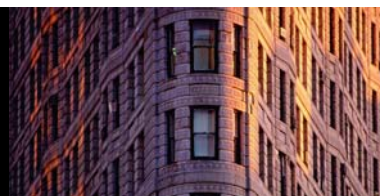


# Newton Offshore Strategy Fund Diversified Assets

Third quarter 2011

Risk profile: medium



## Fund information

### Aim

To achieve long-term growth in excess of cash returns from a balanced portfolio diversified across a range of 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 +2.0% p.a.
Fund launch date	16 May 2005
Fund domicile	Jersey
Pay dates	End Feb, May, Aug & Nov
ISIN	GB00B08SQD01
SEDOL	B08SQD0

### Fund data

Fund size (millions)	GBP 20
Volatility	9.8%
Dividend yield	3.0%
Sharpe ratio	0.5

### Fees and charges

Annual management charge	1.0%
Total expense ratio	1.12%

All figures correct as at 30 September 2011.

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

## Focus on the latest quarter

### Performance over three months

<b>NOSF Diversified Assets</b>	<b>-5.4%</b>		
1 month £ Libor +2% p.a.	0.7%	ARC Bal. Asset (est)	-5.6%
		IMA Cautious Managed	-5.7%
FTSE W World	-14.7%	ML £ Non-Gilt Index £	1.6%
		FTSE All Share	-13.5%

### Significant transactions

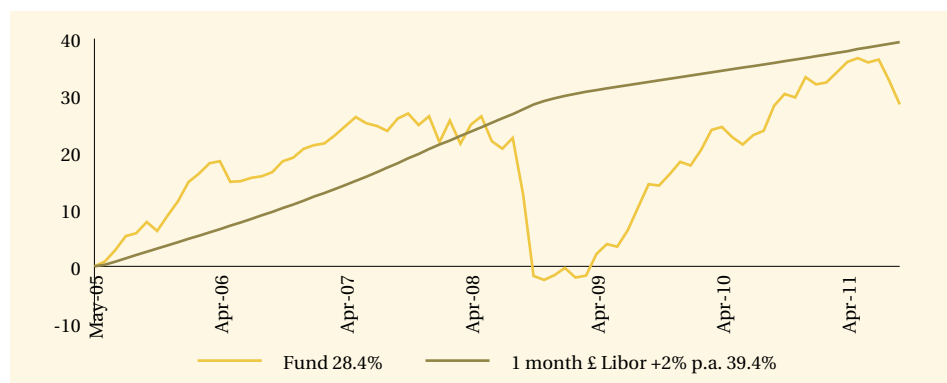
Acquisitions
FTSE 100 Index-Sep11 5400 (Put Option)
HSBC Bank 0% FTSE/S&P Autocall 04/09/17
DnB NOR ASA
Prudential PLC
HTC Corp.

Disposals
Nationwide Building Soc. 5.625% 09/09/2019
Lloyds TSB Bank PLC 6.5% Bds 17/9/2040
Standard Chartered PLC
Advanced Info Service PCL
Filtrona PLC

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	-	-	-	-	8.2	4.8	-22.1	20.2	12.6	-3.6
1 Month £ Libor + 2% p.a.	-	-	-	-	7.0	8.1	7.4	2.8	2.5	2.0

### Discrete past performance (%)

From	30/09/06	30/09/07	30/09/08	30/09/09	30/09/10
To	30/09/07	30/09/08	30/09/09	30/09/10	30/09/11
Fund	8.1	-10.6	1.6	12.0	0.2

All performance sourced from: Lipper, Bloomberg, ARC & Datastream, as at 30 September 2011. 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.

## 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.

### Deleverage

#### Factors

The credit bubble has left many economies carrying levels of debt which materially impair their economic prospects. We anticipate an extended period of relatively low growth and higher economic volatility as debt is reduced to more manageable levels. How public and private debt loads are reduced and the effect of offsetting policies will be critical for all aspects of the investment outlook.

### Investments

Barrick Gold, Gold ETF, Roche, John Laing Infrastructure

### Global realignment

#### Factors

Western industrialised nations still dominate the world's economic output, wealth, consumption and market capitalisation in US dollar terms, as well as consuming the lion's share of natural resources. The generally stronger growth potential and increasing economic influence of the developing world are progressively challenging this position. The trajectory of this realignment is likely to be volatile and increasingly prone to cyclical divergence.

### Investments

Petrobras, Jain Irrigation, Yingde Gases, Bangkok Bank

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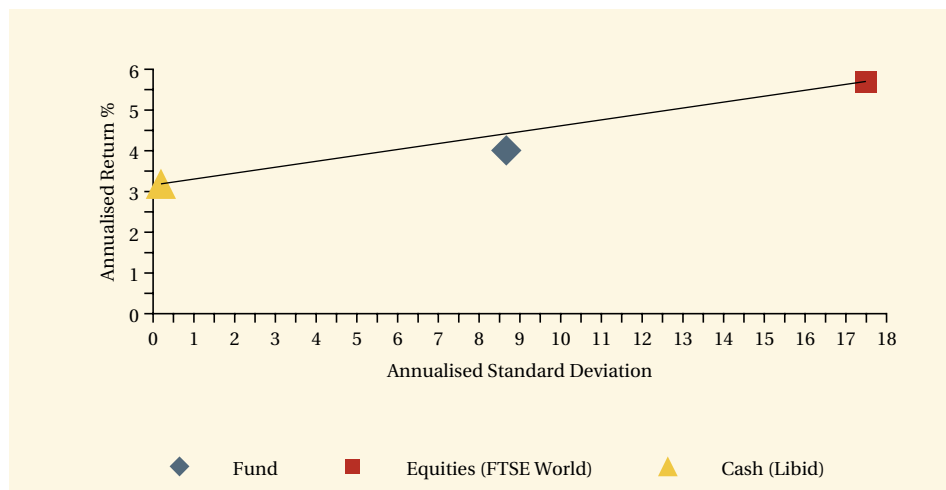
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## Long-term performance - risk and reward

### Fund return and volatility since launch

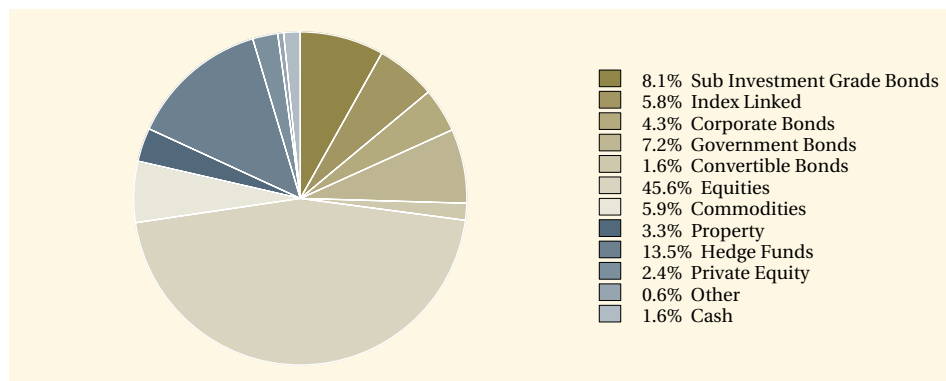


This chart shows both return and volatility. The launch date of the fund was 16 May 2005.

Performance sourced from: Lipper, Datastream & Bloomberg, as at 30 September 2011. 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 September 2011.