



BNY MELLON ASSET MANAGEMENT

As at 31 March 2012

Prepared for professional clients only

Investment objective

The objective of the Sub-Fund is to maximise returns by investing predominately in a worldwide portfolio of equities and fixed interest securities. The Sub-Fund may also invest in derivative instruments, forward transactions and collective investment schemes.

Fund aim

To outperform the Balanced Fund Median in the CAPS Pooled Fund Survey by 1-2% p.a. over rolling five year periods.

General information

Fund type	ICVC
Fund domicile	UK
Type of shares / units	Accumulation
Base currency	GBP
Fund manager	Iain Stewart
Alternate	Matthew Brown
Fund size (million)	£ 506.10

Historical fund statistics - 3 years

12 Month turnover	25.98
3 Month turnover	7.95
Annualised Sharpe ratio	1.03
Annualised alpha	-0.54
Annualised information ratio	-0.73
Beta	0.80
Ex ante tracking error	2.50
Ex post tracking error	4.77
Fund volatility	10.52
Index volatility	12.04
Jensen alpha	-0.03
R ²	0.84
Treynor ratio	13.54

Key dates

Fund launch	23/09/1998
Close of financial year	30 June

Dealing and share prices

09:00 to 17:00 each business day
Valuation point: 12:00 London time
Share / unit prices daily at:
www.bnymellon.com/pooledprices or
www.newton.co.uk/pooledprices

Contact us

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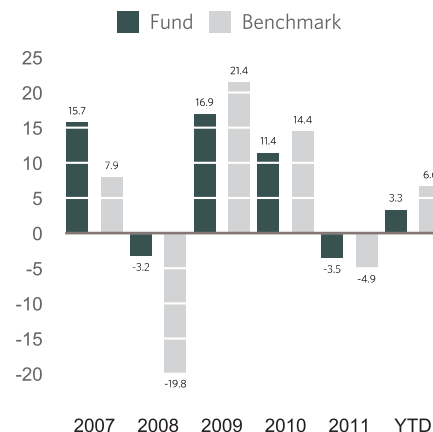
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Newton Global Balanced

CALENDAR PERFORMANCE (%)



PERFORMANCE (%)

Period	Fund	Benchmark	Relative
3 Months to Mar-12	3.3	6.6	-3.3
3 Months to Dec-11	4.2	6.3	-2.1
3 Months to Sep-11	-9.2	-11.9	2.7
3 Months to Jun-11	1.3	1.4	-0.1
12 Months	-1.0	0.8	-1.8
3 Years annualised	11.5	15.3	-3.8
5 Years annualised	7.1	3.8	3.3
10 Years annualised	8.5	6.0	2.5

Source: BNY Mellon Analytical Solutions CAPS where available; Newton where not available. CAPS indices are adjusted for withholding tax. Total return, gross of fees. Close of business pricing. Past performance is not a guide to future performance.

Performance factors

In an environment characterised by rising appetite for risk, we maintained a cautious stance within the equity portfolio and the Fund's underperformance relative to its sector during the quarter largely stemmed from this decision. Consequently, positions such as those held in GlaxoSmithKline, Novartis and Danish telecommunications company TDC, which comprise the core of the Fund's equity holdings, generated disappointing relative returns. This effect was compounded by the strong gains posted in higher beta areas, in particular financials, where the portfolio remains significantly underweight.

At the stock level, Tesco was a specific disappointment. The share price of the supermarket group was affected by the management decision to reinvest margin in order to improve the performance of Tesco's UK business, an action that will inevitably diminish near-term profitability. Gold-related stocks Newmont Mining and Newcrest Mining, held as a hedge against inflation and the ongoing debasement of paper currency, also registered poor returns as enthusiasm for this asset class waned among equity investors.

In contrast, positioning in fixed interest contributed positively. The key factors here included the portfolio's avoidance of Gilts and the preference for high yield corporate bonds, which outperformed government issues due to investors' increased tolerance of risk.

