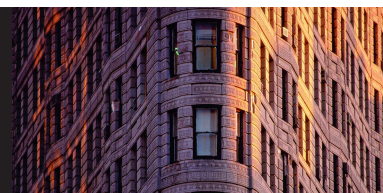


# Newton Offshore Strategy Fund Global Balanced

Second quarter 2009



## Fund information

### Aim

To achieve a balanced return from income and capital growth with a portfolio of global securities predominantly invested in equities, bonds and cash. Derivatives may be used to reduce the overall volatility.

### Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	70% FTSE W World, 25% Citigroup (SSB) WGBI, 5% Cash (UK Interbank 1 Month Deposit Rate)
Fund launch date	08 February 2001
Fund domicile	Jersey
Pay dates	28 Feb, 31 Aug
ISIN	GB0009461590
SEDOL	0946159

### Fund data

Fund size (millions)	GBP 6
Volatility	13.2
Dividend yield	2.5%
Sharpe ratio	-0.2
Information ratio	0.1

### Fees and charges

Annual management charge	1.0%
Total expense ratio	1.16%

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

<b>NOSF Global Balanced</b>	<b>-1.1%</b>			
Benchmark	1.9%	ARC Steady Growth (est)	5.8%	
FTSE W World	6.3%	Citigroup WGBI	-0.5%	Libid 1 month 0.2%

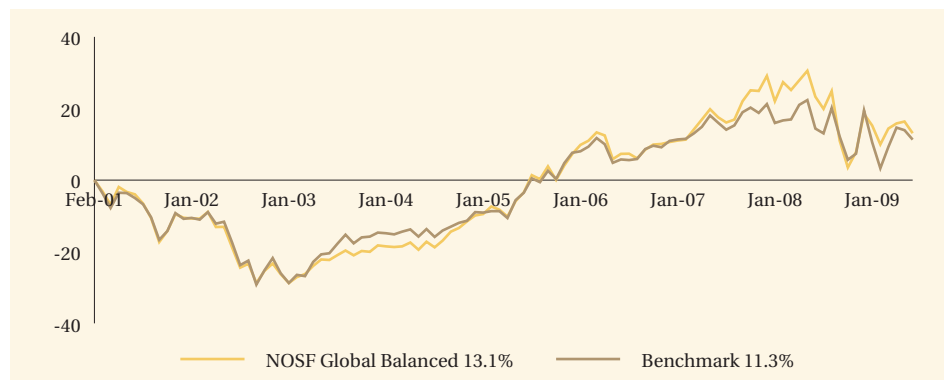
### Significant transactions

Acquisitions	Disposals
Germany (Fed Rep) 4.75% Bds 4/7/34	HSBC Fin.Corp-FRN 16/02/11 JPY '2BR'
Jardine Matheson Holdings Ltd	USA Treasury Notes 3.875% 15/2/13
Time Warner Cable Inc.	DBS Group Holdings Ltd
Millicom Intl Cellular-10% Bds 01/12/13	Canadian Pacific Railway Ltd
Syngenta AG	European Inv Bk 5.375% Bds 15/10/12

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
NOSF Global Balanced	-	-	-17.7	11.0	10.2	19.0	3.2	16.7	-8.2	-4.5
Benchmark	-	-	-17.0	15.3	6.7	18.2	3.0	9.3	-1.5	-6.8

### 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
NOSF Global Balanced	16.6%	11.2%	9.5%	5.0%	-8.3%

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

Novartis, British American Tobacco, Standard Chartered, Nestle

## More Government

### Factors

The financial crisis and the recession that has followed in its wake have sharply reversed the trend of reducing the role of the state in the economy, especially in the developed world. With bigger government comes more regulation, higher taxes and the prospect, ultimately, of slower growth and higher economic volatility; local interests will take priority over global.

### Investments

No commercial banks or property in the USA, UK or Continental Europe, Barrick, Minas Buenaventura, Newcrest (gold)

## Newton

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### London

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EC4V 4LA

### Edinburgh

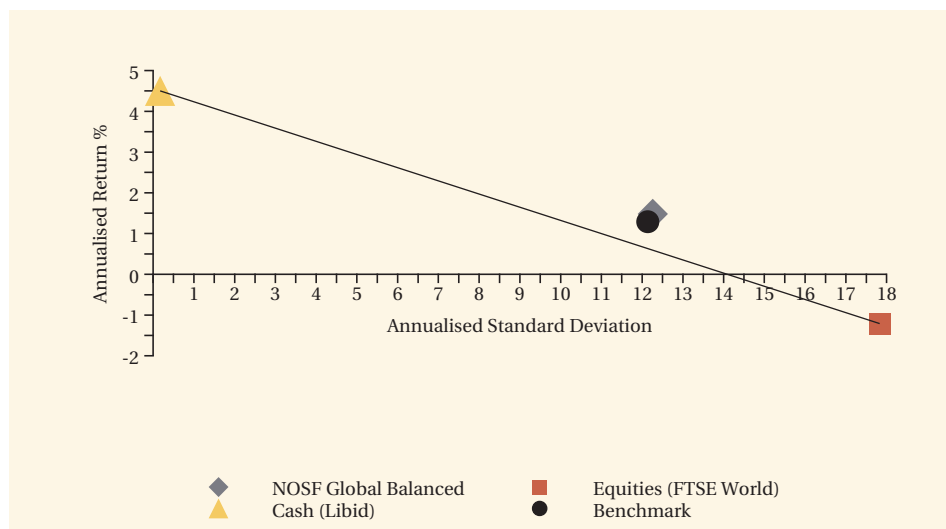
2 Festival Square, Edinburgh EH3 9SU

### Leeds

1 Whitehall Riverside, Leeds LS1 4BN

## Long-term performance - risk and reward

### Fund return and volatility since launch

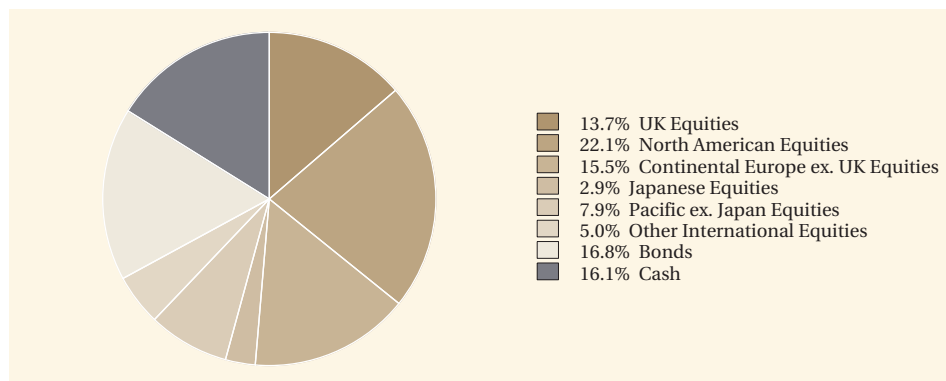


This chart shows both return and volatility. The NOSF Global Balanced Fund has given a higher return than the benchmark with similar volatility. The launch date of the fund was 8 February 2001.

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

## Fund analysis

### Breakdown as % of total market value



Source: Newton as at 30 June 2009.