

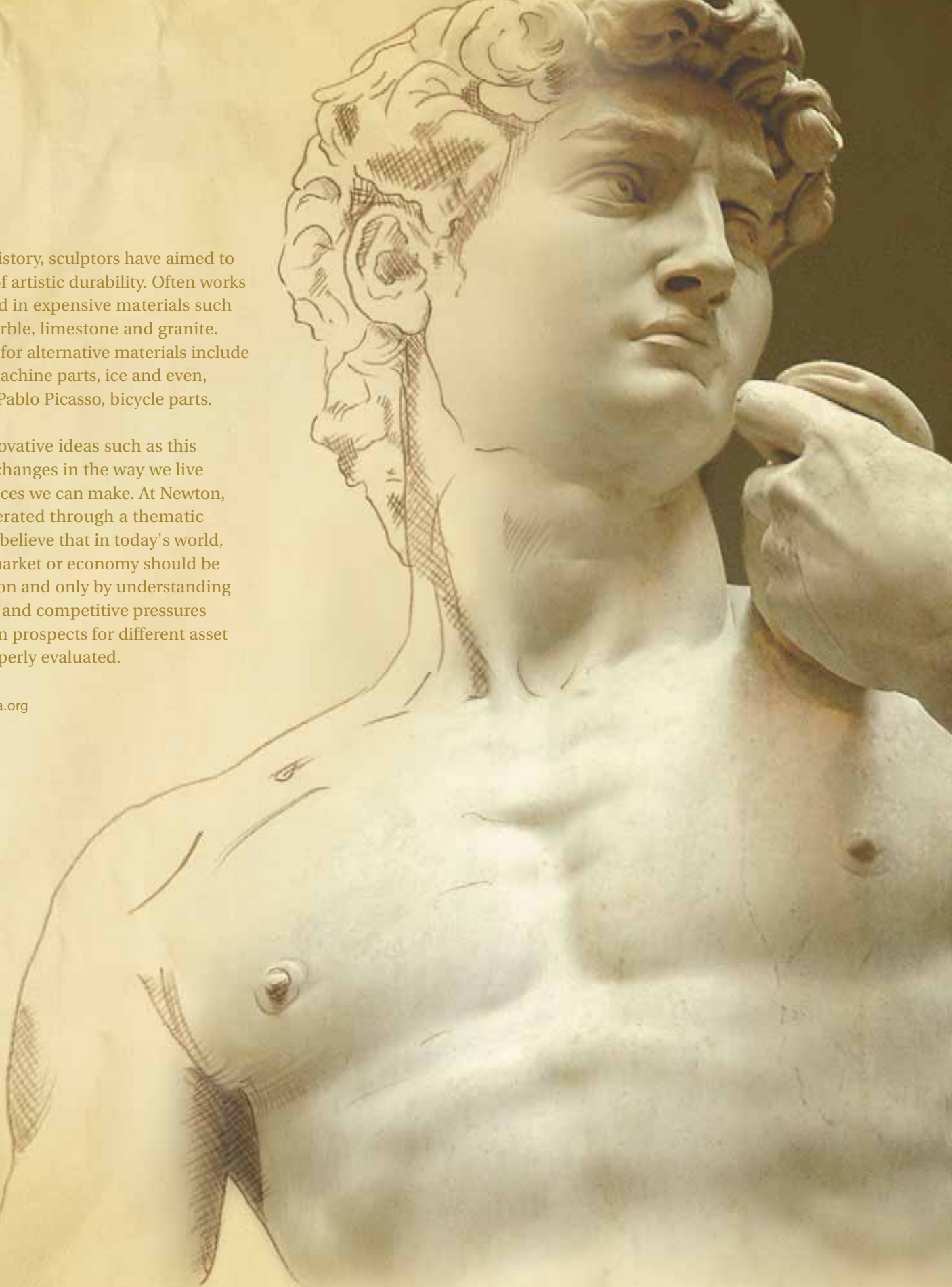
# Private Investment Management Services

## David

Throughout history, sculptors have aimed to create works of artistic durability. Often works were produced in expensive materials such as bronze, marble, limestone and granite. Modern ideas for alternative materials include metal tools, machine parts, ice and even, in the case of Pablo Picasso, bicycle parts.

Exploring innovative ideas such as this drives major changes in the way we live and the advances we can make. At Newton, ideas are generated through a thematic approach. We believe that in today's world, no industry, market or economy should be seen in isolation and only by understanding events, trends and competitive pressures worldwide, can prospects for different asset classes be properly evaluated.

