



About Newton

Founded in 1978

Headquartered in London

Provides a broad range of investment services and products to institutions, private clients and retail clients

£35.3 billion under management*

390 staff*

Subsidiary of the Bank of New York Mellon Corporation

Newton manages investments for a wide range of clients, including institutional pension funds, charities, private clients, trustees and individual pension schemes. Total assets under our management have grown to in excess of £35bn*.

Newton's global, thematic approach to investment has been highly successful for over 30 years. Our long-term investment philosophy and fundamental research have proved consistently to be key elements in overcoming the short-term uncertainties that challenge investors. As well as delivering strong risk-adjusted returns, our approach has involved a transparency that is essential in the building of long-standing relationships with our clients.

The key benefit of our approach is that it allows us to gain long-term perspective on global financial markets and economies. Perspective is a defining feature of our investment process; it helps us to anticipate how the world will change

and it directs our analysts and investment managers towards profitable investment opportunities across the world. A central tenet of Newton's approach, which dates back to the inception of the firm, has been that 'change leads to opportunity'. The continually evolving nature of our global, thematic approach allows us to understand how the world is changing and to identify areas of opportunity and risk.

Key to preserving perspective is our structure. We employ highly-qualified career analysts, many of whom have direct experience in the global sectors for which they are responsible. Teams of investment managers are organised by mandate and client type. Our analysts and investment managers sit in one location, London, rather than being spread around the world, and this collaborative arrangement affords us tremendous perspective on the investment landscape, strong idea generation and the swift implementation of investment ideas.

We have expertise in a number of disciplines and, over the years, those disciplines themselves have evolved. Our areas of expertise include:

- 1 Multi-asset management of equities, bonds and cash
- 2 Portfolios with absolute-return objectives
- 3 Specialist regional and global equity mandates (both 'benchmark-aware' and unconstrained)
- 4 Specialist regional global bond mandates.

'Traditional' multi-asset investing

Our approach to investing is holistic in the sense that we favour comparing the relative attractiveness of different asset classes in a dispassionate manner that is not always available to the purely specialist manager. It allows us to be fully aware of the risks in portfolios.

Pension funds have tended to move away from awarding investment managers multi-asset briefs in favour of establishing 'multi-specialist' mandates, but we remain convinced that a multi-asset approach to investing has great merit. Our perspective and flexibility make us ideally suited to the management of multi-asset strategies, not least at times of uncertainty in financial markets.

*As at 31.12.08

Absolute-return investing

In the management of multi-asset strategies, we have developed funds with an unconstrained, 'targeted' (cash-plus) orientation. They invest, without limitations, in 'conventional' asset classes (UK and global equities, bonds and cash), but they also use downside protection tools and income-generating derivatives where appropriate to provide strong absolute returns over the long term (with considerably less volatility than is experienced in equity markets).

In employing absolute-return strategies, the constraint of a relative benchmark is removed and we take a more opportunistic approach to achieving the performance target than is the case with 'traditional' multi-asset strategies.

Regional and global equity investing

The perspective and idea generation implicit in our approach is highly beneficial to the management of both specialist funds and multi-asset funds. Our thematic perspective identifies 'winning' companies, and we manage a wide range of equity funds in the UK and overseas whose strong performance records have been achieved as a result of both that perspective and our fundamental research.

In addition to 'benchmark-aware' UK and global equity portfolios, Newton manages 'unconstrained' UK and global equity strategies which are constructed irrespective of index (benchmark composition) with the intention of generating strong absolute returns.

UK and global bond investing

We employ our global, thematic approach to bond investment in the same way as to equity investment, with each position in our portfolios being thematically driven. This approach is different from that adopted by many investors (who view bonds and currencies merely as a function of economics).

Our thematic approach to investing helps us to obtain perspective on bond markets and to focus on important trends, rather than on the short-term price variations that occur in markets. In addition to Newton's global fixed-income funds, we offer a number of innovative strategies that invest wherever attractive opportunities arise in bond markets.

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