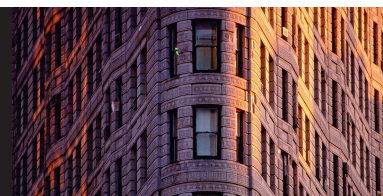


# Newton Offshore Strategy Fund Diversified

## Assets

Second quarter 2009



### 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 24
Volatility	10.4
Dividend yield	3.9%
Sharpe ratio	-0.7

#### 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

<b>NOSF Diversified Assets</b>	<b>5.2%</b>				
1 month £ Libor +2% p.a.	0.7%	ARC Bal. Asset (est)	4.9%	IMA Cautious Managed	6.8%
FTSE W World	6.3%	ML £ Non-Gilt Index £	6.8%	FTSE All Share	10.9%

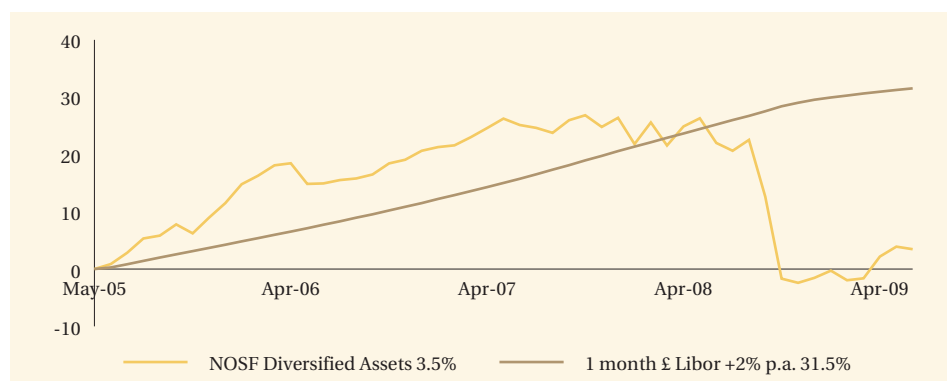
#### Significant transactions

Acquisitions	Disposals
Treasury 8% Stk 27/09/13	Treasury 4.75% Stk 7/09/15
Treasury 5.25% Stk 7/06/12	Treasury 4.25% Stk 7/06/32
Barclays Bank 0% Prtcd Agric 2 20/10/14	Imperial Tobacco Finance 4.375% 22/11/13
Treasury 2.25% Stk 07/03/14	Gold Bullion Securities Ltd
Imperial Tobacco Finance 7.75% 24/06/19	Wyeth

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 Diversified Assets	-	-	-	-	-	-	8.2	4.8	-22.1	5.1
1 Month £ Libor + 2% p.a.	-	-	-	-	-	-	7.0	8.1	7.4	1.5

#### 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 Diversified Assets	-	11.8%	8.9%	-2.5%	-15.2%

All performance sourced from: Lipper, WM, ARC & 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**  
The Power of Ideas

## 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

BP, GlaxoSmithKline, Roche, Vodafone

### Networked World

#### Factors

Communications networks have already transformed our lives, but there is great scope for further expansion. Rapid increases in bandwidth continue to increase networks' potential, and this is driving productivity gains. The explosive growth of mobile internet, combined with innovations in sensor technology, will generate profound changes in many industries.

#### Investments

Tele Norte Leste, LG Telecom, Millicom, Sprint Nextel, Telstra

## Newton

Enquiries  
Telephone: 0800 917 6594  
www.newton.co.uk

### London

160 Queen Victoria Street, London  
EC4V 4LA

### Edinburgh

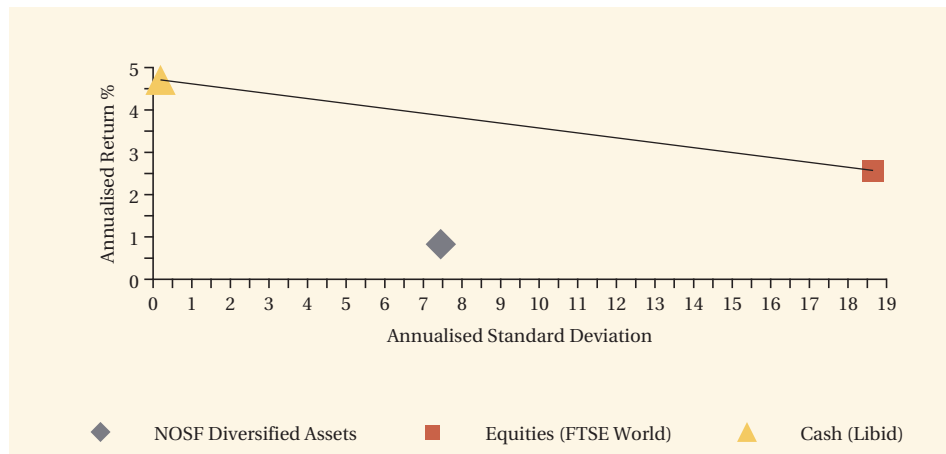
2 Festival Square, Edinburgh EH3 9SU

### Leeds

1 Whitehall Riverside, Leeds LS1 4BN

## Long-term performance - risk and reward

### Fund return and volatility since launch

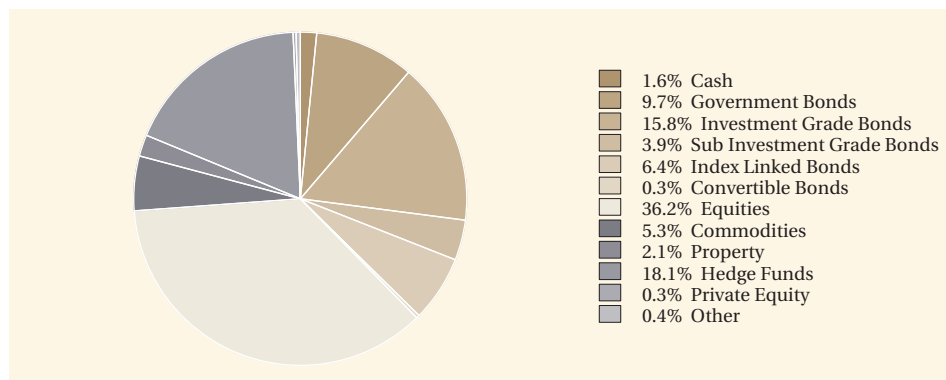


This chart shows both return and volatility. The launch date of the fund was 16 May 2005.

Performance sourced from: Lipper, WM & 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.