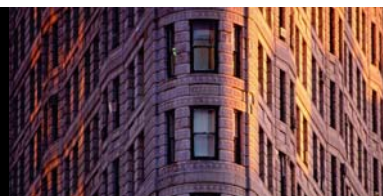


Newton Offshore Strategy Fund Diversified Assets

Second quarter 2011

Risk profile: medium



Fund information

Aim

To achieve long-term growth in excess of cash returns from a balanced portfolio diversified across a range of assets. The Fund is intended to have significantly lower absolute volatility than traditional equity biased funds, but will exhibit volatility relative to its benchmark.

Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	1 month £ Libor +2.0% p.a.
Fund launch date	16 May 2005
Fund domicile	Jersey
Pay dates	End Feb, May, Aug & Nov
ISIN	GB00B08SQD01
SEDOL	B08SQD0

Fund data

Fund size (millions)	GBP 23
Volatility	10.7%
Dividend yield	2.8%
Sharpe ratio	0.3

Fees and charges

Annual management charge	1.0%
Total expense ratio	1.11%

All figures correct as at 30 June 2011.

Risk and performance statistics above sourced from Newton using 36 months of data (where applicable) to 30 June 2011.

Focus on the latest quarter

Performance over three months

NOSF Diversified Assets	1.3%				
1 month £ Libor +2% p.a.	0.7%	ARC Bal. Asset (est)	0.9%	IMA Cautious Managed	0.6%
FTSE W World	0.4%	ML £ Non-Gilt Index £	1.9%	FTSE All Share	1.9%

Significant transactions

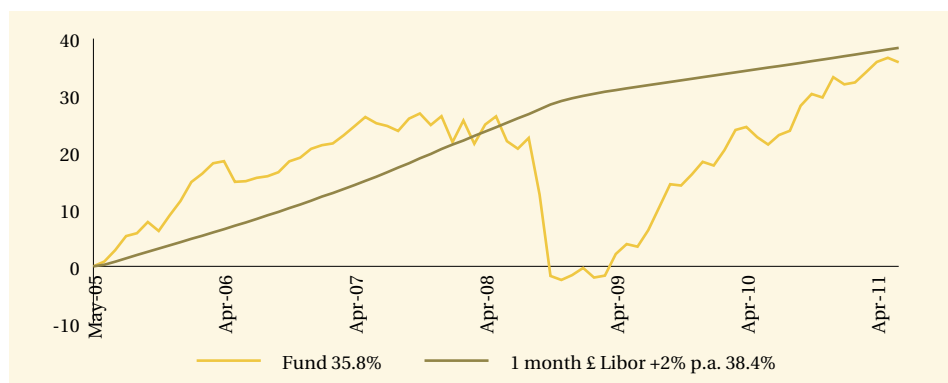
Acquisitions
UBS FTSE & S&P Autocall
NB Global Floating Rate Inc Fd
BP PLC
Suzlon Energy-5% Cnv 13/04/2016 USD
United Overseas Bank Ltd

Disposals
DBS Group Holdings Ltd
Absolute Return Trust-Red Ptg Pref Shs GBP
Filtrona PLC
Vodafone Group PLC
Imagination Technologies Group 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	YTD 2011
Fund	-	-	-	-	8.2	4.8	-22.1	20.2	12.6	2.0
1 Month £ Libor + 2% p.a.	-	-	-	-	7.0	8.1	7.4	2.8	2.5	1.3

Discrete past performance (%)

From	30/06/06	30/06/07	30/06/08	30/06/09	30/06/10
To	30/06/07	30/06/08	30/06/09	30/06/10	30/06/11
Fund	8.9	-2.5	-15.2	17.3	11.9

All performance sourced from: Lipper, Bloomberg, ARC & Datastream, as at 30 June 2011. 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 popping of the credit bubble has marked an end to the era of rapid growth in private sector debt in the developed world. Structurally impaired financial systems and regulatory burdens ensure that credit will be less freely available, and this has profound implications for consumer-driven economies, all asset classes and investment strategies.