Source: wikipedia.org



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*We have a single aim at Newton:  
to increase the real wealth of all our clients.*

# About Newton

Newton has a single aim: to increase the real wealth of all of its clients. Our sole business is discretionary investment management. This means our focus is to deliver investment performance by managing your money to achieve the best return according to your investment objectives and expectations.

## The right credentials to deliver strong investment returns

Founded in 1978, Newton manages assets on behalf of private investors, charities, trusts, pension funds and institutions.

Newton was a pioneer of thematic investing and this has been fundamental in delivering consistently strong performance in both rising and falling markets. Thematic investing identifies themes and trends that are influencing, or likely to influence, economies or stock markets across the globe.

It is not an approach that can be achieved by individuals. The collegiate culture at Newton encourages individual thinking and this ideas-based approach is crucial in identifying the companies that offer the very best prospects for growth.

The success of our investment approach has been recognised with a number of investment awards in recent years\*.

## Investment autonomy

Newton is part of BNY Mellon Asset Management, which incorporates a number of specialist asset managers that each have autonomous investment processes and philosophies. This unique model enables Newton to focus entirely on managing investments and providing investment excellence.

BNY Mellon Asset Management is the global asset management arm of The Bank of New York Mellon, one of the world's major financial services groups with operations in 37 countries serving more than 100 markets. The Bank of New York Mellon was established in 2007 from the merger of Mellon Financial Corporation and The Bank of New York Company Inc.

\* Awards include Private Asset Manager Award 2006 and UK Pensions Award – Multi Asset Manager 2006.

# Our clients

Newton has gained a reputation for combining consistently strong investment performance with an excellent level of personal service.

Investments entrusted to our private investment management division come from a variety of clients.

## Private individuals and trusts – UK and international

By liaising closely with private individuals, professional advisors and trustees, we provide tailored investment solutions. Our dedicated fund managers provide real investment insight into opportunities for private individuals and enhance performance using Newton's robust investment management process.

We offer a discretionary portfolio management service using direct investments and a range of internal and external pooled funds.

Our fund managers have wide experience in dealing with investment issues for international clients and are aware of tax and other issues relating to offshore investors. Assets can be managed by our Jersey-based company with custody offshore. In addition to managing direct investments, we have a range of Jersey-based, distributor-status funds.

Portfolios can be managed in a number of currencies and investments can be received in the form of cash or existing share portfolios.

## Pension schemes

Personal pensions and company pension schemes have varying requirements. We have fund managers who specialise in managing investments for all types of pension schemes, based around our proven and successful investment process. With regulatory changes and a growing range of investment choices, pensions investment is becoming increasingly complex. Not only does our pensions team have a strong investment record, they are also experienced in dealing with pension fund issues such as asset allocation and income drawdown. To view our latest and past performance data, please go to [www.newton.co.uk/pim](http://www.newton.co.uk/pim).

## Charities

We recognise and understand that the trustees of charities have the demanding task of determining policy, monitoring performance and ensuring that a prudent approach to investment is adopted. We aim to make it as easy as possible for trustees to fulfil these responsibilities. Our specialist charity fund managers have a thorough understanding of the investment powers and restrictions that may apply to charities. We can help with the definition of policy and the choice and application of an appropriate benchmark for performance monitoring. We can also provide advice regarding ethical or other portfolio screening.

# Our investment process

Newton's global thematic investing approach involves identifying long-term themes and trends that are likely to influence economies or stock markets across the world from which wealth can be created or augmented. We believe that only by understanding trends, events and competitor pressures worldwide can prospects for shares, bonds and other asset classes be properly evaluated.

Newton's investment process comprises three stages:

## Identify global themes and the economic backdrop

Newton's strategy groups identify global themes and distil Newton's view of the economic backdrop. Many of the themes identified (for example, the impact of the growth of developing countries on the world economy) are long-term in nature and align our thinking with the investment timescales of the majority of our clients.

## Research

Newton's research effort is key to exploiting the work of the strategy groups. We employ experienced, career analysts who undertake cross-border comparisons between different companies in similar industries.

Our analysts focus on finding those companies that are most likely to benefit from the themes identified. They then focus on extensive and rigorous analysis. Attractively priced companies that offer a sustainable competitive advantage in their global sectors are sought for our clients' portfolios.

## Portfolio construction

The final stage of the process is for fund managers to construct individual portfolios combining the output of the strategic and analytical work with their knowledge of the objectives and risk profile of each client. Portfolios are then actively managed to ensure that they continually capitalise on changing opportunities.

We believe that assessing and considering risk is an implicit and integral part of the roles of analysts and fund managers alike. Our portfolio analysis team works with our fund managers to enable them to quantify and be aware of risks within portfolios.

Our clients' portfolios are reviewed regularly to ensure consistency relative both to clients' mandates and our investment strategies. This robust process aims to ensure that intended risks are taken whilst unintended risks are avoided, contributing to Newton's ability to outperform.

