3	3.3
2004	2.9	1.1	0.0	(1.9)	(0.5)	1.9	(0.3)	1.3	4.8	0.2	8.7	7.8	28.8	10.3	17.0
2003	0.4	(0.4)	0.2	1.2	2.2	2.1	1.6	1.3	(0.0)	3.6	1.2	2.2	16.7	28.0	45.4
2002	(0.5)	(0.1)	1.7	0.2	0.8	(1.4)	(1.4)	0.4	0.0	0.5	0.7	(0.2)	0.7	(22.5)	(21.6)
2001	1.2	0.8	(0.8)	0.8	3.0	0.9	(1.7)	0.0	(1.6)	1.6	2.6	3.4	10.5	(12.2)	1.0
2000		12.3	(0.2)	3.2	(0.7)	6.5	1.7	2.7	1.3	(3.2)	(2.8)	5.3	28.2	(4.6)	(2.6)

Fund Information	Class A	Class C
Est. NAV	223.54	229.69
Currency	USD	USD
Inception	1 July 2013	01 Feb 2018
Shares Outstanding	184,322	78,657
Fund Size (Total)	\$59.2m	
ISIN	IE00BN576318	IE00BYZHV558
Bloomberg Code	DCHA ID Equity	-
Subscription	Monthly	Monthly
Subscription Notice	5 Business Days	5 Business Days
Redemption	Quarterly	25% per Quarter
Redemption Notice	45 Business Days	45 Business Days
Minimum Investment	1 share	\$25m
Management fee	1.5% pa	1.0% pa
Performance fee	5.0%	5.0%

Legal Structure & Service Providers	
Legal Structure	Sub-fund of The Capital Holdings Funds plc, an Irish based AIF
Investment Adviser	LCH Investments NV
General Counsel	Willkie Farr & Gallagher LLP
Ireland Legal Counsel	Walkers
Administrator	Citco Fund Services (Ireland) Limited
Depository	Citco Bank Nederland N.V. Dublin Branch
Auditor	PricewaterhouseCoopers

Notes

¹Performance shown for DCH Class A USD. Current month estimated. The performance of DCH up to 30 June 2013 represents the investment return, actually achieved by Leveraged Capital Holdings (LCH) in its portfolio of smaller emerging managers (inception 1 Feb 2000), before fees, based on valuations certified by the Administrator. Applying the DCH Class A fee of 1.5% to this period would have resulted in annualised returns of 2.6% over the last 10 years and 5.4% since inception. DCH became available to investors other than to LCH on 1 July 2013, performance after this date is net of fees. Source: Administrator.

²S&P 500 Index with 70% dividends reinvested. Source: Bloomberg.

³Russell 2000 Index. Source: Bloomberg

⁴Volatility defined as the standard deviation of monthly returns. Inception data since 1 Feb 2000. Source: Administrator.

⁵Beta measures DCH's sensitivity to movements in the S&P 500 Index 70 dividends reinvested, over the past 3 years using monthly data. Source: Administrator, Bloomberg.

⁶Correlation to S&P 500 Index 70% dividends reinvested, over the past 3 years using monthly data. Source: Administrator, Bloomberg.

⁷Equity exposure based on underlying manager reports.

⁸Top 5 managers listed in alphabetical order by manager.

Legal Information

The Capital Holdings Funds plc (the "Fund"), a public limited company, is constituted as an umbrella fund with segregated liability between sub-funds in Ireland, incorporated on 13 March 2014 with registration number 541001 and authorised by the Central Bank of Ireland pursuant to Part XIII of the Companies Act 1990 as a retail investor alternative investment fund. The Fund is an umbrella fund which comprises three sub-funds: Leveraged Capital Holdings, Discovery Capital Holdings and Asian Capital Holdings. Details of the share classes that may be issued by the respective sub-funds are contained in the relevant Annex of the Fund Prospectus.

This monthly report is issued by the Fund for information purposes only and is not intended as an offer or solicitation to subscribe for shares in any of the sub-funds and nor does it constitute investment advice. Its contents are derived from sources generally believed to be reliable although no representation is made that it is accurate or complete and the Fund accepts no liability with regard to any reliance on the same.

The value of an investment in any sub-fund may fall as well as rise and you may not get back the original amount invested. Past performance is not necessarily indicative of future results and price and availability are subject to change without notice. An investment in the Fund entails risks which are more fully described in the Fund Prospectus. The information contained herein is confidential and reproduction of any part of this material is prohibited. Unless stated otherwise the source of information in this report is Bloomberg and the Fund Administrator.

The Fund Prospectus, Articles and each published annual report and accounts of the Fund are available at the registered office of the Fund, The Exchange, George's Dock, IFSC, Dublin 1, Ireland and from the website: www.capitalholdings.com.

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