Investments

BAT, GlaxoSmithKline, Reynolds American

Developing economies

Factors

The influence of the developing world on the global economy continues to grow, and developing economies ultimately are on a convergence course, in terms of demographics and consumption trends, with the industrialised world. This long-term secular trend will entail the development of Western-style health and social security systems and will involve significant cyclical influences as well as frictions regarding trade policies.

Investments

Anhanguera, Natura Cosmetics, Bangkok Bank

Newton Investment Management Limited

London

160 Queen Victoria Street, London EC4V 4LA

Edinburgh

2 Festival Square, Edinburgh EH3 9SU

Leeds

1 Whitehall Riverside, Leeds LS1 4BN

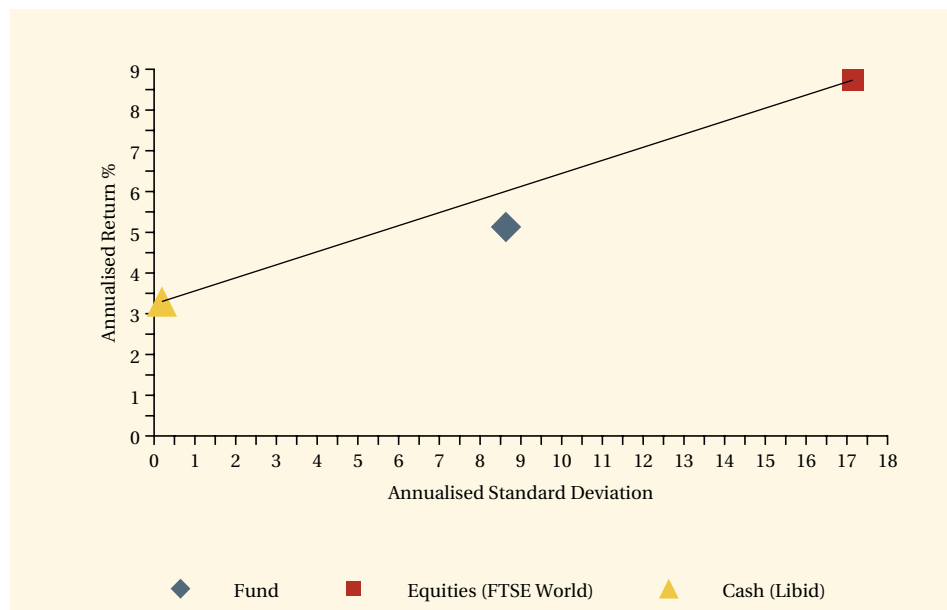
0800 917 6594

privateclients@newton.co.uk

www.newton.co.uk

Long-term performance - risk and reward

Fund return and volatility since launch

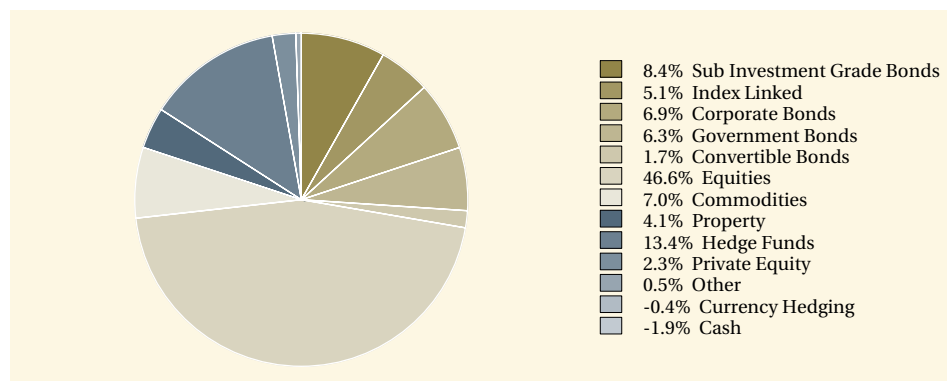


This chart shows both return and volatility. The launch date of the fund was 16 May 2005.

Performance sourced from: Lipper, Datastream & Bloomberg, as at 30 June 2011. 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 2011.