



Newton Bridge Fund

Investment Report

First Quarter 2008

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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 Bridge Fund	26.6%	13.2%	28.5%	6.0%	3.9%

Source: Lipper, as at 31 March 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.

Your Fund

Newton Bridge Fund

Objective

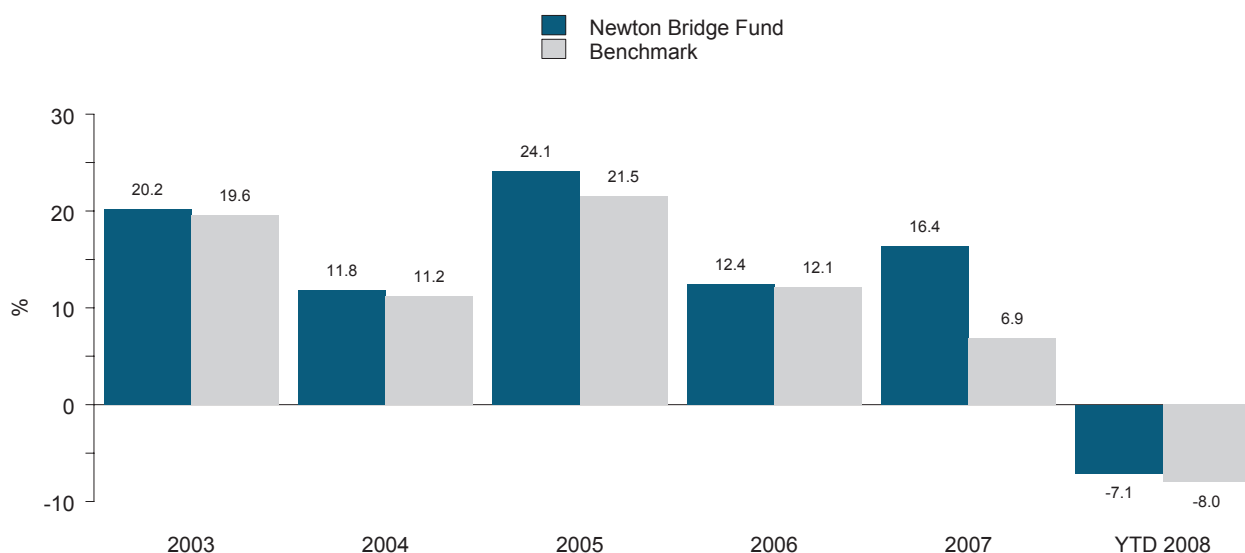
The investment objective of the Scheme is to achieve capital growth through investment principally in UK and international securities. The Scheme may also invest in warrants, deposits, money market instruments, collective investment schemes, derivative instruments and forward transactions.

Investment Philosophy

Over the long term the total return from equities has normally beaten cash and bonds by a significant margin: the major part of the Fund is therefore invested in equities. The equity element is then balanced by fixed interest, hedge funds and cash in order to reduce the overall portfolio volatility.

The benchmark is the WM Private Client Growth Indicator.

Performance



Please see Risk Factors and Discrete Past Performance on previous page.

	Latest Quarter (%)	Since Re-Launch end November 1996 (%)
Fund Return (after fees)	-7.3	150.1
Fund Return (before fees)	-7.1	173.7
Benchmark Return	-8.0	97.6
FTSE All-Share	-9.9	106.7
FTSE W World Ex UK	-8.5	89.5
FTSE Government All Stocks	1.4	107.6

