

ANNUAL SHORT REPORT

30 JUNE 2013

BNY MELLON INVESTMENT FUNDS



BNY MELLON

CONTENTS

AUTHORISED CORPORATE DIRECTOR LETTER	4
ECONOMIC AND MARKET OVERVIEW	5
FUND REVIEWS	
BNY Mellon American Fund	8
BNY Mellon Global Strategic Bond Fund	12
BNY Mellon Long-Term Global Equity Fund	14
Insight Equity Income Fund	16
Insight Equity Income Booster Fund	18
Insight Global Absolute Return Fund	20
Insight Global Multi-Strategy Fund	22
Insight Inflation-Linked Corporate Bond Fund	24
Insight Strategic Bond Fund	26
Newton 50/50 Global Equity Fund	28
Newton Asian Income Fund	30
Newton Balanced Fund	34
Newton Cautious Managed Fund	36
Newton Continental European Fund	38
Newton Corporate Bond Fund	40
Newton Emerging Income Fund	42
Newton European Higher Income Fund	44
Newton Global Balanced Fund	46
Newton Global Dynamic Bond Fund	48
Newton Global Equity Fund	52
Newton Global High Yield Bond Fund	56
Newton Global Higher Income Fund	58
Newton Global Opportunities Fund	62
Newton Higher Income Fund	64
Newton Index Linked Gilt Fund	68
Newton International Bond Fund	70
Newton Long Corporate Bond Fund	74
Newton Long Gilt Fund	76
Newton Managed Fund	78
Newton Oriental Fund	80
Newton Overseas Equity Fund	84
Newton Pan-European Fund	86
Newton Phoenix Multi-Asset Fund	88
Newton Real Return Fund	90
Newton UK Equity Fund	94
Newton UK Opportunities Fund	98
SYNTHETIC RISK REWARD INDICATOR	102
STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES AND DIRECTOR'S STATEMENT	106
INVESTOR INFORMATION	107
INVESTMENT FUNDS INFORMATION	113
MANAGEMENT AND PROFESSIONAL SERVICES	114

AUTHORISED CORPORATE DIRECTOR LETTER

This is the annual report for BNY Mellon Investment Funds ICVC (“the Company”) for the 12-month period to 30 June 2013. This is the Short Report.

The 12 months to the end of June 2013 was a period of significant strength in global equity (company share) markets. Unprecedented policy action from governments and central bankers around the world helped ease the concerns of investors and financial markets. In Europe, the European Central Bank President Mario Draghi’s vow to do “whatever it takes” to save the euro, coupled with a high profile bail-out for Spain, boosted financial markets. Meanwhile, the US, UK and Japan continued to expand their respective quantitative easing programmes (effectively printing more money). In the face of considerable economic and market headwinds, in the eurozone in particular, investors seemed prepared to shrug off events that, less than a year ago, would have resulted in widespread panic.

Indeed, from the political stalemate in Italy following the country’s inconclusive elections in February, to the unprecedented partly depositor-funded financial bail-out for Cyprus, and the uncertainty with regards to the US “fiscal cliff” (a series of tax rises and spending cuts that were due to come into force at the turn of the year); these events barely made a ripple in financial markets. However, this is not to say that the post-credit crisis world is back to good health.

Much of the developed world remains reliant upon expansive quantitative easing programmes as a means of maintaining the flow of money through the financial system. Unprecedented in scale, there is no certainty as to the ultimate outcome of such policy, although higher inflation (the rate at which the prices of goods and services in an economy rise) seems a distinct possibility. For some, though, this is unlikely to be a problem. For example, the Japanese prime minister, Shinzo Abe, announced a vast quantitative easing programme, dubbed “Abenomics”, that aims to drag Japan from its deflationary cycle. The opposite of inflation, deflation is a general decline in the prices of goods and services in an economy, often caused by a reduction in the supply of money or credit and is generally seen as having a negative impact on economic growth over the long term.

Across the Atlantic there is a greater sense of optimism with regards to expectations of a sustainable economic recovery, despite the spectre of the “fiscal cliff” that overshadowed the first few months of President Barack Obama’s second term in office. The US housing market, viewed by many to have been central to the 2008 credit crisis, finally seems to be recovering,

while unemployment is gently falling (although not as rapidly as first hoped). But unlike its counterparts in the UK and Europe, the US government has not embarked upon large-scale debt reduction. Global equity markets were hit in late May as the chairman of the US Federal Reserve (Fed), Ben Bernanke, stated that the Fed’s quantitative easing programme would be wound down as and when economic improvements permit; this is widely expected to happen towards the end of this year.

Meanwhile, in Asia, Japanese markets have been buoyed by the early success of “Abenomics”, while China’s new leadership is busy re-focusing its economic policy towards domestic growth and consumption and away from a reliance on exports. However, fears of weakening Chinese economic data continue to weigh on financial markets.

In fixed income (debt issued by governments and companies), positive returns came from riskier areas such as high yield corporate bonds (debt issued by companies which are rated BBB and below by the credit rating agency Standard & Poor’s). These outperformed those global government bonds (debt issued by governments) which are perceived as being relative “safe havens”, such as bonds issued by the UK, US and Germany, which ended the period in negative territory.

Against this backdrop, the majority of the funds in the range enjoyed a positive 12-month period, with Newton’s global equity funds a notable area of strength. Meanwhile, six new funds, managed by Insight Investment, were introduced to the range in early February 2013; these new offerings, which include equity, fixed income and multi-asset strategies, add further depth and expertise to the fund range.

Looking ahead, while there are early signs of a sustained global economic recovery, risks remain. Indeed, there are challenges facing both the developed and developing worlds, whether it is large-scale debt reduction or a change of economic focus. Such an environment can lead to financial market fluctuations and uncertainty. However, such conditions can also create investment opportunities. We believe our asset managers are well placed to take advantage of those opportunities as and when they arise.

David Turnbull

Director

**For and on behalf of BNY Mellon Fund Managers Limited
Authorised Corporate Director**

26 September 2013

ECONOMIC AND MARKET OVERVIEW

INTRODUCTION

Over the 12-month period, there were increasing signs of success with regards to the unprecedented actions of central banks and governments around the world – such as quantitative easing (QE), effectively printing more money – designed to set the global economy on a firmer footing. Despite some fluctuations, company shares (equities) rose strongly over the period as a whole, reflecting a degree of investor confidence that had been lacking since the onset of the financial crisis of 2008.

However, despite the positive indicators, the global economy remains fragile. This insecurity was demonstrated in late May when the US Federal Reserve (Fed) chairman Ben Bernanke, hinted at a potential “tapering” of the bank’s QE programme once US economic data improved. Financial markets fell following Bernanke’s comments; a reminder that investor confidence in the global economic recovery is far from strong. Emerging markets (EMs) also suffered a collective crisis in investor confidence towards the end of the period, prompted by concerns over the strength of the Chinese economy, and undermining the hope that emerging economies can support global economic growth.

However, a striking feature of the 12-month period was the ability of investors to shrug off the worst economic and financial market concerns. From the inconclusive Italian elections in February, the Cyprus bail-out in March, to the threat of the US “fiscal cliff” (a series of tax rises and spending cuts that were due to come into place at the turn of the year); these events failed to cause a lasting ripple in financial markets. This was a far cry from the situation at the start of the review period.

Against this backdrop, global equity markets rose strongly over the period, with the FTSE All-World Index gaining 21.4% in sterling terms.

NORTH AMERICA

In the US, Ben Bernanke’s ambition to scale back the Fed’s QE programme “once economic data improves” looked closer to reality at the end of the review period, as US economic data did indeed continue to improve.

However, while a last-minute deal over the US “fiscal cliff” was reached at the turn of the year, a number of major decisions were postponed. This included a raft of spending cuts, known as the “sequester” and agreed to as part of the raising of the debt ceiling (the amount that the country can legally borrow) in August 2011. Having been unable to reach a compromise with the opposition Republican Party, the newly re-elected President Obama signed these spending cuts into law at the beginning of March. They are expected to have a negative impact on US economic growth over 2013.

Nevertheless, better economic news continued to trickle in for the rest of the period. In the housing market, pending home sales in May rose to their highest level since December 2006, according to the National Association of Realtors. Meanwhile, the S&P/Case-Shiller Home Price Indices showed double-digit house-price rises over the 12 months to April 2013. Elsewhere, US consumer confidence increased for a third consecutive month in June.

On the negative front, the US producer price index fell by 0.7% in April, the largest decline since February 2010. Meanwhile unemployment remained high, finishing the 12 months at 7.6%. Regardless, the overall backdrop for the US was a positive one. In this light, Standard & Poor’s raised its long-term outlook on the US economy from negative to stable but maintained its credit rating at AA+ (the highest possible rating being AAA).

The FTSE All-World North America Index (which includes Canada) made strong gains over the period, rising by 23.6% in sterling terms.

EUROPE

Events in Europe have arguably been the single most important driver of financial markets over the 12 months. While the start of the period was marred by economic pessimism, it ended on a more positive note.

Reasons for optimism have come in the form of unemployment rates (which have dipped for the first time since April 2012, with 24,000 fewer jobless in May) and data released from the influential purchasing managers index (PMI) (which rose to a 15-month high of 48.9 for the eurozone in June). These figures provide further evidence that the eurozone could be dragging itself out of recession.

It was not all positive news as a number of countries on the periphery of the single currency area, such as Spain and Greece, continued to be saddled with unsustainable levels of debt. Spain received a European Union bail-out over the period. There was also a bail-out for Cyprus; this involved a significant tax on the bank deposits of savers, giving rise to concerns that it could set a precedent for future eurozone bail-outs. Elsewhere in Europe, Standard & Poor's cut Italy's credit rating from BBB+ to BBB, citing a lack of government economic reform and highlighting that political risk remains a real danger to recovery in the eurozone.

The Organisation for Economic Co-operation and Development said in May that it expected eurozone GDP to decline by 0.6% this year and then rebound by 1.1% in 2014. With these weak growth prospects in mind, the European Central Bank cut its benchmark interest rate to a record low of 0.5% from 0.75% in May. Meanwhile, in the UK, which kept interest rates at 0.5% for the period, the economy grew 0.6% in the three months to June, driven by boosted output from the services sector.

The FTSE All World Europe ex UK Index outperformed its developed-world peers returning 26.7%, in sterling terms. The UK returned 16.4%.

ASIA

A potential Japanese economic renaissance combined with fears over a slowdown in China's economic growth dominated news in Asia during the period.

Spearheaded by incoming Prime Minister Shinzo Abe, Japan ushered in a new phase of monetary easing (such as QE and other measures designed to stimulate growth in the economy) early in 2013, unprecedented both in terms of quantity and quality. The measures are intended to lift Japan out of "deflation" (a general decline in prices, often caused by a reduction in the supply of money or credit and generally seen as having a negative impact on economic growth over the long term). So far, the policies, dubbed "Abenomics", appear to be having the desired effect. The economy grew by an impressive 4% in the first two quarters – the best in the G7 bloc this year – and the Bank of Japan's business index is also at its highest since 2007. By the end of the period, the Japanese yen had devalued by around 20% against the US dollar from a year earlier, helping to boost the country's exports.

China underwent a once-in-a-decade leadership change in November; this is expected to prompt a significant economic policy change from China's government, with a greater focus on domestic growth and consumption and a shift away from a reliance on exports. Weakening economic growth was the first challenge facing the new leadership; the Chinese economic growth rate decelerated from 7.7% in the first quarter to 7.5% in the second. The drop-off in growth has become a source of concern for China watchers, as has the fall in manufacturing output which hit an 11-month low in June.

Elsewhere, India's economic woes have continued unabated through the period, with government efforts to stabilise the ailing Indian rupee and bolster slowing growth having little effect. Finally, Australia struggled over the 12 months in response to weak growth forecasts and fears of a potential rise in unemployment.

Against this backdrop, the FTSE All-World Asia ex Japan Index underperformed the global average, rising by 13.4%. Meanwhile, Japan rose by 26.3%.

FIXED INCOME

Bond markets can often move in the opposite direction from stock markets and this was the case in the final six months of 2012. Investors were more inclined to invest in riskier assets such as company shares, and this led to money moving out of those government bonds that may have historically been perceived as “safe havens” by investors, such as those issued by the US, UK and Germany. Against this backdrop, global government bond markets ended the period very slightly in negative territory.

The exception to this trend was the corporate bond sector – debt issued by companies – and especially European high yield bonds – which carry greater risk but greater potential for higher returns. Their returns were strongly positive but still some way below those of global equity markets.

CURRENCIES AND COMMODITIES

In currencies, the euro appreciated against nearly all major currencies over the period, rising around 2.3% versus the US dollar and over 5% against sterling. The dollar, meanwhile, appreciated slightly against sterling and rallied strongly relative to the Japanese yen. Indeed, the yen was the weakest of all the major currencies over the 12-month period.

In commodity markets, the gold price fell by 22.7% over the 12 months to end the period at US\$1,235 per troy ounce, having fallen to a three-year low in late June. The price of the precious metal had been as high as US\$1,790 in October. Despite fluctuations through much of the period, the price of a barrel of West Texas Intermediate crude oil rose by 15.3% over the period to finish at US\$96.6.

BNY Mellon Asset Management International Limited

July 2013

All performance data is from 30 June 2012 to 30 June 2013, total return in sterling terms unless otherwise indicated, sourced from FTSE and Bloomberg.

BNY MELLON AMERICAN FUND

GENERAL INFORMATION

Fund management team:	Elizabeth Slover and Matthew Griffin
Fund size:	£45.81m
Fund launch:	31 October 1986 (managed by The Boston Company since 30 January 2012)
Comparative index:	Russell 1000 Growth TR
Sector:	IMA North America
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:
Annual: 30 June

Distribution payment dates for all share classes:
Annual: 31 October

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth from a portfolio of predominantly US and Canadian securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund utilises a dynamic, diversified fundamental research approach within the framework of stringent risk-control disciplines. Analysts with expertise in their coverage areas are responsible for conducting research, analysing fundamentals and making investment decisions.

