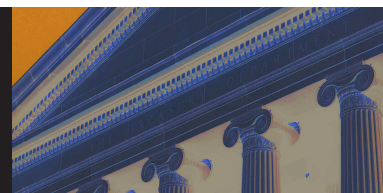


Newton Phoenix Fund

Second quarter 2009



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	Unit Trust
Base currency	GBP
Benchmark	1 month £ Libor +2.0% p.a.
Fund launch date	11 April 2003
Fund domicile	UK
Pay dates	20 Mar, 21 Sep
ISIN	GB00B0Z86D35
SEDOL	B0Z86D3

Fund data

Fund size (millions)	GBP 42
Volatility	11.0
Dividend yield	2.6%
Sharpe ratio	-0.7

Fees and charges

Annual management charge	0.8%
Total expense ratio	0.86%

All figures correct as at 30 June 2009

Risk and performance statistics sourced from Newton using 36 months of data (where applicable) to 30 June 2009

Focus on the latest quarter

Performance over three months

Newton Phoenix Fund	5.4%				
1 month £ Libor +2% p.a.	0.7%	ARC Bal. Asset (est)	4.9%	IMA Cautious Managed	6.8%
FTSE W World	6.3%	ML £ Non-Gilt Index £	6.8%	FTSE All Share	10.9%

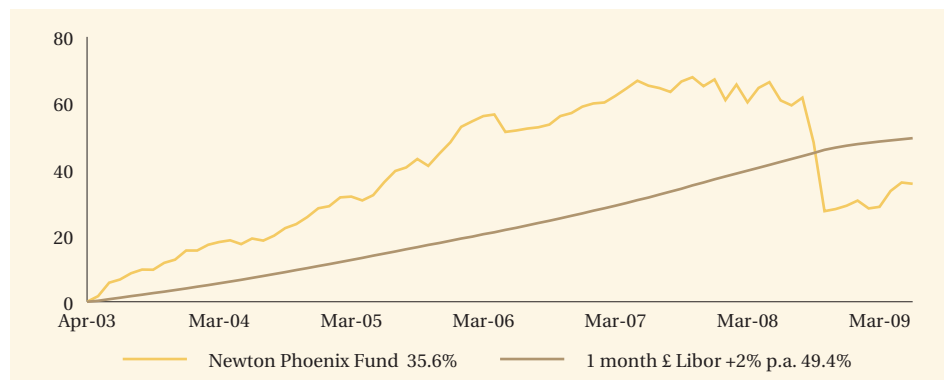
Significant transactions

Acquisitions	Disposals
Treasury 5.25% Stk 7/06/12	Treasury 4.75% Stk 7/09/15
Treasury 8% Stk 27/09/13	Treasury 4.25% Stk 7/06/32
Barclays Bank 0% Protect Agric 2 20/10/14	Gold Bullion Securities Ltd
Treasury 2.25% Stk 07/03/14	Bluecrest Allblue Fund Ltd
Imperial Tobacco Finance 7.75% 24/06/19	Imperial Tobacco Finance 4.375% 22/11/13

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



	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD 2009
Newton Phoenix Fund	-	-	-	-	11.0	15.6	7.2	5.2	-22.8	5.1
1 month £ Libor +2% p.a.	-	-	-	-	6.5	6.9	7.0	8.1	7.4	1.5

Discrete past performance - percentage change

From	30/06/04	30/06/05	30/06/06	30/06/07	30/06/08
To	30/06/05	30/06/06	30/06/07	30/06/08	30/06/09
Newton Phoenix Fund	14.3%	11.5%	8.9%	-2.7%	-15.7%

All performance sourced from: Lipper, WM, ARC & Datastream, as at 30 June 2009. Calculation basis: Sterling, total return, bid to bid, without initial charges, net 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.

All Change

Factors

The previously benign period of stable growth, low inflation, and easy credit, which allowed private sector debt and financial leverage to grow to unsustainable levels (as described in a previous theme, "Becalmed") has come to an end. When assessing investments we assume that access to credit will remain difficult, which favours companies with limited financing requirements and argues against exposure to highly-indebted customers.