Dividend Yield: 1.9% as at 31 March 2008

| Last Distribution: 1.2389p per unit on 27 March 2008

Fund Size (millions): GBP 298 as at 31 March 2008

| Currency: GBP

Ex Dates: 31 Jan, 31 Jul

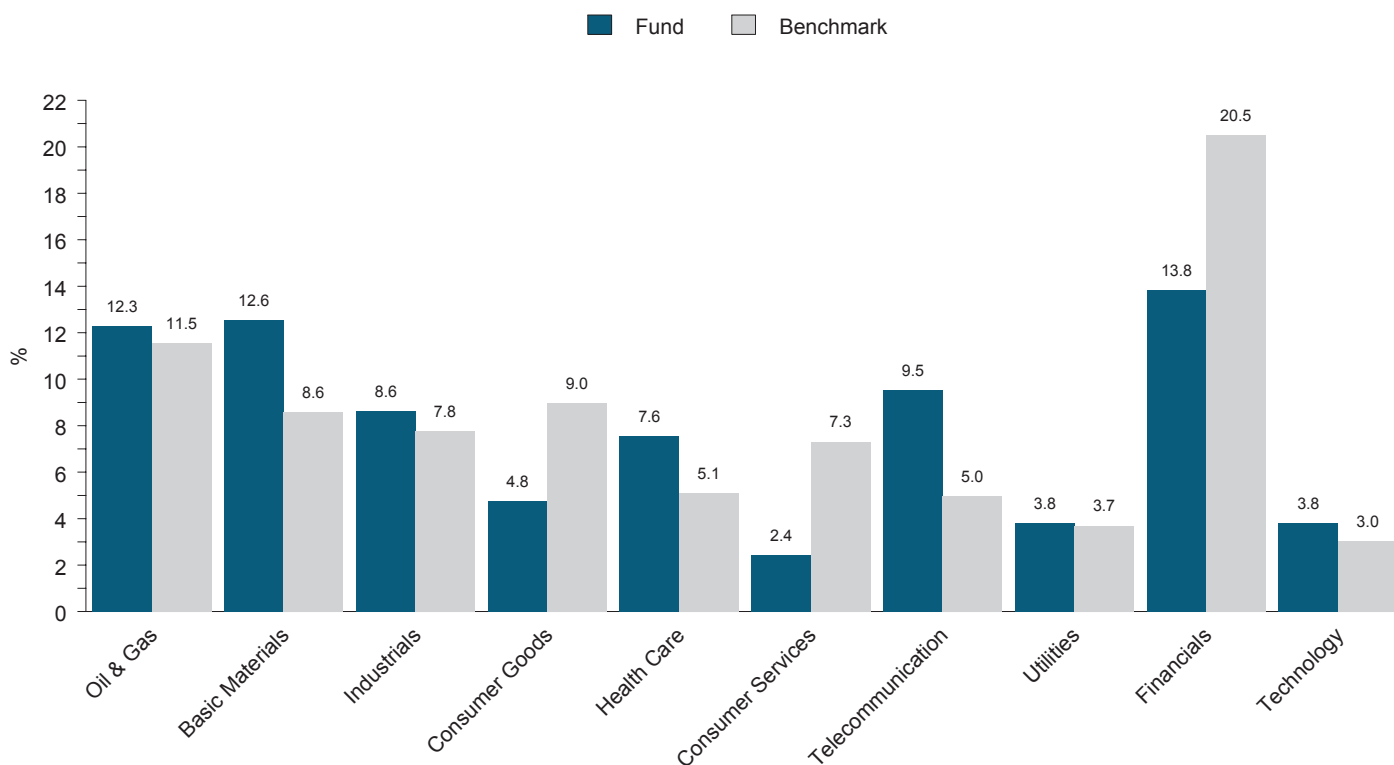
| Pay Dates: 27 Mar, 27 Sep

Source: Lipper, as at 31 March 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.