RISK PROFILE

The Fund invests in US equities and as such will be exposed to any risk specific to this market as well as changes in currency rates. The Fund may invest in small companies and typically invests in a limited number of securities. Risk is managed from an overall portfolio level through both quantitative and qualitative measures by the portfolio manager, who is responsible for implementation and oversight. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a strong return and marginally outperformed its comparative index, the Russell 1000 Growth Index. US equities (company shares) staged a broad rally, bolstered by increasing confidence in the US economic recovery. Companies continued to report solid results, while the housing market generated a stream of mostly positive data points. At the sector level, the Fund's performance relative to the index was boosted by effective stock selection in the information technology sector. A position in Google contributed to returns as the technology company continued to diversify into new areas of growth, such as mobile hardware, e-commerce, cloud-based apps and storage. The Fund also benefited from the timely sale of its position in Apple, which was pressured by a dramatic slowdown in revenue growth and concerns about its future. Elsewhere, consumer discretionary was a bright spot, boosted by gains in the home-improvement retailer Home Depot and auto-parts supplier Delphi Automotive. Both companies are benefiting from the housing recovery and strong auto sales. Another notable top performer was Gilead Sciences; the company's shares gained on better-than-expected earnings, solid HIV-product sales and progress in its hepatitis C franchise. However, healthcare turned in weak relative performance overall, particularly from Wellcare Health Plans and Amgen.

The managers took advantage of stock-price weakness to add a position in Facebook, as its ability to monetise mobile traffic continues to improve. A position was also added in the gaming company Las Vegas Sands, which is poised to benefit from long-term expansion opportunities. Conversely, the position in Caterpillar was sold, as its outlook continued to deteriorate amid macroeconomic pressures. Other notable sales included Apple, Allergan, Agilent Technologies and VMware. The managers expect the US to continue to benefit from lower energy costs and a stronger US dollar, giving equities scope to move higher.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	21.16	-1.43	16.51	21.82	-9.80
Euro Accumulation	20.02	-1.44	15.62	21.40	-10.14
Sterling Exempt 1 (Net Accum.)	22.44	-0.39	17.76	23.11	-8.85
Sterling Institutional (Net Accum.) ¹	21.84	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Russell 1000 Growth TR	21.06	8.25	25.81	25.07	-8.76

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.68	1.67
Euro Accumulation	2.17	2.18
Sterling Exempt 1 (Net Accum.)	0.61	0.60
Sterling Institutional (Net Accum.)	1.11	1.11
Sterling Institutional W (Net Inc.)	0.86	N/A
Sterling Institutional W (Net Accum.)	0.86	N/A
Sterling Retail Adv B (Net Inc.)	1.18	N/A
Sterling Retail Adv B (Net Accum.)	1.18	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	94.08	66.43	0.3547
2010	112.25	89.16	N/A
2011	114.30	87.43	N/A
2012	114.93	99.42	N/A
2013	137.55	111.05	N/A
Euro Accumulation	(cents)	(cents)	(cents)
2009	53.65	37.80	0.0617
2010	67.67	52.71	N/A
2011	69.82	51.06	N/A
2012	73.99	60.73	N/A
2013	81.75	69.35	N/A
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	88.09	61.37	1.0584
2010	106.21	83.55	0.5113
2011	108.33	83.32	0.5282
2012	110.74	95.10	0.6769
2013	133.49	107.33	0.8170
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 24 April)	106.55	95.73	0.0719
2013	128.01	103.12	0.2430
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 30 August)	101.66	95.42	N/A
2013	122.33	98.45	0.4652
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 30 August)	101.66	95.42	N/A
2013	122.33	98.45	0.4003
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 24 September)	100.38	94.24	N/A
2013	120.62	97.20	0.1614
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 24 September)	100.38	94.25	N/A
2013	120.63	97.20	0.1661

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	62,966	109.62	57,437,967
30/06/2012	53,691	106.36	50,479,569
30/06/2013	40,221	130.81	30,746,965
Euro Accumulation		(cents)	
30/06/2011	2,054	62.02	3,661,987
30/06/2012	1,559	67.36	2,869,623
30/06/2013	1,227	77.33**	1,851,959
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	5,313	104.30	5,093,757
30/06/2012	884	102.22	865,204
30/06/2013	996	127.09	783,848
Sterling Institutional (Net Accum.)		(pence)	
30/06/2012	15	98.45	15,000
30/06/2013	307	121.81	252,289
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	575	115.63	497,288
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	29	116.52	25,236
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	2,443	114.69	2,130,386
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	9	114.52	7,522

** Euro/Sterling exchange rate at close of business 28 June 2013: 1.166827.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Google	3.87	2.81
International Business Machine	3.19	0.00
Pepsico	3.08	2.91
Philip Morris International	2.64	3.09
Mastercard	2.31	1.48
Union Pacific	2.25	1.98
Home Depot	2.17	1.71
Precision Castparts	2.01	1.37
Gilead Sciences	1.98	1.31
Schlumberger	1.95	1.63
Oracle	1.88	2.91
Qualcomm	1.75	2.75
Monsanto	1.53	1.73
Apple	0.00	8.09
Caterpillar	0.00	1.85

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Retail	10.33	10.58
Internet	9.20	7.64
Biotechnology	8.64	3.72
Software	6.41	8.36
Pharmaceuticals	5.37	6.14
Semiconductors	5.33	5.05
Computers	4.55	0.00
Beverages	4.38	4.07
Oil & Gas Services	4.28	3.65
Commercial Services	4.12	3.01
Diversified Financial Services	3.90	2.07
Food Processing	3.48	1.61
Transportation	3.48	3.30
Manufacturers	3.39	2.72
Apparel	3.08	0.86
Chemicals	3.04	4.12
Telecommunications	3.03	2.75
Media	2.96	2.11
Agriculture	2.64	3.09
Metal Fabrication	2.01	1.37
Machinery	1.53	0.00
Engineering & Construction	1.31	1.26
Auto Parts & Equipment	1.26	1.36
Lodging	1.14	0.00
Building Materials	0.73	0.00
Technology, Hardware & Equipment	0.00	9.09
Construction & Mining	0.00	1.85
Housewares	0.00	0.96
Electrical Components & Equipment	0.00	0.82
Health Care	0.00	0.77
Consumer Services	0.00	0.65
Cosmetics & Personal Care	0.00	0.62
Electronics	0.00	0.57
Cash & Others	0.41	5.83
	100.00	100.00

BNY MELLON GLOBAL STRATEGIC BOND FUND

GENERAL INFORMATION

Fund management team:	David Leduc, Brendan Murphy, Thant Han and Raman Srivastava (Standish Mellon Asset Management)
Fund size:	£77.72m
Fund launch:	8 April 2009
Comparative index:	Barclays Global Aggregate TR GBP Hedged
Sector:	IMA £ Strategic Bond
Fund ratings:	Gold/V4 Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to maximise the total return from income and capital growth from a globally diversified multi-sector fixed income portfolio of bonds and other debt instruments issued by corporations, agencies and governments in developed and emerging market economies. The Fund may also invest in certain permitted deposits, approved money market instruments, permitted derivative instruments and forward transactions and units in collective investment schemes. At least 80% of the Fund's assets shall be invested in sterling-denominated assets or assets that are hedged back to sterling.

INVESTMENT POLICY

The Fund will seek to maximise the total return from income and capital growth by means of a globally diversified multi-sector portfolio of bonds and other debt instruments issued by corporations, governments, and government agencies of developed and emerging-market countries. The Fund may also invest in credit-linked notes and other structured notes, structured products, asset-backed securities, convertible bonds and preferred securities, total return swaps and credit default swaps, money market futures, time deposits and bank loans, exchange-traded interest rate, bond and currency futures, OTC options and futures, spot and forward currency contracts and collective investment schemes. At least 80% of the Fund's assets shall be invested in sterling-denominated assets or in assets that are hedged back to sterling.

RISK PROFILE

The Fund will invest in global fixed income securities that are subject to both interest rate risk and default risk. The Fund may also invest in securities that are denominated in a currency other than the base currency of the Fund, and this risk may not be fully hedged. The Fund invests in emerging markets and may invest in investments that are not traded regularly and are therefore subject to greater fluctuations in price. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period the Fund generated a positive return and outperformed its comparative index. The second half of 2012 was marked by a significant commitment to accommodative monetary policy – such as low interest rates and quantitative easing (QE) programmes, effectively printing more money – from major central banks, aimed at encouraging economic growth. The first half of 2013 proved to be less one-directional. With the US economic recovery starting to take hold and the US Federal Reserve concerned about the possible unintended consequences of QE, speculation around possible “tapering” of the programme began to build. This led to increased market fluctuations.

Currency positioning, allocation to sectors such as US corporate bonds – debt issued by companies – and countries on the periphery of Europe, as well as security selection were the main contributors to performance. The Fund's allocation to corporate bonds was increased, particularly high yield (debt

rated BB or below by the credit rating agency Standard and Poor's). The Fund's exposure to the Japanese yen, euro and sterling was reduced in favour of the US dollar. Notable activity over the period included the addition of a new position in Italy – 6.50% Republic of Italy 2027 – and the sale of 4.25% UK Gilt 2040.

Statutory Performance Data (%)

From To	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income ¹	3.07	5.98	1.07	14.38	N/A
Sterling Institutional (Net Inc.) ¹	3.65	6.58	1.63	15.01	N/A
Sterling Institutional (Net Accum.) ¹	3.64	6.57	1.63	15.01	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

Barclays Global Aggregate TR GBP Hedged	1.79	7.10	2.34	7.87	8.05
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.47	1.46
Sterling Institutional (Net Inc.)	0.90	0.89
Sterling Institutional (Net Accum.)	0.90	0.89
Sterling Institutional W (Net Inc.)	0.79	N/A
Sterling Institutional W (Net Accum.)	0.79	N/A
Sterling Retail Adv B (Net Inc.)	1.07	N/A
Sterling Retail Adv B (Net Accum.)	1.07	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009 (from 8 April)	112.09	99.51	3.1823
2010	115.85	109.29	4.0146
2011	113.12	109.51	2.9158
2012	119.81	110.95	2.6021
2013	121.40	114.63	1.7339
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009 (from 8 April)	112.58	99.53	3.1855
2010	116.83	109.77	4.0992
2011	114.49	110.82	3.0128
2012	122.19	112.57	2.7128
2013	124.03	117.20	1.8081
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009 (from 8 April)	113.11	99.53	3.2685
2010	122.73	112.97	4.2540
2011	124.15	119.37	3.2357
2012	135.43	123.40	2.9908
2013	139.08	131.42	2.0154
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 30 August)	103.62	100.23	0.8524
2013	105.56	99.76	1.5093
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 30 August)	103.62	100.23	0.8318
2013	106.46	100.62	1.5034
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 24 September)	102.10	99.84	0.6563
2013	104.08	98.33	1.4429
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 24 September)	102.10	99.84	0.6563
2013	104.79	99.00	1.5028

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	39,820	109.38	36,404,279
30/06/2012	55,604	113.43	49,020,930
30/06/2013	37,507	113.38	33,081,621
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	17,153	110.69	15,496,671
30/06/2012	18,218	115.36	15,792,487
30/06/2013	12,190	115.90	10,517,686
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	44,525	120.03	37,095,861
30/06/2012	29,095	127.87	22,753,348
30/06/2013	23,887	132.00	18,097,144

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	1,740	98.68	1,763,209
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	1,669	101.07	1,651,808
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	724	97.31	743,678
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	4,897	97.94	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Treasury 2.25% Stock 2014	3.56	0.00
Sweden 0.25% Bonds 2022	3.17	0.00
Buoni Poliennali Del Tes 3.50% Bonds 2018	2.46	0.00
Slovakia 3.00% Bonds 2023	2.36	0.00
Buoni Poliennali Del Tes 6.50% Bonds 2027	2.12	0.00
Denmark Index Linked 0.10% Bonds 2023	2.02	0.00
Buoni Poliennali Del Tes 5.50% Bonds 2022	1.82	0.69
Slovakia 4.375% Bonds 2022	1.78	1.64
Chile 5.50% Bonds 2020	1.63	1.24
Bank of Ireland 4.00% Bonds 2015	1.63	0.00
US Treasury Bill 0.00% July 2012	0.00	11.73
Commit To Purchase FNMA 3.50% Bonds August 2042	0.00	6.78
Commit To Purchase FNMA 3.50% Bonds July 2042	0.00	2.64
Treasury 4.25% Stock 2040	0.00	2.48
Japan 1.70% Bonds 2033	0.00	2.42
Commit To Purchase GNMA 3.50% Bonds 2042	0.00	2.20
South Africa 7.00% Bonds 2031	0.00	1.57
South Africa 6.25% Bonds 2036	0.00	1.64
Mexico 9.00% Bonds 2012	0.00	1.58

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	7.26	22.89
AA	3.94	35.26
A	20.69	20.61
BBB	28.69	14.55
BB	7.84	4.48
B	3.32	1.44
Not rated (by S&P)	28.99	10.17
Derivatives	(0.64)	(0.25)
Cash & Others	(0.09)	(9.15)
	100.00	100.00

BNY MELLON LONG-TERM GLOBAL EQUITY FUND

GENERAL INFORMATION

Fund management team:	Roy Leckie and Charles Macquaker (Walter Scott & Partners Limited)
Fund size:	£268.08m
Fund launch:	24 August 2007
Comparative index:	FTSE All World Index
Sector:	IMA Global
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual: 30 June

Distribution payment dates for all share classes:

Annual: 31 August

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve long-term capital appreciation through investments in predominantly equity securities of companies located throughout the world. The Fund may also invest in collective investment schemes and warrants.