# Tailored investment strategies

As the financial world becomes increasingly complicated, investors are often faced with a bewildering choice of investment opportunities; not just quoted shares but private equity, gold, commodities, bonds of many varieties and an ever-expanding range of hedge funds. With so much choice, our experienced fund managers can assist you with the formulation of clear and understandable investment strategies.

Once your objectives, risk profile and tax position have been ascertained, we can tailor appropriate portfolios blending a wide variety of investment instruments.

Whilst traditional equity portfolios should continue to provide the best long-term returns, we are always mindful of your attitude to risk. For investors who are unwilling to bear a high level of volatility, we have the skills to construct highly diversified portfolios using a wide range of asset classes. Amongst others, these include equities, commodities, private equity, property and funds-of-hedge-funds.

Our traditional direct equity and fixed income portfolios have shown consistent strong performance against benchmarks over the long term. To view the latest and past performance data, please go to [www.newton.co.uk](http://www.newton.co.uk). We may use pooled vehicles within portfolios to gain exposure to markets or sectors where we require a wider spread of assets than can be achieved by direct equity holdings, either through lot size or liquidity.

We also offer our clients access to a range of onshore and offshore funds that are specifically managed by our fund managers. Where appropriate, we will use external investment managers' funds.

# Our relationship with you

Whilst investment performance is paramount, we have also earned a reputation for providing a first-class level of service to our clients. From the outset of any relationship, we would look to develop an in-depth understanding of your needs. These objectives are assessed continually to ascertain whether there have been any material changes in circumstances that demand an adjustment to the investment policy. Our goal is to build and maintain a long-term relationship with you and your other financial advisers.

## Fund manager location

We believe that the initial and ongoing dialogue between you, your financial advisers and our fund managers is the key to a long-term, successful relationship. You may choose to have your investments managed from our offices in London, Leeds, Edinburgh or Jersey (with investment powers delegated to London).

## Fund manager relationship

All of our clients will be allocated a lead fund manager, an alternate fund manager and a named administrator throughout any relationship. Our fund managers are responsible for the excellent level of personal service afforded to our clients and also for the investment decisions within portfolios. This sets us apart from our competitors. We use model portfolios as the basis for clients' portfolios to provide for consistency and risk control, although, unlike many investment houses, we then construct portfolios on an individual basis. By adopting this approach, we believe that we have the flexibility to adapt portfolios to meet your changing needs in the future.

The management of our clients' portfolios is not a static process. Portfolios are reviewed continually to ensure that they are meeting the set investment objectives.

## Comprehensive administration

Our clients' investments are held securely in the name of an independent and highly rated nominee company, the sole function of which is to act as a safe custodian for assets. We undertake all administration for our clients, from the collection of dividends to the management of uninvested cash.

## Efficient reporting

In addition to sending contract notes when we make sales or purchases, we provide regular reports setting out developments in the period under review. These highly detailed reports consist of a portfolio valuation, accompanying statements, an analysis of performance against the agreed benchmark and a market commentary. Regular face-to-face meetings are also an essential element of our client reporting service.

## Tax efficiency

We will provide you and your financial advisers with a comprehensive range of documents for the efficient handling of tax matters, including a capital gains tax report and a consolidated income tax certificate for the financial year. We will ensure that your individual circumstances are fully understood so that funds are managed in the most tax-efficient manner. We will also seek to use the capital gains tax free allowance every year for UK clients, if required.

## Fees

We believe that the clarity of charging structure is of great importance. Our clean fees include full discretionary fund management, all administration and safe custody. There are no hidden charges.

# Contact us

The aim of this brochure has been to give you an introduction to Newton and the investment services provided to investors.

The insight into our investment approach is intended to demonstrate that Newton's research culture is truly distinctive, fostering an environment where creative thought and open communication uncover powerful investment ideas.

Our investment approach involves teamwork, diligent research and calm judgement. We have a first-class performance record and a total commitment to increasing the wealth of all our clients. More performance information may be found on our website [www.newton.co.uk/pim](http://www.newton.co.uk/pim).

This, combined with a dedication to providing a first-class service, is why Newton is entrusted with the management of a diverse range of global assets for clients.

If you would like to receive further information on our range of investment services, or arrange a meeting to discuss your investment requirements, please call us on 0800 917 6594.

We would be pleased to arrange a meeting at our offices in London, Edinburgh or Leeds or at a mutually convenient alternative location.

## **Important information**

This is a financial promotion and is not intended as investment advice. Past performance is not a guide to future performance. The value of investments, and income from them, is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment, you may get back less than you originally invested.

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