



NEWGATE

CAPITAL MANAGEMENT LLC

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GLOBAL Resources PORTFOLIO

INVESTMENT OBJECTIVE

The Global Resources Portfolio seeks long term growth of capital and protection against inflation and monetary instability by investing in high quality companies involved in the mining, processing and transportation of natural resources of any kind.

INVESTMENT PROCESS

Top-down global approach to sector and industry allocation, combined with a bottom-up style of stock selection. The investment process begins with a top-down, global economic assessment to identify undervalued natural resources and commodity related sectors. Newgate uses fundamental analysis, investment experience and professional judgment to evaluate the impact of current geopolitical and macroeconomic factors on natural resource companies worldwide.

Newgate uses both quantitative and fundamental analyses for security selection. A rigorous, bottom-up approach focuses on a combination of relative valuation analysis and strategic business evaluation. In addition to attractive price levels, Newgate focuses on large and medium capitalization companies with dominant market share, a high degree of financial transparency and good corporate governance.

THE FIRM

Newgate Capital Management LLC is a privately held global investment advisor located in Greenwich, Connecticut. The firm provides investment management services to private, corporate and public funds, educational and charitable institutions, healthcare organizations and private clients.

Newgate's primary mission is to provide superior risk-adjusted performance for their clients. Founded in 1982 on the philosophy of top-down, value oriented investing, Newgate has grown to become one of the world's leading investment houses.

INVESTMENT REVIEW

Newgate's Global Resources Portfolio gained 1.8% in the first quarter, compared to a negative 6.3% return for the Dow Jones-AIG Commodity Index and declines in most broadly diversified natural resource indices.

MARKET REVIEW. The economic news was generally poor during the first quarter. Governments continue to argue over the proper policy response to the financial crisis; the S&P 500 had its sixth consecutive quarter of negative returns. Yet economically sensitive commodity stocks outperformed the broader markets during the quarter, with many sectors posting positive returns. Responding to the stimulus package enacted in November, Chinese companies are using last year's decline in commodity prices to rebuild raw materials inventories. While the lasting impact of this stimulus is uncertain, there has been an immediate increase in some metals prices and a doubling of the Baltic Dry Bulk Index of raw material shipping costs.

Natural resource stocks have also been buoyed by faint glimmers of economic health. Evidence of the US recovery often is seen in statistics that are "not as bad as expected," rather than actually good. Given that equity markets typically

lead the real economy, investors seem to believe in the prospect of economic recovery, even if there is scant evidence of actual improvement.

A "wildcard" for the Portfolio is the increased merger and acquisition activity. The credit crunch has left smaller companies without access to capital necessary for expansion or completion of projects under development. These companies may be forced to sell to competitors with better access to cash.

Industrial metals companies have outperformed broader market indices, signaling anticipation of economic recovery. Copper prices rose 30%, largely on Chinese buying. Zinc also rose. Other metals, such as aluminum and steel, still face overcapacity and further pricing pressure. There have been production cutbacks across almost all materials. Gold and gold stocks rose on fears that the unprecedented fiscal and monetary expansion will result in inflation.

Oil prices rose approximately 10% during the quarter, surprising traders in light of near record high inventories of crude. Gasoline demand has come up slightly from the October lows, but is still far below average. Gasoline price increases have not matched rising crude costs, reducing margins and leading to price declines for refining dependent companies. In contrast, servicing and drilling companies had positive returns, as higher prices create greater demand for these services in the future. Natural gas prices have fallen sharply, down 33% so far this year. While natural gas is always volatile, it has not had oil's recent rebound and is currently at prices not seen since the fall of 2002. Natural gas is widely consumed for industrial uses, a source of demand not likely to increase without sustained economic improvement.

PORTFOLIO REVIEW. Agriculture was the largest contributor to last quarter's positive performance. Fertilizer companies account for approximately 15% of the Portfolio. They have been benefiting from low natural gas prices and steady demand. We sold meat production companies and livestock ETNs during the quarter.

Base metal mining companies also contributed to the Portfolio's positive return for the quarter. Exposure to the sector remains concentrated in these larger, diversified mining companies, though we did increase holdings in copper miners. We bought gold stocks in January and took some profits by the end of the quarter, ending with a 10% allocation. We increased exposure to platinum by buying shares of Stillwater Mining, and with additional shares of the platinum ETN.

