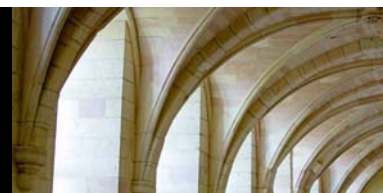


Newton Falcon Fund

Second quarter 2010



Fund information

Aim

To achieve capital growth over the long term from a portfolio invested in UK and overseas equities across a wide range of industries and countries. The manager of the fund is expected to invest with limited reference to the composition of the benchmark, and as a result the fund's performance may differ from the benchmark by a wide margin. For most of the time the fund will be fully or almost fully invested in equities, but it is permitted to hold other assets.

Fund facts

Fund structure	Unit Trust
Base currency	GBP
Benchmark	50% FTSE All Share, 50% FTSE W World ex UK (from 1 January 2010; it was previously 50% FTSE All Share, 50% MSCI World ex UK)*
Fund launch date	13 November 1998
Fund domicile	UK
Pay dates	Two business days before 30 Apr, 31 Oct
ISIN	GB0032585050
SEDOL	3258505

Fund data

Fund size (millions)	GBP 98
Volatility	18.2
Dividend yield	1.4%
Sharpe ratio	0.1
Information ratio	1.0

Fees and charges

Annual management charge	1.5%
Total expense ratio	1.59%

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 Falcon Fund	-6.7%		
Benchmark*	-11.5%	ARC £ Equity Risk (est)	-8.3%
		IMA Global Growth	-9.9%
FTSE All Share	-11.8%	FTSE World ex UK	-11.1%

Significant transactions

Acquisitions

Accenture Plc
Intel Corp.
Syngenta AG
Canon Inc.
Xstrata PLC

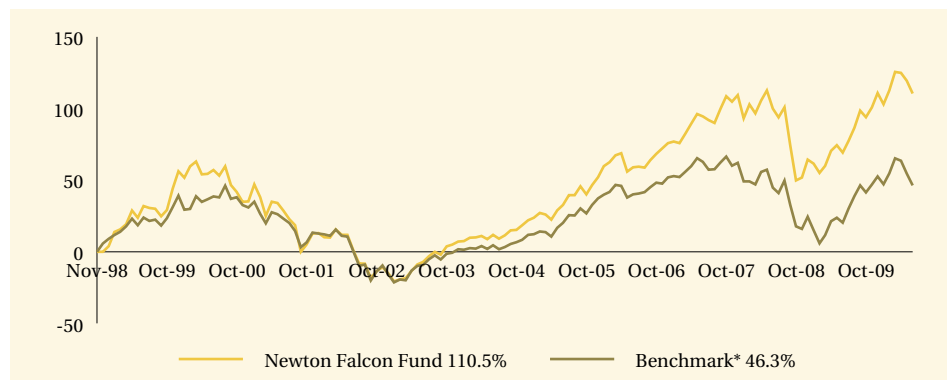
Disposals

BB&T Corp.
Xstrata PLC
Denbury Resources Inc.
ITT Educational Services 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
Newton Falcon Fund	-16.4	-24.8	26.0	14.0	24.6	15.7	19.0	-21.5	28.3	-0.1
Benchmark*	-13.9	-25.2	20.8	9.9	22.8	10.6	6.6	-23.2	22.6	-4.1

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 Falcon Fund	19.8%	22.4%	2.8%	-15.4%	24.4%

All performance sourced from: Lipper, 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

Altria, Cable and Wireless, Eli Lilly, Flir Systems, GlaxoSmithkline, HTC, Intel, Nestle, limited exposure to western commercial banks

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

Bangkok Bank, Copasa, Hypermarcas, Inpex, Millicom, Natura Cosmetics, Sands China, Yingde Gases

Newton

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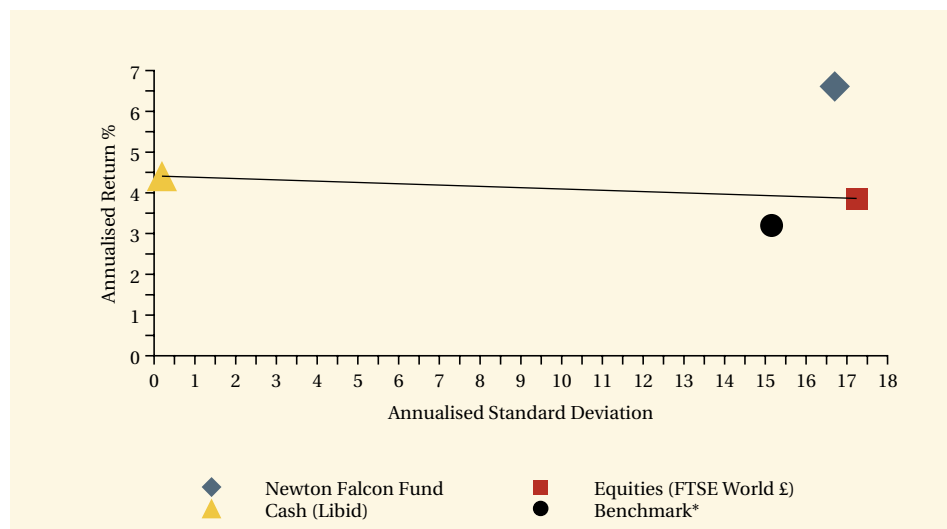
2 Festival Square, Edinburgh EH3 9SU

Leeds

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Long-term performance - risk and reward

Fund return and volatility since launch

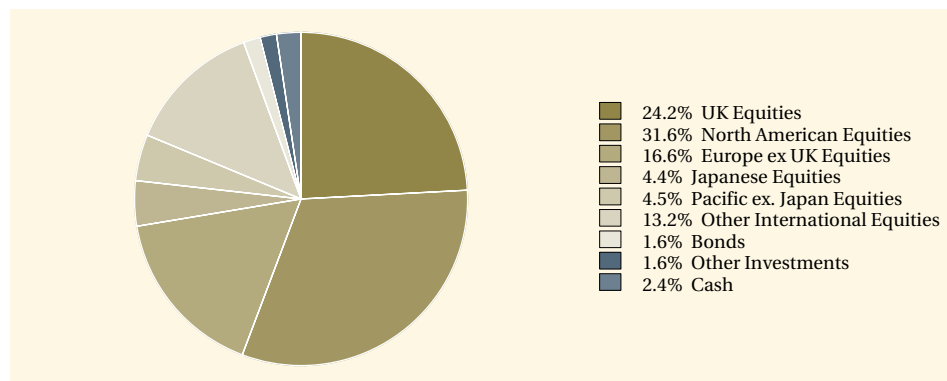


This chart shows both return and volatility. The Newton Falcon Fund has given a higher return than cash, world equities and the benchmark with higher volatility than that of the benchmark. The launch date of the fund was 13 November 1998.

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

Fund analysis

Breakdown as % of total market value



Source: Newton as at 30 June 2010.