

Peer Group:

Active Managed

Fund Manager/Adviser:

Caroline Lindsay (since November 2004), Robert Hay (since November 2004)

Location:

London

Launch Date:

February 1994

Fund Size (January 2008):

£323m

Group Contact No:

+44 500 440 000

Website:

www.bnymellonam.com

S&P ID Number:

UT064411

Share Class screened:

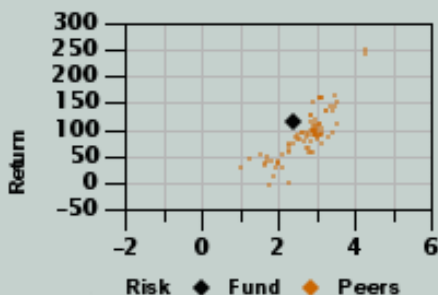
Ord



INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

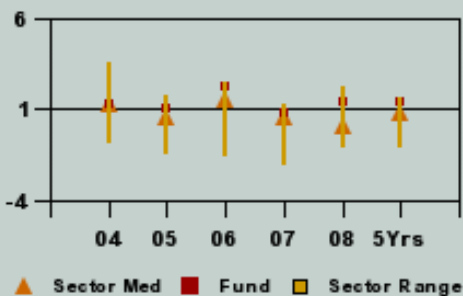
RISK RETURN (STD DEVIATION) OVER 5 YEARS



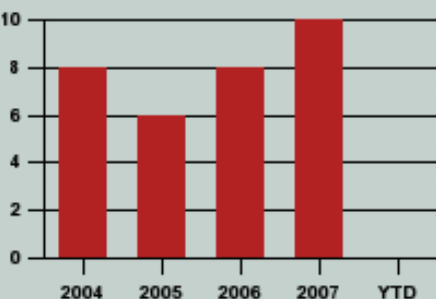
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown	Low	-6.0
Volatility	Medium	8.1
Correlation	High	0.7

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Further information on S&P's fund coverage can be found at www.funds.standardandpoors.com

Performance Data Source - © 200 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 31/12/2007 on NAV to NAV basis, with gross income reinvested, in UK sterling.

STANDARD & POOR'S OPINION (FEBRUARY 2008)

The Newton Bridge fund is designed as a medium-risk product for wealthy UK-based private clients. Benchmarked against the WM Private Client Growth Indicator, it has a structural bias to UK equities - principally blue chips - but has scope to invest both in international equities and also (to a limited extent) in alternative asset classes such as funds-of-hedge-funds and structured products to diversify the portfolio and mitigate volatility.

The fund is establishing a consistent and strong track record under co-managers Caroline Lindsay and Robert Hay, two private client division specialists who have been at the helm since November 2004. Under their tenure the fund ranks top quartile within the S&P peer group. 2007 was particularly strong, with the fund proving resilient in periods of market

turbulence and returning 10% more than the median fund with lower than average volatility.

Essentially the managers run the fund in line with Newton's high net worth private client growth model, a model into which they also have input. Moreover, being integrated with the Newton Investment Management research teams, they also make full use of the in-house global thematic approach and analytical resource. Fund performance has largely been driven by stock selection, which would indicate that their use of these resources has been skilful and astute. The use of structured products has been limited but effective.

We are increasingly impressed by the team's measured and risk aware approach as well as its effective use of in-house resources. The fund easily retains its S&P AA rating.

FACT FILE

Group: Newton is part of the Bank of New York Mellon Corporation, a leading financial services company based in New York, USA. It was Bank of New York Mellon's first substantial acquisition outside the USA.

Team: Caroline Lindsay works closely with co-manager Robert Hay to implement the strategy set by Newton Private Investment Management, drawing on the global analyst and the institutional/retail fund teams.

Fund Manager: Caroline Lindsay has nine years' investment experience and Robert Hay seven

years'. They have worked together on this fund since November 2004 but have been members of the same team since 2003.

Style: Aimed at investors with a minimum of £100,000 to invest, the fund aims to provide wealthy private clients with a portfolio of holdings similar to those managed for high net worth clients.

Performance: Over the five years to 31/12/2007 the fund has returned 114.0%, compared with 89.1% for the sector median, ranking 19/85.

FUND MANAGER & TEAM

Newton's investment strategy is reviewed at formal monthly meetings of the investment strategy group (ISG), which includes various economists and senior representatives from the private client, institutional and retail teams. The private client team then adapts these recommendations for their clients through a number of live models, ensuring that Newton's global themes are applied consistently.

Caroline Lindsay and co-manager Robert Hay draw heavily on Newton's team of global research analysts as well as the specialists on the private client team.

Caroline Lindsay - economics (Cambridge University), CFA, trained as a chartered accountant with Ernst & Young before joining Newton in 1998.

Robert Hay - French & business studies (Edinburgh), MA business (EAP European School of Management, Paris), joined Newton in 2000 and the team responsible for the Bridge and Balanced Bridge funds in 2003, becoming co-manager of these funds in 2004.

