

Newton Offshore Strategy Fund Sterling Fixed Interest

| March 2008

Objective

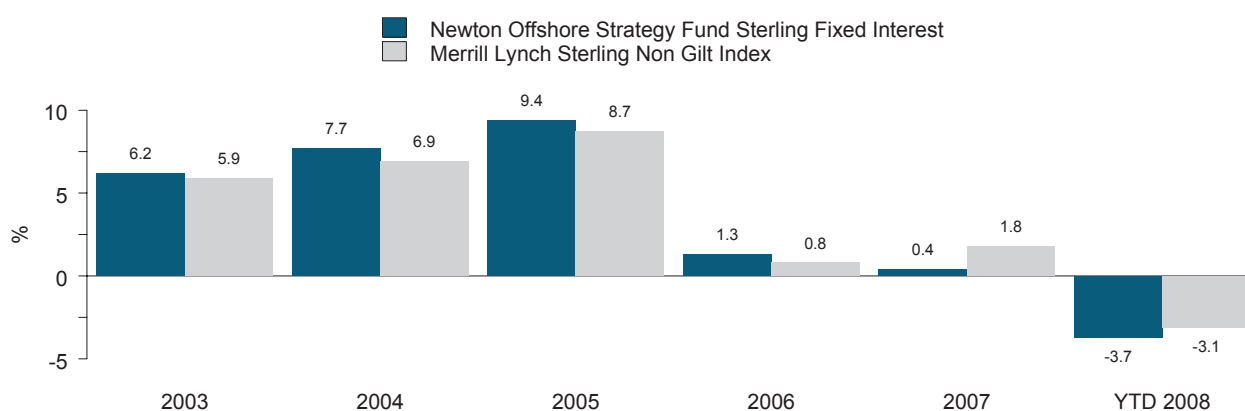
The objective of the Fund is to provide investors with a mixture of both capital preservation and an income from a portfolio of predominantly sterling denominated fixed interest securities. This Fund will focus on maximising the total return to the investor.

Investment Philosophy

The Newton Offshore Strategy Fund (NOSF) has been designed by the Private Investment Management (PIM) department as an efficient and cost-effective alternative to direct portfolio management through individual stocks and shares. The Fund is invested in line with Newton's global thematic investment process, the same process that PIM uses for directly invested portfolios. Clients of PIM receive the same high level of service whether they invest in NOSF or directly.

All stock selection decisions are made by the manager of the NOSF fund within guidelines agreed by the board in consultation with PIM.

Performance



	Latest Quarter (%)	Since Inception (%)
NOSF Sterling Fixed Interest (after fees)	-3.9	43.2
NOSF Sterling Fixed Interest (before fees)	-3.7	55.3
Merrill Lynch Sterling Non Gilt Index	-3.1	58.4

Source: Lipper, as at 31 March 2008, total return, bid to bid, gross income reinvested, without initial charges, unless otherwise stated figures are gross of management fees. Lipper fund returns are based on midday prices, whereas the index is priced at the close of the relevant markets.

Statutory Disclosure of Discrete Past Performance - Percentage Change

From	31/03/03	31/03/04	31/03/05	31/03/06	31/03/07
To	31/03/04	31/03/05	31/03/06	31/03/07	31/03/08
Newton Offshore Strategy Fund Sterling Fixed Interest	4.0%	6.2%	7.6%	0.8%	-4.2%

Source: Lipper, as at 31 March 2008, total return, bid to bid, gross income reinvested, without initial charges, net of management fees. Lipper fund returns are based on midday prices.

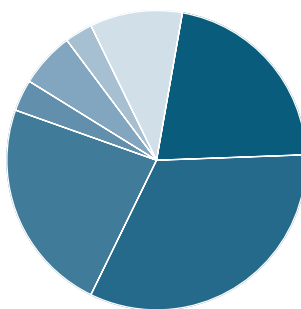
Risk Factors

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. Current yields are not indicative of future yields. 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.

Asset Allocation

Breakdown as % of total market value

0 - 5 yrs	22%
5 - 10 yrs	33%
10 - 15 yrs	23%
15 - 20 yrs	3%
20 - 25 yrs	6%
25 - 30 yrs	3%
30 yrs +	10%



Source: Newton. All data as at 31 March 2008
Figures are approximate and subject to rounding differences

Credit quality breakdown

	%
AAA	14.7
AA	30.0
A	33.2
BBB	17.6
BB	3.6
B	0.2
Cash	0.5

Significant Transactions

Acquisitions

General Electric Capital Corp.6.44% Bds
15/11/2022 GBP1000

Barclays Bank PLC.4.75% FRN Perp 29/
3/2049 EUR

Treasury.4.5% Stk 7/12/2042

Treasury.4.75% Stk 7/03/2020

Council of Europe Develop Bank.4.625%
EMTN 7/3/2012 GBP1000

Disposals

General Electric Capital Corp.5.25%
EMTN 10/12/2013 GBP

National Australia Bank Ltd.4.625% EMTN
12/12/2010 GBP

Barclays Bank PLC.6% Bds 29/06/2049
GBP10000

BP Capital Markets PLC.5.75% EMTN 26/
02/2010 GBP50000

Export Development Canada.5% EMTN 7/
06/2010

Gross Redemption Yield: 7.06% as at 31 March 2008

Dividend Yield: 6.72% as at 31 March 2008

| Last Distribution: 1.3660p per unit as at 28 February 2008

Fund Size (millions): GBP 36 as at 31 March 2008

| Currency: GBP

The NOSF Sterling Fixed Interest Fund is a sub-fund of the Newton Offshore Strategy Fund, which is an open ended investment company operated by Newton Fund Managers C.I. Limited (NFM C.I.). Registered office for NFM C.I.: BNP House, Anley St, St Helier, Jersey C.I., JE2 3QE. Registered in Jersey No. 5769. Newton Fund Managers (C.I.) Limited is authorised under the Collective Investment Funds (Jersey) Law 1988 and regulated by the Jersey Financial Services Commission in the conduct of fund services business. This report is approved for issue in the UK by Newton Investment Management Limited (NIM). Registered office for NIM: The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No.1371973. Authorised and regulated by the Financial Services Authority.