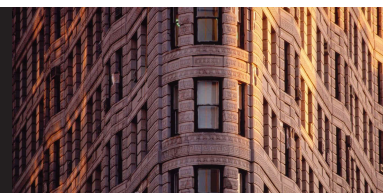


Newton Offshore Strategy Fund UK Equity

Third quarter 2008



Fund information

Aim

The objective of the fund is to achieve long term capital growth, and an element of income, through investing in a portfolio of UK equities only.

Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	FTSE All Share
Fund launch date	29 May 1997
Fund domicile	Jersey
Pay dates	28 Feb, 31 Aug
ISIN	GB0006156755
SEDOL	0615675

Fund data

Volatility	13.1
Dividend yield	3.9%
Sharpe ratio	-0.2
Information ratio	0.8

Fees and charges

Annual management charge	1.0%
Total expense ratio	1.09%

All figures correct as at 30 September 2008

Focus on the latest quarter

Performance over three months

NOSF UK Equity	-9.4%		
FTSE All Share	-12.2%		

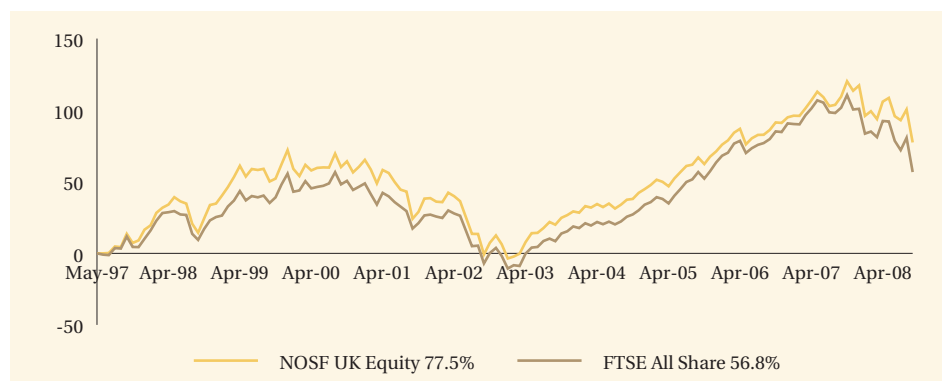
Significant transactions

Aquisitions	Disposals
Aviva PLC	BHP Billiton PLC
Dana Petroleum PLC	HSBC Holdings PLC
Standard Chartered PLC	AstraZeneca PLC
Dragon Oil PLC	Royal Dutch Shell PLC
Atkins (WS) PLC	British Sky Broadcasting 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



	1999	2000	2001	2002	2003	2004	2005	2006	2007	YTD 2008
NOSF UK Equity	27.7	-6.7	-13.7	-23.2	21.5	12.0	18.3	13.9	11.4	-18.3
FTSE All Share	24.2	-5.9	-13.3	-22.7	20.9	12.8	22.1	16.8	5.3	-22.0

Discrete past performance - percentage change

From	30/09/03	30/09/04	30/09/05	30/09/06	30/09/07
To	30/09/04	30/09/05	30/09/06	30/09/07	30/09/08
NOSF UK Equity	14.5%	21.4%	11.5%	12.6%	-15.3%

Source: Lipper & Datastream, as at 30 September 2008. 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.

Population Dynamics

Factors

A nation's demographic profile has profound implications for its ongoing economic development influencing its patterns of growth, consumption and savings, fiscal policy, healthcare regimes and competitive advantage.

Industrialised economies have broadly ageing populations while some developing economies have significantly different profiles.

Investments

Prudential, Carnival, Smith & Nephew

Global Realignment

Factors

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.

Investments

BHP Billiton, Vodafone, Standard Chartered

Newton

Private investment management:
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Email: privateclients@newton.co.uk
www.newton.co.uk/pim

London

160 Queen Victoria Street, London
EC4V 4LA

Edinburgh

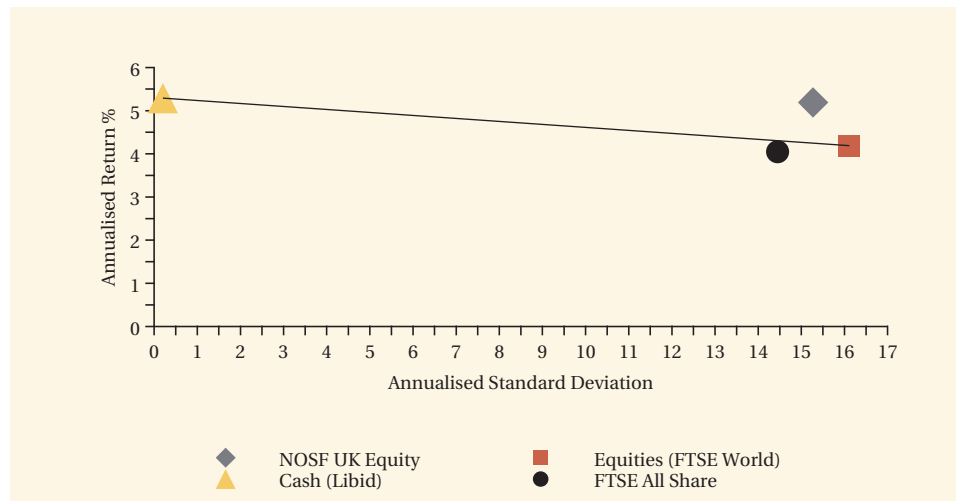
2 Festival Square, Edinburgh EH3 9SU

Leeds

1 Whitehall Riverside, Leeds LS1 4BN

Long-term performance - risk and reward

Fund return and volatility since launch

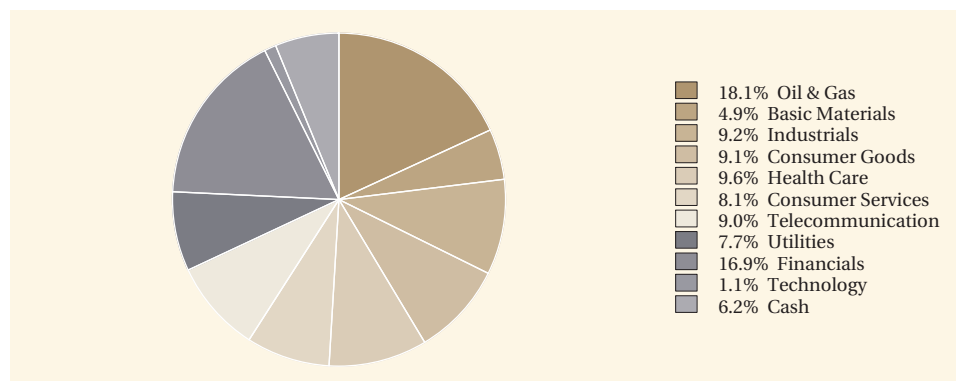


This chart shows both return and volatility. The NOSF UK Equity Fund has given a higher return than the benchmark with higher volatility. The launch date of the fund was 29 May 1997.

Source: Lipper & Datastream, as at 30 September 2008. 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 September 2008.