

# NEWTON

The Power of Ideas

As at 31 December 2011  
For professional clients only

## Investment objective

The objective of the Sub-Fund is to achieve long-term capital growth from a concentrated portfolio predominantly invested in the securities of companies located worldwide. The Sub-Fund does not have a bias towards any economic sector or company size. The Sub-Fund may also invest in collective investment schemes.

## Fund aim

To achieve an absolute return over longer term periods. Where benchmark shown, the FTSE All World Index is being used for comparison purposes only.

## General information

Fund type	ICVC
Fund domicile	UK
Type of shares / units	Accumulation
Base currency	GBP
Fund manager	Robert Hay
Alternate	Paul Markham
Fund size (million)	£ 351.35

## Historical fund statistics - 3 years

12 Month turnover	63.74
3 Month turnover	22.87
Annualised Sharpe ratio	0.77
Annualised alpha	3.93
Annualised information ratio	0.31
Beta	0.77
Ex ante tracking error	5.90
Ex post tracking error	5.73
Fund volatility	13.90
Index volatility	17.10
Jensen alpha	0.29
R <sup>2</sup>	0.91
Treynor ratio	13.76

## Key dates

Fund launch	01/07/2005
Close of financial year	30 June

## Dealing and share prices

09:00 to 17:00 each business day  
Valuation point: 12:00 London time  
Share / unit prices daily at:  
[www.bnymellon.com/pooledprices](http://www.bnymellon.com/pooledprices) or  
[www.newton.co.uk/pooledprices](http://www.newton.co.uk/pooledprices)

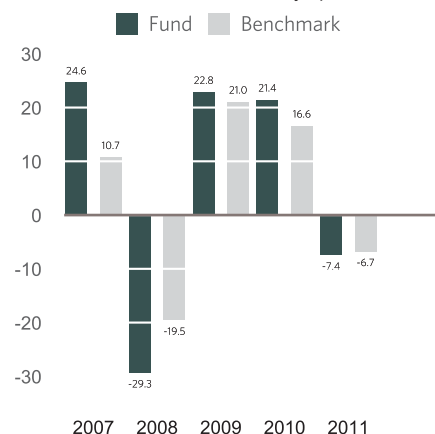
## Client service

Pooled Fund Client Operations  
Tel: 0844 892 2715  
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# Newton Global Opportunities

## CALENDAR PERFORMANCE (%)



## PERFORMANCE (%)

Period	Fund	Benchmark	Relative
3 Months to Dec-11	5.2	7.3	-2.1
3 Months to Sep-11	-13.4	-15.0	1.6
3 Months to Jun-11	-0.3	0.2	-0.5
3 Months to Mar-11	1.9	2.0	-0.1
12 Months	-7.4	-6.7	-0.7
3 Years annualised	11.3	9.6	1.7
5 Years annualised	4.0	3.2	0.8
Since Fund launch annualised	7.8	5.8	2.0

Source: BNY Mellon Analytical Solutions CAPS where available; Newton where not available. CAPS indices are adjusted for withholding tax. Total return, gross of fees. Close of business pricing. Past performance is not a guide to future performance.

## Performance factors

The Fund ended the quarter behind the FTSE AW World Index. Underperformance was dominated by the telecommunications sector, in which Sprint Nextel was the portfolio's biggest detractor. The scale of the cash outlays required to accelerate the company's network upgrade programme and offer Apple's iPhone to its customers surprised investors. Cashflow issues also came to the fore at Cable & Wireless Worldwide; our confidence in the prospect of a turnaround is now very low, and we decided to sell the shares. Among technology stocks, HTC performed poorly after it reported a decline in its growth rate and cut its revenue forecasts, primarily due to strong competition from Apple and Samsung, which had both released new flagship products in the preceding months. Elsewhere, against a background of gold price volatility, Newcrest Mining declined after management crystallised expectations of a production shortfall by reducing full-year guidance. We remain confident of the quality of the company's asset base, and believe that exposure to the gold price is important given the possibility of ever greater monetary responses to the deleveraging process underway in developed economies.

The financials sector was the greatest area of positive performance. US credit-checking firm Equifax performed well, following a modest acceleration in revenue growth across most of its divisions, combined with improved margins. We had purchased a holding in Barclays in August, at a depressed valuation. Its shares rebounded sharply in October, and we locked in the gain by selling the holding, reflecting our view that the fundamental prospects for banks operating in highly-indebted Western economies remain difficult. Oilfield service provider Weatherford experienced a sharp move upwards in October's market rally, at which point we took the opportunity to sell. Within healthcare, Medco's shares recovered, reflecting encouraging results that demonstrated the benefits from strong demand for generic pharmaceuticals.

## Review of activity

Among technology stocks, we sold Intel, which faced structural challenges to its business from the growth in mobile computing, where it faces stronger competition. We sold airline software company Amadeus IT, in light of concerns over its ability to maintain pricing in the context of weakening global growth. We bought Microsoft, which counts an attractive valuation, prodigious cash flow, and a very solid balance sheet among its attributes. Among industrials, we sold Mitsubishi Corp, as we were unimpressed by several of its recent acquisitions, and are concerned by further evidence of deteriorating Chinese property construction, which is a key driver for its commodity businesses. We purchased Centrica, which benefits from the tight supply of gas to the UK, and has upstream energy assets that are underappreciated.

