

# Newton Balanced Bridge Fund

Second quarter 2011

Risk profile: medium



## Fund information

### Aim

To achieve income and 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 is managed in line with the Newton Private Investment Management Income and Growth Model. The central asset allocation for the model is 60% invested in global equities and 40% 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 Balanced Composite (see over page for b' mark breakdown), from 1 April 2009; it was previously WM PCI Balanced
Fund launch date	23 December 1998
Fund domicile	UK
Pay dates	Two business days before end Mar, Jun, Sep & Dec
ISIN	GB0004833660
SEDOL	0483366

### Fund data

Fund size (millions)	GBP 309
Volatility	14.2%
Dividend yield	3.5%
Sharpe ratio	0.2
Information ratio	-0.4

### Fees and charges

Annual management charge	0.8%
Total expense ratio	0.83%

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

<b>Newton Balanced Bridge -0.1%</b>					
Newton Balanced Composite	1.5%	ARC £ Steady Growth (est)	0.4%	WM PCI Balanced	1.5%
FTSE All Share	1.9%	FTSE W World (ex UK)	0.3%	FTA Govt All Stocks	2.5%

### Significant transactions

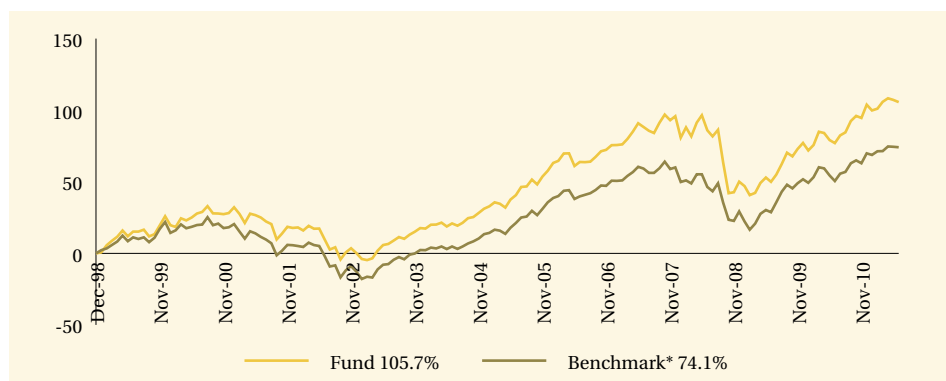
Acquisitions
DnB NOR ASA
United Overseas Bank Ltd
Pandora A/S
Prudential PLC
Inpex Corp.

Disposals
Tele Norte Leste Participacoes S/A
DBS Group Holdings Ltd
Britvic PLC
Rossi Residencial S/A
Oil Search Ltd

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	-15.1	17.7	11.5	20.2	11.4	11.5	-23.3	17.9	15.1	0.9
Benchmark*	-17.5	17.5	10.8	19.6	11.1	6.1	-19.2	17.4	11.9	2.5

### 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	14.9	-1.2	-19.4	18.1	16.2

\* See over page for benchmark details. All performance sourced from: Lipper, Datastream, ARC & WM, as at 30 June 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.

## 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

Barrick Gold, GSK, infrastructure funds, Jardine Lloyd Thompson, Newcrest Mining, Scottish & Southern

## 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

Bangkok Bank, Hutchison Ports, Hypermarcas, Mapletree Logistics, Natura Cosmetics, Petrobras, Rei Agro

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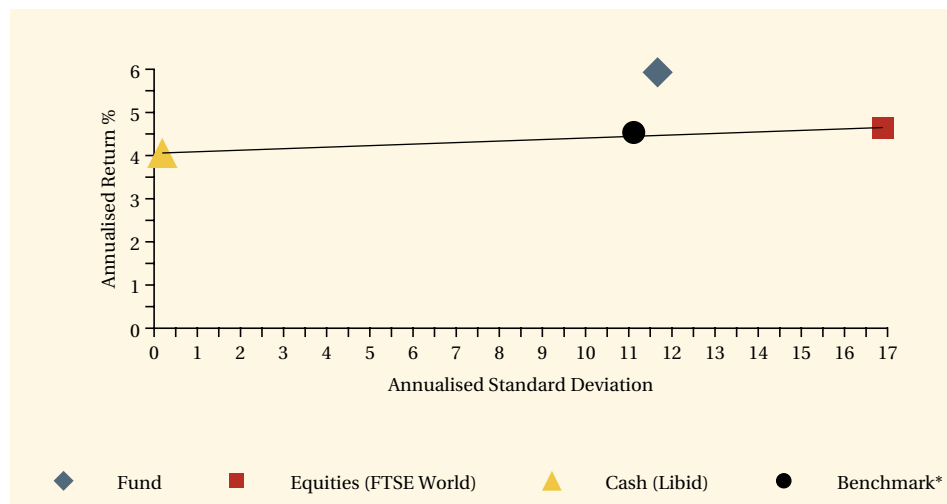
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## Long-term performance - risk and reward

### Fund return and volatility since launch



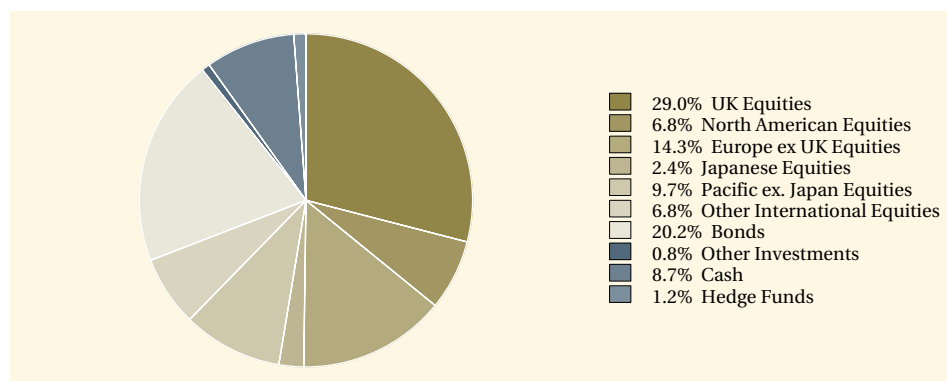
This chart shows both return and volatility. The Newton Balanced Bridge Fund has given a higher return than cash, world equities and the benchmark with slightly higher volatility than that of the benchmark. The launch date of the fund was 23 December 1998.

Source: Lipper, Datastream, Bloomberg & WM, as at 30 June 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 Balanced. Thereafter it is the Newton Balanced Composite. The Newton Balanced Composite benchmark comprises 40% FTSE All Share, 20% FTSE World ex UK, 15% FTA Govt All Stocks, 15% ML Sterling Non-Gilts & 10% 1 month £ LIBOR.

## Fund analysis

### Breakdown as % of total market value



Source: Newton as at 30 June 2011.