

Newton Bridge Fund

Second quarter 2010



Fund information

Aim

To achieve capital growth over the long term through a portfolio that is predominantly invested in equities, across a wide range of industries and countries. The equity element is balanced by cash, bonds and exposure to alternative assets, such as hedge funds, to reduce the overall volatility of the portfolio.

The fund is managed in line with the Newton Private Investment Management Growth Model. The central asset allocation for the model is 70% invested in global equities and 30% invested in other asset classes which may include bonds, cash, hedge funds, structured products and property.

Fund facts

| | |
|------------------|---|
| Fund structure | Unit Trust |
| Base currency | GBP |
| Benchmark* | Newton Growth Composite (see over page for benchmark breakdown), from 1 April 2009; it was previously WM PCI Growth |
| Fund launch date | 30 November 1996 |
| Fund domicile | UK |
| Pay dates | Two business days before 31 Mar, 30 Sept |
| ISIN | GB0006441181 |
| SEDOL | 0644118 |



Fund data

| | |
|----------------------|---------|
| Fund size (millions) | GBP 275 |
| Volatility | 17.1 |
| Dividend yield | 2.3% |
| Sharpe ratio | -0.2 |
| Information ratio | 0.4 |

Fees and charges

| | |
|--------------------------|-------|
| Annual management charge | 0.8% |
| Total expense ratio | 0.83% |

All figures correct as at 30 June 2010

Risk and performance statistics sourced from Newton using 36 months of data (where applicable) to 30 June 2010

Focus on the latest quarter

Performance over three months

| | | | |
|---------------------------|--------------|-------------------------|--------|
| Newton Bridge Fund | -5.8% | | |
| Newton Growth Composite | -7.4% | ARC £ Equity Risk (est) | -8.3% |
| | | WM PCI Growth | -9.0% |
| FTSE All Share | -11.8% | FTSE W World (ex UK) | -11.1% |
| | | FTA Govt All Stocks | 4.5% |

Significant transactions

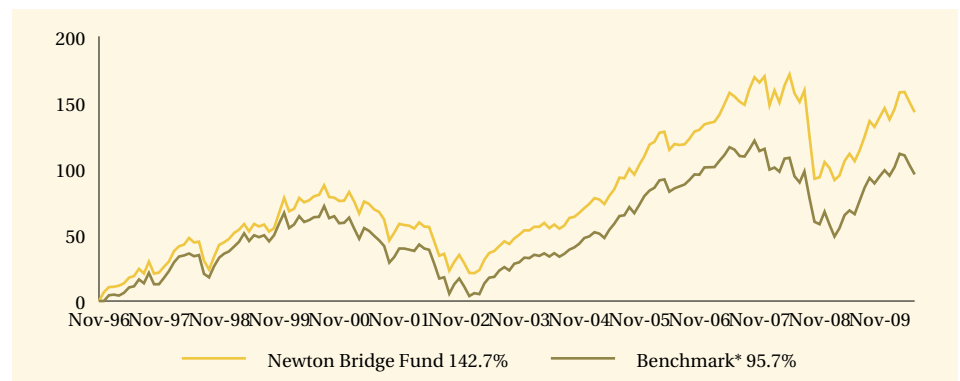
| Acquisitions |
|--|
| Treasury-4.25% Stk 07/12/2027 |
| HSBC Bank PLC-0% FTSE AutoCall 26/5/2015 |
| Natura Cosméticos S.A. |
| MTN Group Ltd |
| Yingde Gases Group Co. Ltd |

| Disposals |
|-------------------------------------|
| Air Liquide S.A. |
| Denbury Resources Inc. |
| Bank of America Corp. |
| Petrobras Petroleo Brasileiro (Pfd) |
| Agilent Technologies Inc. |

Note: Portfolio holdings are subject to change at any time without notice and should not be construed as investment recommendations.

Long-term performance

Performance since launch



| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | YTD 2010 |
|-------------|-------|-------|------|------|------|------|------|-------|------|----------|
| Bridge Fund | -10.5 | -18.2 | 19.2 | 10.9 | 23.0 | 11.5 | 15.5 | -24.0 | 19.9 | -1.2 |
| Benchmark* | -12.3 | -20.5 | 19.6 | 11.2 | 21.5 | 12.1 | 6.9 | -22.1 | 18.7 | -1.6 |

Discrete past performance - percentage change

| From | 30/06/05 | 30/06/06 | 30/06/07 | 30/06/08 | 30/06/09 |
|--------------------|----------|----------|----------|----------|----------|
| To | 30/06/06 | 30/06/07 | 30/06/08 | 30/06/09 | 30/06/10 |
| Newton Bridge Fund | 18.6% | 16.5% | 1.0% | -20.0% | 18.0% |

* See over page for benchmark details. All performance sourced from: Lipper, WM, ARC & Datastream, as at 30 June 2010. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

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. 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.

