Newton Offshore Strategy Fund Alternative Assets

Second quarter 2011 — **Risk profile: medium**

Fund information

Aim

To achieve long-term growth in excess of cash returns from a balanced portfolio of Alternative Assets. The Fund is intended to have significantly lower absolute volatility than traditional equity biased funds, but will exhibit volatility relative to its benchmark.

Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	1 month £ Libor +1.0% p.a.
Fund launch date	10 December 2007
Fund domicile	Jersey
Pay dates	28 Feb, 31 Aug
ISIN	GB00B29QMK64
SEDOL	B29QMK6

Fund data

Fund size (millions)	GBP 10
Volatility	11.0%
Dividend yield	0.7%
Sharpe ratio	0.1

Fees and charges

Annual management charge	1.0%
Total expense ratio	1.11%

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

NOSF Alternative Assets	1.6%				
1 month £ Libor +1% p.a	0.5%	ARC Bal. Asset (est)	0.9%	IMA Absolute Return	0.2%
FTSE W World	0.4%	FTA Govt All Stocks	2.5%		

Significant transactions

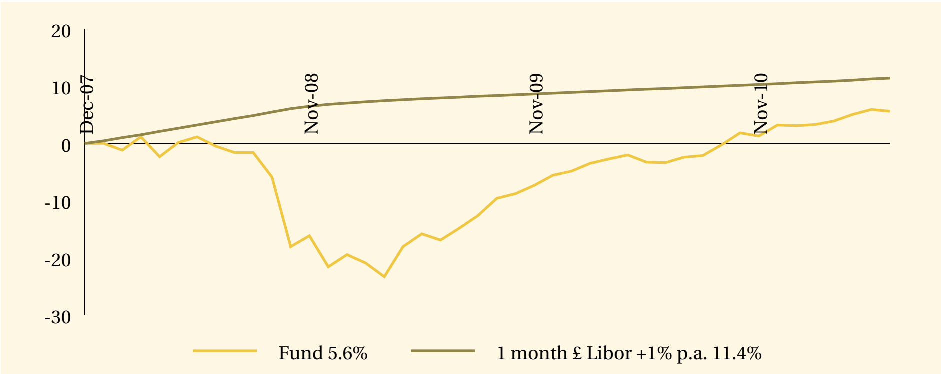
Acquisitions
UBS FTSE & S&P Autocall
Societe Generale FTSE Auto-Call
Annaly Capital Management Inc.
Electra Private Equity PLC
NB Distressed Debt Inv Fd Ltd

Disposals
Barclays Bank FTSE AutoCall
Goldman Sachs Intl Euro Stoxx 50 Dividend
Absolute Return Trust-Red Ptg Pref Shs GBP
JPMorgan Private Equity Ltd

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	-	-	-	-	-	-	-21.6	20.4	9.3	2.3
1 month £ Libor +1% p.a.	-	-	-	-	-	-	6.4	1.8	1.5	0.9

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	-	-	-16.5	16.3	9.3

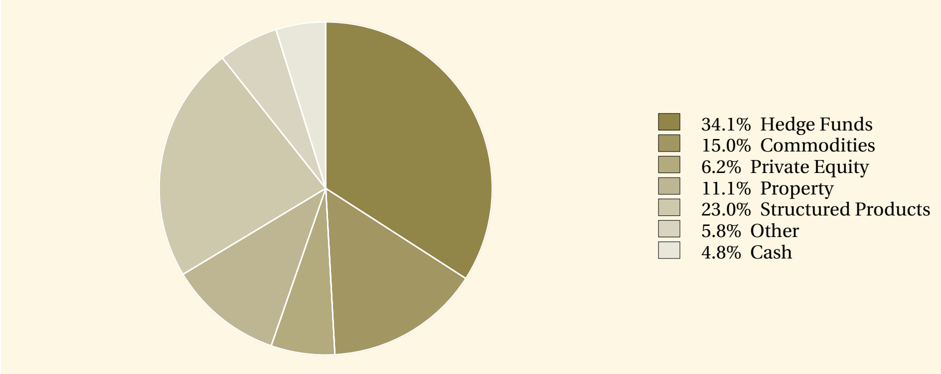
All performance sourced from: Lipper, Bloomberg, ARC & Datastream, as at 30 June 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, gross income reinvested, net of management fees. Care should be taken when extrapolating these figures due to short performance history.

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.

Fund analysis

Breakdown as % of total market value



Source: Newton as at 30 June 2011.

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