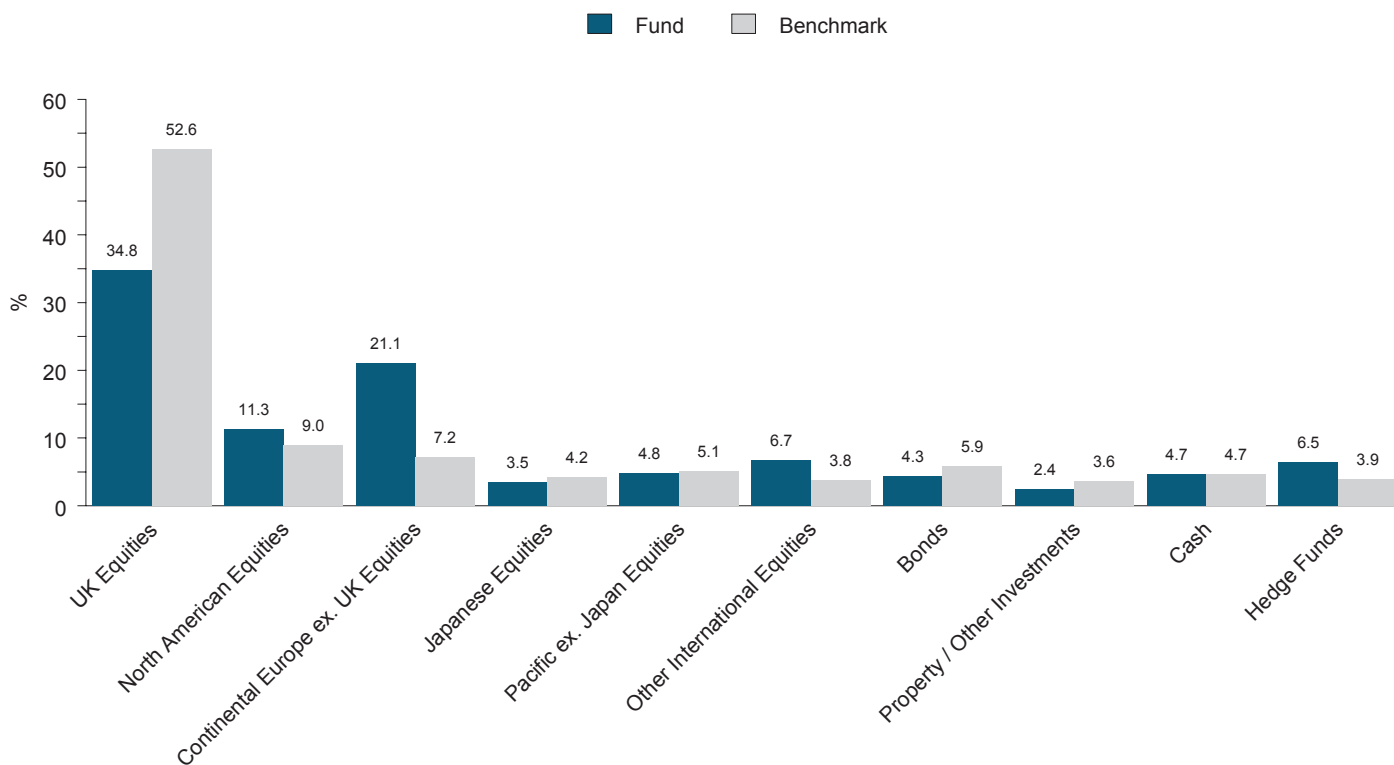
Fund Analysis

Newton Bridge Fund

Industrial Weightings versus Benchmark



Regional and Asset Class Weightings versus Benchmark



Fund Analysis

Newton Bridge Fund

Top 10 Holdings as at 31 March 2008

UK Equities	%	Overseas Equities	%
Vodafone Group PLC	3.3	Companhia Vale do Rio Doce	1.7
BP PLC	2.4	K&S AG	1.6
GlaxoSmithKline PLC	2.1	ConocoPhillips	1.4
HSBC Holdings PLC	2.1	Gildan Activewear Inc	1.4
BHP Billiton PLC	1.9	Air Liquide SA	1.4
Standard Chartered PLC	1.9	Total SA	1.3
Royal Dutch Shell PLC	1.6	Deutsche Boerse AG	1.3
Xstrata PLC	1.4	Acciona SA	1.2
Anglo American PLC	1.4	Subsea 7 Inc	1.2
Prudential PLC	1.3	StatoilHydro ASA	1.1

Major Contributors to Relative Performance During the Quarter

Positive	%	Negative	%
K&S AG	0.54	ABC Learning Centres Ltd	-0.51
Tele Norte Leste Participacoes	0.29	Panalpina Welttransport AG	-0.25
Companhia Vale do Rio Doce	0.23	ICAP PLC	-0.17
Siam Commercial Bank PCL	0.20	LG Telecom Ltd	-0.15
Royal Dutch Shell PLC	0.19	Veolia Environnement	-0.15

Significant Transactions

Acquisitions

Treasury 5% Stk 7/03/2025
Bayer AG
Fresenius Medical Care AG
Societe Generale FTSE 100 Defensive Autocall
Oil Search Ltd

Disposals

Reuters Group PLC
ICAP PLC
Treasury.5% Stk 7/09/2014
Amdocs Ltd
Occidental Petroleum Corp

