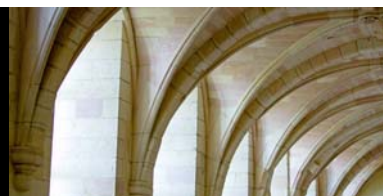


Newton Falcon Fund

Fourth quarter 2011

Risk profile: high



Fund information

Aim

To achieve capital growth over the long term from a portfolio invested in UK and overseas equities across a wide range of industries and countries. The manager of the fund is expected to invest with limited reference to the composition of the benchmark, and as a result the fund's performance may differ from the benchmark by a wide margin. For most of the time the fund will be fully or almost fully invested in equities, but it is permitted to hold other assets.

Fund facts

Fund structure	Unit Trust
Base currency	GBP
Benchmark	*50% FTSE All Share, 50% FTSE W World ex UK (from 1 January 2010; it was previously 50% FTSE All Share, 50% MSCI World ex UK)
Fund launch date	13 November 1998
Fund domicile	UK
Pay dates	Two business days before 30 Apr, 31 Oct
ISIN	GB0032585050
SEDOL	3258505

Fund data

Fund size (millions)	GBP 121
Volatility	13.0%
Dividend yield	1.1%
Sharpe ratio	1.0
Information ratio	0.5

Fees and charges

Annual management charge	1.5%
Total expense ratio	1.55%

All figures correct as at 31 December 2011.

Risk and performance statistics above sourced from Newton using 36 months of data (where applicable) to 31 December 2011.

Focus on the latest quarter

Performance over three months

Newton Falcon Fund	4.1%		
Benchmark	8.0%	ARC £ Equity Risk (est)	4.2%
		IMA Global Growth	5.1%
FTSE All Share	8.4%	FTSE World ex UK	7.5%

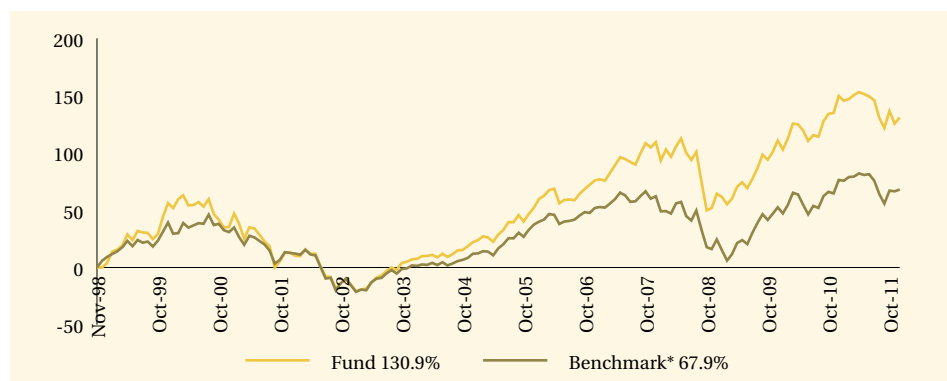
Significant transactions

Acquisitions	Disposals
USA Treasury Bills 0% 19/01/2012	Barclays PLC
TeliaSonera AB	Amadeus IT Holding S.A.
UK Treasury Bill 0% 09/01/2012	BHP Billiton PLC
Compass Group PLC	Intel Corp.
ETFs Physical Gold 0% Secured Note (USD)	Weatherford International 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	2011
Fund	-24.8	26.0	14.0	24.6	15.7	19.0	-21.5	28.3	18.5	-7.5
Benchmark*	-25.2	20.8	9.9	22.8	10.6	6.6	-23.2	22.6	15.7	-4.8

Discrete past performance (%)

From	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
To	31/12/07	31/12/08	31/12/09	31/12/10	31/12/11
Fund	19.0	-21.5	28.3	18.5	-7.5

All performance sourced from: Lipper, Datastream & ARC, as at 31 December 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

*The benchmark is 50% FTSE All Share, 50% FTSE W World ex UK (from 1 January 2010; it was previously 50% FTSE All Share, 50% MSCI World ex UK).

