

Newton Bridge Fund

Fourth quarter 2011

Risk profile: medium



Fund information

Aim

To achieve capital growth over the long term through a portfolio that is predominantly invested in equities, across a wide range of industries and countries. The equity element is balanced by cash, bonds and exposure to alternative assets, such as hedge funds, to reduce the overall volatility of the portfolio.

The fund takes guidance from the Newton Private Investment Management Growth Model. The central asset allocation for the model is 70% invested in global equities and 30% invested in other asset classes which may include bonds, cash, hedge funds, structured products and property.

Fund facts

Fund structure	Unit Trust
Base currency	GBP
Benchmark*	Newton Growth Composite (see over page for benchmark breakdown), from 1 April 2009; it was previously WM PCI Growth
Fund launch date	30 November 1996
Fund domicile	UK
Pay dates	Two business days before 31 Mar, 30 Sep
ISIN	GB0006441181
SEDOL	0644118



Fund data

Fund size (millions)	GBP 283
Volatility	11.5%
Dividend yield	2.2%
Sharpe ratio	0.8
Information ratio	-0.1
Annual management charge	0.8%
Total expense ratio	0.83%

All figures correct as at 31 December 2011.

Risk and performance statistics above sourced from Newton using 36 months of data (where applicable) to 31 December 2011.

Focus on the latest quarter

Performance over three months

Newton Bridge Fund	3.5%		
Newton Growth Composite	6.3%	ARC £ Steady Growth (est)	3.4%
FTSE All Share	8.4%	IMA Flexible Investment	2.9%
		FTSE W World (ex UK)	7.5%
		FTA Govt All Stocks	5.0%

Significant transactions

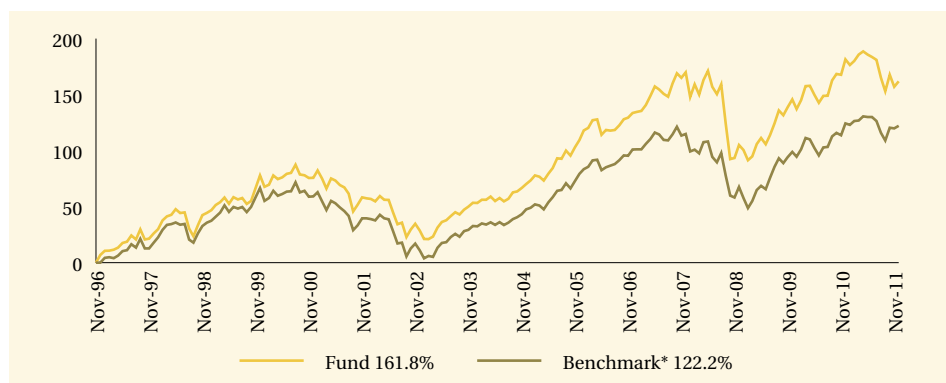
Acquisitions
UK Treasury Gilt 3.75% 07/09/2020
Marks & Spencer PLC 6.125% Bds 06/12/2021
Microsoft Corp.
Consol Energy Inc.
Cia Vale do Rio Doce Pfd Sh -A-

Disposals
UK Treasury Gilt 4.25% 7/12/2040
Anglo American PLC
Weatherford International Ltd
Yingde Gases Group Co. Ltd
BHP Billiton PLC

Note: Portfolio holdings are subject to change at any time without notice and should not be construed as investment recommendations.

Long-term performance (%)

Performance since launch



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	-18.2	19.2	10.9	23.0	11.5	15.5	-24.0	19.9	14.5	-7.0
Benchmark*	-20.5	19.6	11.2	21.5	12.1	6.9	-22.1	18.7	12.8	-0.9

Discrete past performance (%)

From	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
To	31/12/07	31/12/08	31/12/09	31/12/10	31/12/11
Fund	15.5	-24.0	19.9	14.5	-7.0

* See over page for benchmark details. All performance sourced from: Lipper, Datastream, ARC & WM, as at 31 December 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

Risk factors

The performance data shown on this factsheet is past performance; as such it is not a guide to future performance. Investors should remember that unit trusts should be regarded as long-term investments and that the value of units, and the income from them, can go down as well as up due to stock market and movements in exchange rates. When you sell your investment you may get back less than you originally invested. The fund may invest in emerging markets which are, by their nature, higher risk and potentially more volatile than those inherent in established markets.

Newton's themes

Newton is a global thematic stock picking company. Our style is team oriented and relies on effective communication between all of our investment personnel. Two of our themes are listed below, along with examples of individual holdings.