INVESTMENT POLICY

The Fund will invest in equity securities from around the world that the Investment Manager believes to be capable of producing returns in excess of historic stock market averages. The Fund will emphasise long-term investments in profitable business rather than short-term speculative activity. This approach tends to result in relatively low portfolio turnover. It is anticipated that the Fund will maintain a portfolio of approximately 40 to 60 investments.

RISK PROFILE

The Fund is relatively concentrated, globally diversified and managed with no regard to its comparative index. It is exposed to foreign currency movements and it may also invest in companies from emerging markets. These factors may affect the absolute and relative performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund delivered a strong positive return but underperformed its comparative index, the FTSE All World Index. At the stock level, US holdings were strongest with Google, EOG Resources and NIKE among the top performers. Asia Pacific ex-Japan stocks, led by CSL, were not far behind. Emerging markets holdings were weakest, and down on average, driven by the declining share prices of China Shenhua, Petroleo Brasileiro and CNOOC. Sector returns were all positive; technology stocks contributed the most, driven by Adobe Systems, Cisco Systems, Amphenol and Google. The Fund's limited exposure to the financial sector was negative on a relative basis. Energy and consumer discretionary companies also underperformed.

Over the period new positions were added in AIA Group, Komatsu, Roche, Swatch Group and Taiwan Semiconductor while the holdings in Canon, CR Bard, Daikin Industries, Flir Systems, Morrison Supermarkets and Tenaris were sold. In addition, a number of holdings changed as a result of fund cash flows.

AIA Group is a Hong Kong based life insurer with operations across the Far East. It is present in 16 markets across Asia. Komatsu is the world's second largest manufacturer of construction and mining equipment, attractively positioned to benefit from rising spending on raw materials, infrastructure and housing in the developing world. Roche is a Swiss based pharmaceuticals and diagnostics business. It has a world-leading oncology franchise with high levels of efficacy and a healthy patent profile. Swatch Group, dominant within the Swiss watch-making industry, is in prime position to capitalise on continued demand for "Swiss made" watches. Taiwan Semiconductor is the world's leading semiconductor foundry. The industry is experiencing significant secular tailwinds with demand driven by increasing outsourcing of semiconductor manufacture and the continued need for smaller, faster and more energy efficient chips.

Meanwhile, Canon has reported disappointing results of late. Whilst there has been encouraging news in some areas of its business, other areas, predominantly cameras have remained extremely weak. In recent times Flir Systems has made a number acquisitions which have proved problematic

and which will take management time, energy and market improvement to come good. The decision to sell the holding in Morrison Supermarkets reflected a number of factors. A particularly tough current industry environment combined with longer-term structural challenges of internet shopping has lowered the company's growth prospects to below acceptable levels. Small positions in CR Bard, Daikin Industries and Tenaris were also sold.

These changes reflect the consistent application of Walter Scott's investment process. That process demands that all companies satisfy the same rigorous criteria. Walter Scott's focus remains unchanged. A commitment to "buy and hold" companies where growth, profitability and valuation are aligned to best ensure the investment objective is met.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	19.76	0.63	15.30	19.93	-3.46
Sterling Institutional (Net Accum.)	20.44	1.19	15.95	20.62	-3.05
Sterling Exempt 2 (Net Accum.)	20.74	1.45	16.24	20.90	-2.86
Sterling X (Net Accum.) ¹	21.63	2.22	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE All World TR GBP	21.41	-4.05	21.74	23.78	-13.22

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.64	1.65
Sterling Institutional (Net Accum.)	1.06	1.07
Sterling Exempt 2 (Net Accum.)	0.81	0.82
Sterling X (Net Accum.)	0.06	0.07
Sterling Institutional W (Net Inc.)	0.82	N/A
Sterling Institutional W (Net Accum.)	0.83	N/A
Sterling Retail Adv B (Net Inc.)	1.13	N/A
Sterling Retail Adv B (Net Accum.)	1.13	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	114.79	82.39	0.5915
2010	129.61	109.15	0.2998
2011	132.07	110.82	0.2534
2012	139.58	123.42	0.4695
2013	165.14	138.90	0.5664
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	124.44	88.39	1.0447
2010	141.68	119.00	0.9304
2011	145.09	121.82	0.9950
2012	155.17	135.96	1.3238
2013	184.01	154.43	1.4910
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	125.01	88.68	1.2155
2010	142.69	119.70	1.2403
2011	146.31	122.88	1.3365
2012	157.05	137.27	1.6883
2013	186.42	156.31	1.9144
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2010 (from 17 December)	102.21	99.99	N/A
2011	105.20	88.43	1.1189
2012	114.17	99.06	1.9737
2013	135.92	113.64	2.2722
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 30 August)	104.72	98.67	N/A
2013	124.30	104.22	1.1644
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 30 August)	104.72	98.67	N/A
2013	124.30	104.22	1.0960
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 25 September)	103.92	98.25	N/A
2013	123.19	103.42	0.8045
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 25 September)	103.92	98.25	N/A
2013	123.19	103.42	0.8104

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	1,400	128.08	1,092,867
30/06/2012	5,243	128.40	4,083,178
30/06/2013	27,370	153.15	17,870,832
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	28,562	140.69	20,302,101
30/06/2012	68,803	142.34	48,335,714
30/06/2013	77,455	171.39	45,192,960
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	40,022	141.86	28,212,088
30/06/2012	60,432	143.89	41,997,908
30/06/2013	84,608	173.69	48,711,934

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling X (Net Accum.)		(pence)	
30/06/2011	41,812	101.99	40,997,484
30/06/2012	53,954	104.22	51,766,962
30/06/2013	72,029	126.73	56,838,529
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	315	114.68	274,991
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	6,247	115.85	5,392,600
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	6	111.52	5,044
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	50	109.52	45,659

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Denso	2.24	2.22
Google	2.22	1.98
Precision Castparts	2.20	1.84
Microsoft	2.15	2.02
Cisco Systems	2.13	1.99
Nike	2.13	1.80
China Mobile	2.11	2.06
CSL	2.10	1.87
Komatsu	2.08	0.00
L'Oreal	2.07	2.01
Hennes & Mauritz	2.03	2.26
Syngenta	2.00	2.09
Novo-Nordisk	2.00	2.08
Johnson & Johnson	1.99	2.14
Nestle	1.95	2.09
CNOOC	1.93	2.18
Honda Motor	1.85	2.13
TJX	1.82	2.09
Industria de Diseno Textil	1.77	2.19

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United States of America	38.83	40.73
Japan	12.43	13.23
United Kingdom	9.69	10.31
Hong Kong	8.86	7.74
Switzerland	7.54	5.87
Australia	3.91	3.89
France	3.26	3.42
Sweden	2.03	2.26
Singapore	2.01	2.03
Denmark	2.00	2.08
Spain	1.77	2.19
Canada	1.55	2.01
Taiwan	1.96	0.00
Brazil	1.14	1.85
Luxembourg	0.00	0.41
Cash & Others	3.02	1.98
	100.00	100.00

INSIGHT EQUITY INCOME FUND

GENERAL INFORMATION

Fund management team:	Tim Rees and Matthew Cooke
Fund size:	£214.40m
Fund launch:	9 February 2013
Comparative index:	FTSE All Share Index
Sector:	IMA UK Equity Income

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to provide an above average and increasing income, together with long term capital growth.

INVESTMENT POLICY

The Fund will invest primarily in the shares of UK listed companies. The Fund may also invest in other transferable securities, collective investment schemes, cash and near cash, deposits and money market instruments. Derivatives may be used for efficient portfolio management only (EPM).

RISK PROFILE

The Fund invests primarily in the UK, so a fall in the UK market may have a significant impact on the value of the Fund. A fall in the value of a single investment may have a significant impact on the value of the fund because it typically invests in a limited number of investments. Charges are deducted from the capital of the Fund which will affect its growth. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund launched on 9 February 2013.

Over the period from launch, the Fund generated an attractive level of income and made a positive return, outperforming its comparative index. Strong stock selection was instrumental in delivering the portfolio's robust performance. Notable performers included GlaxoSmithKline and ITV, in which the Fund held overweight positions relative to the comparative index. In addition, an overweight position in International Consolidated Airlines Group was beneficial for performance. From a sector perspective, the Fund's underweight position in the mining sector also aided performance, as falling inflation fears – inflation is the rate at which the prices of goods and services in an economy rise – and slower economic growth in China weighed on those shares issued by companies that are dependent on demand for natural resources to drive their earnings.

Activity over the period was relatively low. This is in keeping with the Fund's investment process, which focuses on high-quality companies that have historically tended to pay out attractive dividends. The manager continues to see a number of attractive company-specific investment opportunities in equity (company share) markets.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.62	N/A
Sterling Accumulation	1.62	N/A
Sterling Institutional W (Net Inc.)	0.80	N/A
Sterling Institutional W (Net Accum.)	0.80	N/A
Sterling Retail Adv B (Net Inc.)	1.10	N/A
Sterling Retail Adv B (Net Accum.)	1.10	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2013	158.33	142.03	3.2841
Sterling Accumulation	(pence)	(pence)	(pence)
2013	448.88	399.11	9.2775
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2013	136.38	122.07	2.8248
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2013	501.93	445.25	10.3658
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2013	111.35	100.00	2.3024
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2013	112.34	100.00	2.3118

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2013	37,614	145.52	25,848,465
Sterling Accumulation		(pence)	
30/06/2013	156,281	418.11	37,378,120
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	50	125.46	39,550
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	20,448	467.94	4,369,806
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	102.4	5,000
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	104.7	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Royal Dutch Shell 'B' shares	7.41	N/A
BP	6.86	N/A
Vodafone	6.18	N/A
GlaxoSmithKline	5.74	N/A
HSBC	5.09	N/A
Rio Tinto	4.53	N/A
AstraZeneca	3.88	N/A
Legal & General	3.22	N/A
BT	2.88	N/A
Compass	2.80	N/A

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Oil & Gas Producers	15.09	N/A
Banks	12.09	N/A
Pharmaceuticals & Biotechnology	9.62	N/A
Life Insurance	8.20	N/A
Travel & Leisure	6.99	N/A
Media	6.89	N/A
Mobile Telecommunications	6.18	N/A
Financial Services	5.41	N/A
Gas, Water & Multiutilities	5.21	N/A
Tobacco	4.79	N/A
Mining	4.53	N/A
Fixed Line Telecommunications	2.88	N/A
Aerospace & Defence	2.26	N/A
Food & Drug Retailers	2.26	N/A
Support Services	2.09	N/A
General Retailers	1.29	N/A
Electricity	0.82	N/A
Real Estate	0.80	N/A
Basic Materials	0.59	N/A
General Industrials	0.58	N/A
Construction & Materials	0.30	N/A
Non-Life Insurance	0.14	N/A
Personal Goods	0.03	N/A
Others	0.96	N/A
	100.00	N/A

INSIGHT EQUITY INCOME BOOSTER FUND

GENERAL INFORMATION

Fund management team:	Tim Rees and Takis Anastassopoulos
Fund size:	£69.29m
Fund launch:	9 February 2013
Sector:	IMA UK Equity Income

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	The last business day of each month

Distribution payment dates for all share classes:

Annual:	31 July
Interim:	The second last business day of each month

INVESTMENT OBJECTIVE

The objective of the Fund is to provide an enhanced level of income with potential for capital growth.

INVESTMENT POLICY

The Fund will invest primarily in UK listed equity and equity related securities. In addition the Fund will employ derivatives strategies for efficient portfolio management purposes only. Specifically, the Fund will utilise a derivatives strategy designed to generate additional income. The Fund may also invest in other transferable securities (including those listed outside of the UK), collective investment schemes, cash and near cash, deposits and money market instruments.

RISK PROFILE

The Fund invests primarily in the UK, so a fall in the UK market may have a significant impact on the value of the Fund. A fall in the value of a single investment may have a significant impact on the value of the fund because it typically invests in a limited number of investments. Charges are deducted from the capital of the Fund which will affect its growth. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund launched on 9 February 2013.

Over the period from launch, the Fund generated an attractive level of income and made a positive return, outperforming its comparative index. Strong stock selection was instrumental in delivering the portfolio's robust performance. Notable performers included GlaxoSmithKline and ITV, in which the Fund held overweight positions relative to the comparative index. In addition, an overweight position in International Consolidated Airlines Group was beneficial for performance. From a sector perspective, the Fund's underweight position in the mining sector also aided performance, as falling inflation fears – inflation is the rate at which the prices of goods and services in an economy rise – and slower economic growth in China weighed on those shares issued by companies that are dependent on demand for natural resources to drive their earnings.

The manager of the Fund uses derivatives to boost income in the portfolio, primarily by writing (selling) call options on certain shares; this represents an obligation by an investor to sell an asset (such as a share) at a specified price (strike price) within a fixed time period. The writer of a call option receives a premium for taking on the risk associated with this obligation but can lose money if the share price moves beyond the strike price. This was the case over the review period as some shares rose by more than expected. However, over the longer term the strategy has proved helpful in boosting yield and reducing portfolio volatility without detracting from overall total returns.

