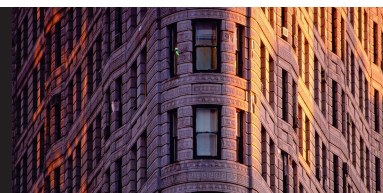


# Newton Offshore Strategy Fund UK Equity

Second quarter 2009



## Fund information

### Aim

The objective of the fund is to achieve long term capital growth, and an element of income, through investing in a portfolio of UK equities only.

### Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	FTSE All Share
Fund launch date	29 May 1997
Fund domicile	Jersey
Pay dates	28 Feb, 31 Aug
ISIN	GB0006156755
SEDOL	0615675

### Fund data

Fund size (millions)	GBP 17
Volatility	15.3
Dividend yield	4.4%
Sharpe ratio	-0.4
Information ratio	0.9

### Fees and charges

Annual management charge	1.0%
Total expense ratio	1.08%

All figures correct as at 30 June 2009

Risk and performance statistics sourced from Newton using 36 months of data (where applicable) to 30 June 2009

## Focus on the latest quarter

### Performance over three months

NOSF UK Equity	7.4%		
FTSE All Share	10.9%		

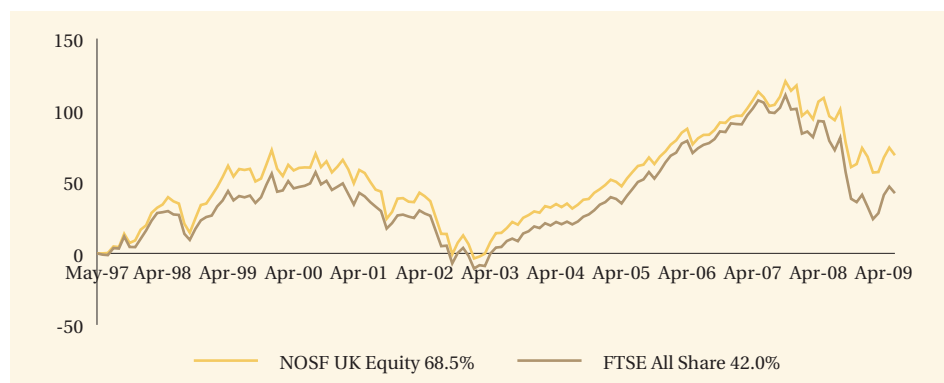
### Significant transactions

Acquisitions	Disposals
HSBC Holdings PLC	Pearson PLC
Imperial Tobacco Group PLC	Dana Petroleum PLC
FirstGroup PLC	Prudential PLC
International Power PLC	BAE Systems PLC
Land Securities Group PLC	Cable & Wireless 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



	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD 2009
NOSF UK Equity	-6.7	-13.7	-23.2	21.5	12.0	18.3	13.9	11.4	-20.1	-2.9
FTSE All Share	-5.9	-13.3	-22.7	20.9	12.8	22.1	16.7	5.3	-29.9	0.8

### Discrete past performance - percentage change

From	30/06/04	30/06/05	30/06/06	30/06/07	30/06/08
To	30/06/05	30/06/06	30/06/07	30/06/08	30/06/09
NOSF UK Equity	16.3%	15.1%	16.0%	-6.4%	-14.0%

All performance sourced from: Lipper & Datastream, as at 30 June 2009. Calculation basis: Sterling, total return, bid to bid, without initial charges, gross income reinvested, net of management fees.

### 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. If the portfolio invests in sub-investment grade bonds that typically have a low credit rating these carry a high degree of default risk, which can affect the capital value of your investment. If the portfolio has exposure to hedge funds, gold, private equity and property via publicly quoted transferable securities, there are additional risks associated with these sectors.

## 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.

### All Change

#### Factors

The previously benign period of stable growth, low inflation, and easy credit, which allowed private sector debt and financial leverage to grow to unsustainable levels (as described in a previous theme, "Becalmed") has come to an end. When assessing investments we assume that access to credit will remain difficult, which favours companies with limited financing requirements and argues against exposure to highly-indebted customers.

