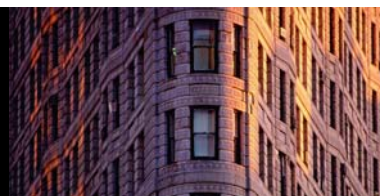


# Newton Offshore Strategy Fund Global Balanced

Fourth quarter 2011

Risk profile: medium



## Fund information

### Aim

To achieve a balanced return from income and capital growth with a portfolio of global securities predominantly invested in equities, bonds and cash. Derivatives may be used to reduce the overall volatility.

### Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	70% FTSE W World, 25% Citigroup (SSB) WGBI, 5% Cash (UK Interbank 1 Month Deposit Rate)
Fund launch date	08 February 2001
Fund domicile	Jersey
Pay dates	28 Feb, 31 Aug
ISIN	GB0009461590
SEDOL	0946159

### Fund data

Fund size (millions)	GBP 9
Volatility	9.7%
Dividend yield	2.2%
Sharpe ratio	0.9
Information ratio	0.3

### Fees and charges

Annual management charge	1.0%
Total expense ratio	1.16%

All figures correct as at 31 December 2011.

Risk and performance statistics above sourced from Newton using 36 months of data (where applicable) to 31 December 2011.

## Focus on the latest quarter

### Performance over three months

<b>NOSF Global Balanced</b>	<b>1.4%</b>		
Benchmark	5.4%		
FTSE W World	7.7%	Citigroup WGBI	0.8%
		Libid 1 month	0.2%

### Significant transactions

#### Acquisitions

ETFS Physical Gold-0% Secured Note (USD)
Roche Holding AG
Hershey Co.
Intel Corp.
Microsoft Corp.

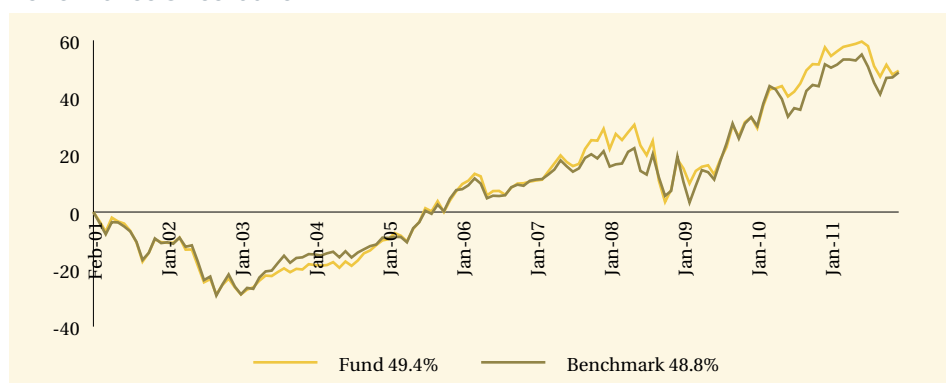
#### Disposals

Germany (Fed Rep) 6.25% Bds 4/1/2030
DBS Group Holdings Ltd
Bayer AG
Mitsubishi Corp.
Standard Chartered 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	2011
Fund	-17.7	11.0	10.2	19.0	3.2	16.7	-8.2	12.4	18.4	-5.2
Benchmark	-17.0	15.3	6.7	18.2	3.0	9.3	-1.5	11.4	13.9	-1.9

### Discrete past performance (%)

From	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
To	31/12/07	31/12/08	31/12/09	31/12/10	31/12/11
Fund	16.7	-8.2	12.4	18.4	-5.2

All performance sourced from: Lipper, Datastream & Bloomberg, as at 31 December 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.

### Deleverage

#### Factors

The credit bubble has left many economies carrying levels of debt which materially impair their economic prospects. We anticipate an extended period of relatively low growth and higher economic volatility as debt is reduced to more manageable levels. How public and private debt loads are reduced and the effect of offsetting policies will be critical for all aspects of the investment outlook.

#### Investments

Accenture, Newcrest Mining, Barrick Gold, Jardine Lloyd Thompson

### Global realignment

#### Factors

Western industrialised nations still dominate the world's economic output, wealth, consumption and market capitalisation in US dollar terms, as well as consuming the lion's share of natural resources. The generally stronger growth potential and increasing economic influence of the developing world are progressively challenging this position. The trajectory of this realignment is likely to be volatile and increasingly prone to cyclical divergence.

#### Investments

Petrobras, Jardine Matheson

## 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

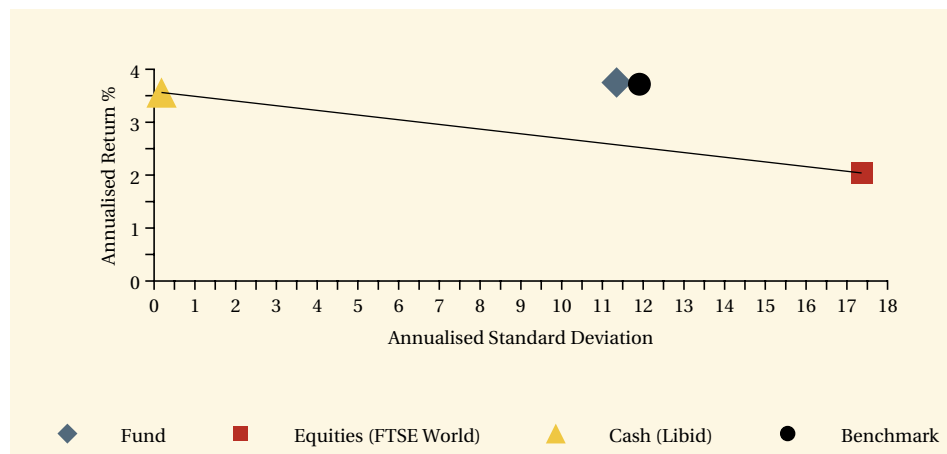
0800 917 6594

privateclients@newton.co.uk

www.newton.co.uk

## Long-term performance - risk and reward

### Fund return and volatility since launch

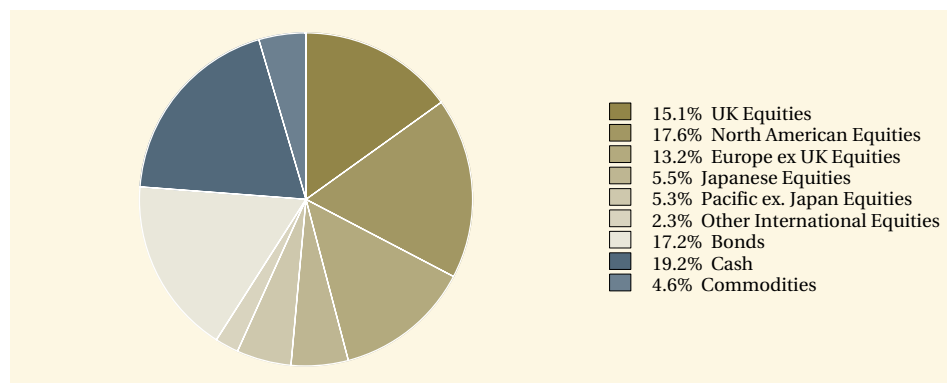


This chart shows both return and volatility. The NOSF Global Balanced Fund has given a return in line with its benchmark, with lower volatility; a return greater than that of world equity markets. The launch date of the fund was 8 February 2001.

Performance sourced from: Lipper, Datastream & Bloomberg, as at 31 December 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 31 December 2011.