Activity over the period was relatively low. This is in keeping with the Fund's investment process, which focuses on high-quality companies that have historically tended to pay out attractive dividends. The manager continues to see a number of attractive company-specific investment opportunities in equity (company share) markets.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling X (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.66	N/A
Sterling Accumulation	1.66	N/A
Sterling X (Net Accum.)	0.09	N/A
Sterling Institutional W (Net Inc.)	0.84	N/A
Sterling Institutional W (Net Accum.)	0.84	N/A
Sterling Retail Adv B (Net Inc.)	1.15	N/A
Sterling Retail Adv B (Net Accum.)	1.15	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2013	141.41	129.83	4.8537
Sterling Accumulation	(pence)	(pence)	(pence)
2013	196.77	181.77	6.7133
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2013	153.68	142.13	5.2370
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2013	144.89	133.10	4.9669
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2013	203.10	187.71	6.9258
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2013	105.89	97.26	3.6323
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2013	107.88	99.69	3.6781

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2013	41,016	132.14	31,040,662
Sterling Accumulation		(pence)	
30/06/2013	20,198	187.07	10,796,972
Sterling X (Net Accum.)		(pence)	
30/06/2013	6,430	146.30	4,394,711
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	1,439	135.48	1,062,179
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	201	193.20	104,126
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	98.99	5,032
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	102.60	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
GlaxoSmithKline	6.42	N/A
BP	5.91	N/A
Vodafone	5.42	N/A
Rio Tinto	4.65	N/A
Royal Dutch Shell 'A' shares	4.61	N/A
HSBC	4.43	N/A
BT	4.02	N/A
AstraZeneca	3.60	N/A
Legal & General	3.20	N/A
Barclays	2.61	N/A

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Oil & Gas Producers	14.63	N/A
Banks	10.80	N/A
Pharmaceuticals & Biotechnology	10.02	N/A
Life Insurance	7.73	N/A
Travel & Leisure	6.67	N/A
Media	6.13	N/A
Gas, Water & Multiutilities	5.56	N/A
Mobile Telecommunications	5.42	N/A
Mining	4.65	N/A
Tobacco	4.57	N/A
Aerospace & Defence	4.20	N/A
Financial Services	4.02	N/A
Fixed Line Telecommunications	4.02	N/A
General Industrials	3.65	N/A
Support Services	2.64	N/A
Food & Drug Retailers	1.91	N/A
General Retailers	1.76	N/A
Real Estate	0.87	N/A
Non-Life Insurance	0.73	N/A
Industrial Engineering	0.63	N/A
Electricity	0.26	N/A
Others	(0.87)	N/A
	100.00	N/A

INSIGHT GLOBAL ABSOLUTE RETURN FUND

GENERAL INFORMATION

Fund management team:	Steve Waddington and Matthew Merritt
Fund size:	£51.28m
Fund launch:	9 February 2013
Sector:	IMA Targeted Absolute Return

DISTRIBUTION

Period end dates for distributions for all share classes:
Annual: 30 June

Distribution payment dates for all share classes:
Annual: 31 August

INVESTMENT OBJECTIVE

The objective of the Fund is to deliver positive returns on an annual basis with the prospect of attractive long-term capital growth.

INVESTMENT POLICY

The Fund will seek to gain exposure through a dynamic allocation to a range of asset classes including: fixed income, cash, near cash and deposits, equities, property, commodities and infrastructure. Exposure to these will be achieved through investment in collective investment schemes, transferable securities, money market instruments, deposits and derivatives. Investment in property, commodities and infrastructure will be indirect. The Fund may also use collective investment schemes to gain exposure to absolute return strategies and may use derivatives to obtain long and short exposures. Derivatives may be used for investment purposes as well as for efficient portfolio management (EPM).

RISK PROFILE

The Fund will use derivatives to generate returns and that can involve a higher level of risk. A small movement in the price of the underlying investment may result in a disproportionately large movement in the price of the derivative instrument. As the fund invests in collective investment schemes, it will be subject to the risks of these other funds. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Since its inception on 9 February 2013, the Fund made a small negative return.

Losses from fixed income (bonds or debt issued by governments and companies) holdings more than offset gains in equity (company share) investments and other assets. From its launch to the end of May the portfolio achieved gains from nearly all major asset components. However, concerns around the tapering of US Federal Reserve quantitative easing (effectively printing more money) caused government bond prices to fall markedly in May and June, which drove significant falls across markets, with very few assets isolated from the increase in market fluctuations. The overall contribution from equity investments over the period was marginally positive, but this masks significant differences across markets: allocations to US and Japanese equities made positive contributions to the Fund's returns, but there was weakness in European, Asian and emerging markets. Fixed income returns were positive until the correction in June led to losses across government and corporate debt (debt issued by companies), with emerging market debt the worst hit. Real assets were marginally positive (these are physical or tangible assets that have value, due to their substance and properties). Market fluctuations in May and June provided a rich environment for the total return strategies component of the portfolio, which was the strongest positive contributor through the correction. Selected positions that contributed to performance reflected our preferred investments: the euro over the Japanese yen; the US dollar over the Australian dollar; and US equities over European equity markets.

In terms of activity, the Fund initially increased its allocation to equities to capture the improvement in investor sentiment early in the year, while reducing its allocation to fixed income assets. After sentiment turned in May, the Fund raised its cash weighting to a high level to help protect against the widespread fall in asset prices. Towards the end of the period, and with evidence of some stabilisation in US Treasury prices, the manager began to cautiously re-invest the cash, with a preference towards equity markets where the Fund's derivative strategies offer a degree of downside protection.

Statutory Performance Data (%)

From To	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Accumulation	1.78	N/A
Sterling Institutional (Net Accum.)	0.96	N/A
Sterling Income	1.78	N/A
Sterling Institutional W (Net Inc.)	0.84	N/A
Sterling Institutional W (Net Accum.)	0.84	N/A
Sterling Retail Adv B (Net Inc.)	1.10	N/A
Sterling Retail Adv B (Net Accum.)	1.10	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Accumulation	(pence)	(pence)	(pence)
2013	102.99	98.10	0.0117
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2013	103.22	98.39	0.3276
Sterling Income	(pence)	(pence)	(pence)
2013	102.90	98.01	0.0290
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2013	103.15	98.33	0.3711
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2013	103.15	98.32	0.3687
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2013	103.08	98.24	0.2764
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2013	103.08	98.24	0.2764

* Distributions are shown in the year declared rather than paid.

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Collective Investment Schemes	22.54	N/A
Equity	16.43	N/A
Exchange Traded Funds	3.11	N/A
Exchange Traded Notes	1.05	N/A
Others	56.87	N/A
	100.00	0.00

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Accumulation		(pence)	
30/06/2013	34,567	98.32	35,157,866
Sterling Institutional (Net Accum.)		(pence)	
30/06/2013	16,376	98.63	16,603,638
Sterling Income		(pence)	
30/06/2013	7	98.21	7,577
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	5	98.20	5,050
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	316	98.57	320,752
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	98.20	5,000
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	98.48	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Insight Global Funds II (Liber Plus 'S')	6.11	N/A
Cazenove UK Opportunities X Accumulation	4.52	N/A
BlackRock Overseas Government Bond Tracker Fund	3.83	N/A
Duet Real Estate Finance	2.30	N/A
HICL Infrastructure	2.23	N/A
Doric Nimrod Air Two	2.16	N/A
JP Morgan Macro Hedge	2.12	N/A
Neuberger Berman Short Duration High Yield Bond Fund	2.04	N/A
NB Distressed Debt Investment Fund	2.02	N/A
SSGA-US Corporate Bond Index	2.02	N/A

INSIGHT GLOBAL MULTI-STRATEGY FUND

GENERAL INFORMATION

Fund management team:	Steve Waddington and Matthew Merritt
Fund size:	£146.05m
Fund launch:	9 February 2013
Sector:	IMA Mixed Investment 20-60% Shares

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	30 September, 31 December, 31 March

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	30 November, 28 February, 31 May

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth.

INVESTMENT POLICY

The Fund will gain exposure through a dynamic asset allocation to a range of asset classes including: fixed income, cash, near cash and deposits, equities, property, commodities and infrastructure. Exposure to these asset classes will be achieved through investment in collective investment schemes, transferable securities, money market instruments, deposits and derivatives. Investment in property, commodities and infrastructure will be indirect. The Fund may invest in any geographic or economic sectors of the world. The Fund may also use collective investment schemes to gain exposure to absolute return strategies and may use derivatives to obtain long and short exposures. Derivatives may be used for investment purposes as well as for efficient portfolio management (EPM).

RISK PROFILE

The Fund will use derivatives to generate returns and that can involve a higher level of risk. A small movement in the price of the underlying investment may result in a disproportionately large movement in the price of the derivative instrument. As the fund invests in collective investment schemes, it will be subject to the risks of these other funds. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Since its inception on 9 February 2013, the Fund made a small positive return.

Strong performance from equities (company shares), coupled with positive returns from fixed income (bonds or debt issued by governments and companies) and total return strategies, more than offset a marginal loss from real assets (these are physical or tangible assets that have value, due to their substance and properties). From its launch to the end of May the portfolio achieved gains from all major asset components. However, concerns around the tapering of the US Federal Reserve's quantitative easing programme (effectively printing of more money) caused government bond (debt issued by governments) prices to fall markedly in May and June, which drove significant falls across markets, with very few assets isolated from the increase in market fluctuations. The overall contribution from equity investments over the period was positive, but this masks significant differences across markets: allocations to US, UK and Japanese equities made positive contributions to the Fund's returns, but there was weakness in European, Asian and emerging markets. Fixed income returns were strong until the correction in June led to negative performance from government and corporate debt (debt issued by companies), with emerging market debt the worst hit, leaving the contribution from fixed income investments only marginally positive over the period. Real assets were marginally negative. Market fluctuations in May and June provided a rich environment for the total return strategies component of the portfolio. Selected positions that contributed to performance reflected our preferred investments: the euro over the Japanese yen; the US dollar over the Australian dollar; and US equities over European equity markets.

In terms of activity, the Fund initially increased its allocation to equities to capture the improvement in investor sentiment early in the year, while reducing its allocation to fixed income assets. After sentiment turned in May, the Fund raised its cash weighting to a high level to help protect against the widespread fall in asset prices. Towards the end of the period, and with evidence of some stabilisation in US Treasury prices, the manager began to cautiously re-invest the cash, with a preference towards equity markets where the Fund's derivative strategies offer a degree of downside protection.

Statutory Performance Data (%)

From To	30/06/12 30/06/13	30/06/11 30/06/12	30/06/10 30/06/11	30/06/09 30/06/10	30/06/08 30/06/09
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional S (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional S (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.84	N/A
Sterling Accumulation	1.84	N/A
Sterling Institutional (Net Inc.)	1.02	N/A
Sterling Institutional (Net Accum.)	1.02	N/A
Sterling Institutional S (Net Inc.)	1.27	N/A
Sterling Institutional S (Net Accum.)	1.27	N/A
Sterling Institutional W (Net Inc.)	0.89	N/A
Sterling Institutional W (Net Accum.)	0.89	N/A
Sterling Retail Adv B (Net Inc.)	1.15	N/A
Sterling Retail Adv B (Net Accum.)	1.15	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2013	106.69	99.13	0.1886
Sterling Accumulation	(pence)	(pence)	(pence)
2013	106.89	99.31	0.1886
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2013	106.75	99.32	0.2903
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2013	107.08	99.56	0.2817
Sterling Institutional S (Net Inc.)	(pence)	(pence)	(pence)
2013	106.76	99.24	0.2533
Sterling Institutional S (Net Accum.)	(pence)	(pence)	(pence)
2013	107.02	99.48	0.2533
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2013	106.70	99.21	0.3022
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2013	107.01	99.49	0.3008
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2013	106.65	99.14	0.2708
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2013	106.93	99.41	0.2708

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2013	20,074	100.17	20,038,847
Sterling Accumulation		(pence)	
30/06/2013	39,680	100.36	39,538,143
Sterling Institutional (Net Inc.)		(pence)	
30/06/2013	0	100.00	50
Sterling Institutional (Net Accum.)		(pence)	
30/06/2013	65,358	100.62	64,958,243
Sterling Institutional S (Net Inc.)		(pence)	
30/06/2013	1,116	100.29	1,112,933
Sterling Institutional S (Net Accum.)		(pence)	
30/06/2013	19,747	100.54	19,642,026
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	25	100.27	24,760
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	38	100.55	37,853
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	100.20	5,000
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	100.46	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Insight Discretionary UK Corporate All Maturities Bond Fund	7.95	N/A
Cazenove UK Opportunities Fund	6.58	N/A
Jupiter UK Special Situations Fund	6.47	N/A
Insight Discretionary UK Government All Maturities Bond Fund	3.28	N/A
Liontrust Special Situations Fund	2.12	N/A
iShares Sterling Corporate Bond Fund	1.99	N/A
Pimco Global High Yield Bond Fund	1.98	N/A
Insight Discretionary UK Corporate Long Maturities Bond Fund	1.95	N/A
NB Distressed Debt Investment Fund	1.75	N/A
Doric Nimrod Air Two	1.34	N/A

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Collective Investment Schemes	33.61	N/A
Equity	5.87	N/A
Exchange Traded Funds	1.99	N/A
Others	58.53	N/A
	100.00	N/A

INSIGHT INFLATION-LINKED CORPORATE BOND FUND

GENERAL INFORMATION

Fund management team:	Dave Hooker and Adam Mossakowski
Fund size:	£28.51m
Fund launch:	9 February 2013
Sector:	IMA £ Strategic Bond

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to generate attractive returns relative to UK inflation levels over the medium to long term.

INVESTMENT POLICY

The Fund will invest primarily in inflation-linked corporate bonds and/or the following other assets which in combination provide the investment characteristics of inflation-linked corporate bonds: corporate bonds; government and public securities; other debt securities; and derivatives (including inflation and credit derivatives). The Fund may also invest in collective investment schemes, deposits, cash and near cash, other transferable securities, money market instruments and other derivatives. Derivatives may be used for investment purposes as well as for efficient portfolio management (EPM).

RISK PROFILE

The Fund invests in corporate Bonds and is therefore exposed to credit risk. However, all investments in currencies other than sterling are exposed to currency movements. The Fund is also exposed to changes in market interest rates, investing predominantly in fixed interest securities. The Fund will use derivatives to generate returns and that can involve a higher level of risk. A small movement in the price of the underlying investment may result in a disproportionately large movement in the price of the derivative instrument. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Since its inception on 9 February 2013, the Fund made a small negative return.