#### Investments

Cobham, Serco, VT Group

### More Government

#### Factors

The financial crisis and the recession that has followed in its wake have sharply reversed the trend of reducing the role of the state in the economy, especially in the developed world. With bigger government comes more regulation, higher taxes and the prospect, ultimately, of slower growth and higher economic volatility; local interests will take priority over global. The magnitude of the recent stimulatory policies may have sown the seeds for future inflationary pressures and the unpredictable nature of state intervention increases the risks in all asset classes.

#### Investments

VT Group, Capita, Serco

## Newton

Enquiries

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#### London

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EC4V 4LA

#### Edinburgh

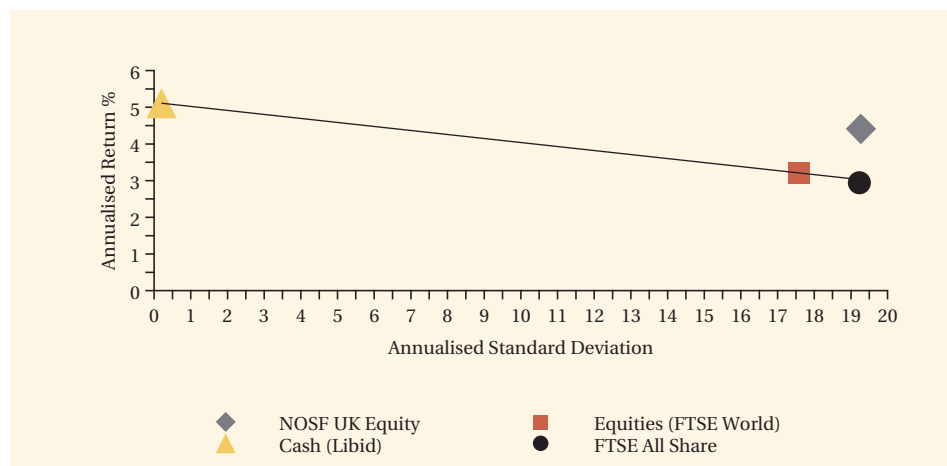
2 Festival Square, Edinburgh EH3 9SU

#### Leeds

1 Whitehall Riverside, Leeds LS1 4BN

## Long-term performance - risk and reward

### Fund return and volatility since launch

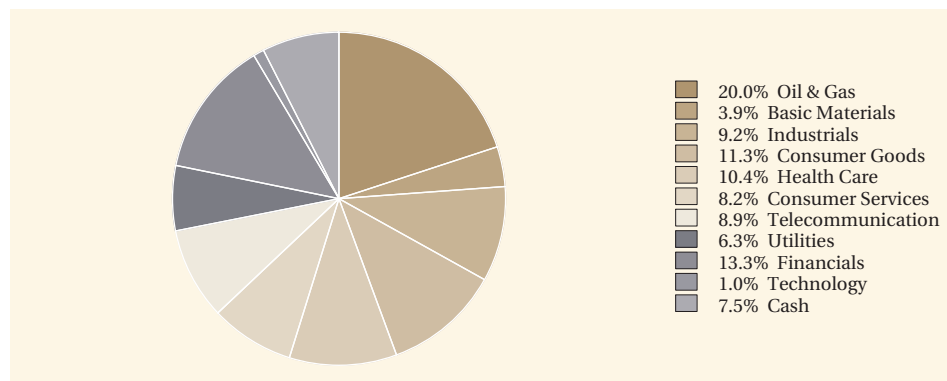


This chart shows both return and volatility. The NOSF UK Equity Fund has given a higher return than the benchmark with similar volatility. The launch date of the fund was 29 May 1997.

Performance sourced from: Lipper & Datastream, as at 30 June 2009. Calculation basis: Sterling, total return, bid to bid, without initial charges, gross income reinvested, net of management fees.

### Fund analysis

#### Breakdown as % of total market value



Source: Newton as at 30 June 2009.