Portfolio exposure to energy remains modest, under 35%. Energy servicing and drilling contributed to returns last quarter. Surprisingly, the stocks of oil exploration companies did not keep pace with the increase in the price of oil. We continue to have a larger allocation to exploration companies than to servicers and drillers. And we also prefer oil to natural gas exposure, a view likely to remain until the oversupply of natural gas is reduced and industrial demand starts to pick up.

OUTLOOK. In the near term, demand for resources will be funded out of Washington and Beijing. Ultimately, natural resource investments are tied to economic growth, regardless of the source (private or public) of the funds for any given project. Given the pessimism factored into current valuations, even modest signs of economic recovery should be favorable for natural resource-related investments. ♦

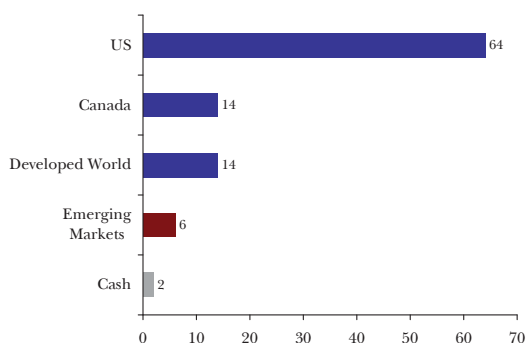
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GLOBAL Resources PORTFOLIO

NEWGATE PERFORMANCE AS OF 04/30/09

	<i>Cumulative Return</i>		<i>Annualized Return</i>	
	<u>NEWGATE</u>	<u>DJ-AIG INDEX</u>	<u>NEWGATE</u>	<u>DJ-AIG INDEX</u>
APR09	10.39	0.73		
YTD	12.36	-5.63		
2008	-56.23	-35.65		
2007	51.14	16.23		
1 Year	-54.96	-46.50		
3 Year	-27.03	-30.86	-9.96	-11.57
5 Year	40.74	-13.06	7.07	-2.76
Inception 4/30/04	40.74	-13.06	7.07	-2.76

COUNTRY ALLOCATION



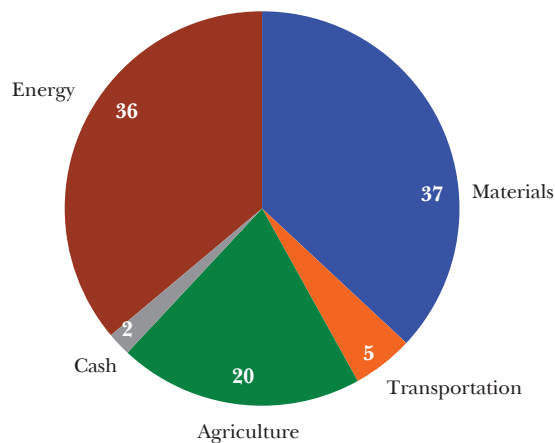
TOP TEN HOLDINGS (%)

Potash Corp of Saskatchewan	Canada	3.8
Rio Tinto	United Kingdom	3.7
Transocean	United States	3.7
BHP Billiton	Australia	3.5
Weatherford International	United States	3.5
Monsanto	United States	3.5
Kinross Gold	Canada	3.4
Intrepid Potash	United States	3.4
Southern Copper	Peru	2.9
E-TRACS Platinum ETN	United States	2.7

PORTFOLIO CHARACTERISTICS

Average Number of Holdings	54-74
Average Market Cap	\$24.9 bn
Current Yield	2.2%

SECTOR ALLOCATION



ENERGY	36
Service/Drilling	13
Exploration/Production	12
Coal	5
Integrated	3
Refining	2
Engineering/Construction	1
MATERIALS	37
Diversified Mining	12
Steel	6
Gold	5
Copper	5
Platinum	3
Aluminum	3
Servicing	2
Silver	1
AGRICULTURE	20
Chemicals	15
Operations	5
TRANSPORTATION	5
CASH	2

M I N D I N G T H E F U T U R E T O D A Y SM

Past performance is no guarantee of future results. Performance may vary across accounts. Returns are calculated using a time-weighted market value assuming reinvestment of dividends. Performance is reported net of management fees, commissions, and other direct expenses, but before custody charges, withholding taxes, and other indirect expenses. Performance shown is compared to the Dow Jones-AIG Commodity Index, a broad-based securities index that is unmanaged and not subject to fees and expenses. Investments cannot be made directly in a broad-based securities index. Any securities, sectors and markets listed are included for illustrative purposes at the time of publication and may not be held by accounts currently managed by Newgate. The securities identified do not represent all of the securities held in client accounts. It should not be assumed that any investments identified were or will be profitable. © 2009

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