The period was an unstable one for fixed income assets (bonds or debt issued by governments and companies). In May, comments from the Federal Reserve that it may start tapering its quantitative easing programme (effectively printing more money) led to a substantial fall in bond prices. Corporate bonds (debt issued by companies) fell by more than government bonds (debt issued by governments). Inflation-linked UK Gilts – which move in line with inflation – also fell more sharply than conventional Gilts. The Fund initially performed positively but then produced negative returns in May and June when both inflation-linked Gilts and corporate bonds performed poorly. Losses in credit (corporate bonds) were mitigated by the Fund's protective derivative position. The Fund's holding in asset-backed securities also helped to mitigate losses, as they held up better than other assets. Asset-backed securities are secured against financial assets, such as the interest payments due on loans or mortgages. Exposure to the financial sector through selected insurance and bank issuers also added to returns as they outperformed other corporate bonds.

Over the period, the manager focused the Fund's holdings on bonds maturing in 15 years and longer. In corporate bonds, the Fund held a large position in asset-backed securities, focused on those secured by commercial and residential mortgage payments. In high yield debt (debt rated BBB or below by the credit rating agency Standard and Poor's), the Fund focused on bonds with very short maturities with some selected longer-dated bonds. In investment grade (bonds rated between AAA and BBB by the credit rating agency Standard and Poor's), the Fund held positions in transport and utilities issues where cash flow is transparent and the bond issue is backed by a physical asset. Transactions included reducing exposure to Glencore, buying a cheap new issue from Ineos, and selling US Coat and Oxea.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.30	N/A
Sterling Accumulation	1.30	N/A
Sterling Institutional (Net Inc.)	0.63	N/A
Sterling Institutional (Net Accum.)	0.63	N/A
Sterling Institutional W (Net Inc.)	0.63	N/A
Sterling Institutional W (Net Accum.)	0.63	N/A
Sterling Retail Adv B (Net Inc.)	0.93	N/A
Sterling Retail Adv B (Net Accum.)	0.93	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2013	104.20	98.63	0.9426
Sterling Accumulation	(pence)	(pence)	(pence)
2013	104.20	98.63	0.9426
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2013	104.33	98.83	1.1565
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2013	104.33	98.84	1.1566
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2013	104.39	98.88	1.1642
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2013	104.39	98.88	1.1621
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2013	104.33	98.79	1.0660
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2013	104.33	98.79	1.0658

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2013	13,086	97.53	13,417,036
Sterling Accumulation		(pence)	
30/06/2013	15,274	98.47	15,511,011
Sterling Institutional (Net Inc.)		(pence)	
30/06/2013	12	97.52	11,957
Sterling Institutional (Net Accum.)		(pence)	
30/06/2013	10	98.69	10,580
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	24	97.56	25,076
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	90	98.73	91,571
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	97.58	5,000
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	98.64	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Virgin Media Secured Finance 7% Guaranteed Senior Notes 15/01/2018	2.28	N/A
Interstar 3.3292% Floating Rate Notes 7/11/2039	2.25	N/A
Severn Trent Utilities Finance 5.5894344% Floating Rate Notes 30/05/2028	2.20	N/A
National Grid 2.983% Senior Index Linked Bonds 8/07/2018	2.19	N/A
London Power Networks 3.125% Index Linked Notes 7/06/2032	2.16	N/A
Moyle Interconnector 2.9376% Guaranteed Index Linked Bonds 31/03/2033	2.11	N/A
Anglian Water Service Financing 3.07% Index Linked Guaranteed Bond 30/07/2032	2.08	N/A
Southern Water Services Finance Index Linked Bond 31/03/2023	2.06	N/A
Tesco Property 5 5.6611% Guaranteed Bonds 13/10/2041	1.96	N/A
Yorkshire Water SVS Bradford Finance 2.718% Guaranteed Index Linked 30/12/2039	1.88	N/A

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	2.25	N/A
AA	2.45	N/A
A	30.19	N/A
BBB	38.60	N/A
BB	6.60	N/A
B	4.70	N/A
Not rated (by S&P)	12.87	N/A
Derivatives	0.19	N/A
Other	2.15	N/A
	100.00	N/A

INSIGHT STRATEGIC BOND FUND

GENERAL INFORMATION

Fund management team:	Adam Mossakowski and Peter Bentley
Fund size:	£11.83m
Fund launch:	9 February 2013
Sector:	IMA £ Strategic Bond

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	30 September, 31 December, 31 March

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	30 November, 28 February, 31 May

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve a total return.

INVESTMENT POLICY

The Fund will invest principally in any one or a combination of the following: corporate bonds; government bonds; asset backed securities; other debt instruments; and derivatives relating to these securities. Investment may be in both fixed and variable rate debt instruments and investment may include sub-investment grade securities. The Fund may also invest in other transferable securities as well as collective investment schemes, deposits, cash and near cash, money market instruments and other derivatives. Derivatives may be used for investment purposes as well as for efficient portfolio management (EPM).

RISK PROFILE

The Fund invests in Bonds and is therefore exposed to credit risk. However, all investments in currencies other than sterling are exposed to changes in currency movements. The Fund is also exposed to changes in market interest rates, investing predominantly in fixed interest securities. The Fund will use derivatives to generate returns and that can involve a higher level of risk. A small movement in the price of the underlying investment may result in a disproportionately large movement in the price of the derivative instrument. The Fund may also invest in emerging markets. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Since its inception on 9 February 2013, the Fund made a small negative return.

The period was an unstable one for fixed income assets (bonds or debt issued by governments and companies). In May, comments from the US Federal Reserve that it may start tapering its quantitative easing programme (effectively printing more money) led to a substantial fall in bond prices. Positioning in the Fund left it slightly more sensitive to changes in bond prices, but this negative was offset by other strategies. The Fund's holding in asset-backed securities contributed positively to performance, as they held up better than other assets as prices fell (asset-backed securities are secured against financial assets, such as the interest payments due on loans or mortgages). Exposure to the financial sector through selected insurance and bank issuers also added to returns as they performed better than other corporate bonds (debt issued by companies). In May and June, the Fund was down as prices fell and corporate bonds fared worse than government bonds (debt issued by governments). The Co-operative Group bonds that were bought in May had a negative impact on performance, as their price fell on the confirmation that the group would need to inject £500 million of capital into the bank.

For most of the period, the Fund held an overweight position in bonds maturing in 15 years or more. We also held a tactical position in the UK, aiming to take advantage of fluctuations in sterling interest rates. Later we added a position that reflected the manager's view that UK Gilts would perform better than US Treasuries. The manager also built a large position in asset-backed securities, focused on commercial and residential mortgage-backed securities. In high yield debt (debt rated BBB or below by the credit rating agency Standard and Poor's), the Fund focused on bonds with very short maturities with some selected longer-dated bonds. In investment grade bonds (bonds rated between AAA and BBB by the credit rating agency Standard and

Poor's), the Fund held positions in transport and utilities issues where cash flow is transparent and the bond issue is backed by a physical asset. These included Heathrow Funding, Tesco Property, Thames Water and KPN. Later in the period, corporate bond prices fell relative to other issues. The manager viewed this as a buying opportunity and added to positions. Preferred sectors included commercial mortgage-backed securities, transport and subordinated insurance paper. The manager limited the Fund's exposure to the corporate bond market as a whole, using a derivative contract.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.39	N/A
Sterling Accumulation	1.39	N/A
Sterling Institutional W (Net Inc.)	0.83	N/A
Sterling Institutional W (Net Accum.)	0.83	N/A
Sterling Retail Adv B (Net Inc.)	1.11	N/A
Sterling Retail Adv B (Net Accum.)	1.11	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2013	103.30	99.03	1.1514
Sterling Accumulation	(pence)	(pence)	(pence)
2013	103.75	99.47	1.1545
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2013	103.28	99.08	1.3286
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2013	103.80	99.58	1.3370
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2013	103.25	99.02	1.2412
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2013	103.75	99.50	1.2450

* Distributions are shown in the year declared rather than paid.

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	1.41	N/A
A	13.94	N/A
BBB	30.14	N/A
BB	15.50	N/A
B	13.07	N/A
CCC	0.77	N/A
Not rated (by S&P)	22.25	N/A
Derivatives	(0.48)	N/A
Other	3.40	N/A
	100.00	N/A

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2013	8,615	98.29	8,764,781
Sterling Accumulation		(pence)	
30/06/2013	3,133	99.43	3,150,536
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	21	98.23	21,227
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	53	99.55	52,913
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	98.25	5,023
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	99.46	5,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Insight Emerging Markets Debt Fund Class S	8.59	N/A
Virgin Media Secured Finance 7% Guaranteed Senior Notes 15/01/2018	2.52	N/A
Eileme 11.75% Guaranteed Notes 31/01/2020	2.48	N/A
Scottish Amicable Finance 8.5% Variable Rate Perpetual Bonds	2.07	N/A
White City Property Finance 5.1202% Guaranteed Bonds 17/04/2035	1.94	N/A
Heathrow Funding 6% Guaranteed European Medium Term Notes 20/03/2020	1.86	N/A
Matterhorn Mobile 6.75% Guaranteed Senior Notes 15/05/2019	1.78	N/A
Sunrise Communications I 5.625% Guaranteed European Medium Term Notes 31/12/2017	1.78	N/A
Aviva 6.125% Guaranteed Perpetual Subordinated Bonds	1.76	N/A
Talanx Finanz 8.3673% Guaranteed Floating Rate European Medium Term Bonds 15/06/2042	1.75	N/A

NEWTON 50/50 GLOBAL EQUITY FUND

GENERAL INFORMATION

Fund management team:	Matthew Brown and Rob Stewart
Fund size:	£520.63m
Fund launch:	15 February 1999
Comparative index:	50% All-Share, 50% (1/3 FTSE North America, 1/3 FTSE AW Europe ex UK, 1/3 FTSE AW Asia Pacific)
Sector:	IMA Global

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	30 September
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to invest in a broad spread of UK and international securities to achieve income and capital growth over the longer term. The Fund will be managed to a benchmark of approximately 50% UK equities and 50% international equities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests directly in International equities, aiming to outperform its comparative index over rolling 5 year periods.

RISK PROFILE

As a diversified global equity Fund, the risks associated with the Fund are consistent with International Equity Investing, these include Equity Market risk, Exchange Rate risk, Liquidity risk and Stock specific risk. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return and outperformed its composite benchmark over the 12-month period. Stock selection made a positive contribution to performance overall. The Fund's exposure to the mobile telecoms sector had a beneficial impact, where Softbank and Sprint Nextel both performed well as their alliance was approved by shareholders. Another highlight was the Fund's exposure to pharmaceuticals, largely attributable to positions in Roche Holdings, Sanofi and Bayer, a German chemical company that also has a substantial pharmaceutical business. In the energy sector, the Fund's holding in Nexen performed well, as the Canadian exploration and production company agreed to a takeover bid. The Fund's exposure to gold, especially gold mining equities, detracted from performance. Holdings in Barrick Gold, Newcrest Mining and Yamana Gold were particularly hard hit. A fall in the underlying commodity price was the main cause, although stock-specific problems also detracted, specifically at Newcrest Mining, which declined following operational issues.

Early in 2013, the manager purchased several new holdings that exhibited a degree of economic sensitivity with significant earnings growth potential on undemanding valuations. These included CSX, Equifax and UBM. Specialty chemicals group Johnson Matthey was added to the portfolio on growth opportunities available to the company's core environmental technologies business as emissions regulations become more stringent. New purchases also included Mattel, a leading global toy manufacturer. Positive attributes include its dominant brands and strong cash generation. A number of holdings including Accenture, Associated British Foods, Bayer, Bunzl and Dollar General and Interpublic were pared back on concerns that valuations had become stretched given the weak corporate spending backdrop, and the slowdown in the developing world.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Exempt 1 (Net Accum.)	21.65	-5.13	18.99	19.91	-16.11
Sterling X (Net Accum.)	22.25	-4.65	19.59	20.50	-15.78
Sterling Exempt 2 (Net Accum.)	21.53	-5.22	18.87	19.79	-16.18
Index ¹	20.50	-5.54	23.78	21.80	-17.40

¹ 50% FTSE All Share, 16.67% FTSE AW North America, 16.67% FTSE AW Europe ex UK, 16.67% FTSE AW Asia Pacific. Prior to 31/03/10 – 60% FTSE All Share, 13.33% FTSE AW North America, 13.33% FTSE AW Europe ex UK, 13.33% FTSE AW Asia Pacific.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Exempt 1 (Net Accum.)	0.56	0.56
Sterling X (Net Accum.)	0.06	0.06
Sterling Exempt 2 (Net Accum.)	0.66	0.66

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	175.88	118.79	4.3068
2010	198.13	164.56	4.1837
2011	204.92	165.23	4.5018
2012	207.02	180.61	4.8147
2013	245.24	207.52	3.2340
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	179.22	120.59	5.0573
2010	202.91	168.11	5.1902
2011	210.41	169.86	5.5949
2012	214.10	186.26	5.9709
2013	254.18	214.66	3.9339
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	130.80	88.41	3.1040
2010	147.20	122.32	2.9765
2011	152.17	122.67	3.2060
2012	153.50	133.99	3.4206
2013	181.77	153.87	2.3130

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	440,864	199.27	221,239,988
30/06/2012	344,784	189.03	182,396,418
30/06/2013	350,920	229.84	152,681,746
Sterling X (Net Accum.)		(pence)	
30/06/2011	222,627	204.58	108,819,530
30/06/2012	148,847	195.04	76,314,827
30/06/2013	118,410	238.33	49,682,798
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	57,540	147.97	38,885,155
30/06/2012	45,733	140.23	32,613,768
30/06/2013	51,305	170.33	30,120,753

Major Holdings (%)

Holding	30/06/2013	30/06/2012
GlaxoSmithKline	4.59	3.94
BP	3.12	3.27
Royal Dutch Shell B	2.76	1.23
Bayer	2.71	2.34
Sprint Nextel	2.48	1.18
British American Tobacco	2.38	2.93
Standard Chartered	2.05	2.13
Syngenta	2.03	1.61
Microsoft	1.81	0.76
Roche	1.81	1.71
BHP Billiton	1.58	1.70
Tesco	1.52	2.14
BG	0.69	1.99

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	39.16	42.39
United States of America	21.48	13.88
Japan	6.40	4.07
Switzerland	5.97	5.81
France	3.59	4.00
Germany	2.71	2.34
Canada	2.41	3.48
Sweden	2.08	1.12
Hong Kong	1.22	1.35
South Africa	1.18	1.25
China	1.18	1.61
Brazil	1.17	1.42
India	0.97	1.37
Mexico	0.88	0.00
Belgium	0.73	0.00
Thailand	0.72	0.81
Norway	0.64	1.29
Collective Investment Schemes	0.57	0.93
Philippines	0.56	0.57
Australia	0.20	0.55
Indonesia	0.00	0.24
Italy	0.00	0.37
Singapore	0.00	1.63
Derivatives	(0.03)	0.01
Cash & Others	6.21	9.51
	100.00	100.00

NEWTON ASIAN INCOME FUND

GENERAL INFORMATION

Fund management team:	Jason Pidcock and Caroline Keen
Fund size:	£3,864.86m
Fund launch:	30 November 2005
Comparative index:	FTSE AW Asia Pacific ex Japan TR GBP
Sector:	IMA Asia Pacific excluding Japan
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:	
Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:	
Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve income together with long-term capital growth predominantly through investments in securities in the Asia Pacific ex Japan (including Australia & New Zealand) region. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The manager will invest in companies from around the Asia Pacific ex Japan region that will achieve a steady income stream along with capital growth.