Risk factors

The performance data shown on this factsheet is past performance; as such it is not a guide to future performance. Investors should remember that unit trusts should be regarded as long-term investments and that the value of units, and the income from them, can go down as well as up due to stock market and movements in exchange rates. When you sell your investment you may get back less than you originally invested. The fund may invest in emerging markets which are, by their nature, higher risk and potentially more volatile than those inherent in established markets.

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

Altria, British American Tobacco, GlaxoSmithKline, Nestle, Novartis, Microsoft, Japan Tobacco, limited exposure to western commercial banks

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

Bangkok Bank, ABB, China Mobile, Huabao, Gafisa, Inpex, Mosaic, MTN

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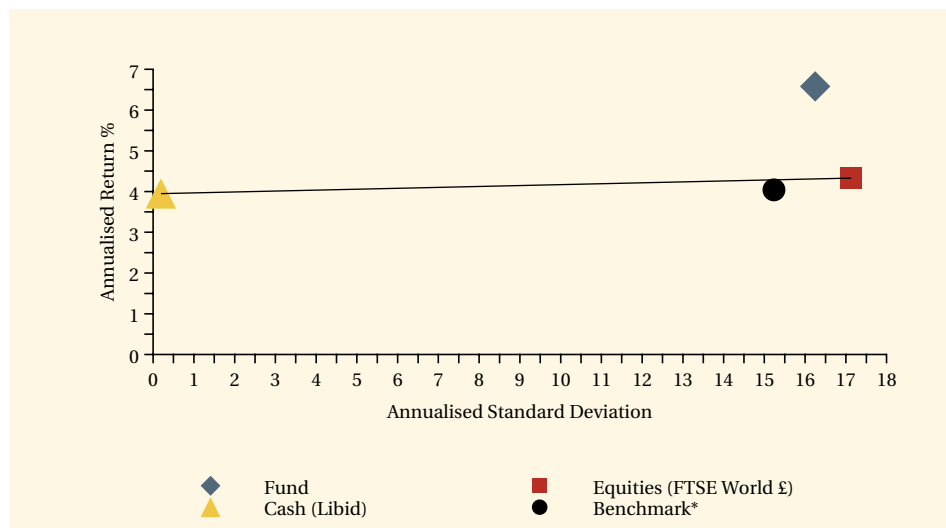
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Long-term performance - risk and reward

Fund return and volatility since launch



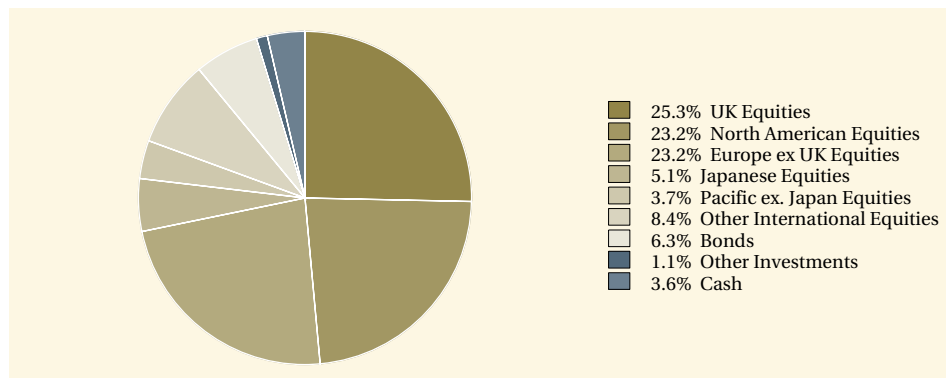
This chart shows both return and volatility. The Newton Falcon Fund has given a higher return than cash, world equities and the benchmark with higher volatility than that of the benchmark. The launch date of the fund was 13 November 1998.

Performance sourced from: Lipper, Datastream & Bloomberg, as at 31 December 2011. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

*The benchmark is 50% FTSE All Share, 50% FTSE W World ex UK (from 1 January 2010; it was previously 50% FTSE All Share, 50% MSCI World ex UK).

Fund analysis

Breakdown as % of total market value



Source: Newton as at 31 December 2011.