Investment Themes

Newton Bridge Fund

The identification of global themes is a key component of our investment philosophy. Individual economies, industries or companies should not be analysed in isolation. Only by understanding events, trends and competitive pressures worldwide can investment prospects be properly evaluated. We have approximately a dozen investment themes, some of which have changed little over the past few years whilst others are fairly recent additions. A number of these themes are illustrated below with 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

Debt and Credit

The transition from high to low inflation and interest rates has triggered a super-cycle of credit growth which has boosted economic activity in the West. It has extended the economic cycle and left households, corporations and administrations increasingly highly indebted. This contrasts with a developing world where households and, increasingly, corporations are significantly less indebted. In sectors such as banking (among others), we favour companies with exposure to the developing world.

Beneficiaries: DBS, EFG, Siam Commercial, Standard Chartered

Energy Supply

Following decades of underinvestment in oil and gas infrastructure, surplus production and refining capacity is limited. Strong current and forecast demand for energy implies a structurally higher real oil price. This has implications for the oil industry, infrastructure, and alternative energy sources as well as significant macro effects.

Beneficiaries: Acciona, Aker Kvaerner, ConocoPhillips, Oil Search, Terna Participacoes

Fund Manager's Report

Newton Bridge Fund

After holding on to positive returns in 2007, global equity markets tumbled in the first quarter of 2008. The Bridge fund fell in value by -7.1% (before fees), although the decline is less than that of its benchmark at -8%.

The rescue of Bear Stearns and the failure of several high profile geared funds, including Carlyle Capital (which had borrowings equivalent to 32 times the value of their assets), have demonstrated the fragilities within the financial system crystallised by the present credit crunch. Furthermore, the impact of this turmoil within the financial markets has spread into the rest of the economy, as banks tighten their lending criteria, reducing supply and increasing the cost of borrowing. This will exacerbate the strain that consumers are facing from rising petrol prices, food costs and utility bills.

Our underweight position in both investment and retail banks was a significant contributor to performance in 2007. We are maintaining this position as we believe that the investment risks are not fully reflected in their valuations and remain wary of both the level of financial profits and the potential for growth in the foreseeable future. We have seen banks start to raise capital (UBS for example) and anticipate that this, together with expected cuts in dividends, will be a course of action that many more banks will have to take.

Our investment themes and research help us to look beyond the current market turbulence and remain focussed on investing for the long term. Indeed they also highlight opportunities when prices fall significantly and we have added to positions in Makhteshim Agan (crop protection – Earth Matters), StatoilHydro (Energy Supply), Aker Kvaerner (Energy Supply) and Ebay (Networked World).

Fresenius Medical Care and Bayer were introduced in to the portfolio. Fresenius is a leading provider of products and services for dialysis. Whilst the stock trades on a relatively high multiple of its underlying earnings, we believe that this is more than justified by the company's opportunities for growth over the next few years. To a large degree, these centre on the company's expansion plans within emerging markets. In developed markets, however, the company is also benefiting from the continuing trend of governments to outsource the provision of dialysis clinics to the private sector. Bayer is a chemicals and pharmaceuticals company created

by Bayer's takeover of Schering AG in 2006. It should now be in a position to deliver on the anticipated takeover synergies, cutting costs in its material sciences division and increasing margins in its crop protection division. It has an interesting licensing deal with Monsanto which could drive future growth given the increased focus on food shortages and price rises in both the developed and developing world.

In the non equity element of the portfolio, we have continued to seek investments which will help to reduce the volatility of the portfolio's return, via structured products, hedge funds and bonds, and to focus on absolute returns. Dislocation in the equity markets has provided us with some interesting opportunities in structured products. We have purchased a defensive autocall structure, the Societe General FTSE 100 Defensive Autocall, which will provide a positive return of 12.5% if the FTSE 100 has not fallen by more than 20% from the starting value (5926) within one year.

Shorter dated government bond yields have dropped significantly as investors have sought a safe haven for their money, reflecting the general concerns surrounding the international banking sector. As a result, the prices of Gilts with less than ten years to maturity have rallied and we have sold your 2014 Gilt on a 4.1% yield, noticeably below that available on cash. The proceeds were reinvested into a 2025 Gilt, which was on a higher yield and its value had not altered significantly.

