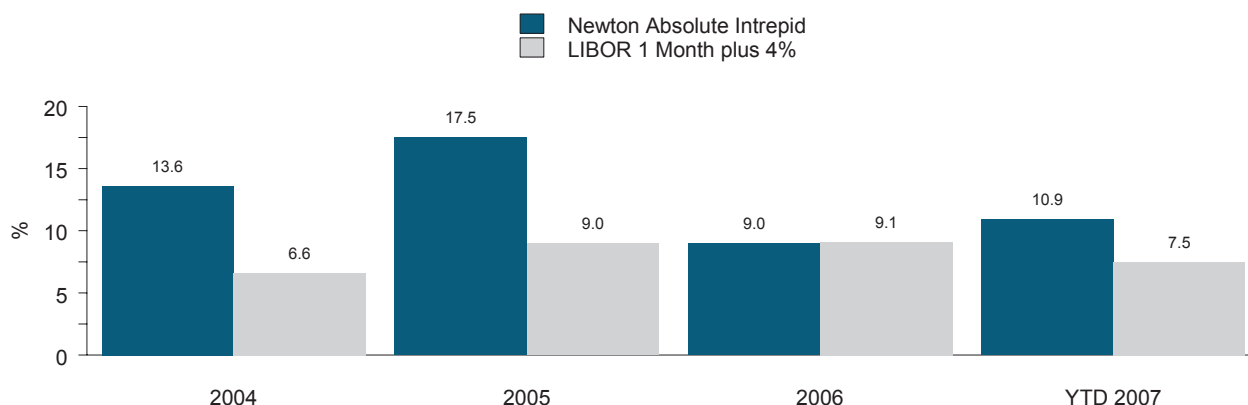


Objective

The objective of the Sub-Fund is to achieve significant real rates of return in sterling terms predominantly from a portfolio of UK and international securities. The Sub-Fund may also invest in deposits, money market instruments, derivative instruments, forward transactions and collective investment schemes.

Performance



	Latest Quarter (%)	Since Re-Launch 31 March 2004 (%)
Fund Return (after fees)	3.3	56.0
Fund Return (before fees)	3.6	61.5
Benchmark Return	2.6	36.2

Source: Lipper, as at 30 September 2007, total return, bid to bid, net 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	30/09/02	30/09/03	30/09/04	30/09/05	30/09/06
To	30/09/03	30/09/04	30/09/05	30/09/06	30/09/07
Newton Absolute Intrepid	19.9%*	14.0%*	24.2%	5.1%	15.0%

Source: Lipper, as at 30 September 2007, total return, bid to bid, net income reinvested, without initial charges, net of management fees. Lipper fund returns are based on midday prices.

*The Absolute Intrepid Fund was restyled in March 2004 to pursue the above objective. Performance prior to this restyle should not be seen as indicative of future performance.

Risk Factors

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.

Investment Themes

The identification of global themes is a key component of our investment philosophy. Individual economies, industries or companies should not be analysed in isolation. Only by understanding events, trends and competitive pressures worldwide can investment prospects be properly evaluated. We have approximately a dozen investment themes, some of which have changed little over the past few years whilst others are fairly recent additions. A number of these themes are illustrated below with examples of individual holdings.

Population Dynamics

A nation's demographic profile has profound implications for its ongoing economic development influencing its patterns of growth, consumption and savings, fiscal policy, healthcare regimes and competitive advantage. Industrialised economies have broadly ageing populations while some developing economies have significantly different profiles.

Beneficiaries: Lilly (Eli), GlaxoSmithKline, Novartis, Prudential, Smith & Nephew, Medtronic

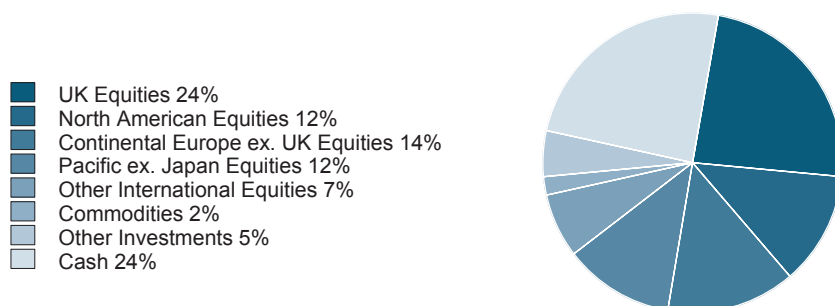
Global Realignment

Stronger growth and increasing economic influence of the developing world is challenging the western industrialised nations' domination in terms of wealth, consumption of both natural resources and finished goods and market capitalisation of global stock markets. Some realignment over time is inevitable reflecting the developing world's accumulation of foreign exchange reserves and trade surpluses.

Beneficiaries: CVRD, Taiwan Mobile, Millicom, Gold Fields

Asset Allocation

Breakdown as % of total market value



Source: Newton. All data as at 30 September 2007
Figures are approximate and subject to rounding differences

Significant Transactions

Acquisitions

Gold Fields Ltd
A P Moller-Maersk A/S
Cisco Systems Inc
Tele Norte Leste Participacoes
Telstra Corp Ltd

Disposals

National Grid PLC
MacQuarie Korea Infrastructure
KT&G Corp
Total SA
MobileOne Ltd

Dividend Yield: 3.1% as at 30 September 2007

| Last Distribution: 3.6451p per unit on 28 September 2007

Fund Size (millions): GBP 324 as at 30 September 2007

| Currency: GBP

Issued by Newton Investment Management Limited. The Absolute Intrepid Fund is a sub fund of the Mellon Investment Funds ICVC operated by Mellon Fund Managers Limited. Newton Investment Management Limited and Mellon Fund Managers Limited are authorised and regulated by the Financial Services Authority and are members of the IMA.
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