Deleverage

Factors

The credit bubble has left many economies carrying levels of debt which materially impair their economic prospects. We anticipate an extended period of relatively low growth and higher economic volatility as debt is reduced to more manageable levels. How public and private debt loads are reduced and the effect of offsetting policies will be critical for all aspects of the investment outlook.

Investments

Accenture, GSK, Jardine Lloyd Thompson, L'Oreal, Newcrest Mining, SSE

Global realignment

Factors

Western industrialised nations still dominate the world's economic output, wealth, consumption and market capitalisation in US dollar terms, as well as consuming the lion's share of natural resources. The generally stronger growth potential and increasing economic influence of the developing world are progressively challenging this position. The trajectory of this realignment is likely to be volatile and increasingly prone to cyclical divergence.

Investments

Bangkok Bank, Gome Electrical Appliances, Man Wah Holdings, Petrobras, Rei Agro

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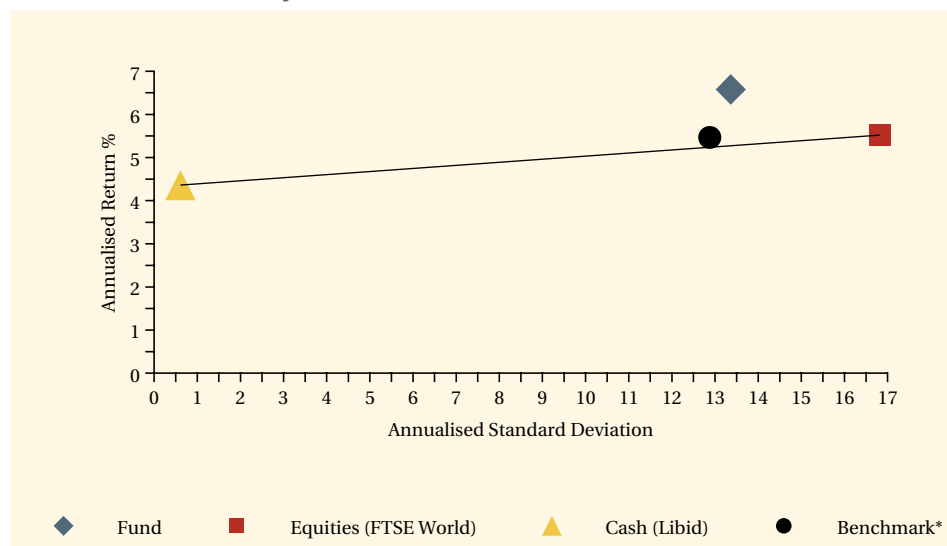
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Long-term performance - risk and reward

Fund return and volatility since launch



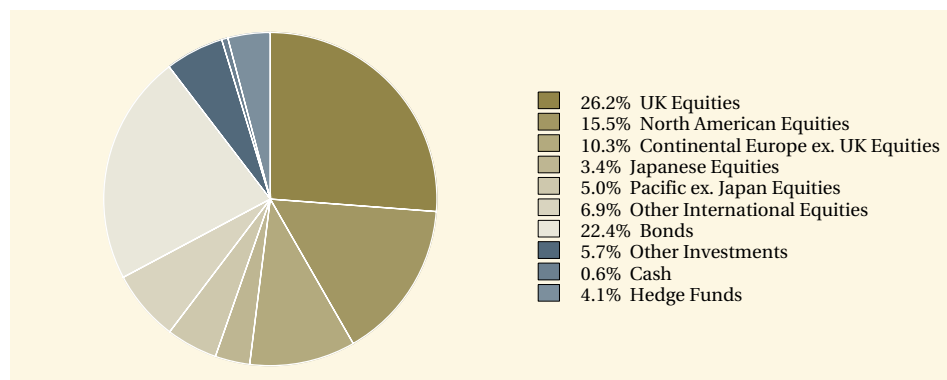
This chart shows both return and volatility. The Newton Bridge Fund has given a higher return than cash, world equities and the benchmark with slightly higher volatility than that of the benchmark. The launch date of the fund was 30 November 1996.

Source: Lipper, Datastream, Bloomberg & WM, as at 31 December 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

*The benchmark to 31 March 2009 was WM PCI Growth. Thereafter it is the Newton Growth Composite. The Newton Growth Composite benchmark comprises 40% FTSE All Share, 30% FTSE World ex UK, 10% FTA Govt All Stocks, 10% ML Sterling Non-Gilts & 10% 1 month £ LIBOR.

Fund analysis

Breakdown as % of total market value



Source: Newton as at 31 December 2011.