RISK PROFILE

As a regional portfolio, the Fund will be exposed to changes in currencies and investments in less-developed markets. A fall in the value of a single investment may have a significant impact on the value of the Fund because it typically invests in a limited number of investments. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return and outperformed the FTSE AW Asia Pacific ex Japan Index over the 12-month period. At the sector level, the Fund's limited exposure to basic materials was one of the main factors that contributed to performance, combined with limited exposure to consumer goods and a strong emphasis on telecommunications providers. The Fund's emphasis on oil and gas producers, and its exposure to technology and financials, detracted from performance. Among the Fund's telecom holdings, Thailand's Advanced Info Service performed well. The stock rose following clarity from the regulator regarding the 3G licence process, and investors focused on the company's considerable earnings growth potential. The Fund's holdings in the consumer sectors performed well; this was led by the Macau casino operator Sands China, which benefited from strong gaming revenues. In the financials sector, Link Real Estate Investment Trust was a notable outperformer as it continued to show strong rental growth despite what appeared to be a weaker macroeconomic background. Industrials performance was led by Amcor, a world leader in the packaging industry. The main detractors at stock level were the Fund's holdings in HTC, the Taiwanese mobile handset maker which remained weak as it downgraded its market expectations, and Chorus, New Zealand's largest telecommunications infrastructure company, which struggled on a tight government regulation of network pricing.

The manager took the opportunity to increase the Fund's exposure to real estate investment trusts early in the year adding a holding in Westfield Retail Trust, which owns shopping malls in Australia and New Zealand and offers an attractive yield. The manager increased the Fund's exposure to Thailand via a placing of Shin Corporation, a media investment company whose largest asset is a stake in Advanced Info Service. In the telecoms sector, the manager added a position in Axiata Group, a mobile telecommunications company with operations in ten Asian countries, with the focus in Malaysia and Indonesia. Following a challenging year for the company, the manager decided to sell HTC, given the company's struggle to regain market share from Apple and Samsung. Towards the end of the reporting year, the manager increased the Fund's cash levels on the view that the deteriorating economic background in China was likely to weigh on Asia Pacific equity markets over the summer months.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	16.86	6.21	26.29	43.27	-2.89
Sterling Institutional (Net Inc.)	17.51	6.82	27.01	44.09	-2.45
Sterling Institutional (Net Accum.)	17.55	6.78	26.95	44.09	-2.42
Sterling X (Net Inc.) ¹	18.70	7.88	28.29	45.62	N/A
Euro Institutional (Net Accum.) ¹	17.08	N/A	N/A	N/A	N/A
Euro Institutional (Net Inc.) ¹	16.97	N/A	N/A	N/A	N/A
Euro Accumulation ¹	16.43	N/A	N/A	N/A	N/A
Euro Income ¹	16.38	N/A	N/A	N/A	N/A
US Dollar Institutional (Net Inc.) ¹	18.58	N/A	N/A	N/A	N/A
US Dollar Institutional (Net Accum.) ¹	18.65	N/A	N/A	N/A	N/A
US Dollar Income ¹	18.06	N/A	N/A	N/A	N/A
US Dollar Accumulation ¹	18.05	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE AW Asia Pacific ex Japan TR GBP	13.38	-10.57	21.25	34.64	-4.68

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.65	1.66
Sterling Institutional (Net Inc.)	1.08	1.09
Sterling Institutional (Net Accum.)	1.08	1.08
Sterling X (Net Inc.)	0.08	0.08
Euro Institutional (Net Accum.)	1.07	1.09
Euro Institutional (Net Inc.)	1.07	1.09
Euro Accumulation	1.64	1.66
Euro Income	1.64	1.66
US Dollar Institutional (Net Inc.)	1.07	1.10
US Dollar Institutional (Net Accum.)	1.07	1.10
US Dollar Income	1.64	1.67
US Dollar Accumulation	1.64	1.67
Sterling Institutional W (Net Inc.)	0.82	N/A
Sterling Institutional W (Net Accum.)	0.82	N/A
Sterling Retail Adv B (Net Inc.)	1.14	N/A
Sterling Retail Adv B (Net Accum.)	1.14	N/A
Sterling P (Net Inc.)	1.08	N/A
Sterling P (Net Accum.)	1.08	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	135.26	83.87	6.1402
2010	168.26	126.82	8.2595
2011	167.98	143.52	8.3898
2012	181.69	155.55	8.3516
2013	208.40	176.95	4.6352
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	138.09	85.25	6.2765
2010	172.65	129.50	8.5536
2011	172.79	147.80	8.7425
2012	188.31	160.39	8.7531
2013	216.40	183.86	4.8814
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	166.54	98.11	7.3818
2010	219.73	157.46	10.5480
2011	228.48	198.68	11.4586
2012	266.60	217.59	12.0926
2013	312.08	265.14	7.0050

Price and Revenue Record by Share Class (Calendar Year) – contd.

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2009 (from 2 April)	136.82	93.75	5.1291
2010	172.79	128.41	8.6236
2011	173.83	149.06	8.7853
2012	192.29	162.16	8.8748
2013	221.83	188.66	5.0068
Euro Institutional (Net Accum.)	(cents)	(cents)	(cents)
2012 (from 30 January)	120.69	100.00	5.4466
2013	135.06	114.05	3.0126
Euro Institutional (Net Inc.)	(cents)	(cents)	(cents)
2012 (from 5 March)	110.16	96.61	4.2555
2013	121.02	102.02	2.7219
Euro Accumulation	(cents)	(cents)	(cents)
2012 (from 5 March)	113.57	96.84	4.3057
2013	126.82	107.02	2.7968
Euro Income	(cents)	(cents)	(cents)
2012 (from 5 March)	109.71	96.50	4.1918
2013	120.34	101.55	2.6665
US Dollar Institutional (Net Inc.)	(cents)	(cents)	(cents)
2012 (from 2 April)	108.63	92.05	3.7008
2013	119.23	101.36	2.6561
US Dollar Institutional (Net Accum.)	(cents)	(cents)	(cents)
2012 (from 2 April)	111.96	92.06	3.7875
2013	125.15	106.38	2.7805
US Dollar Income	(cents)	(cents)	(cents)
2012 (from 2 April)	108.22	91.95	3.7368
2013	118.58	100.72	2.6209
US Dollar Accumulation	(cents)	(cents)	(cents)
2012 (from 2 April)	111.54	91.95	3.7561
2013	124.44	105.69	2.7117
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 30 August)	107.63	99.24	1.0399
2013	123.81	105.21	2.7950
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 30 August)	108.02	99.24	1.0225
2013	126.57	107.56	2.8371
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 1 October)	105.21	100.00	0.6655
2013	120.91	102.71	2.7071
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 1 October)	105.21	100.00	0.6655
2013	123.16	104.63	2.7601
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 20 September)	105.97	99.73	0.6878
2013	121.78	103.46	2.7482
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 1 October)	105.22	100.00	0.6834
2013	123.16	104.64	2.7612

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	493,586	162.97	302,868,975
30/06/2012	884,043	164.78	536,506,491
30/06/2013	1,217,470	183.65	662,920,727
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	349,398	167.61	208,453,195
30/06/2012	785,835	170.33	461,363,300
30/06/2013	914,987	190.79	479,574,156
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	50,054	221.73	22,574,060
30/06/2012	319,625	236.75	135,002,535
30/06/2013	707,806	278.62	254,038,063
Sterling X (Net Inc.)		(pence)	
30/06/2011	31,979	168.59	18,968,673
30/06/2012	78,691	173.05	45,472,142
30/06/2013	28,239	195.79	14,422,979
Euro Institutional (Net Accum.)		(cents)	
30/06/2012	6,975	107.47	8,048,862
30/06/2013	62,548	119.05**	61,305,931
Euro Institutional (Net Inc.)		(cents)	
30/06/2012	12	99.96	15,000
30/06/2013	3,109	105.34**	3,443,968
Euro Accumulation		(cents)	
30/06/2012	59	101.38	72,755
30/06/2013	16,819	111.70**	17,569,652
Euro Income		(cents)	
30/06/2012	12	99.79	15,000
30/06/2013	7,740	104.69**	8,627,426
US Dollar Institutional (Net Inc.)		(cents)	
30/06/2012	9	95.15	15,000
30/06/2013	11,719	103.62***	17,153,636
US Dollar Institutional (Net Accum.)		(cents)	
30/06/2012	3,268	96.29	5,294,867
30/06/2013	13,841	110.14***	19,059,423
US Dollar Income		(cents)	
30/06/2012	9	95.04	15,000
30/06/2013	4,987	102.98***	7,344,705
US Dollar Accumulation		(cents)	
30/06/2012	40	96.13	64,819
30/06/2013	21,444	109.40***	29,728,773
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	762,537	109.19	698,383,952
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	88,959	113.03	78,706,131

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	1,248	106.61	1,170,922
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	852	109.94	774,781
Sterling P (Net Inc.)		(pence)	
30/06/2013	405	107.37	377,201
Sterling P (Net Accum.)		(pence)	
30/06/2013	150	109.96	136,526

** Euro/Sterling exchange rate at close of business 28 June 2013: 1.166827.

*** US Dollar/Sterling exchange rate at close of business 28 June 2013: 1.516700.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Taiwan Semiconductor Manufacturing	3.76	4.19
Telstra	3.72	3.47
HSBC	3.57	2.72
Sands China	3.21	2.92
Australia & New Zealand Bank	3.12	3.46
Philippine Long Distance Telecom	3.11	1.94
Advanced Info Service	3.10	3.58
Shin	2.86	0.00
China Mobile (Hong Kong)	2.68	3.37
Hutchison Port	2.51	4.38
Link REIT	2.51	3.77
Transurban	2.11	3.56
Taiwan Mobile	2.02	3.05
HTC	0.00	3.41

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Australia	26.29	26.05
Hong Kong	17.91	20.02
Singapore	12.50	11.99
Thailand	10.95	7.21
Taiwan	5.78	11.66
China	5.54	7.19
Malaysia	4.93	2.95
New Zealand	3.29	3.31
United Kingdom	3.16	0.00
Philippines	3.11	3.69
Indonesia	2.10	2.12
South Korea	1.53	1.94
India	0.14	0.00
Pakistan	0.00	0.50
Cash & Others	2.77	1.37
	100.00	100.00

NEWTON BALANCED FUND

GENERAL INFORMATION

Fund management team:	Iain Stewart, Matthew Brown and Simon Nichols
Fund size:	£2,972.89m
Fund launch:	4 November 1986 (managed by Newton since July 1997)
Comparative index:	IMA Mixed Investment 40-85% Shares
Sector:	IMA Mixed Investment 40-85% Shares
Fund ratings:	Silver Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve a balance between capital growth and income predominantly from a portfolio of UK and international securities. The Fund may also invest in derivative instruments, forward transactions and collective investment schemes.

INVESTMENT POLICY

The Fund invests directly in a range of asset classes aiming to outperform its comparative index on rolling 5 year periods.

RISK PROFILE

The risks associated with the Fund will be risks that are consistent with a broad exposure to global capital markets. These include Equity Market risk, Currency Rate risk, Liquidity risk, Stock specific risk, Interest Rate risk and Credit risk. The resulting volatility is likely to be lower than that experienced by a 100% equity portfolio. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return but underperformed the IMA Mixed Investment 40-85% Shares over the 12-month period. The equity portion of the Fund was the main area of weakness as the Fund's exposure to gold, especially gold mining equities, detracted from performance. Holdings in Barrick Gold, Eldorado Gold, Newcrest Mining and Yamana Gold were particularly hard hit. A fall in the underlying commodity price was the main cause, although stock-specific problems also detracted, specifically at Newcrest Mining, which declined following a reduction in output guidance that resulted from operational issues.

