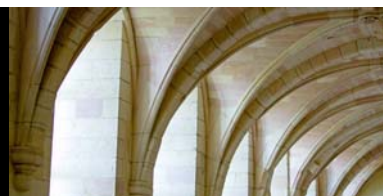


Newton Falcon Fund

Second quarter 2011

Risk profile: high



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 139
Volatility	17.0%
Dividend yield	1.0%
Sharpe ratio	0.5
Information ratio	0.2

Fees and charges

Annual management charge	1.5%
Total expense ratio	1.55%

All figures correct as at 30 June 2011.

Risk and performance statistics above sourced from Newton using 36 months of data (where applicable) to 30 June 2011.

Focus on the latest quarter

Performance over three months

Newton Falcon Fund	-0.5%				
Benchmark	1.1%	ARC £ Equity Risk (est)	0.1%	IMA Global Growth	-0.3%
FTSE All Share	1.9%	FTSE World ex UK	0.3%		

Significant transactions

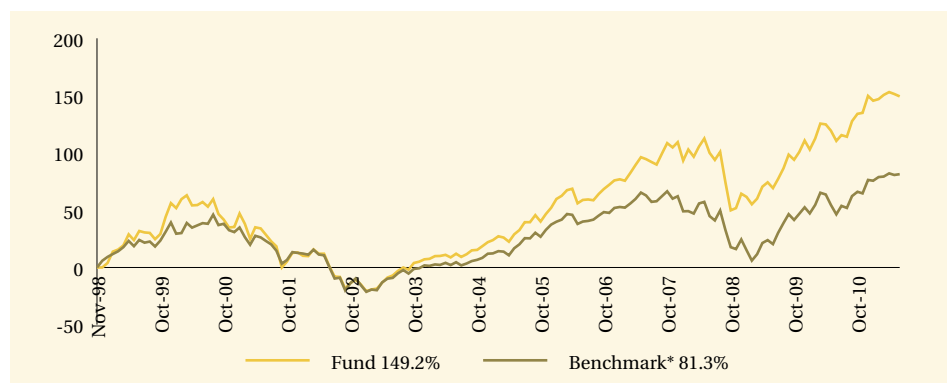
Acquisitions
Mitie Group PLC
Huabao International Holdings Ltd

Disposals
Companhia de Saneamento de Minas Gerais
Petrohawk Energy Corp.
Tele Norte Leste Participacoes S/A
PTT PCL

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



	2002	2003	2004	2005	2006	2007	2008	2009	2010	YTD 2011
Fund	-24.8	26.0	14.0	24.6	15.7	19.0	-21.5	28.3	18.5	-0.2
Benchmark*	-25.2	20.8	9.9	22.8	10.6	6.6	-23.2	22.6	15.7	2.8

Discrete past performance (%)

From	30/06/06	30/06/07	30/06/08	30/06/09	30/06/10
To	30/06/07	30/06/08	30/06/09	30/06/10	30/06/11
Fund	22.4	2.8	-15.4	24.4	18.4

All performance sourced from: Lipper, Datastream & ARC, as at 30 June 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

*The benchmark is 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).

Risk factors

The performance data shown on this factsheet is past performance; as such it is not a guide to future performance. Investors should remember that unit trusts should be regarded as long-term investments and that the value of units, and the income from them, can go down as well as up due to stock market and movements in exchange rates. When you sell your investment you may get back less than you originally invested. The fund may invest in emerging markets which are, by their nature, higher risk and potentially more volatile than those inherent in established markets.

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 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, British American Tobacco, China Mobile, GlaxoSmithKline, Intel, Mitie, Nestle, Novartis, 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, Camelot Information Systems, Gafisa, Hypermarcas, Inpex, Mosaic, MTN, Sands China, Yingde Gases

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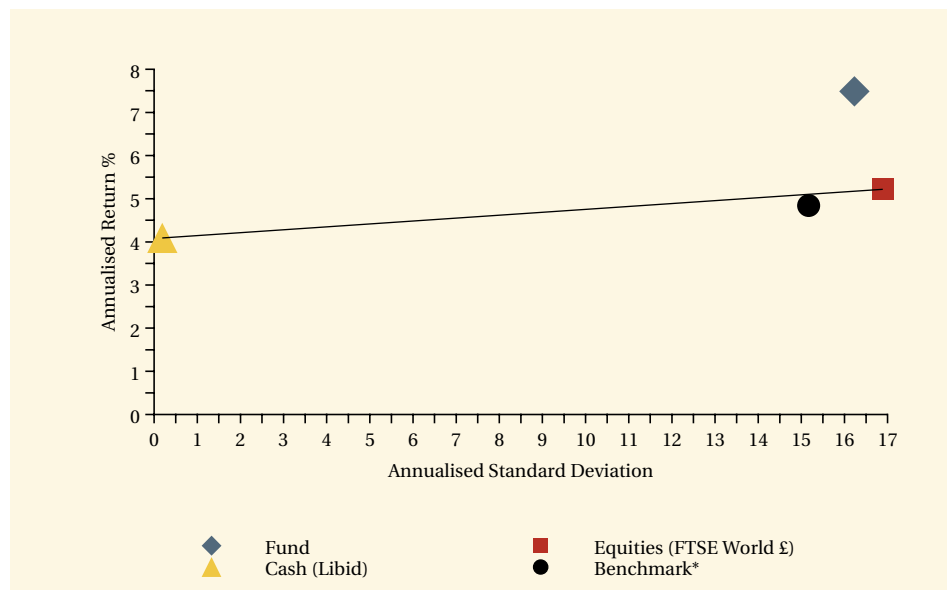
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Long-term performance - risk and reward

Fund return and volatility since launch



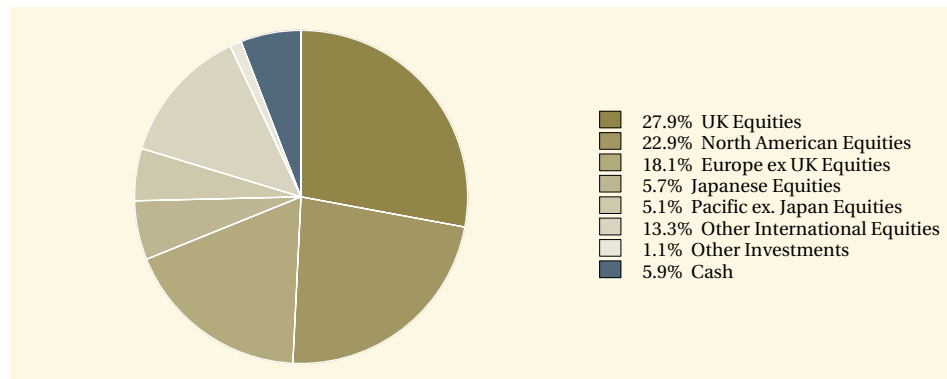
This chart shows both return and volatility. The Newton Falcon Fund has given a higher return than cash, world equities and the benchmark with higher volatility than that of the benchmark. The launch date of the fund was 13 November 1998.

Performance sourced from: Lipper, Datastream & Bloomberg, as at 30 June 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

*The benchmark is 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 analysis

Breakdown as % of total market value



Source: Newton as at 30 June 2011.