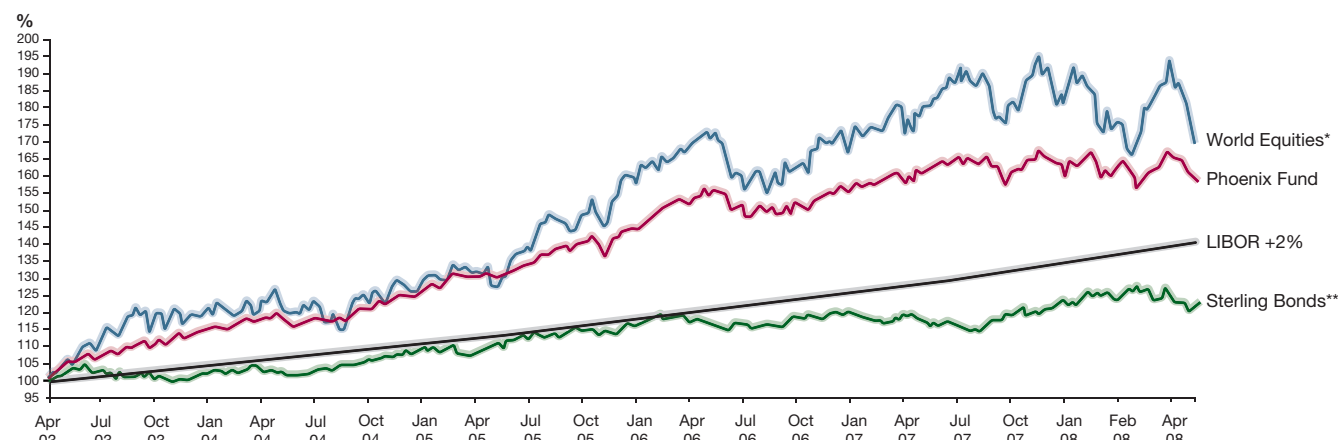


Aim

The Phoenix Fund's aim is to achieve long-term growth with low volatility, through a widely diversified portfolio.

Performance



	YTD 2008	2007	2006	2005	2004	Since Restyle [†]
Phoenix Fund	-3.8%	5.2%	7.2%	15.1%	10.5%	58.4%
Benchmark (LIBOR + 2% per annum)	3.8%	8.1%	7.0%	6.9%	6.6%	42.2%
World Equities*	-10.2%	9.5%	6.5%	24.5%	8.2%	69.3%
Sterling Bonds**	-2.2%	5.3%	0.7%	7.9%	6.6%	21.4%

Fund size as at 30 June 2008

£95m

Dividend yield as at 30 June 2008

1.9%

Analysis of Volatility of Return – Since Restyle (11 April 2003)

	Phoenix Fund (since restyle) [†]	World Equities*	Sterling Bonds**
Risk adjusted return (Sharpe ratio)	0.8	0.5	-0.2
Annualised volatility	5.4%	12.6%	4.5%
Percentage of positive weeks	65%	56%	56%
Largest loss (peak to trough)	-6.1%	-15.4%	-5.3%

* World Equities: FTSE World (Total Return Index) – price at close

** Sterling Bonds: FTA Government All Stocks (Total Return Index) – price at close

[†] Since 11 April 2003 (date of restyle)

Discrete Past Performance – Percentage Change

	30/06/07 – 30/06/08	30/06/06 – 30/06/07	30/06/05 – 30/06/06	30/06/04 – 30/06/05	30/06/03 – 30/06/04
Phoenix Fund*	-2.7%	8.9%	11.1%*	13.7%*	11.0%*

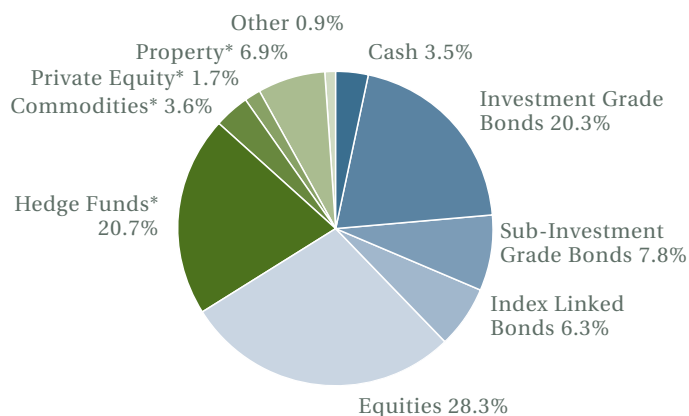
* On 14 March 2006, a 'B' Share Class was created. The performance we record after 14 March 2006 is that of the 'B' Share Class. Prior to this date, we record the performance of the 'A' Share Class, adjusted for 0.8% management fee.

Source of performance information: Lipper as at 30 June 2008, total return, without initial charges, income reinvested net of tax, net of fees. Figures are based on sterling returns.

Source of analysis of volatility of return: Newton, 30 June 2008.

Approximate asset allocation at 30 June 2008

Asset class exposure



Source: Newton as at 30 June 2008. Figures are subject to rounding differences. * Exposure via publicly quoted securities

Investment Themes

The identification of global themes is a key component in our investment strategy. Some of the themes that we are currently following in this portfolio are illustrated here as well as examples of individual holdings.

Earth Matters

Environmental Issues have moved to centre stage in the minds of the public and policy makers. Current growth trends in the developing world suggests significant additional stress on resources and the environment.

Beneficiaries: Acciona, Mosaic, K&S, Harewood Agrinvest, Ceres Agriculture Fund

Global Realignment

Stronger growth and increasing economic influence of the developing world is challenging the western industrialised nations' domination in terms of wealth, consumption of both natural resources and finished goods and market capitalisation of global stock markets. Some realignment over time is inevitable reflecting the developing world's accumulation of foreign exchange reserves and trade surpluses.

Beneficiaries: BHP Billiton, CVRD, Xstrata, DBS, Tele Norte

Risk factors

This is a financial promotion and is not intended as investment advice.

Past performance is not a guide to future returns. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. The value of overseas securities will be influenced by fluctuations in exchange rates. Current yields are not indicative of future yields. Part of the Fund may be invested in sub-investment grade bonds that typically have a low credit rating and carry a high degree of default risk, which can affect the capital value of your investment. As the Fund has exposure to hedge funds, gold, private equity and property via publicly quoted transferable securities, there are additional risks associated with these sectors.

Issued by Newton Investment Management Limited. Newton Phoenix Fund is an authorised unit trust operated by BNY Mellon Fund Managers Limited. Newton Investment Management Limited and BNY Mellon Fund Managers Limited are authorised and regulated by the Financial Services Authority and are members of the IMA.

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