Along with other measures, interest rates have been cut aggressively by 2% during the quarter by the Federal Reserve, reflecting their broader mandate to ensure economic and price stability, compared to the Bank of England's requirement to target inflation and a single quarter point cut in February. Whilst further cuts are expected, the inflationary pressures of rising fuel and food prices may result in a more muted response from the Bank, providing scant relief for UK consumers and companies. Nevertheless, there are good investment opportunities on a global basis, and across different asset classes. We continue to use our themes to identify secular trends and within this look to areas which may be less affected by the economic cycle: Earth Matters and Energy Supply are two themes which continue to direct our thinking.

Fund Management Team:

Caroline Lindsay and Robert Hay

Investment Style and Other Information

Newton Bridge Fund

- There are three components of the investment process at Newton: the strategic framework, global research, and portfolio management. The basis of our investment philosophy is that no industry, market or economy can be considered in isolation. Only by understanding events, trends and competitive pressures worldwide can prospects for shares and bonds be properly evaluated. We conduct our research and invest globally.
- The Bridge Fund is invested in the same manner as segregated high net worth private clients of Newton in line with the private client growth model managed in accordance with agreed asset allocation guidelines.
- The Fund holds around 90-100 equities compared to 60-70 holdings for the model with the additional holdings consisting of other strong Newton ideas and taking into account other in-house model portfolios.
- The core of the Fund is primarily invested in large, international blue chip companies which are held for the long term although from time to time it actively participates in new issues, public offerings and underwriting on a short-term view.
- The fixed interest element is biased towards investment grade corporate bonds and government issues.
- Investment trusts are used to a limited extent to gain exposure to specialist areas including hedge funds, and may be switched to take advantage of changes in price relative to net asset value.

Portfolio Valuation

Newton Bridge Fund

	% WEIGHT
Newton Bridge Fund	100.00
Equities	82.16
Oil & Gas	12.27
Oil & Gas Producers	10.02
BP PLC	2.39
ConocoPhillips	1.45
Neste Oil Oyj	0.82
Occidental Petroleum Corp	0.59
Oil Search Ltd	0.74
Royal Dutch Shell PLC	1.56
StatoilHydro ASA	1.14
Total SA	1.32
Oil Equipment	2.25
Aker Kvaerner ASA	1.09
Subsea 7 Inc	1.16
Basic Materials	12.56
Chemicals	5.39
Air Liquide SA	1.38
Bayer AG	1.03
K&S AG	1.63
Makhteshim-Agan Industries Ltd	0.83
Symrise AG	0.52
Industrial Metals	2.54
Companhia Vale do Rio Doce	1.71
Teck Cominco Ltd	0.82
Mining	4.63
Anglo American PLC	1.35
BHP Billiton PLC	1.91
Xstrata PLC	1.36
Industrials	8.64
Construction & Materials	1.22
Acciona SA	1.22
Aerospace & Defence	1.50
Cobham PLC	0.99
QinetiQ Group PLC	0.51
General Industrials	0.99

Portfolio Valuation

Newton Bridge Fund

	% WEIGHT
Smiths Group PLC	0.99
Industrial Transportation	1.84
Deutsche Post AG	0.93
Panalpina Weltrtransport AG	0.90
Support Services	3.09
ABC Learning Centres Ltd	0.23
Bunzl PLC	1.09
Eaga PLC	0.26
Serco Group PLC	0.94
Shanks Group PLC	0.57
Consumer Goods	4.75
Beverages	0.99
Diageo PLC	0.99
Household Goods	0.58
Woong Jin Coway Co	0.58
Personal Goods	1.40
Gildan Activewear Inc	1.40
Tobacco	1.79
Japan Tobacco Inc	0.78
Reynolds American Inc	1.01
Health Care	7.56
Health Care Equipment & Services	2.85
Beckman Coulter Inc	0.49
Fresenius Medical Care AG	0.99
Medtronic Inc	0.73
Smith & Nephew PLC	0.64
Pharmaceuticals & Biotechnology	4.71
GlaxoSmithKline PLC	2.12
Lilly (Eli) & Co	0.88
Novartis AG	0.81
Roche Hldgs AG	0.89
Consumer Services	2.43
Food & Drug Retailers	0.87
Tesco PLC	0.87
General Retailers	1.55
eBay Inc	0.60