PORTFOLIO CHARACTERISTICS

No. of holdings	106
Turnover ratio (%)	19
% in top 10	21

TOP 10 HOLDINGS (01/01/08)

	%
Vodafone Group PLC	3.8
BP PLC	2.7
GlaxoSmithKline PLC	2.4
HSBC Holdings PLC	2.0
Standard Chartered Plc	1.9
ROYAL DUTCH SHELL PLC	1.8
Bank of Scotland PLC	1.6
Conocophillips	1.6
Companhia Vale do Rio Doce	1.5
ICAP PLC	1.5

* In top 10 holdings a year ago

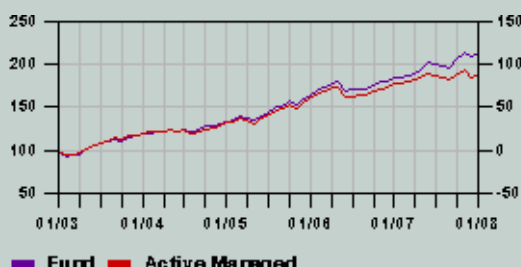
ALLOCATION BREAKDOWN (01/01/08)

EQUITY	
North America	12
United Kingdom	38
Europe ex UK	18
Japan	4
Pacific ex Japan	4
Others	14
FIXED INTEREST	
United Kingdom	4
Others	0
CASH	
	6

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	60.4%	114.0%
Standard & Poor's Peer Median	41.2%	89.1%
Fund Rank	15/109	19/85
Standard Deviation	8.1	-
Relative Deviation	0.8	-
Volatility Adjusted Ranking	3/109	-

CUMULATIVE PERFORMANCE



UCITS III permits net fund exposure to be less or greater than 100%.

NEWTON BRIDGE FUND

Peer Group: Active Managed



MANAGEMENT STYLE

- The fund is managed as a medium risk product for wealthy UK-based private clients. It is benchmarked against the WM Private Client Growth Indicator.
- The private client team adapts the Newton strategy group's recommendations to the risk tolerance of their clients through a number of live models, all of which draw heavily on the research of the global sector analyst team.
- This fund is based around the growth model which comprises 60-70 stocks and allows deviations of +/-10% at the asset allocation and main regional equity market levels relative to the WM index. Global

sectors are limited to +/-5%. Although the Bridge fund has some flexibility around these levels, the managers' focus is on monitoring downside risk, and they will make limited use of put options and structured products to that end.

- The Bridge fund targets 90-100 holdings and is therefore able to include ideas from specialists within the private client team, including limited exposure to instruments such as structured products, specialist collectives, options (puts) and lower risk hedge funds. The focus of the portfolio, however, remains on blue chips.

PORTFOLIO REVIEW

The fund remains UK-biased, reflecting both its client base and the structure of its preferred benchmark, the WM Private Client Growth Indicator. However, while most of the top ten holdings are UK large-caps, UK exposure has been reduced further from 41% at last review to 38% versus the benchmark's 55%. The fund continues to prefer Continental Europe (18% versus the index's 7%) and maintains a small overweight to the USA. The overall cautious outlook is reflected by the weighting of cash (6.5%) and structured products

(8.3%), the latter designed to mitigate volatility and provide diversification.

At sector level, the fund was slightly overweight financials at review (the in-house "debt and credit" theme), focusing on European banks and stock exchanges. The overweight to telecoms reflects a preference for mobile over fixed telephony, with Vodafone the largest portfolio holding in absolute terms (3.8%). Significant disposals have included Accor, Irish Life & Permanent and Cemex.

PERFORMANCE ANALYSIS (JANUARY 2008)

The fund achieved another year of strong performance in 2007, proving particularly resilient through periods of market turbulence. Its return of 16% clearly surpassed the peer group median's 5.7% and further reinforced the three-year cumulative track record, with the fund ranking just outside top decile (achieved under the current team). Returns were again ahead of the WM Private Client Growth benchmark.

financials, it largely avoided the UK and US, focusing on entities with significant overseas interests (Standard Chartered) and stock exchanges such as Deutsche Boerse and Icap (beneficiaries of transaction volatility). Cellular telephony also contributed well (Millicom and Vodafone), whilst specific stock ideas such as Gildan Sportswear and Acciona (wind power) were also successful. Oil, gas and mining were more mixed, with the fund negatively impacted by not holding Rio Tinto and BG.

Performance was largely driven by stock selection. Whilst the fund was overweight

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2004		2005		2006		2007		YTD 31/12/2007	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	11.4	28/102	23.5	51/109	11.9	31/110	16.0	6/113		/
Median	9.4		22.8		9.6		5.7			

All of the views expressed in this research report accurately reflect our committee's views regarding any and all of the subject securities or issuers. No part of the committee's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. © [2007] The McGraw-Hill Companies, Ltd trading as Standard & Poor's ("S&P") 20 Canada Square, Canary Wharf, London, E14 5LH. Tel: +44 (0)20-7176 3800. All rights reserved. No part of this publication shall be reproduced, stored in any retrieval system or transmitted in any form electronic or otherwise without the prior written consent of S&P. Any part of the publication by S&P of which this page is a part is made accessible subject to the terms and conditions which are accessible at the url address below ("S&P Terms") - by accessing and viewing this page and/or and pages associated with or attached to it you accept the S&P Terms. Go to <http://www.funds-sp.com/terms.cfm?langid=1> Performance Data Source - © 2007 Morningstar, Inc. All Rights Reserved. The performance information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.