

# Press Release



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## **Newton Performance Proves Perspective is Key**

### ***Global Themes Help Drive Outperformance in Excess of 1100 Basis Points On Global Equity Composites***

NEW YORK, January 22, 2008 – Continued commitment to its thematic investment approach has enabled Newton, an investment management boutique of The Bank of New York Mellon, to produce strong relative returns for investors during a turbulent 2007.

The year 2007 was characterized by sharply higher volatility in financial markets than investors have been accustomed to in recent years. Disruption in credit and money markets, as well as concerns about the ramifications of such disruption for the global economy, have had profound implications for global asset prices. Newton's thematic investment approach has been key to the retention of focus in volatile markets.

Jeff Munroe, chief investment officer at Newton, comments, "At Newton we use long-term themes to help develop our understanding of how the world is changing and where investment opportunities are likely to appear. Our *debt and credit* theme led us to be interested in banking opportunities in the developing world versus more consumer indebted areas in the developed world. Our *becalmed* theme was built on the behaviour of borrowers believing that the economic cycle ceased to exist, encouraging excessive risk taking. These two key themes led us to hold underweight positions in the banking sector, with little exposure to UK banks and no US exposure. In addition we held underweight positions in discretionary consumer sectors, real estate and other credit-related areas."

Helena Morrissey, Newton's chief executive officer, added, "The year 2007 turned out to be one of our best ever performance years. Most significantly, the validity of our fundamental and transparent thematic investment process, and its relevance to wide ranging mandate types, has been reinforced by last summer's events. Across one, three and five years the bulk of our investment strategies have outperformed their benchmarks."

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## Annualized performance to December 31 2007

<b>Newton EAFE plus strategy</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>	<b>10 Years (%)</b>
Newton (gross of fees)	18.7	19.1	25.1	13.1
Newton (net of fees)	17.8	18.2	24.1	12.2
Benchmark (MSCI EAFE NDR Index)	11.2	16.8	21.6	8.7
<b>Newton global equity strategy</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>	<b>10 Years (%)</b>
Newton (gross of fees)	20.3	18.2	22.1	11.5
Newton (net of fees)	19.7	17.6	21.4	10.9
Benchmark (MSCI World NDR Index)	9.0	12.7	17.0	7.0
<b>Newton global opportunities strategy</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>Since Inception (%)</b>	
Newton (gross of fees)	26.9	23.9	28.8	
Newton (net of fees)	26.1	23.1	28.0	
MSCI AC World NDR Index	11.7	14.4	17.3	
<b>Newton global bond strategy</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>	<b>10 Years (%)</b>
Newton (gross of fees)	11.3	4.8	9.5	8.8
Newton (net of fees)	10.2	3.8	8.4	7.7
Benchmark (JPM Global Government Bond Index)	10.8	3.1	6.7	6.3

Please see important information below

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### Notes to Editors:

**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 more than \$20 trillion in assets under custody and administration, more than \$1.1 trillion in assets under management and services \$11 trillion in outstanding debt. Additional information is available at [bnymellon.com](http://bnymellon.com).

“Newton” refers to the following group of affiliated companies: Newton Investment Management Limited, Newton Capital Management Limited, Newton International Investment Management Limited, Newton Capital Management LLC and Newton Fund Managers (CI) Limited. Assets under management include assets managed by all of these companies except Newton Capital Management LLC, which provides marketing services in the U.S. for Newton Capital Management Limited. Except for Newton Capital Management LLC and Newton Capital Management Limited, none of the other Newton companies offer services in the U.S.. Newton Capital Management Limited is an investment management firm, authorized and regulated in the UK by the Financial Services Authority in the conduct of investment business and is a wholly owned subsidiary of The Bank of New York Mellon Corporation. Registered in England no. 2675952.

Newton has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). For each of the years from 1996 to 2005, Newton has been verified by an independent verifier. Copies of the verification reports are available upon request. Additional information regarding the firm’s policies and procedures for calculating and reporting performance results and a complete list and description of Composites is also available by contacting Ciarán Spillane (516) 338 3521. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Non-fee-paying accounts are not included in this Composite. Capital gains, dividend and interest received may be subject to withholding tax imposed by the country of origin and such taxes may not be recoverable.

This is a financial promotion and not intended as investment advice.

The U.S. Dollar is the currency used to express performance. Returns include the effect of foreign currency exchange rates. Further information regarding the exchange rates used is available upon request. Returns are presented gross and net of management fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. All indices are calculated gross of withholding taxes.

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Past performance is not indicative of future results.