In the financial sector, the underweight stance in banks, and specifically the avoidance of HSBC Holdings, Barclays and Lloyds Banking Group was the other major negative. Exposure to the pharmaceutical sector was a positive in the equity portion of the Fund, largely attributable to holdings in Roche, Sanofi and BB Biotech, as was the Fund's exposure to the mobile telecoms sector, where Softbank and Sprint Nextel both performed well on confirmation of a takeover bid from the former for the latter. In the fixed interest portion of the Fund, the preference for credit – debt issued by companies – over UK Gilts (debt issued by the UK government) contributed positively.

In the equity portfolio, new names established included Citigroup and Johnson Matthey. The holding in Citigroup was purchased on the view that following a phase of write-downs and asset disposals, the bank has significantly strengthened its balance sheet. Specialty chemicals group Johnson Matthey was added to the portfolio on growth opportunities available to the company's core environmental technologies business as emissions regulations become more stringent. Telecoms remain a favoured area of exposure; the manager established a holding in the Swedish telecoms company TeliaSonera. The group is well managed and benefits from operating in a stable domestic market.

A number of holdings including Accenture, Associated British Foods, Bayer and Dollar General were pared back on concerns that valuations had become stretched given the weak corporate spending backdrop, and the slowdown in the developing world. In the fixed income portion of the Fund, the manager established an initial position in long-dated US Treasury bonds following a moderation in the inflation outlook and a back-up in bond yields due to better growth expectations.

Statutory Performance Data (%)

From To	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
Sterling Income	11.62	-4.55	14.26	14.68	-3.02
Sterling Institutional (Net Accum.)	12.28	-3.99	14.92	15.32	-2.58
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

IMA Mixed Investment 40-85% Shares	14.98	-3.70	14.62	16.75	-13.54
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.61	1.62
Sterling Institutional (Net Accum.)	1.04	1.05
Sterling Institutional W (Net Inc.)	0.79	N/A
Sterling Institutional W (Net Accum.)	0.79	N/A
Sterling Retail Adv B (Net Inc.)	1.11	N/A
Sterling Retail Adv B (Net Accum.)	1.11	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	161.38	126.97	4.9298
2010	170.38	146.93	4.9022
2011	171.47	148.82	4.7051
2012	163.19	151.96	4.5095
2013	180.98	159.55	2.7459
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	182.99	140.27	5.4750
2010	200.87	172.70	5.8070
2011	205.19	181.15	5.7942
2012	205.61	187.76	5.7520
2013	231.45	203.60	3.6185
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 31 August)	102.07	98.47	0.7358
2013	114.23	100.39	1.7977
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 31 August)	102.07	98.47	0.7342
2013	115.07	101.14	1.8118
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 28 September)	100.44	96.87	1.1239
2013	111.74	98.32	1.7215
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 28 September)	100.44	96.87	1.1225
2013	113.03	99.45	1.7323

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	1,032,420	165.93	622,220,659
30/06/2012	1,193,486	153.89	775,545,628
30/06/2013	1,297,158	167.28	775,419,689
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	1,500,969	201.68	744,219,516
30/06/2012	1,575,912	193.62	813,916,116
30/06/2013	1,662,897	217.58	764,276,168
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	5,363	105.61	5,078,020
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	3,196	108.20	2,953,642
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	4,272	103.32	4,134,723
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	9	106.25	8,027

Major Holdings (%)

Holding	30/06/2013	30/06/2012
GlaxoSmithKline	4.33	3.44
Norway 3.75% Bonds 2021	3.06	3.42
USA Treasury Bonds 4.375% 2039	2.60	0.00
Bayer	2.31	2.23
Sprint Nextel	2.18	0.53
Royal Dutch Shell 'B'	1.94	0.96
Roche	1.74	1.49
BP	1.71	1.70
Syngenta	1.59	1.05
ETFS Physical Gold 0.00% Secured Note (GBP)	1.43	1.95
Australia 4.75% Bonds 2027	1.08	1.92
Newcrest Mining	0.97	2.07
UK Treasury Bill 0.00% 2013	0.00	9.07
Australia 5.5% Bonds 2023	0.00	1.68
Norway 4.50% Bonds 2019	0.00	1.50

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	27.43	23.28
United States of America	14.05	9.62
Overseas Government Stocks	10.71	10.82
Switzerland	6.18	5.05
France	4.10	3.79
Japan	3.97	2.46
Non-Sterling Denominated Corporate Bonds	3.58	4.99
Sterling Denominated Corporate Bonds	2.88	2.75
Germany	2.80	3.45
Commodities	1.98	2.71
Sweden	1.86	0.62
Canada	1.85	2.41
Collective Investment Schemes	1.11	1.43
Netherlands	0.98	0.65
Australia	0.97	2.07
Hong Kong	0.88	0.87
South Africa	0.70	1.07
Norway	0.66	1.13
Investment Trusts	0.53	0.42
Belgium	0.44	0.53
China	0.39	1.08
Brazil	0.36	0.44
UK Government Stocks	0.00	9.07
Poland	0.00	0.60
Denmark	0.00	0.55
Singapore	0.00	0.44
Peru	0.00	0.36
Italy	0.00	0.09
Derivatives	0.51	0.07
Cash & Others	11.08	7.18
	100.00	100.00

NEWTON CAUTIOUS MANAGED FUND

GENERAL INFORMATION

Fund management team:	Simon Nichols and Rob Stewart
Fund size:	£0.0m
Fund launch:	31 January 1994
Fund closed:	15 June 2013
Comparative index:	IMA Mixed Investment 20-60% Shares
Sector:	IMA Mixed Investment 20-60% Shares

DISTRIBUTION

Period end dates for distributions for Sterling Income:	
Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for Sterling Income:	
Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve income and capital growth from a portfolio of equities and fixed interest securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

This Fund invests in equities and bonds to achieve both income and capital growth. It invests predominantly within the UK, but has the ability to buy international securities when attractive opportunities arise.

RISK PROFILE

The Fund will be exposed to changes in currency rates. The portfolio may contain some investments in less-developed markets. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund closed on 15 June 2013.

From the start of the period until its closure, the Fund generated a positive return and outperformed its comparative index. Equity (company shares) markets performed well over the second half of 2012 following comments from Mario Draghi, president of the European Central Bank (ECB), when he stated that the ECB was ready to do "whatever it takes" to preserve the euro. This had the effect of significantly lowering the borrowing costs for a number of those troubled countries on the edge of the eurozone, and reducing funding costs for the financial system. Meanwhile, corporate bonds – debt issued by companies – continued to perform well but those government bonds – debt issued by governments – perceived to be "safe havens" produced more lacklustre returns. In terms of Fund performance, equity and corporate bond exposure was advantageous.

Over the first three months of 2013, exposure to gold was negative as the underlying commodity price fell. At Newcrest Mining, the gold miner, operations disappointed and the stock was weak as a result. Industrial commodities also performed poorly as weaker demand and better supply conditions were forecast and BHP Billiton was a notable weak performer. Finally, having been positive for the first quarter of 2013, fixed income markets lost ground towards the end of the period due to speculation over the US Federal Reserve's quantitative easing programme (which is effectively printing more money) being "tapered".

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	17/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	15.62	-0.75	15.49	20.61	-17.18
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A

IMA Mixed Investment 20-60% Shares	10.99	-0.87	10.11	13.63	-9.40
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 17 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)²

Share Class	30/06/2013	30/06/2012
Sterling Income	N/A	1.43
Sterling Institutional W (Net Inc.)	N/A	N/A
Sterling Institutional W (Net Accum.)	N/A	N/A
Sterling Retail Adv B (Net Inc.)	N/A	N/A
Sterling Retail Adv B (Net Accum.)	N/A	N/A
Sterling P (Net Inc.)	N/A	N/A

²The Fund closed on 15/06/2013.

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	152.92	111.92	6.0698
2010	162.74	143.71	5.8935
2011	164.84	148.72	5.2487
2012	165.34	153.23	5.0998
2013 (to 15 June)	182.25	164.40	2.7390
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 31 August)	102.84	99.44	0.7554
2013 (to 15 June)	113.59	102.28	1.7238
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 31 August)	102.97	99.44	0.7543
2013 (to 15 June)	115.21	103.04	1.7426
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 October)	100.94	98.05	0.6090
2013 (to 15 June)	111.40	100.39	1.6702
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 October)	100.94	98.05	0.6092
2013 (to 15 June)	112.83	101.00	1.6941
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 20 September)	101.47	98.55	0.6603
2013 (to 15 June)	111.97	100.90	1.7130

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	44,794	161.91	27,666,501
30/06/2012	37,161	155.45	23,906,066
30/06/2013	N/A	N/A	N/A
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling P (Net Inc.)		(pence)	
30/06/2013	N/A	N/A	N/A

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Treasury 0.00% Stock 2012	N/A	5.38
Novartis	N/A	2.82
BP	N/A	2.76
USA Treasury Notes 0.375% 2012	N/A	2.61
Australia 4.75% Bonds 2027	N/A	2.45
Royal Dutch Shell B	N/A	2.39
Norway 6.50% Bonds 2013	N/A	2.32
Norway 3.75% Bonds 2021	N/A	2.22
GlaxoSmithKline	N/A	2.13
HSBC	N/A	2.09

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	N/A	32.62
Sterling Denominated Corporate Bonds	N/A	18.48
Overseas Government Stocks	N/A	9.60
Switzerland	N/A	7.35
UK Government Stocks	N/A	6.37
United States of America	N/A	3.19
Non-Sterling Denominated Corporate Bonds	N/A	2.75
Germany	N/A	2.63
France	N/A	1.85
Investment Trusts	N/A	1.32
Australia	N/A	1.07
Singapore	N/A	0.92
Collective Investment Schemes	N/A	0.83
Taiwan	N/A	0.69
Norway	N/A	0.59
Belgium	N/A	0.54
China	N/A	0.53
Canada	N/A	0.41
Derivatives	N/A	(0.04)
Cash & Others	N/A	8.30
	0.00	100.00

NEWTON CONTINENTAL EUROPEAN FUND

GENERAL INFORMATION

Fund management team:	Raj Shant and Paul Markham
Fund size:	£172.36m
Fund launch:	1 June 1987 (managed by Newton since November 1994)
Comparative index:	FTSE Europe ex UK TR GBP
Sector:	IMA Europe excluding UK

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual: 30 June

Distribution payment dates for all share classes:

Annual: 31 October

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth from a portfolio of predominantly European securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

This Fund offers diversified exposure to blue chip corporate Europe through a concentrated portfolio of high conviction holdings. The Fund aims to optimise long-term capital growth.

RISK PROFILE

As the Fund invests in equities across Europe, it is exposed to currency fluctuations. Whilst being well diversified by sector and by country, the Fund tends to hold fewer than 60 stocks. The Fund may invest in small companies as well as companies in emerging markets. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a strong positive return but underperformed its comparative index. At the sector level, exposure to telecoms, and industrials held back performance, while positive contributions came from the technology and oil and gas and financials sectors. At the stock level, the greatest negative impact derived from Swedish Match, which issued a profit-warning amid pricing pressure in its key Scandinavian market, the holding was later sold. Exposure to Italian stocks, such as Enel, ENI and Intesa San Paolo detracted from the Fund's performance during the reporting year. The Fund's holding in the French toll roads and construction company Vinci, a leading European infrastructure stock, hurt performance after the company revised down its outlook. Other underperformers over the year under review included the Swedish telecoms group TeliaSonera. In contrast, strong contributions to performance came from the Fund's positions in the professional publisher Reed Elsevier, French auto manufacturer Renault and German chemical group Bayer.

The Fund established a position in AXA, a global insurer listed in France, which the manager believes should benefit from the gradual return of stability and confidence in the eurozone. In the telecoms sector, the manager switched the holding in Telefonica Deutschland into its parent company in Spain, Telefonica. The latter showing impressive progress in stabilising its fixed and mobile market shares in Spain through its new bundled product called Fusion, and continued growth in its Latin American operations. In the autos sector, the manager sold the position in leading German car company Volkswagen: it has benefited disproportionately from the buoyant Chinese market, which now shows signs of slowing. The proceeds were used to acquire a holding in French car parts maker Valeo, which sells to major car companies around the world and has a growing order book of higher value-added products. Towards the end of the reporting year, the manager sold the Fund's holding in the Italian utility company Enel.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	25.56	-15.17	18.61	8.01	-21.05
Euro Accumulation	24.32	-15.19	17.70	7.73	-21.26
Sterling Exempt 1 (Net Accum.)	26.91	-14.27	19.88	9.20	-20.47
Sterling P (Net Inc.) ¹	26.29	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE Europe ex UK TR GBP	27.85	-20.03	29.56	15.86	-20.11

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.64	1.65
Euro Accumulation	2.14	2.15
Sterling Exempt 1 (Net Accum.)	0.57	0.58
Sterling P (Net Inc.)	1.07	1.09
Sterling Institutional W (Net Inc.)	0.82	N/A
Sterling Institutional W (Net Accum.)	0.83	N/A
Sterling Retail Adv B (Net Inc.)	1.14	N/A
Sterling Retail Adv B (Net Accum.)	1.14	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	176.55	119.30	2.5335
2010	174.38	141.46	1.9553
2011	176.41	125.03	2.3903
2012	162.25	135.66	3.0310
2013	187.17	162.75	2.2286
Euro Accumulation	(cents)	(cents)	(cents)
2009	94.22	64.22	0.9950
2010	100.08	84.11	0.7392
2011	103.00	72.58	0.7584
2012	101.94	84.42	1.3424
2013	112.11	101.13	0.3084
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	158.26	104.59	3.2372
2010	157.09	129.56	3.3519
2011	163.03	117.65	3.8922
2012	157.99	129.06	4.3313
2013	183.07	158.50	3.9450
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 20 June)	116.49	97.00	0.0458
2013	134.71	116.86	2.3481
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 30 August)	110.77	100.00	N/A
2013	128.26	111.13	2.6289
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 30 August)	110.77	100.00	N/A
2013	128.24	111.13	2.6332
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 27 September)	107.30	98.19	N/A
2013	124.06	107.64	2.3250
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 27 September)	107.30	98.19	N/A
2013	124.05	107.64	2.1697