Other acquisitions included Sweden's Teliasonera, which pays an attractive dividend and has implemented tiered pricing structures. We also bought catering services company Compass Group, which has stable revenues, has limited debt, and generates strong returns on capital.

**REGIONAL ALLOCATION (%)**

	<b>Fund</b>
Australia	2.98
Belgium	2.61
Brazil	4.16
Switzerland	13.25
China	2.88
Germany	5.02
Spain	0.00
France	4.72
Hong Kong	0.27
Japan	6.43
Sweden	2.14
Thailand	1.77
Taiwan	1.57
United Kingdom	13.94
United States	33.24
South Africa	2.51
Cash	2.51

**SECTOR ALLOCATION (%)**

	<b>Fund</b>
Oil & Gas	6.41
Basic Materials	11.03
Industrials	8.28
Consumer Goods	19.71
Health Care	14.15
Consumer Services	2.67
Telecommunication	9.01
Utilities	3.37
Financials	8.31
Technology	8.30
Bonds	6.24
Cash	2.51

**TOP TEN HOLDINGS (%)**

	<b>Fund</b>
Bayer AG	3.34
British American Tobacco PLC	2.99
Newcrest Mining Ltd	2.98
Japan Tobacco Inc	2.96
Altria Group Inc	2.73
Novartis AG	2.68
Anheuser-Busch InBev NV	2.61
Microsoft Corp	2.55
GlaxoSmithKline PLC	2.54
Total SA	2.53

**ABSOLUTE CONTRIBUTION (%)**

	<b>Fund</b>
Bayer AG	0.46
Medco Health Solutions Inc	0.42
Barclays PLC	0.39
Equifax Inc	0.39
Anheuser-Busch InBev NV	0.37
Weatherford Intl Ltd	0.35
Total SA	0.35
Medtronic Inc	0.35
British American Tobacco PLC	0.32
Altria Group Inc	0.30
GlaxoSmithKline PLC	0.27
Petroleo Brasileiro SA	0.26
Syngenta AG	0.26
Principal Financial Group	0.21
ABB Ltd	0.21
MTN Group Ltd	0.19
Lazard Limited	0.17
L3 Communications Inc	0.16
Siam Commercial Bank PCL	0.16
L'Oreal SA	0.13

**RETURN BY SECTOR (%)**

	<b>Fund</b>
Oil & Gas	12.36
Basic Materials	3.44
Industrials	2.81
Consumer Goods	6.10
Health Care	9.56
Consumer Services	8.81
Telecommunication	-3.98
Utilities	1.11
Financials	9.02
Technology	0.52
Bonds	-1.06
Cash	-

**CONTRIBUTION BY MINOR SECTOR (%)**

	<b>Fund</b>
Oil & Gas Producers	0.65
Oil Equipment Services & Distribution	0.35
Chemicals	0.69
Mining	-0.24
Aerospace & Defence	0.19
Industrial Engineering	0.21
Support Services	0.05
Automobiles & Parts	-0.07
Beverages	0.37
Food Producers	0.14
Household Goods	-0.10
Personal Goods	0.23
Tobacco	0.63
Health Care Equipment & Services	0.78
Pharmaceuticals & Biotechnology	0.47
General Retailers	0.09
Travel & Leisure	0.14
Fixed Line Telecommunications	-0.13
Mobile Telecommunications	-0.23
Gas Water & Multiutilities	-0.06
Banks	0.47
Life Insurance	0.21
Real Estate Investment & Services	-0.02
Financial Services	0.35
Software & Computer Services	0.09
Technology Hardware & Equipment	-0.06
Bonds	0.01
Cash	-0.07

All performance data is sourced from Newton Investment Management Limited (except where otherwise stated) as at 31 Dec 2011. All Fund returns are calculated on a close of business offer price. All Funds are shown on a gross of fees basis. The information shown is deemed correct at time of publication but may be subject to subsequent revision. Clients should be aware that past performance is not a guide to future performance and that the value of investments and income derived from them can go down as well as up. Clients may not get back the full amount invested. The Prospectus and/or Simplified Prospectus should be read before an investment is made. This document can be obtained from [www.bnymellon.com](http://www.bnymellon.com) or by calling 0500 66 00 00. To help us continually improve our service and in the interest of security, we may monitor and/or record your telephone calls with us. Portfolio holdings are subject to change at any time without notice. The information provided is for use by professional clients only. It is for illustrative purposes only and should not be construed as a recommendation to purchase or sell any security. It should not be published in hard copy, electronic format, via the web or in any other medium accessible to the public. BNY Mellon Asset Management International Limited (BNYMAMI) is not responsible for any subsequent investment advice given based on the information supplied. This document is issued in the UK by BNYMAMI, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Authorised and regulated by the Financial Services Authority. BNYMAMI and Newton Investment Management Limited are all ultimately owned by The Bank of New York Mellon Corporation. Newton Investment Management Limited is a member of the IMA. CP7111-02-08-2011 (6M)