Newton's themes

Newton is a global thematic stock picking company. Our style is team oriented and relies on effective communication between all of our investment personnel. Two of our themes are listed below, along with examples of individual holdings.

All Change

Factors

The popping of the credit bubble has marked an end to the era of rapid growth in private sector debt in the developed world. Structurally impaired financial systems and impending regulatory burdens ensure that credit will be less freely available, and this has profound implications for consumer-driven economies, all asset classes and investment strategies.

Investments

Barrick Gold, GSK, Jardine Lloyd Thompson, L'Oreal, Microsoft, Newcrest Mining, Novartis

Developing Economies

Factors

The influence of the developing world on the global economy continues to grow, and developing economies ultimately are on a convergence course, in terms of demographics and consumption trends, with the industrialised world. This long-term secular trend will entail the development of Western-style health and social security systems and will involve significant cyclical influences as well as frictions regarding trade policies.

Investments

Parkway, Bangkok Bank, Hypermarcas, Man Wah Holdings, Millicom, Taiwan Semiconductor Manufacturing Company

Newton

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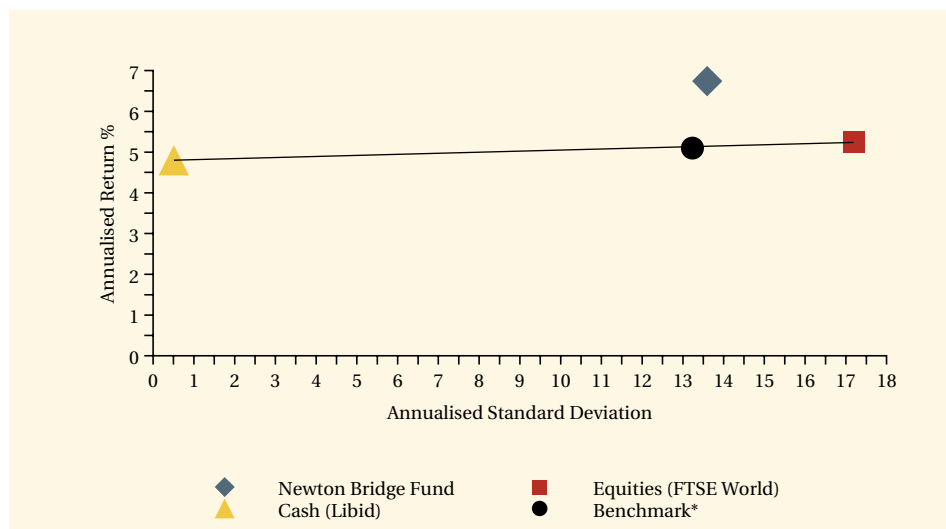
2 Festival Square, Edinburgh EH3 9SU

Leeds

1 Whitehall Riverside, Leeds LS1 4BN

Long-term performance - risk and reward

Fund return and volatility since launch



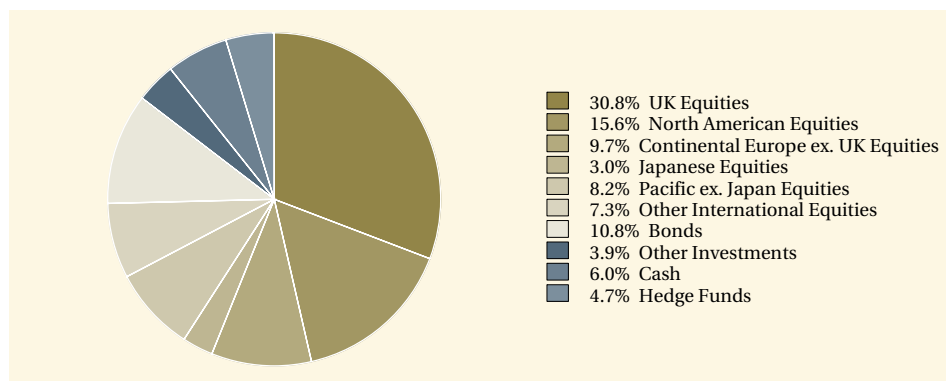
This chart shows both return and volatility. The Newton Bridge Fund has given a higher return than cash, world equities and the benchmark with slightly higher volatility than that of the benchmark. The launch date of the fund was 30 November 1996.

Source: Lipper, WM & Datastream, as at 30 June 2010. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

*The benchmark to 31 March 2009 was WM PCI Growth. Thereafter it is the Newton Growth Composite. The Newton Growth Composite benchmark comprises 40% FTSE All Share, 30% FTSE World ex UK, 10% FTA Govt All Stocks, 10% ML Sterling Non-Gilts & 10% 1 month £ LIBOR.

Fund analysis

Breakdown as % of total market value



Source: Newton as at 30 June 2010.