

Newton Phoenix Fund

Fourth 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	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 30
Volatility	6.3%
Dividend yield	2.1%
Sharpe ratio	1.7

Fees and charges

Annual management charge	0.8%
Total expense ratio	0.97%

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 Phoenix Fund	2.2%		
1 month £ Libor +2% p.a.	0.7%	ARC Balanced Asset (est)	2.7%
FTSE W World	7.7%	ML £ Non-Gilt Index £	2.4%
		IMA Mixed 20-60% Shs	2.8%
		FTSE All Share	8.4%

Significant transactions

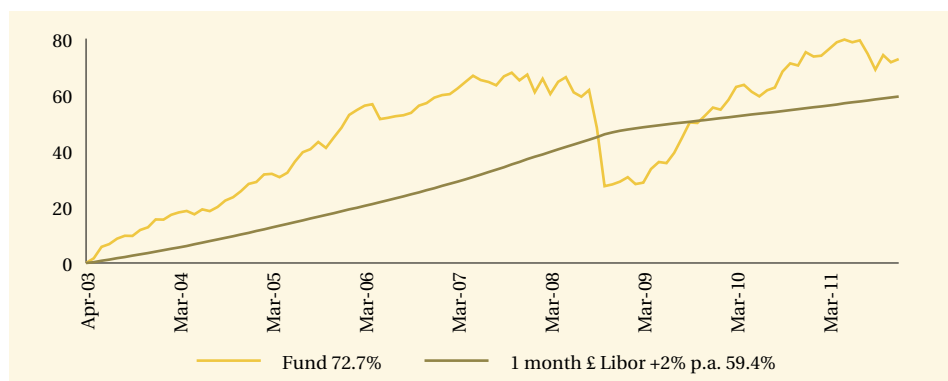
Acquisitions
ETFs Physical Gold 0% Secured Note (USD)
Severn Trent Water Utils PLC 6% 22/01/18
UK Treasury Gilt 1.125% Idx-Linked 22/11/37
JPMorgan Structured Products 15/01/18
F&C Commercial Property Trust Ltd

Disposals
RBS Grp PLC 7.5% Bds 29/4/2024
Societe Generale FTSE Auto-Call 22/03/17
UBS FTSE & S&P Autocall 1/6/17
DNB ASA
Sprint Nextel Corp.

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	-	-	11.0	15.6	7.2	5.2	-22.8	20.5	12.7	-1.4
1 month £ Libor +2% p.a.	-	-	6.5	6.9	7.0	8.1	7.4	2.8	2.5	2.7

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	5.2	-22.8	20.5	12.7	-1.4

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

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. The value of bonds is affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. There are additional risks associated with specific alternative investments that the fund may hold such as private equity, hedge funds and commodities.

NEWTON
The Power of Ideas

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

Newton Investment Management Limited

London

160 Queen Victoria Street, London
EC4V 4LA

Edinburgh

2 Festival Square, Edinburgh EH3 9SU

Leeds

1 Whitehall Riverside, Leeds LS1 4BN

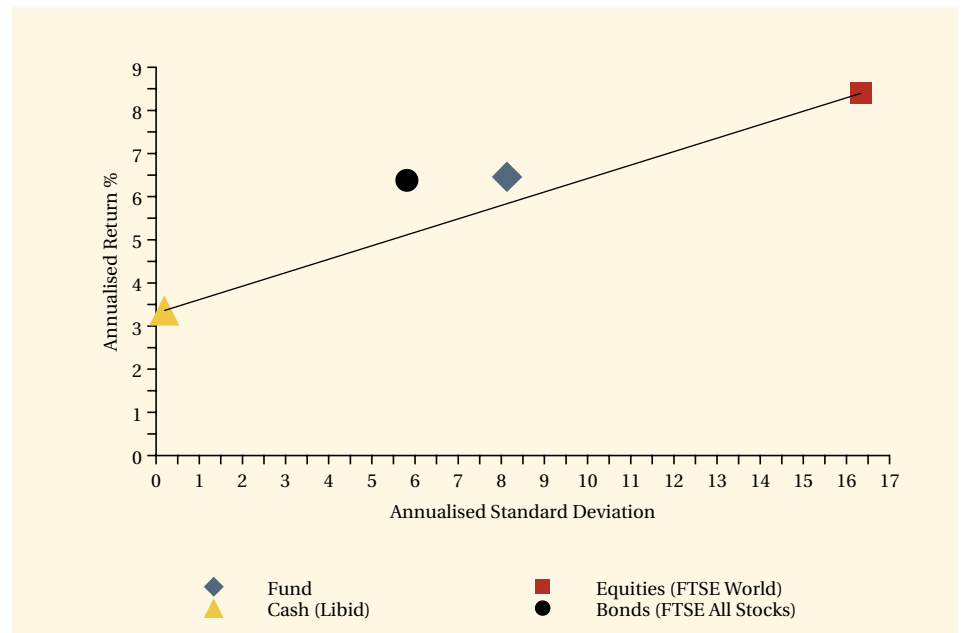
0800 917 6594

privateclients@newton.co.uk

www.newton.co.uk

Long-term performance - risk and reward

Fund return and volatility since launch

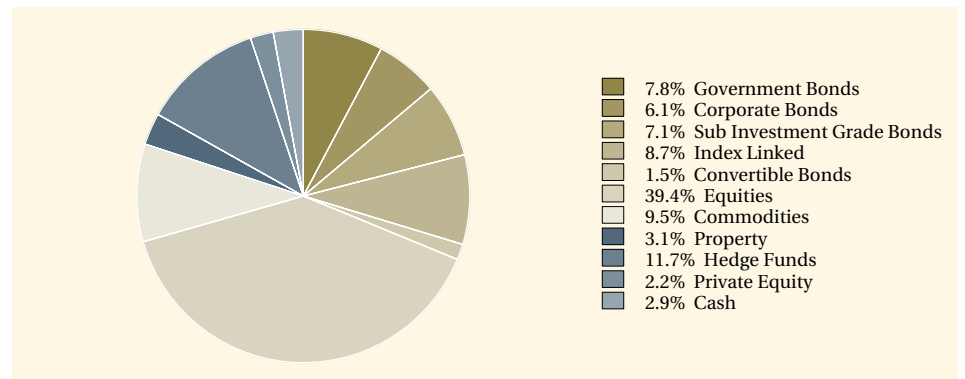


This chart shows both return and volatility. The Newton Phoenix Fund has provided an annualised return of 6.5% since relaunch with lower volatility compared to equities. The relaunch date of the fund was 11 April 2003.

Performance sourced from: Lipper, Bloomberg & Datastream, as at 31 December 2011. 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 31 December 2011.