

Newton Managed Income Fund

Fourth quarter 2011

Risk profile: medium

Fund information

Aim

To achieve income together with capital growth predominantly through investment in a portfolio of funds for which Newton Investment Management Limited is the investment adviser. The Sub-Fund may also invest in deposits, fixed interest instruments and approved money market instruments.

Prior to 19 May 2011, the Fund was called the BNYM Newton Managed Income Fund.

Fund facts

Fund structure	ICVC
Base currency	GBP
Benchmark	IMA Mixed 20-60% Shares
Fund launch date	19 March 2008
Fund domicile	UK
Pay dates	End Feb, May, Aug & Nov
ISIN	GB00B409TR45
SEDOL	B409TR4

Fund data

Fund size (millions)	GBP 35
Volatility	8.7%
Dividend yield	4.8%
Sharpe ratio	1.5
Information ratio	2.6

Fees and charges

Annual management charge	1.0%
Total expense ratio	1.17%

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 Managed Income	5.1%		
IMA Mixed 20-60% Shs	2.8%	ARC Balanced Asset (est)	2.7%
FTSE All Share	8.4%	FTSE W World (ex UK)	7.5%
		ML £ Non-Gilt Index £	2.4%
		FTA Govt All Stocks	5.0%

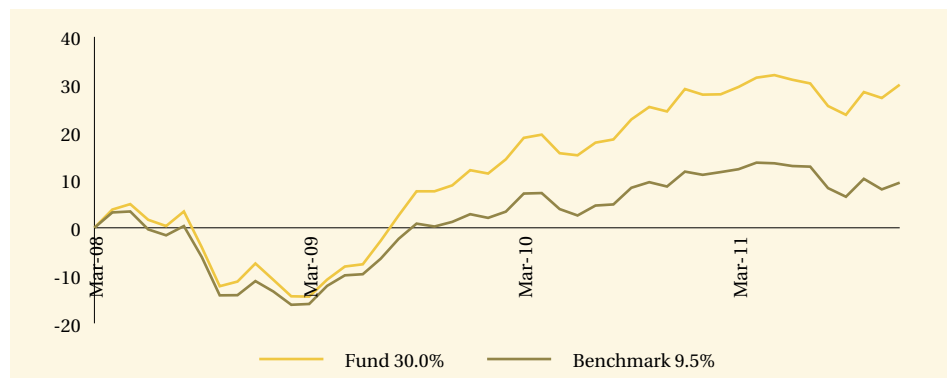
Significant transactions

Acquisitions	Disposals
Newton Higher Income 'X' (Inc)	Newton Asian Inc Fund 'X'(Inc)
Newton Gbl Higher Inc 'X'(Inc)	FTSE 100 Index-Mar 2012 Future
Newton I-L Gilt 'X' Net (Inc)	S&P 500 Index-Mar 2012 Future

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	-	-	-	-	-	-	-	21.2	15.2	0.7
Benchmark	-	-	-	-	-	-	-	15.8	8.7	-2.0

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	-	-	21.2	15.2	0.7

All performance sourced from: Lipper, as at 31 December 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees. Please note: Performance before 25 May 2011 was calculated using the historic prices from the BNYM Newton Managed Income Fund S Net Acc share class.

Risk factors

The performance data shown on this report is past performance; as such it is not a guide to future performance. Investors should remember that this fund should be regarded as a long-term investment 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. This fund can invest in overseas securities which means the Fund is exposed to changes in currency rates. The Fund may invest in emerging markets which have additional risks due to less developed market practices. The Fund may hold sub-investment grade bonds that typically have a low credit rating and carry a high degree of default risk. The Fund may hold fixed interest securities, which are particularly affected by trends in interest rates and inflation. The Fund may invest in smaller companies which may be riskier and less liquid than larger companies. The Fund may use derivatives for efficient portfolio management (EPM) purposes. All of these factors may affect the performance of the Fund and may affect the capital value of your investment.

NEWTON
The Power of Ideas

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.

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.

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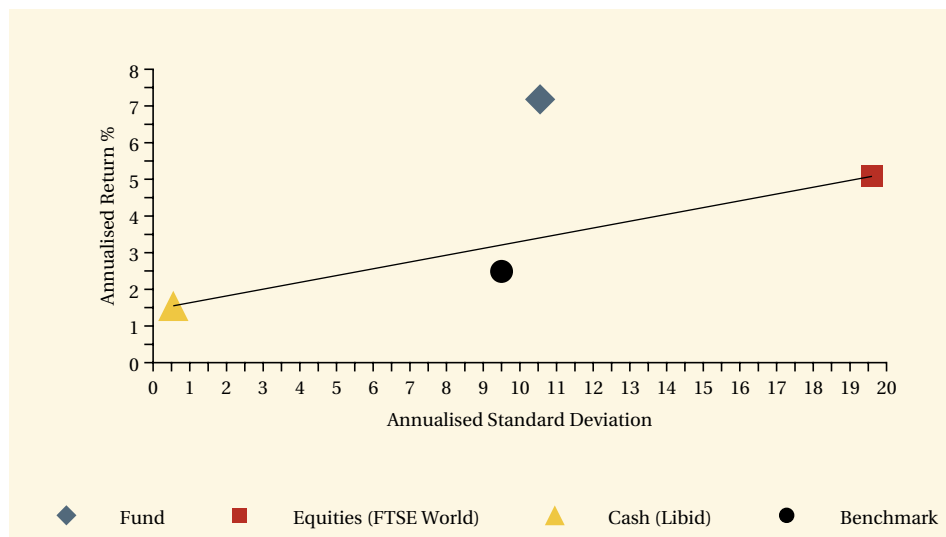
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Long-term performance - risk and reward

Fund return and volatility since launch



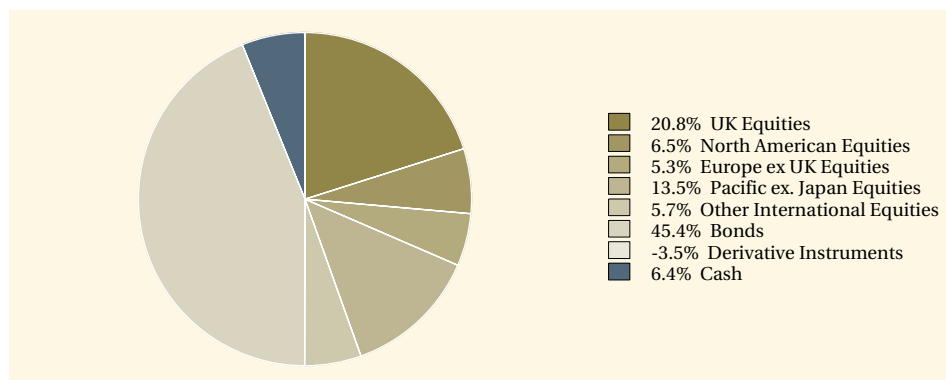
This chart shows both return and volatility. The Newton Managed Income Fund has given a higher return than cash, world equities and the benchmark with higher volatility than that of the benchmark. The launch date of the fund was 19 March 2008.

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Fund analysis

Breakdown as % of total market value



Source: Newton as at 31 December 2011.