Review of activity

Healthcare remains a favoured sector, given its defensive attributes and close alignment with our themes of 'Population dynamics' and 'Healthy demand'. In this sphere, we established a new holding in Abbott Laboratories, a diversified group that boasts attractive global franchises in pharmaceuticals, medical devices and consumer healthcare. The former division is due to be spun out later in the year, an action which may act as an additional catalyst for share-price performance. Other new positions established during the quarter included Unilever and Accenture. The latter represents an attractive, broad-based means of capturing the secular growth in corporate IT spending.

In fixed interest we adjusted positioning within the portfolio's overseas government bond holdings. Disappointment that the Reserve Bank of Australia decided to maintain existing rate settings, rather than sanction a cut in interest rates, afforded us an opportunity to increase the portfolio's exposure to Australian government bonds. This purchase was largely funded by a reduction in the weighting of Norwegian sovereign bonds, where, in contrast, yields fell sharply at the start of the year. Given the relatively small size of the Norwegian sovereign debt market this was most likely due to technical factors, and presented an attractive opportunity to book some profits.

3 MONTH RELATIVE CONTRIBUTION - TOP FIVE (%)

Stock	Contribution (%)
Royal Dutch Shell PLC	0.23
Mindray Medical Intl Ltd	0.11
DNB ASA	0.11
Medco Health Solutions Inc	0.08
Intermediate Capital Group PLC	0.08

3 MONTH RELATIVE CONTRIBUTION - BOTTOM FIVE (%)

Stock	Contribution (%)
Newmont Mining Corp	-0.28
Tesco PLC	-0.24
GlaxoSmithKline PLC	-0.21
Newcrest Mining Ltd	-0.20
Barrick Gold Corp	-0.19

ATTRIBUTION BY ASSET CLASS (%)

3 Month attribution	Fund weight	B. Mark. weight	Fund return	B. Mark. return	Stock selection	Asset allocation	Net effect
UK Equities	27.47	38.14	2.42	6.10	-0.97	-0.01	-0.98
North American Equities	12.75	13.42	4.30	9.27	-0.60	-0.01	-0.61
Europe ex UK Equities	19.15	11.23	4.94	9.65	-0.78	0.24	-0.54
Japanese Equities	3.77	3.87	3.81	7.88	-0.15	0.00	-0.15
Pacific ex. Japan Equities	3.65	5.11	4.70	9.71	-0.18	-0.06	-0.24
Other International Equities	4.25	6.20	4.74	10.58	-0.27	-0.05	-0.32
UK Government	0.00	3.99	0.00	-1.74	0.00	0.30	0.30
Overseas Government	7.18	4.97	0.16	-3.73	0.28	-0.17	0.11
UK Index Linked	1.36	0.90	-1.33	-1.51	0.00	-0.03	-0.03
Overseas Index Linked	1.20	0.00	-3.16	0.00	-0.04	-0.07	-0.11
UK Corporate	2.32	3.00	4.05	1.59	0.06	0.03	0.09
Overseas Corporate	6.10	0.00	6.16	0.00	0.39	-0.38	0.01
Other Investments	0.00	1.52	0.00	12.79	0.00	-0.10	-0.10
Property	0.00	0.60	0.00	0.91	0.00	0.03	0.03
Cash	6.53	7.04	0.19	0.12	0.00	-0.11	-0.11
Forward FX	0.41	0.00	-	0.00	-0.08	0.01	-0.07
Index Derivative Instruments	0.00	0.00	-	0.00	-0.04	0.00	-0.04
Other/Non Region Specific	1.02	0.00	5.42	0.00	0.05	-0.06	-0.01
Commodities	2.85	0.00	2.97	0.00	0.09	-0.17	-0.08

ATTRIBUTION BY SECTOR (%)

