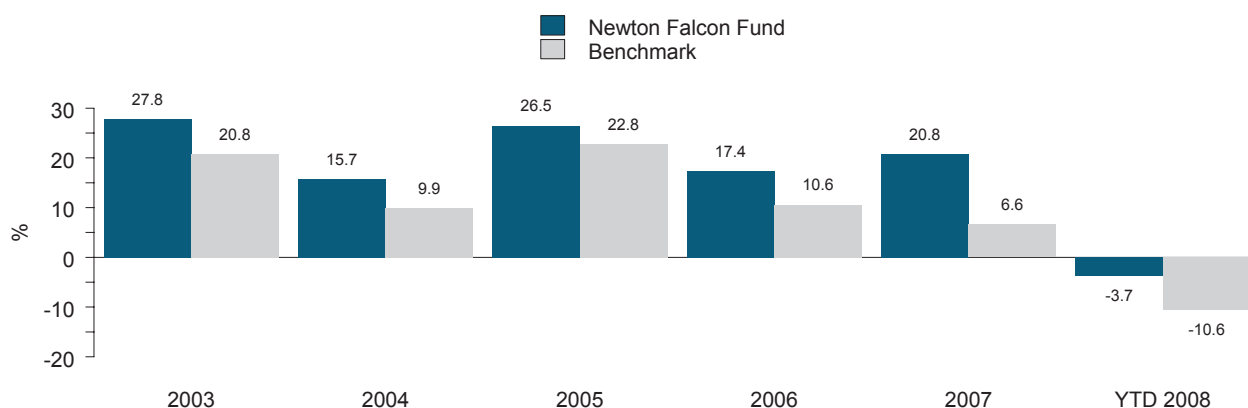


Objective

The investment objective of the Scheme is to provide long-term capital growth through investment principally in UK and international equities. The Scheme may also invest in collective investment schemes, warrants, deposits, money market instruments, fixed interest securities, derivative instruments and forward transactions.

The benchmark is 50% FTSE All Share Index, 50% MSCI World ex UK Index (Sterling).

Performance



	Latest Quarter (%)	Since Launch 13 November 1998 (%)
Fund Return (after fees)	1.7	100.0
Fund Return (before fees)	2.1	130.8
Benchmark	-1.5	44.8
FTSE All-Share	-1.4	51.8
MSCI World Ex UK	-1.6	35.6

Source: Lipper, as at 30 June 2008, total return, bid to bid, net income reinvested, without initial charges, unless otherwise stated figures are gross of management fees. Lipper fund returns are based on midday prices, whereas the index is priced at the close of the relevant markets.

Statutory Disclosure of Discrete Past Performance - Percentage Change

From	30/06/03	30/06/04	30/06/05	30/06/06	30/06/07
To	30/06/04	30/06/05	30/06/06	30/06/07	30/06/08
Newton Falcon Fund	20.3%	18.6%	19.8%	22.4%	2.8%

Source: Lipper, as at 30 June 2008, total return, bid to bid, net income reinvested, without initial charges, net of management fees. Lipper fund returns are based on midday prices.

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. 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.

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 suggest significant additional stress on resources and the environment.

Beneficiaries: Acciona, Bayer, K&S, Makhteshim-Agan

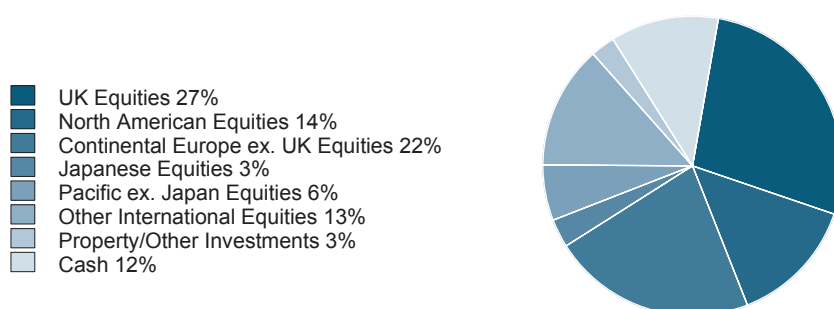
Global Realignment

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: Anglo American, Bangkok Bank, Copasa, Millicom, Standard Chartered, Terna Participacoes

Asset Allocation

Breakdown as % of total market value



Source: Newton. All data as at 30 June 2008
Figures are approximate and subject to rounding differences

Significant Transactions

Acquisitions

Constellation Energy Group Inc

Centrica PLC

Sprint Nextel Corp

Disposals

Care UK PLC

Teck Cominco Ltd

Merrill Lynch Intl & Co Wts (30/08/12 SX5E)

Nexen Inc

FTSE 100 Put Option 6325 June 08

Dividend Yield: 0.9% as at 31 March 2008

| Last Dist: 1.5701p per unit as at 29 Oct 2007 (inc units only)

Fund Size (millions): GBP 62.57 as at 31 March 2008

| Currency: GBP

Issued by Newton Investment Management Limited. The Falcon Fund is an authorised unit trust operated by BNY Mellon Fund Managers Limited.

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