

# Press Release



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

*Global themes help drive outperformance in excess of 1000 basis points on global and 800bps on UK-weighted global equity composites\**

LONDON, 11 January 2008 – Continued commitment to its thematic investment approach has enabled Newton Investment Management to produce strong relative returns for investors during a turbulent 2007. Over 80% of Newton's pooled investment strategies are ahead of their benchmark over the year, including multi-asset, global equity, specialist equity, specialist fixed interest, unconstrained and absolute return mandates\*\*.

2007 was characterised 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:

“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.”

	Percentage of Newton-managed pooled funds ahead of benchmark**
Over one year	81%
Over three years	88%
Over five years	94%

\*\*Source Newton against IMA sectors to 31.12.07. Includes all UK regulated funds available to wholesale investors for which Mellon Fund Managers Limited are the operator and Newton Investment Management Limited are the investment manager. All other information source BNY Mellon Asset Management International Limited as at 30 September 2007 unless otherwise stated. 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. 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  
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**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 £38 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 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 GLOBAL EQUITY MAIN COMPOSITE  
ANNUAL DISCLOSURE PRESENTATION<sup>1</sup>**

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results		
		Sterling (millions)	% of Firm Assets	Number of Accounts	Composite	MSCI World	Composite Dispersion
2007	39,583 <sup>1</sup>	8,420	21%	37	19.34%	7.73%	3.5%
2006	35,610	6,391	18%	27	6.43%	5.84%	3.4%
2005	28,758	3,253	11%	17	26.74%	23.04%	1.8%
2004	21,739	1,337	6%	12	11.65%	7.46%	1.9%
2003	21,129	422	2%	9	26.98%	20.28%	2.4%
2002	18,659	219	1%	7	(27.76)%	(27.27)%	2.0%
2001	21,295	284	1%	6	(14.24)%	(14.32)%	1.8%
2000	22,159	295	1%	6	(5.17)%	(6.04)%	2.7%
1999	18,404	243	1%	6	46.19%	29.39%	6.5%
1998	13,220	148	1%	6	19.25%	23.43%	3.6%
1997	10,732	133	1%	7	25.26%	20.86%	3.0%
1996	10,305	78	Less than 1%	7	8.21%	3.42%	2.7%

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

<sup>1</sup> estimate total firm assets as at 31.12.2007

**Newton Global Equity Main 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. Returns include the effect of foreign currency exchange rates.

Newton has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Newton refers to the list of companies that include Newton Investment Management Limited, Newton Capital Management Limited, Newton International Investment Management Limited and Newton Fund Managers (CI) Limited which are investment management firms authorized in

\*\*Source Newton against IMA sector to 31.12.07. Includes all UK regulated funds for which Mellon Fund Managers Limited are the operator and Newton Investment Management Limited are the investment manager. All information source BNY Mellon Asset Management International Limited as at 30 September 2007 unless otherwise stated. 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. 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  
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the conduct of investment business and are wholly owned subsidiaries of The Bank of New York Mellon Corporation Inc. Newton includes all the assets managed by Newton Investment Management Limited, Newton Capital Management Limited, Newton International Investment Management Limited and Newton Fund Managers (CI) Limited (Newton). Newton maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with Newton. 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. The FTSE and MSCI Index ranges are calculated gross of withholding taxes. Past performance is not indicative of future results.

The Pound Sterling is the currency used to express performance. Further information regarding the exchange rates used is available upon request. Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The fee schedule appropriate for this presentation starts at 0.25% per annum subject to a minimum of £100,000, however, individual fees are negotiated on an account by account basis.

The Newton Global Equity Main Composite was created 3Q00.

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 is available upon request.

### NEWTON INSTITUTIONAL UK ENHANCED GLOBAL EQUITY COMPOSITE ANNUAL DISCLOSURE PRESENTATION<sup>1</sup>

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results		
		Sterling (millions)	% of Firm Assets	Number of Accounts	Composite	Custom Benchmark	Composite Dispersion
2007	39,583 <sup>1</sup>	2,561	6%	18	16.57%	8.52%	1.0%
2006	35,610	3,066	9%	25	11.94%	13.07%	0.8%
2005	28,758	2,442	8%	24	24.14%	24.39%	0.8%
2004	21,739	1,749	8%	21	12.48%	11.84%	1.8%
2003	21,129	1,348	6%	21	25.01%	22.04%	1.7%
2002	18,659	940	5%	18	(23.17)%	(23.06)%	1.1%
2001	21,295	1,179	6%	17	(14.15)%	(14.12)%	1.0%
2000	22,159	1,608	7%	14	(3.69)%	(6.17)%	1.2%
1999	18,404	815	4%	9	38.13%	27.68%	3.3%
1998	13,220	407	3%	Five or fewer	16.79%	16.27%	N.A.
1997	10,732	369	3%	Five or fewer	20.12%	20.17%	N.A.
1996	10,305	241	2%	Five or fewer	11.44%	12.49%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

<sup>1</sup> estimate total firm assets as at 31.12.2007

**Newton Institutional UK Enhanced Global Equity Composite** contains fully discretionary institutional global equity portfolios which have a bias to UK Equities (between 20% to 70)% and for comparison purposes is measured against a custom weighted average (fund weight) of funds' specialist benchmarks. Further information regarding this benchmark is available upon request. Returns include the effect of foreign currency exchange rates.

Newton has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

\*\*Source Newton against IMA sector to 31.12.07. Includes all UK regulated funds for which Mellon Fund Managers Limited are the operator and Newton Investment Management Limited are the investment manager. All information source BNY Mellon Asset Management International Limited as at 30 September 2007 unless otherwise stated. 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. 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  
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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. The custom benchmark is calculated using index returns that are gross of withholding tax. The Newton Institutional UK Enhanced Global Equity Composite comprises portfolios that have a fixed weight global equity benchmark with a UK weight of 40% and above. Past performance is not indicative of future results.

The Pound Sterling is the currency used to express performance. Further information regarding the exchange rates used is available upon request. Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The fee schedule appropriate for this presentation starts at 0.25% per annum subject to a minimum of £100,000, however, individual fees are negotiated on an account by account basis. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year.

The composite description changed during 2006 to include portfolios, which have a bias to UK equities between 20% and 70%. Previously this range was 40% to 70%.

The Newton Institutional UK Enhanced Global Equity Composite was created 3Q03.

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