

# Press Release



BNY MELLON  
ASSET MANAGEMENT

Contact: Jamie Brookes  
+44 (0) 20 7163 2146  
jamie.brookes@bnymellon.com

Karolina Adamkiewicz / Lauren Stewart  
+44 (0) 20 7786 4817 / 4835  
newton@penrose.co.uk

## **Newton Unveils Four New Investment Themes** *Credit crisis marked turning point for global change*

LONDON, 28 July, 2008 – Newton Investment Management has unveiled four new themes set to drive future trends and subsequent stock selection.

Newton uses a dynamic framework of long-term themes to help develop an understanding of how the world is changing and where investment opportunities are likely to appear. The company believes the credit crisis marked an important turning point for financial institutions, companies and investors globally, with the four new investment themes being: ***'All Change', 'Uneconomic Growth', 'More Government' and 'Construction and Reconstruction'***.

Iain Stewart, a Director of Investment at Newton and the driver of the Newton thematic investment process created over 20 years ago, said: "As the credit crisis has well and truly hit, our attention has turned to the long-term implications of the crisis for investors. Our ***all change*** theme forces us to think about a world in which credit is no longer cheap and abundant. That this also appears to be the case for both food and energy makes the transition all the more profound.

"Against this backdrop of tighter credit conditions, we have favoured stable growth businesses which are capable of generating cash throughout an economic cycle. We have been avoiding companies which have relied upon the unsustainable growth of cheap credit such as many western banks, investment banks and real estate businesses."

The ***uneconomic growth*** theme relates to how global economic activity and inflation measures are distorted by currency pegs, price controls and subsidies. Newton believes some supply chain arrangements, such as outsourcing to China, could come under pressure. This could favour local manufacturers that operate closer to the consumer.

The ***construction and reconstruction*** theme highlights the 'megatrend' in global infrastructure. While spending on global infrastructure including transport, telecoms and utilities has grown rapidly over the past few years, Newton believes infrastructure spending in less-developed economies continues to be a solid growth area in a world experiencing a cyclical slowdown.

All information source BNY Mellon Asset Management International Limited as at 30 June 2008. This press release is issued by BNY Mellon Asset Management International Limited to members of the financial press and media and the information contained herein should not be construed as investment advice. Not available or offered to U.S. investors. Past performance is not a guide to future performance. Registered office: The Bank of New York Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA. Registered in England no. 1118580. Authorised and regulated by the Financial Services Authority  
A Bank of New York Mellon Company<sup>SM</sup>

**NEWTON**  
The Power of Ideas

The ***more government*** theme is based on the premise that the recent financial crisis will lead to more government intervention. Newton believes this form of managed capitalism will have a detrimental effect on global trade and corporate profits. Domestic based 'consumer champions', along with companies operating in the security, surveillance, aerospace and defence sectors are expected to benefit.

Two of Newton's themes 'debt and credit' and 'becalmed' which contributed to successful performance during the credit crisis of 2007, have been removed and updated with the four new themes.

– ends–

**Notes to Editors:**

**Newton Investment Management Limited** is a London-based global asset management subsidiary of The Bank of New York Mellon Corporation and part of BNY Mellon Asset Management. With assets under management of more than £37 billion, the company provides a broad range of award-winning investment products and services to individuals, pension funds, charities and corporations. News and other information about Newton is available at [www.newton.co.uk](http://www.newton.co.uk).

**The Bank of New York Mellon Corporation** is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has \$23 trillion in assets under custody and administration, more than \$1.1 trillion in assets under management and services more than \$11 trillion in outstanding debt. Additional information is available at [www.bnymellon.com](http://www.bnymellon.com).