

# NEWTON

The Power of Ideas

As at 31 December 2011  
For professional clients only

## Investment objective

The objective of the Sub-Fund is to maximum returns through investment in securities issued or guaranteed by the UK Government or the Governments of foreign countries or corporate bodies. The Sub-Fund may also invest in collective investment schemes.

## Fund aim

To marginally outperform the FTSE Actuaries Government Securities (over 15 Years) Index over rolling five year periods.

## General information

Fund type	ICVC
Fund domicile	UK
Type of shares / units	Accumulation
Base currency	GBP
Fund manager	Howard Cunningham
Alternate	Carl Shepherd
Fund size (million)	£ 165.64

## Historical fund statistics - 3 years

12 Month turnover	90.81
3 Month turnover	30.73
Annualised Sharpe ratio	0.76
Annualised alpha	0.50
Annualised information ratio	0.39
Beta	0.97
Ex ante tracking error	n/a
Ex post tracking error	0.66
Fund volatility	11.68
Index volatility	11.98
Jensen alpha	0.04
R <sup>2</sup>	1.00
Treynor ratio	9.14

## Key dates

Fund launch	01/03/1979
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## Dealing and share prices

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

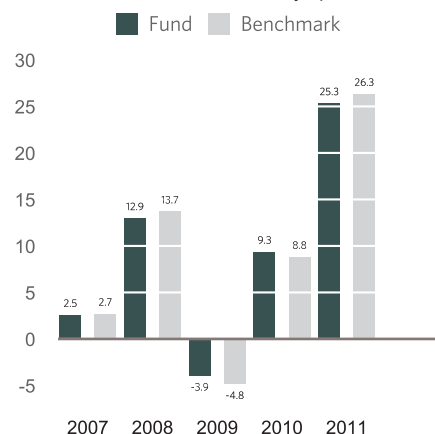
## Client service

Pooled Fund Client Operations  
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# Newton Long Gilt

## CALENDAR PERFORMANCE (%)



## PERFORMANCE (%)

Period	Fund	Benchmark	Relative
3 Months to Dec-11	9.4	9.6	-0.2
3 Months to Sep-11	13.7	14.4	-0.7
3 Months to Jun-11	2.3	2.3	0.0
3 Months to Mar-11	-1.5	-1.5	0.0
12 Months	25.3	26.3	-1.0
3 Years annualised	9.6	9.3	0.3
5 Years annualised	8.8	8.8	0.0
10 Years annualised	7.5	7.4	0.1

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

Gilts continued to benefit from significant market concerns and rallied. The yields of UK government bonds with maturities of over 15 years fell by approximately 0.5%, leading to another quarter of positive returns. Against this backdrop, the Fund performed well, registering a return in line with its Index. The Fund lost some performance due to its 4% exposure in investment grade corporate bonds. However, much of this was offset by the strong performance of our index-linked gilts, which represented a 3% weighting in the Fund.

## Review of activity

There was no single dominant theme to trading during the period, much of which was driven by flows. However, over the course of the quarter, we reduced our exposure to very long-dated gilts, with 2055 and 2060 maturities, and increased our exposure to 20-30 year gilts (2039, 2034 and 2038). We also added a small exposure to our non-government bonds via the purchase of KfW, Abbey National and Community Finance.

**TOP TEN HOLDINGS (%)**

Bond	Fund	Rating
UK Treasury Gilt 4.5% 7/09/2034	8.00	AAA
UK Treasury Gilt 4.25% 7/12/2027	7.52	AAA
UK Treasury Gilt 4.75% 7/12/2030	7.42	AAA
UK Treasury Gilt 4.25% 7/12/2040	6.69	AAA
UK Treasury Stk 4.75% 7/12/2038	6.15	AAA
UK Treasury Gilt 4.25% 7/09/2039	5.96	AAA
UK Treasury Gilt 4.25% 7/12/2049	5.81	AAA
UK Treasury Stk 4.25% 7/03/2036	5.76	AAA
UK Treasury Stk 4.25% 7/06/2032	5.57	AAA
UK Treasury Stk 6% 7/12/2028	5.40	AAA

**MATURITY PROFILE (%)**

Years	Fund	B'mark
0-15yrs	0.49	0.00
15-20yrs	22.32	23.70
20-30yrs	41.61	43.43
30+	29.57	32.87
Cash	6.01	0.00

**CREDIT RATING DISTRIBUTION (%)**

Rating	Fund	B'mark
AAA	90.92	100.00
AA	1.31	0.00
A	1.76	0.00
Cash	6.01	0.00

**CHARACTERISTICS**

	Fund	B'mark
Duration	15.8	16.85
No. of issuers	10	1
Yield to Maturity	2.81	2.91

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.bnymellonam.com](http://www.bnymellonam.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.

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On 31 July the authorised range of Newton Exempt Unit Trusts were converted to sub-funds of Newton Investment Funds and on 2 August 2004 this became the BNY Mellon Investment Funds ICVC. Performance prior to 31 July 2004 is based on the Newton Exempt Long Gilt Fund.