

# Newton Offshore Strategy Fund Bridge

| March 2008

## Objective

The objective of the Fund is to provide investors with capital growth with an element of income in Sterling from a diversified portfolio of investments world-wide, in any economic sector.

This class fund will primarily be invested in a portfolio of international equities and fixed interest securities.

Although it will normally be invested in securities, the Investment Manager may elect to hold cash or near cash from time to time. There will be no limits on the proportion of the class fund invested in bonds or equities or in any one geographic region.

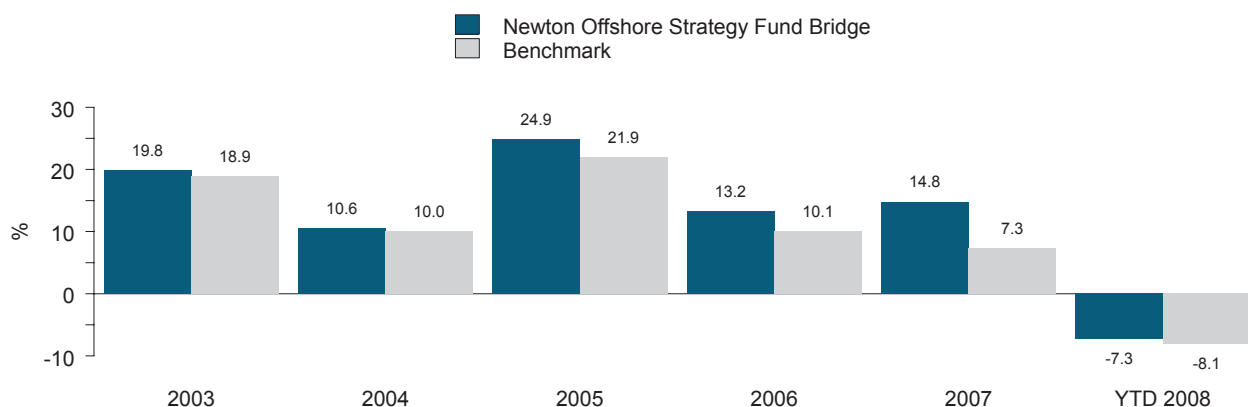
The composite benchmark for NOSF Bridge is the FTSE All Share Index (45%), the FTSE W World ex UK Index (45%) and FTA Government All Stocks Index (10%).

## Investment Philosophy

The Newton Offshore Strategy Fund (NOSF) has been designed by the Private Investment Management (PIM) department as an efficient and cost-effective alternative to direct portfolio management through individual stocks and shares. The Fund is invested in line with Newton's global thematic investment process, the same process that PIM uses for directly invested portfolios. Clients of PIM receive the same high level of service whether they invest in NOSF or directly.

All stock selection decisions are made by the manager of the NOSF fund within guidelines agreed by the board in consultation with PIM.

## Performance



	Latest Quarter (%)	Since Launch 18 October 1999 (%)
NOSF Bridge (after fees)	-7.6	75.3
NOSF Bridge (before fees)	-7.3	94.4
Benchmark Return	-8.1	37.0
FTSE All-Share	-9.9	37.7
FTSE W World ex UK	-8.5	27.1
FTSE Government All Stocks	1.4	58.9

**Source:** Lipper, as at 31 March 2008, total return, bid to bid, gross 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	31/03/03	31/03/04	31/03/05	31/03/06	31/03/07
To	31/03/04	31/03/05	31/03/06	31/03/07	31/03/08
Newton Offshore Strategy Fund Bridge	22.1%	13.8%	29.1%	6.1%	2.3%

**Source:** Lipper, as at 31 March 2008, total return, bid to bid, gross 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, Neste Oil, Veolia Environnement**

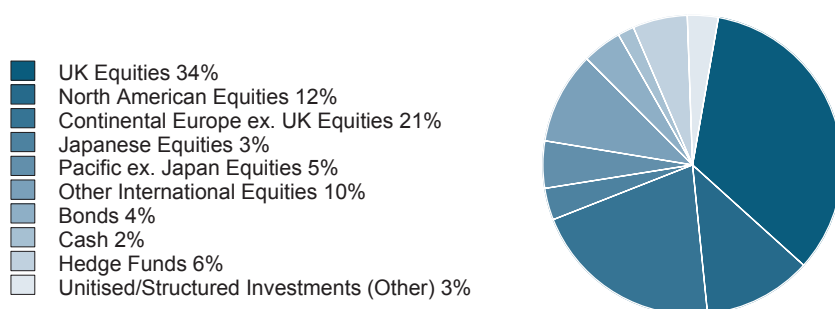
### Global Realignment

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: BHP Billiton, CVRD, Deutsche Post, Millicom**

## Asset Allocation

### Breakdown as % of total market value



Source: Newton. All data as at 31 March 2008  
Figures are approximate and subject to rounding differences

## Significant Transactions

### Acquisitions

Societe Generale FTSE 100 Defensive Autocall

Fresenius Medical Care AG

Bayer AG

Cia Saneamento de Minas Gerais

Makhteshim-Agan Industries Ltd

### Disposals

Reuters Group PLC

Occidental Petroleum Corp

Omnicom Group Inc

USA Treasury Bonds 5.375% 15/02/2031  
USD1000

ICAP PLC

Dividend Yield: 2.3% as at 31 March 2008

| Last Distribution: 1.1467p per unit as at 28 February 2008

Fund Size (millions): GBP 35 as at 31 March 2008

| Currency: GBP

The NOSF Bridge Fund is a sub-fund of the Newton Offshore Strategy Fund, which is an open ended investment company operated by Newton Fund Managers C.I. Limited (NFM C.I.). Registered office for NFM C.I.: BNP House, Anley St, St Helier, Jersey C.I., JE2 3QE. Registered in Jersey No. 5769. Newton Fund Managers (C.I.) Limited is authorised under the Collective Investment Funds (Jersey) Law 1988 and regulated by the Jersey Financial Services Commission in the conduct of fund services business. This report is approved for issue in the UK by Newton Investment Management Limited (NIM). Registered office for NIM: The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No.1371973. Authorised and regulated by the Financial Services Authority.