### Newton international equities (EAFE plus) strategy

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results		
		U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite	MSCI EASE	Composite Dispersion
2006	69,694	439	Less than 1%	Five or fewer	23.6%	26.9%	N.A.
2005	49,370	116	Less than 1%	Five or fewer	15.2%	14.0%	N.A.
2004	41,737	100	Less than 1%	Five or fewer	25.8%	20.7%	N.A.
2003	37,824	108	Less than 1%	Five or fewer	44.0%	39.2%	N.A.
2002	30,039	62	Less than 1%	Five or fewer	(14.3%)	(15.7%)	N.A.
2001	30,993	134	Less than 1%	Five or fewer	(19.4%)	(21.2%)	N.A.
2000	33,101	16	Less than 1%	Five or fewer	(14.2%)	(14.0%)	N.A.
1999	29,662	19	Less than 1%	Five or fewer	50.0%	27.3%	N.A.
1998	21,995	7	Less than 1%	Five or fewer	25.5%	20.3%	N.A.
1997	17,658	<1	Less than 1%	Five or fewer	3.7%	(0.1%)*	N.A.

Newton EAFE (Global Equity ex U.S.) Plus Composite contains fully discretionary segregated portfolios that invest in global equity markets with the exception of North America and for comparison purposes is measured against the MSCI EAFE Index. This Composite comprises portfolios that invest in global equities including emerging markets, which may include stocks that do not form part of the benchmark. The Newton EAFE (Global Equity ex U.S.) Plus Composite was created in Q4 04.

### Newton global bonds strategy

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results		
		U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite	MSCI EASE	Composite Dispersion
2006	69,694	2,679	4%	Five or fewer	6.7%	5.9%	N.A.
2005	49,370	1,567	3%	Five or fewer	-3.0%	-6.5%	N.A.
2004	41,737	842	2%	Five or fewer	14.0%	10.1%	N.A.
2003	37,824	626	2%	Five or fewer	19.9%	14.5%	N.A.
2002	30,039	364	1%	Five or fewer	23.3%	20.1%	N.A.
2001	30,993	188	Less than 1%	Five or fewer	2.4%	(1.4%)	N.A.
2000	33,101	124	Less than 1%	Five or fewer	7.8%	2.3%	N.A.
1999	29,662	108	Less than 1%	Five or fewer	(9.3%)	(5.1%)	N.A.
1998	21,995	135	Less than 1%	Five or fewer	19.3%	15.3%	N.A.
1997	17,658	63	Less than 1%	Five or fewer	7.6%	1.4%	N.A.

Newton Global Bond Unhedged Composite contains fully discretionary portfolios which invest in international Government debt and for comparison purposes is measured against the JP Morgan Global Government Bond Index. The Newton Global Unhedged Composite was created Q3 03.

### Newton global equity strategy

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results		
		U.S. Dollars (millions)	% of Firm Assets	Year End	Composite	U.S. Dollars (millions)	% of Firm Assets
2006	69,694	5,535	8%	20.9%	23.6%	20.6%	1.4%
2005	49,370	2,700	5%	13.6%	15.2%	10.0%	N.A.
2004	41,737	1,936	5%	18.9%	25.8%	15.3%	N.A.
2003	37,824	131	Less than 1%	37.9%	44.0%	33.8%	N.A.
2002	30,039	84	Less than 1%	(19.5%)	(14.3%)	(19.5%)	N.A.

2001	30,993	81	Less than 1%	(13.9%)	(19.4%)	(16.5%)	N.A.
2000	33,101	90	Less than 1%	(8.2%)	(14.2%)	(12.9%)	N.A.
1999	29,662	103	Less than 1%	35.2%	50.0%	25.3%	N.A.
1998	21,995	76	Less than 1%	27.4%	25.5%	24.8%	N.A.
1997	17,658	96	Less than 1%	21.1%	3.7%	16.2%	N.A.

Newton Global Equity Institutional Composite contains fully discretionary equity portfolios that invest in global equities including emerging markets, which may include stocks that do not form part of the benchmark and for comparison purposes is measured against the FTSE World and MSCI World indices. Carve outs are included in this Composite and performance reflects registered total segment plus cash using a predetermined cash allocation percentage. The Newton Global Equity institutional Composite was created in Q3 00.

### Newton global opportunities strategy

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results		
		U.S. Dollars (millions)	% of Firm Assets	Year End	Composite	U.S. Dollars (millions)	% of Firm Assets
2006	69,694	2,251	3%	Five or fewer	26.9%	22.2%	N.A.
2005	49,370	128	Less than 1%	Five or fewer	18.1%	11.7%	N.A.
2004	41,737	8	Less than 1%	Five or fewer	19.6%*	12.3%*	N.A.

\*part period returns

Newton Global Opportunities Composite contains fully discretionary portfolios that invest in global equity markets but are not constrained by investment restrictions and for comparison purposes is measured against the FTSE All World Index. This Composite comprises portfolios that invest in global equities including emerging markets, which may include stocks that do not form part of the benchmark. The Newton Global Opportunities Composite was created in Q4 04.