

# 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 growth by investing in stocks and shares quoted on major stock markets of the world, excluding the UK. The Sub-Fund may also invest in collective investment schemes.

## Fund aim

To outperform a benchmark consisting of 33.3% FTSE All World Europe (ex UK) Index, 33.3% FTSE All World North America Index and 33.3% FTSE All World Asia Pacific Index by over 2% p.a. over rolling five year periods.

## General information

Fund type	ICVC
Fund domicile	UK
Type of shares / units	Accumulation
Base currency	GBP
Fund manager	Robert Marshall-Lee
Alternate	James Harries
Fund size (million)	£ 289.49

## Historical fund statistics - 3 years

12 Month turnover	58.88
3 Month turnover	18.26
Annualised Sharpe ratio	0.40
Annualised alpha	0.47
Annualised information ratio	-0.11
Beta	0.84
Ex ante tracking error	5.10
Ex post tracking error	7.69
Fund volatility	16.51
Index volatility	17.77
Jensen alpha	0.04
R <sup>2</sup>	0.81
Treynor ratio	7.80

## Key dates

Fund launch	29/03/1996
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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)  
[www.newton.co.uk/pooledprices](http://www.newton.co.uk/pooledprices)

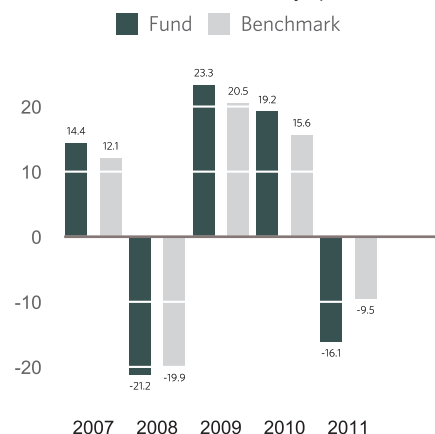
## Client service

Pooled Fund Client Operations  
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# Newton Overseas Equity

## CALENDAR PERFORMANCE (%)



## PERFORMANCE (%)

Period	Fund	Benchmark	Relative
3 Months to Dec-11	2.8	5.3	-2.5
3 Months to Sep-11	-18.6	-16.4	-2.2
3 Months to Jun-11	-1.2	0.6	-1.8
3 Months to Mar-11	1.4	2.2	-0.8
12 Months	-16.1	-9.5	-6.6
3 Years annualised	7.2	8.1	-0.9
5 Years annualised	2.1	2.5	-0.4
10 Years annualised	5.2	4.6	0.6

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

Over the period, the Fund delivered a positive return but underperformed its benchmark. The conservative positioning in financials was beneficial, particularly the lack of exposure to Western banks, while holdings in 'defensive' areas such as tobacco, were positive, led by Philip Morris International. Other 'defensive' areas, such as healthcare, also did well. Within the sector, Pfizer performed strongly after approvals for a number of its pipeline drugs led analysts to re-evaluate the company's future earnings potential. With a number of drug approvals also expected in 2012, there could be further upgrades. After announcing strong results that showed earnings significantly ahead of consensus, Bayer's shares also made gains. The rise in earnings was mainly attributable to high margins in the healthcare and crop science businesses, although material science contracted as expected on higher costs. Elsewhere in the sector, Align Technology saw its shares rise after announcing results that showed its flagship Invisalign product could drive strong sales growth, even in tough economic conditions.

On the negative front, Sprint Nextel was one of the portfolio's bottom contributors as investors worried that a new deal with Apple to sell the iPhone was based on unfavourable terms. Concerns were raised that the subsidies that Sprint would have to pay for the handset would drag on the company's ability to maintain its cashflow. These fears were compounded by expectations that the company might have to increase capital expenditure relating to its 4G network. Meanwhile, DeNA declined after announcing earnings that missed guidance, despite revenues growing significantly. A lack of newly released, in-house designed games meant that average revenues per user disappointed, although this will change going forward as the company releases its own games. Elsewhere, Huabao International Holdings struggled over the period.

## Review of activity

Other activity included the sale of Brazilian food retailer Hypermarcas, which has struggled with its business integration. New additions included EXCO Resources, an oil and natural gas company engaged in the acquisition, development and exploitation of onshore North American natural gas properties, which demonstrates high-quality assets, visible production growth and a low valuation. Finally, we sold the position in BHP Billiton as we had become concerned that slowing global growth rates, and a reduction in market liquidity associated with concerns over the sovereign debt positions of a number of Eurozone countries, would have an adverse effect on commodity prices, and hence the company's revenues. The Fund remains cautiously positioned in the West, but is well placed to benefit from the anticipated growth in the developing world.

