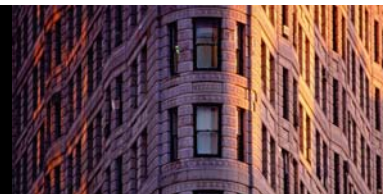


# Newton Offshore Strategy Fund Sterling Fixed Interest

Second quarter 2010



## Fund information

### Aim

This fund aims to achieve a combination of capital preservation and income, through investing in a portfolio of fixed income securities, for the most part denominated in sterling. The fund can also invest in global fixed income securities or cash at the discretion of the manager.

### Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	Merrill Lynch £ Non Gilt Index
Fund launch date	11 February 2000
Fund domicile	Jersey
Pay dates	End Feb, May, Aug & Nov
ISIN	GB0009428904
SEDOL	0942890

### Fund data

Fund size (millions)	GBP 79
Volatility	7.3
Gross redemption yield	4.8%
Running yield	5.3%
Modified duration	6.1
Sharpe ratio	0.0
Information ratio	-1.3

### Fees and charges

Annual management charge	1.0%
Total expense ratio	1.08%

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

<b>NOSF £ Fixed Interest</b>	<b>2.3%</b>
Merrill Lynch £ Non-Gilt Index	2.0%

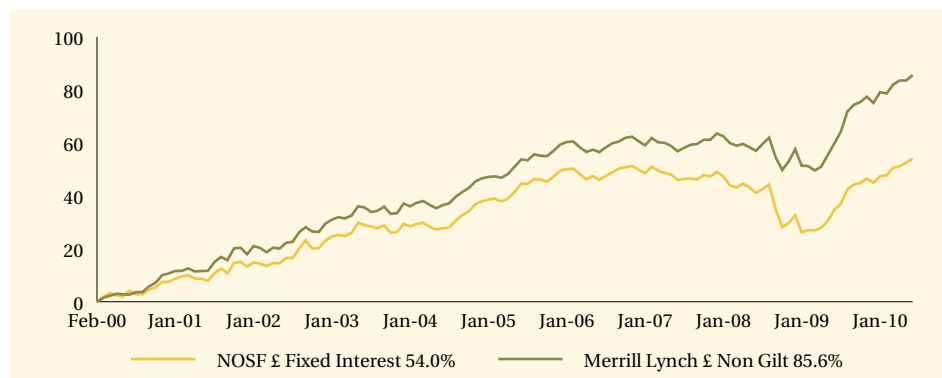
### Significant transactions

Acquisitions	Disposals
Treasury 6% Stk 7/12/2028	Network Rail I.F. 4.375% MTN 9/12/30
Eksportfinans A/S 6% Bds 06/09/10	Kreditanstalt Fur Wiederaufbau 5.5% 7/12/15
LCR Finance 4.75% Bds 31/12/2010	Bank Nederlandse Gemeenten 5.25% 26/02/16
GlaxoSmithKline Capital 6.375% Bds 9/3/39	BBC 5.0636% Bds 10/08/33 Reg 'S'
UBS AG London 6.625% EMTN 11/4/18	Centrica PLC 7% Bds 19/09/2033

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
NOSF £ Fixed Interest	5.3	8.6	5.2	6.6	8.3	0.3	-0.6	-10.9	9.2	6.3
Merrill Lynch £ Non-Gilt	6.6	9.8	5.9	6.9	8.7	0.8	1.8	-3.6	11.1	6.0

### 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
NOSF £ Fixed Interest	1.0%	0.1%	-3.4%	-4.5%	14.3%

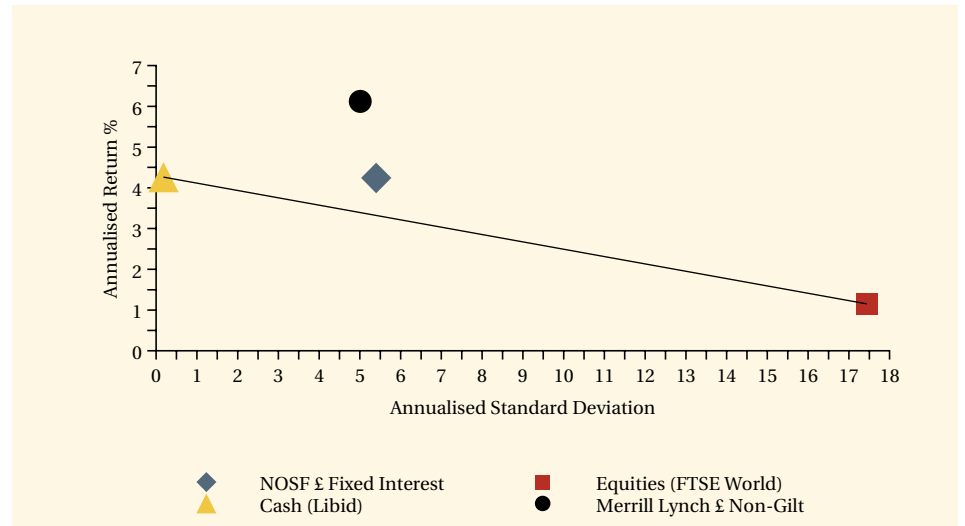
All performance sourced from: Lipper & Datastream, as at 30 June 2010. Calculation basis: Sterling, total return, bid to bid, without initial charges, gross income reinvested, net of management fees.

### 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.

## Long-term performance - risk and reward

### Fund return and volatility since launch

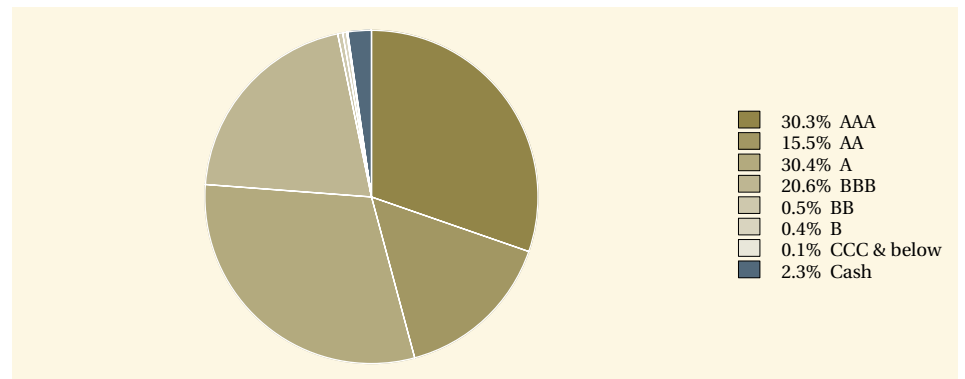


This chart shows both return and volatility. The NOSF £ Fixed Interest Fund has given a lower return than the benchmark with slightly higher volatility. The launch date of the fund was 11 February 2000.

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

## Fund analysis

### Breakdown as % of total market value



Source: Newton as at 30 June 2010.

### Newton

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