

BNY Mellon Asset Management
Sub-fund of UK authorised Oeic

Report Issued: August 2008

Peer Group:
Global Mainstream Equities
Fund Manager/Adviser:
Jon Bell (since March 2008)

Group Contact No:

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Website:

www.bnymellonam.com

S&P ID Number: SB067799

Share class screened:

Sterling



Location:

London

Launch Date: May 1987

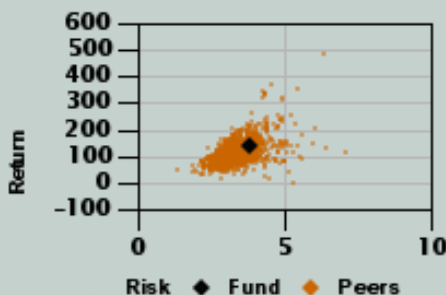
Fund Size (May 2008):

US\$1.4bn, £726m

INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

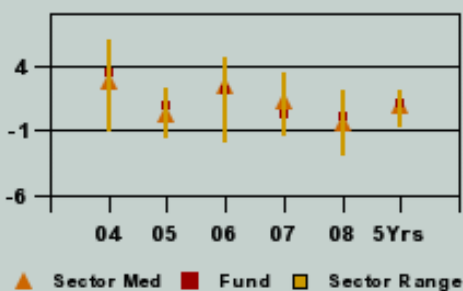
RISK RETURN (STD DEVIATION) OVER 5 YEARS



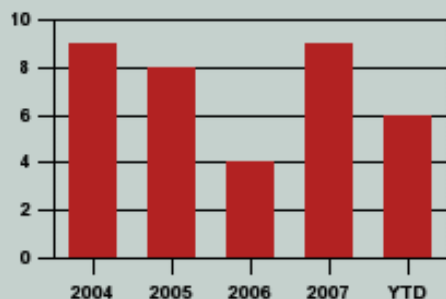
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Low	-11.6
Volatility	Low	14.4
Correlation	High	0.9
Beta	High	1.3

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

Performance Data Source - © 2008 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 30/04/2008 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (JUNE 2008)

This global mandate offers a well-diversified portfolio of stocks that aims to outperform the FTSE World index by around 3% a year. It is not tightly constrained, giving plenty of scope for assertive backing of the prevailing strategic themes that drive all Newton's global portfolios.

Following the departure of Paul Butler in March, Jon Bell has moved across from the multi-asset team to run this fund. He is an experienced fund manager, who has been with Newton for the whole of his 13-year career. He is, therefore, well grounded in the group's research-led, thematic approach, and brings with him a sound five-year track record on segregated global equity portfolios, albeit with a slightly lower alpha target than on this fund. We know that Paul Butler brought ideas of his own to this portfolio and tended to generate higher turnover than

other members of the team. However, the fund performed closely in line with the rest of the product range, reflecting the team's thematic strategy and stock selection, so we expect the change of manager to be relatively seamless.

Butler's departure was unexpected and the team has adopted a flatter structure, without a team head, although Alex Stanic, who chairs the global equity model committee, is treated as first among equals. The global research team of 19 career analysts remains stable, providing stock solutions for the pre-determined themes. The global team also uses the regional fund managers' ideas.

Strong resources, an integrated approach and experienced fund manager enable the fund to maintain its S&P AA rated status.

FACT FILE

Group: BNY Mellon Asset Management International distributes the investment capabilities of 16 asset management subsidiaries to a wide range of investors globally. Total assets under management at June 2008 exceeded \$1.1trn.

Team: Mellon's global team of 12 fund managers is supported by the global research team of 19 analysts and also draws on the input of regional teams covering Europe, Asia Pacific, the UK and the US.

Fund Manager: Jon Bell has 13 years' investment experience, having joined Newton in 1995. He managed multi-asset and UK enhanced global

equity mandates until 2008, when he moved to join the global equity team.

Style: A stockpicking approach making use of Newton's thematic research, global sector analysts and regional portfolio managers. Significant deviations are taken relative to the FTSE World index.

Performance: Over the five years to 30/04/2008, the fund has returned 142.3%, compared with 102.3% for the sector median and 110.1% for the index, ranking 233/1643.

FUND MANAGER & TEAM

The global equity team has 12 fund managers. Four of them, Jon Bell, Alex Stanic, James Harries and Paul Markham, are responsible for the £10bn in retail mandates. The fund management team is supported by the global research team of 19 sector analysts and by the input from the regional fund managers covering US, UK, Europe and Asia Pacific. The global equity fund managers determine a thematically driven lead portfolio, which serves as a guide for all mandates, although fund managers have sole responsibility for their own portfolios.

Jon Bell - MA natural sciences (Cambridge), joined Newton in 1995 and is a director of investment management (global funds).

Paul Markham - French & Spanish (University of Sheffield) began his investment career in 1998 at Newton and joined the global equity team in 2001.