## 3 MONTH RELATIVE CONTRIBUTION - TOP FIVE (%)

Stock	Contribution (%)
Philip Morris Intl Inc	0.33
Pfizer Inc	0.25
Align Technology Inc	0.23
Bayer AG	0.20
Petroleo Brasileiro SA	0.18

## 3 MONTH RELATIVE CONTRIBUTION - BOTTOM FIVE (%)

Stock	Contribution (%)
DeNA Co Ltd	-0.50
Huabao Intl Holdings Ltd	-0.46
Mahindra & Mahindra Ltd	-0.33
Sprint Nextel Corp	-0.33
Yes Bank Ltd	-0.27

**ATTRIBUTION BY REGION (%)**

3 Month attribution	Fund weight	B. mark weight	Fund return	B. mark return	Stock selection	Asset allocation	Net effect
North American Equities	33.24	33.33	8.78	11.37	-0.84	0.10	-0.74
Europe ex UK Equities	18.85	33.33	6.92	3.35	0.59	0.32	0.91
Japanese Equities	9.05	12.14	-3.61	-3.63	0.00	0.21	0.21
Pacific ex. Japan Equities	25.22	21.19	-3.32	4.39	-1.98	-0.04	-2.02
Other International Equities	6.45	0.00	1.54	0.00	0.12	-0.36	-0.24
Cash	7.34	0.00	0.11	0.00	0.01	-0.26	-0.25
Forward FX	-0.15	0.00	-	0.00	0.07	0.05	0.12

**ATTRIBUTION BY SECTOR (%)**

3 Month attribution	Fund weight	B. mark weight	Fund return	B. mark return	Stock selection	Asset allocation	Net effect
Oil & Gas	5.59	9.36	7.18	12.66	-0.32	-0.04	-0.36
Basic Materials	14.69	7.48	-0.75	3.63	-0.73	-0.11	-0.83
Industrials	6.90	13.32	-0.36	7.09	-0.58	-0.07	-0.65
Consumer Goods	19.01	13.98	6.30	4.75	0.29	-0.01	0.28
Health Care	15.54	8.49	7.48	6.90	0.00	0.25	0.25
Consumer Services	6.64	8.35	-0.73	6.89	-0.50	-0.02	-0.52
Telecommunication	5.55	4.84	-3.04	0.56	-0.20	-0.03	-0.23
Utilities	0.00	4.07	0.00	-0.59	0.00	0.24	0.24
Financials	8.32	20.62	1.28	3.00	-0.13	0.26	0.13
Technology	9.44	9.52	5.83	6.23	-0.05	-0.01	-0.06
Unitised / Structured Investments (Equities)	1.12	0.00	-2.44	0.00	-0.03	-0.06	-0.09
Cash / Other Investments	7.19	0.00	3.50	0.00	0.13	-0.21	-0.07

**ACTIVE POSITIONS - TOP TEN OVERWEIGHT (%)**

Stock	Fund	B. mark
Bayer AG	2.74	0.38
Philip Morris Intl Inc	2.66	0.37
Petroleo Brasileiro SA	2.24	0.00
Pfizer Inc	2.52	0.44
Japan Tobacco Inc	2.01	0.13
Syngenta AG	2.01	0.20
Lorillard Inc	1.79	0.04
Sakari Resources Ltd	1.73	0.00
Sawai Pharmaceutical Co Ltd	1.60	0.01
Altria Group Inc	1.73	0.17

**ACTIVE POSITIONS - TOP TEN UNDERWEIGHT (%)**

Stock	Fund	B. mark
Exxon Mobil Corp	0.00	1.09
Total SA	0.00	0.83
Samsung Electronics Co Ltd	0.00	0.76
Sanofi	0.00	0.68
BHP Billiton Ltd	0.00	0.64
Siemens AG	0.00	0.63
Microsoft Corp	0.00	0.58
International Business Machine	0.00	0.58
Chevron Corp	0.00	0.57
Nestle SA	0.86	1.43

**TOP TEN HOLDINGS (%)**

	Fund
Bayer AG	2.74
Philip Morris Intl Inc	2.66
Apple Inc	2.55
Pfizer Inc	2.52
Roche Hldgs AG	2.35
Petroleo Brasileiro SA	2.24
Novartis AG	2.08
Syngenta AG	2.01
Japan Tobacco Inc	2.01
Lorillard Inc	1.79

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.

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On 31 July 2004 Funds merged into sub-funds of the BNY Mellon Investment Funds ICVC. Performance prior to this date is based on the Newton Exempt Overseas Equity Fund. The benchmark to 30 June 2003 was the CAPS Pooled Overseas Equity Median. Since 1 July 2003, the benchmark has comprised 1/3 FTSE AW Europe (ex UK) Index, 1/3 FTSE AW North America Index and 1/3 FTSE AW Asia Pacific Index.