3 Month attribution	Fund weight	B. Mark. weight	Fund return	B. Mark. return	Stock selection	Asset allocation	Net effect
Oil & Gas	12.36	13.64	1.59	1.36	0.03	0.08	0.11
Basic Materials	20.03	9.32	0.44	6.36	-0.86	0.02	-0.84
Industrials	5.80	10.90	12.11	12.35	-0.01	-0.27	-0.27
Consumer Goods	9.23	13.57	5.64	8.84	-0.16	-0.10	-0.26
Health Care	17.18	7.46	3.14	1.05	0.24	-0.22	0.02
Consumer Services	8.46	8.63	-3.42	6.34	-0.53	-0.01	-0.54
Telecommunication	9.35	5.39	1.48	-0.04	0.10	-0.12	-0.02
Utilities	4.84	3.86	5.98	3.35	0.08	0.03	0.11
Financials	7.59	21.44	15.36	14.43	0.04	-0.85	-0.81
Technology	4.11	5.73	9.88	16.25	-0.16	-0.13	-0.29
Unitised / Structured Investments (Equities)	1.05	0.05	6.02	12.30	-0.04	0.04	0.00

ACTIVE POSITIONS - TOP TEN OVERWEIGHT (%)

Stock	Fund	B. mark
Newcrest Mining Ltd	2.40	0.04
Bayer AG	2.45	0.14
GlaxoSmithKline PLC	3.74	1.53
Barrick Gold Corp	1.40	0.04
Roche Hldgs AG	1.61	0.30
SSE PLC	1.57	0.27
Altria Group Inc	1.23	0.06
Total SA	1.39	0.27
Associated British Foods PLC	1.19	0.10
Newmont Mining Corp	1.07	0.02

ACTIVE POSITIONS - TOP TEN UNDERWEIGHT (%)

Stock	Fund	B. mark
HSBC Holdings PLC	0.00	2.16
Royal Dutch Shell PLC	1.34	2.98
Rio Tinto PLC	0.00	1.12
Diageo PLC	0.00	0.81
AstraZeneca PLC	0.00	0.78
SABMiller PLC	0.00	0.64
Barclays PLC	0.00	0.62
Vodafone Group PLC	1.27	1.87
Imperial Tobacco Group PLC	0.00	0.55
Reckitt Benckiser Group PLC	0.00	0.55

TOP TEN HOLDINGS (%)

	Fund
GlaxoSmithKline PLC	3.74
Norway (Kingdom of).3.75% Bds 25/05/2021	2.88
Source Physical Markets PLC	2.74
Bayer AG	2.45
Newcrest Mining Ltd	2.40
BP PLC	1.90
Norway (Kingdom of).4.5% Bds 22/05/2019	1.78
Roche Hldgs AG	1.61
SSE PLC	1.57
Barrick Gold Corp	1.40

All performance data is sourced from Newton Investment Management Limited (except where otherwise stated) as at 31 Mar 2012. All Fund returns are calculated on a close of business offer price. All Funds are shown on a gross of fees basis. The information shown is deemed correct at time of publication but may be subject to subsequent revision. Clients should be aware that past performance is not a guide to future performance and that the value of investments and income derived from them can go down as well as up. Clients may not get back the full amount invested. The Prospectus and/or Simplified Prospectus should be read before an investment is made. This document can be obtained from www.bnymellon.com or by calling 0500 66 00 00. To help us continually improve our service and in the interest of security, we may monitor and/or record your telephone calls with us. Portfolio holdings are subject to change at any time without notice. The information provided is for use by professional clients only. It is for illustrative purposes only and should not be construed as a recommendation to purchase or sell any security.

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On 31 July 2004 the authorised range of Newton Exempt Unit Trusts were converted to sub-funds of Newton Investment Funds and on 2 August 2004 this became the BNY Mellon Investment Funds ICVC. Performance prior to 31 July 2004 is based on the Newton Exempt Global Balanced Fund.