Alexander Stanic - MA in social & economic geography (Edinburgh University), joined Newton's global team in 1999 after four years at Cazenove, covering European equities and UK small-caps.

PORTFOLIO CHARACTERISTICS

No. of holdings	123
Turnover ratio (%)	92
% in top 10	18

TOP 10 HOLDINGS (01/05/08)

	%
Statoilhydro ASA	2.4
E.On *	2.1
Millicom Intl Cellular	2.1
Nestlé	1.9
Unilever	1.9
Jardine Matheson	1.7
Mosaic	1.6
Petroleo Brasileiro *	1.6
Standard Chartered *	1.6
MTN	1.4

* In top 10 holdings a year ago

ALLOCATION BREAKDOWN (01/05/08)

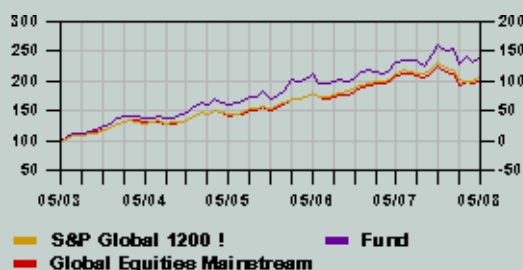
	Fund %
North America	25.0
Europe (ex UK)	30.0
United Kingdom	13.0
Japan	6.0
Pacific (ex Japan)	8.0
Others	17.0
Cash	1.0

Units III permits net fund exposure to be less or greater than 100%.

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	50.0%	142.3%
Standard & Poor's Peer Median	42.8%	102.3%
Index**	47.0%	110.1%
Fund Rank	584/1866	233/1643
Standard Deviation	14.4	-
Relative Standard Deviation	1.2	-
Volatility Adjusted Ranking	1138/1866	-

CUMULATIVE PERFORMANCE



BNY MELLON INVESTMENT MANAGEMENT - NEWTON INTERNATIONAL GROWTH FUND

Peer Group: Global Mainstream Equities



MANAGEMENT STYLE

The fund's objective is to outperform the FTSE World index by 3% a year. There is a high level of similarity with other funds managed by the desk, but each fund manager has sole responsibility for their own portfolios. There will be some change of style now that Jon Bell has taken over from Paul Butler.

The process focuses on the global research team's stock recommendations, fulfilling top-down strategic themes determined by the global model group of fund managers, chaired by Alex Stanic. The research team looks at stocks sectorally across all markets and recommends ideas to

the managers responsible for individual portfolio construction. Research emphasises solid earnings, good cashflow, quality management and a strong franchise. Regional fund managers provide market awareness.

This fund offers Bell considerable latitude. Risk control rests largely on rigorous stock research and a maximum of 7% in any one stock. No sector can account for more than a third of total assets, and regions are never zero-weighted. The resulting tracking error is typically between 4% and 10%. The fund is usually fully invested.

PORTFOLIO REVIEW

Given the thematic approach, Bell has not had to restructure the portfolio since taking over in March. At 123 holdings, he does not want to see the list become more diversified and he has been selling a few small, illiquid holdings. Bell expects the fund to see lower turnover than in the past as he prefers to ride out short negative news.

Since taking over, Bell has introduced British Aerospace and bought Actelion to increase exposure to the medical technology theme at a time when the healthcare sector had been

among the worst performers. Banks have been increased, reducing the underweight position from 10% to 6% through increased positions in Standard Chartered, Bangkok Bank and DBS Bank in Singapore. This has been funded by reducing exposure to mining and energy. Resources remain overweight but have moved away from oil in favour of agrichemicals. Most overweight are mobile telecoms, food producers and fixed-line telecoms.

PERFORMANCE ANALYSIS (MAY 2008)

While the track record up to March 2008 is the work of previous manager, Paul Butler, it does also reflect the success of Newton's team-driven, thematic process and the performance profile closely resembles that of other funds in the group's range. A weak year in 2006 holds the fund to second quartile over three years, but it is comfortably top quartile over five.

Country, sector and stock selection were all positive in 2007. The underweight to the US and to financials was key, but the largest

contribution came from basic materials where stock selection favouring agrichemicals added 258bps. There were strong positive returns from Mosaic, Petrobras and Evraz, with no corresponding disaster stocks.

Bell's track record is on multinational segregated portfolios targeting 1-2% outperformance of benchmark. He has achieved this over one, three and five years, with the past 12 months showing particularly strong returns, consistent with the retail funds.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2004		2005		2006		2007		YTD 30/04/2008	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	18.8	255/1748	12.1	479/1863	18.6	1370/2065	16.7	433/2293	-4.7	1085/2486
Index**	14.9		10.2		21.5		10.2		-3.5	
Median	13.5		9.0		20.9		10.3		-5.1	

** S&P Global 1200

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