Portfolio Valuation

Newton Bridge Fund

	% WEIGHT
Inchcape PLC	0.95
Telecommunication	9.52
Fixed Line Telecommunications	2.91
Cable & Wireless PLC	1.01
Tele Norte Leste Participacoes	0.94
Telstra Corp Ltd	0.73
Telstra Corp Ltd Installment Rcpts (29/5/08 PP)	0.23
Mobile Telecommunications	6.60
Advanced Info Service PCL	0.71
LG Telecom Ltd	0.87
Millicom Intl Cellular	1.00
MTN Group Ltd	0.67
Vodafone Group PLC	3.34
Utilities	3.80
Electricity	1.75
Fortum Oyj	0.87
Scottish & Southern Energy PLC	0.88
Gas Water & Multiutilities	2.05
Centrica PLC	0.48
Terna Participacoes SA	0.74
Veolia Environnement	0.83
Financials	13.84
Banks	8.40
Barclays PLC	0.97
EFG Eurobank Ergasias SA	0.92
HSBC Holdings PLC	2.10
Morgan Stanley Asia Products	0.67
Siam Commercial Bank PCL	1.06
Standard Chartered PLC	1.90
UniCredit SpA	0.78
Nonlife Insurance	0.52
Hartford Financial Services Gp	0.52
Life Insurance	2.50
Old Mutual PLC	0.57
Prudential PLC	1.29
Resolution PLC	0.64
Real Estate	0.63
Land Securities Group PLC	0.63

Portfolio Valuation

Newton Bridge Fund

	% WEIGHT
General Financial	1.79
Deutsche Boerse AG	1.29
ICAP PLC	0.51
Technology	3.78
Software & Computer Services	1.49
Microsoft Corp	0.43
SAP AG	0.53
VeriSign Inc	0.53
Technology Hardware & Equipment	2.29
Canon Inc	0.67
Cisco Systems Inc	0.87
High Tech Computer Corp	0.75
Unitised / Structured Investments (Equities)	3.02
UK Equity Funds	1.00
MFM Newton UK Smaller Cos Cls 'X'	1.00
Japan	2.02
Capita Financial Managers Morant Wright Japan B (Acc)GBP	1.00
Elders (Merrill Lynch Intl) Japan Capital Protected II 13C	0.69
Elders (Merrill Lynch Intl) Japan Accel Growth II 25B	0.33
Bonds	4.32
Government Bonds	1.06
UK Bonds	1.06
Treasury 5% Stk 7/03/2025 5% Stk 7/03/2025	1.06
Index Linked	0.59
UK Index Linked	0.59
British Telecommunications PLC 3.5% Idx Lkd 25/04/2025 GBP	0.59
Corporate Bonds	2.67
UK Corporate Bonds	2.67
Barclays Bank PLC 6% Bds 29/06/2049 GBP10000	0.80
Daily Mail & General Trust PLC 7.5% Bds 29/3/2013 GBP10000	0.39
France Telecom SA 8% EMTN 20/12/2017 GBP1000	0.38
HBOS Treasury Services PLC 6.475% Non Cum Prf GBP1	0.50
Iron Mountain Inc 7.25% Bds 15/04/14 Reg'S'	0.24
Kelda Group PLC 6.875% Gtd Bds 23/4/2010 GBP	0.37

Source: Newton

Portfolio Valuation

Newton Bridge Fund

% WEIGHT

Cash	4.67
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Hedge Funds	6.45
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AcenciA Debt Strategies Ltd	0.59
Alternative Inv Strategies Ltd	0.66
Close Allblue Fund Ltd	1.00
Dexion Absolute Ltd	0.67
Dexion Alpha Strategies Ltd	0.51
Dexion Trading Ltd	0.61
Dexion Trading Ltd 'C' Shs GBP (Placing 27/03/08)	0.10
Gottex Market Neutral Tst Ltd	0.57
Signet Gbl Fxd Inc Strategies	0.68
Tapestry Investment Co PCC Ltd	1.06

Unitised/Structured Investments (Other)	2.39
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Other	2.39
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Other / Non Region Specific	2.39
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Merrill Lynch Intl & Co CV	0.46
Societe Generale Acceptance NV	0.77
Symphony Eurostoxx50 Autocall	0.66
Symphony FTSE Absolute Return	0.51

Risk Factors

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