Investments

BP, GlaxoSmithKline, Roche, Vodafone

Networked World

Factors

Communications networks have already transformed our lives, but there is great scope for further expansion. Rapid increases in bandwidth continue to increase networks' potential, and this is driving productivity gains. The explosive growth of mobile internet, combined with innovations in sensor technology, will generate profound changes in many industries.

Investments

Tele Norte Leste, LG Telecom, Millicom, Sprint Nextel, Telstra

Newton

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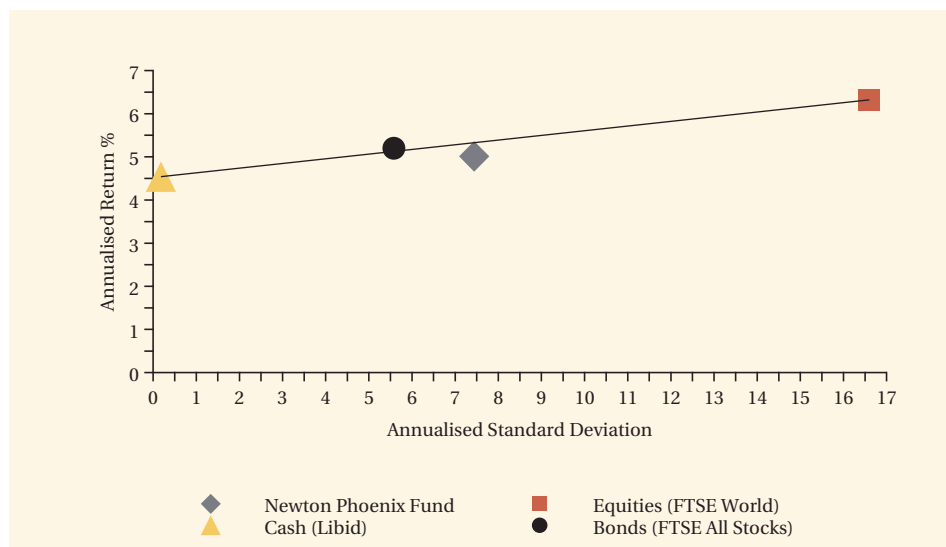
2 Festival Square, Edinburgh EH3 9SU

Leeds

1 Whitehall Riverside, Leeds LS1 4BN

Long-term performance - risk and reward

Fund return and volatility since launch

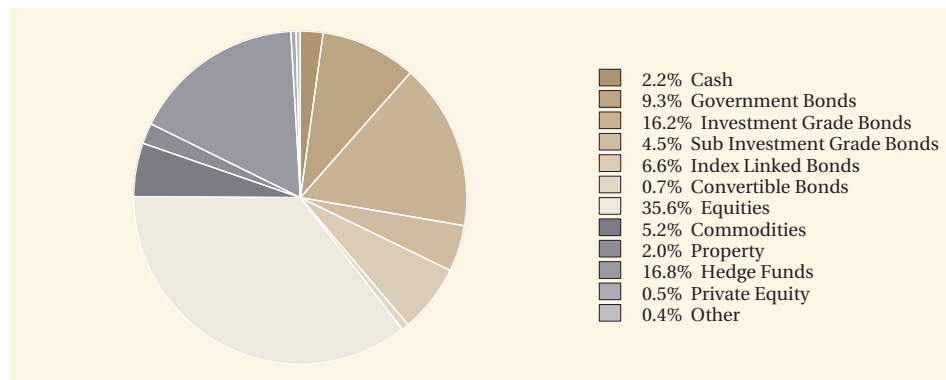


This chart shows both return and volatility. The Newton Phoenix Fund has provided an annualised return of 5.0% since relaunch with lower volatility compared to equities. The relaunch date of the fund was 11 April 2003.

Performance sourced from: Lipper, WM & Datastream, as at 30 June 2009. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

Fund analysis

Breakdown as % of total market value



Source: Newton as at 30 June 2009.