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	229,462	168.98	135,789,911
30/06/2012	154,806	140.14	110,466,430
30/06/2013	165,582	173.27	95,564,051
Euro Accumulation		(cents)	
30/06/2011	2,176	94.74	2,539,742
30/06/2012	1,399	89.57	1,937,381
30/06/2013	1,127	104.93**	1,253,235
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	7,465	158.63	4,706,063
30/06/2012	1,542	135.79	1,135,596
30/06/2013	1,768	171.81	1,029,317
Sterling P (Net Accum.)		(pence)	
30/06/2012	15	100.37	15,000
30/06/2013	39	124.03	31,820

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	1,243	117.71	1,056,361
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	212	120.33	175,869
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	2,385	114.04	2,090,889
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	6	116.34	5,001

** Euro/Sterling exchange rate at close of business 28 June 2013: 1.166827.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Roche	4.56	3.82
Bayer	3.75	3.30
Allianz	3.55	2.79
Novartis	3.52	3.85
UBS	3.47	3.43
Nestle	3.15	4.65
AXA	3.13	0.00
Vinci	3.09	3.18
ASML	2.90	0.00
Telefonica	2.80	0.00
Sanofi	2.72	3.46
Deutsche Telekom	2.59	3.28
Air Liquide	2.22	3.37
Total	2.10	3.92
ENI	0.97	3.61

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
France	24.82	21.91
Germany	22.62	22.81
Switzerland	18.97	22.96
Netherlands	9.92	4.18
Sweden	5.16	7.28
Norway	4.61	2.32
Denmark	4.23	1.93
Spain	4.13	0.00
Italy	2.07	11.07
Belgium	1.57	2.66
Finland	0.00	1.32
Poland	0.00	0.90
Cash & Others	1.90	0.66
	100.00	100.00

NEWTON CORPORATE BOND FUND

GENERAL INFORMATION

Fund management team:	Howard Cunningham and Parmeshwar Chadha
Fund size:	£81.52m
Fund launch:	3 November 1997
Comparative index:	75% BofA Merrill Lynch Non-Gilt / 25% Euro High Yield (100% hedged to Sterling)
Sector:	IMA £ Corporate Bond ²

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	Last day of each month

Distribution payment dates for all share classes:

Annual:	31 July
Interim:	Second last day of each month

INVESTMENT OBJECTIVE

The objective of the Fund is to provide a high yield through a flexible allocation between investment grade and sub-investment grade corporate bonds and other predominantly fixed interest-securities. The Fund may also invest in deposits, derivative instruments, forward transactions and collective investment schemes.

INVESTMENT POLICY

Within the constraints of the income and capital preservation objective, the Fund is managed with reference to a hybrid index: 75% BofA Merrill Lynch Sterling Non-Gilts Index / 25% Merrill Lynch Euro High Yield Constrained Index (hedged* back to sterling). Typically the Fund will be well diversified, with around 100 holdings.

RISK PROFILE

The Fund invests in Bonds denominated in European currencies, from issuers rated "investment grade" and below "investment grade", and is therefore exposed to credit risk. However, all investments in currencies other than sterling are hedged* back to sterling which may help to mitigate the effects of currency movements. The Fund is also exposed to changes in market interest rates, investing predominantly in fixed interest securities. The Fund may use derivatives to generate returns as well as invest in investments that are not traded regularly and are therefore subject to greater fluctuations in price. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a positive return but underperformed its comparative index. Chief reasons for the strong performance from corporate bonds – debt issued by companies – over the first half of the period were reduced concerns with regards to the economic picture in the eurozone; and the early signs of success of the Bank of England's actions aimed at increasing banks' appetite and ability to lend, both to the corporate and household sectors. The Fund's exposure to sub-investment grade bonds – debt issued by companies that are rated below BBB by the credit rating agency Standard and Poor's – was a positive contributor. This was partially offset by limited exposure to banks, particularly in peripheral Europe, which performed well. Corporate bonds lost some ground towards the end of the period due to speculation over the US Federal Reserve's quantitative easing programme (effectively printing more money) being "tapered".

Notable activity included the purchase of bonds issued by Scottish Widows, Telefonica Emisiones, Australia and New Zealand Bank and Standard Chartered. Meanwhile, sales included 7.5% Royal Bank of Scotland 2024 and 4.375% Intesa Sanpaolo 2019.

* Currency hedging is a technique whereby the fund manager seeks to protect the Fund from adverse currency movements that may impact the share price.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	7.40	6.20	4.76	21.20	-8.95
Sterling P (Net Inc.) ¹	7.44	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

75% BofA Merrill Lynch Non-Gilt / 25% Euro High Yield (100% hedged to Sterling)	10.56	5.26	10.19	15.47	2.33
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

² The Fund was in the UK Other Bonds sector until June 2008. Performance figures for the UK Other Bonds sector are available upon request.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.17	1.17
Sterling P (Net Inc.)	1.11	1.10
Sterling Institutional W (Net Inc.)	0.59	N/A
Sterling Institutional W (Net Accum.)	0.59	N/A
Sterling Retail Adv B (Net Inc.)	0.93	N/A
Sterling Retail Adv B (Net Accum.)	0.93	N/A
Sterling P (Net Accum.)	1.11	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	75.55	60.26	3.7475
2010	81.00	74.66	3.3988
2011	79.20	75.55	3.3168
2012	84.54	76.93	3.3529
2013	86.65	81.85	1.3498
Sterling X (Net Accum.)**	(pence)	(pence)	(pence)
2009	84.87	64.42	4.1373
2010	95.40	84.42	3.9923
2011 (to 3 February)	92.56	91.70	0.3702
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 20 June)	106.40	99.98	2.2484
2013	109.06	103.01	1.7285
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 September)	103.05	99.66	1.3353
2013	105.80	100.01	1.6762
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 September)	104.07	99.66	1.3419
2013	108.35	102.69	1.7098
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 October)	101.92	99.85	0.9475
2013	104.55	98.79	1.6285
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 October)	102.55	99.85	0.9506
2013	106.65	101.03	1.6546
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 12 October)	102.38	100.00	0.8774
2013	106.41	100.78	1.6798

* Distributions are shown in the year declared rather than paid.

** The Sterling X (Net Accum.) Share Class closed on 3 February 2011.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	61,503	77.65	79,209,935
30/06/2012	51,106	78.86	64,806,071
30/06/2013	80,668	81.64	98,811,501
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	99.25	15,000
30/06/2013	325	102.75	316,182
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	400	99.75	400,898
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	24	102.73	23,842
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	98.54	5,118
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	8	101.07	8,358
Sterling P (Net Accum.)		(pence)	
30/06/2013	85	100.82	84,420

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Treasury Gilt 2.25% 2014	2.49	0.00
Treasury Stock 8.00% 2013	2.06	0.00
Treasury Gilt 4.25% 2049	2.04	1.22
Treasury Stock 6.00% 2028	2.02	0.00
General Electric Capital 6.44% Bonds 2022	1.79	1.82
SLM Student Loan Trust 5.15% EMTN 2015	1.65	2.13
Annington Finance No.4 0.00% 2023	1.24	1.78
Scottish Widows 5.50% Bonds 2023	1.20	0.00
Australia & New Zealand Bank 4.75% EMTN 2018	1.15	0.00
HBOS Treasury Services 4.875% EMTN 20/12/2024	1.15	1.77
Land Securities Capital 4.875% EMTN 2019	1.10	1.74
SSE 5.00% Bonds 2018	0.92	1.46
Pacific Life Funding 5.125% Bonds 2015	0.90	1.44
CGIS 9.625% 1st Mtg Deb 2019	0.89	1.40
Coventry Building Society 5.875% Bonds 2022	0.81	1.52
Royal Bank of Scotland 7.50% Bonds 2024	0.00	1.46

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	17.18	8.12
AA	10.98	12.25
A	25.14	20.26
BBB	27.99	23.24
BB	3.56	6.33
B	3.98	3.31
CCC	0.55	0.86
C	0.34	0.49
D	0.16	0.00
Not rated (by S&P)	7.13	21.19
Derivatives	(0.15)	(0.03)
Cash & Others	3.14	3.98
	100.00	100.00

NEWTON EMERGING INCOME FUND

GENERAL INFORMATION

Fund management team:	Jason Pidcock and Sophia Whitbread
Fund size:	£251.76m
Fund launch:	4 October 2012
Comparative index:	FTSE All World Emerging TR GBP
Sector:	IMA Global Emerging Markets

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve income together with long-term capital growth predominantly through investments in a diversified portfolio of securities in global emerging markets. The Fund may from time to time hold a concentrated portfolio because of its investments in a limited number of securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The manager will invest in global emerging market companies that will achieve a steady income stream along with capital growth.

RISK PROFILE

As a global portfolio investing in emerging markets, the Fund will be exposed to changes in currencies and investments in less-developed markets. These factors may affect the performance of the Fund. A fall in the value of a single investment may have a significant impact on the value of the fund because it typically invests in a limited number of investments. Charges are deducted from the capital of the Fund which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Since its inception on 4 October 2012, the Fund posted a positive return and outperformed its comparative index. At the stock level, the Fund's Mexican holdings were an area of strength; most notably, Fibra Uno, Mexico's first real estate investment trust, which has exposure to retail and industrial property in Central and Southern Mexico. Kimberly-Clark de Mexico was another highlight after reporting strong results in February; the stock dominates several categories of the Mexican household personal care market, which remain underpenetrated compared to developed markets, leaving room for further growth. The Fund's holding in the Thai telecoms provider, Advanced Info Service, also performed well, reflecting positive sentiment in the Thai market following the announcement of a sizeable positive rebound in economic growth in the fourth quarter of 2012. On the negative front, in an environment of reduced investor risk appetite and lower Chinese growth, the Fund's holdings in the mining companies China Shenhua and Indo Tambangraya Megah detracted from performance.

The Fund launched with a concentrated portfolio with positioning tilted towards defensive – less economically sensitive – industries across South and Central America, South Africa and South-East Asia. The Fund is roughly split between emerging markets within Asia and Emerging Markets outside of Asia. Important sectors include real estate investment trusts, telecoms, and consumer services and goods, with a preference for companies exposed to strong domestic demand. The Fund has lower exposure to commodity-related companies. Since launch, the managers sold holdings in Vale and Petrobras to further reduce the Fund's exposure to these areas. The holdings in two Mexican airport companies, Grupo Aeroportuario del Sureste (ASUR), and Grupo Aeroportuario del Pacifico (GAP), were also sold following strong performance.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income ¹	N/A	N/A	N/A	N/A	N/A
Sterling Accumulation ¹	N/A	N/A	N/A	N/A	N/A
Sterling X (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling X (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.72	N/A
Sterling Accumulation	1.72	N/A
Sterling X (Net Inc.)	0.15	N/A
Sterling X (Net Accum.)	0.15	N/A
Sterling Institutional W (Net Inc.)	0.90	N/A
Sterling Institutional W (Net Accum.)	0.90	N/A
Sterling Institutional (Net Inc.)	1.15	N/A
Sterling Institutional (Net Accum.)	1.15	N/A
Sterling Retail Adv B (Net Inc.)	1.22	N/A
Sterling Retail Adv B (Net Accum.)	1.22	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2012 (from 4 October)	107.21	99.39	0.9140
2013	119.32	99.40	2.1569
Sterling Accumulation	(pence)	(pence)	(pence)
2012 (from 4 October)	107.21	99.39	0.9173
2013	120.66	101.03	2.1841
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 October)	107.60	99.43	0.9065
2013	120.14	100.53	2.1937
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 October)	107.59	99.43	0.8969
2013	121.84	102.16	2.2226
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 October)	107.42	99.41	0.9268
2013	119.74	99.98	2.1699
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 15 October)	107.38	100.50	0.7577
2013	121.25	101.60	2.1965
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 15 October)	107.32	100.50	0.7563
2013	119.76	99.93	2.1821
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 15 October)	107.34	100.50	0.7860
2013	121.08	101.43	2.2039
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 23 October)	105.60	98.92	0.6693
2013	117.90	98.36	2.1377
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 23 October)	105.62	98.92	0.7005
2013	119.10	99.77	2.1515

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2013	50,781	104.75	48,477,499
Sterling Accumulation		(pence)	
30/06/2013	115,425	107.77	107,101,382
Sterling X (Net Inc.)		(pence)	
30/06/2013	12,043	105.96	11,365,597
Sterling X (Net Accum.)		(pence)	
30/06/2013	40,561	109.01	37,209,048
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	26,737	105.38	25,373,131
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	5,277	108.39	4,868,088
Sterling Institutional (Net Inc.)		(pence)	
30/06/2013	622	105.31	591,022

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Institutional (Net Accum.)		(pence)	
30/06/2013	195	108.21	180,544
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	52	103.66	50,178
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	70	106.44	65,838

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Fibra Uno Administracion	3.24	0.00
Bangkok Bank	3.13	0.00
Taiwan Semiconductor Manufacturing	3.09	0.00
Philippine Long Distance Telecom	3.01	0.00
Souza Cruz	2.93	0.00
Kimberly-Clark de Mexico	2.79	0.00
Life Healthcare	2.76	0.00
Powszechny Zaklad Ubezpieczen	2.66	0.00
MTN	2.41	0.00
Pico Far East	2.39	0.00

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Brazil	14.07	0.00
South Africa	13.24	0.00
Thailand	12.72	0.00
Hong Kong	10.67	0.00
Mexico	7.89	0.00
Malaysia	6.88	0.00
China	6.65	0.00
Philippines	4.88	0.00
Taiwan	4.85	0.00
Chile	3.73	0.00
Indonesia	2.72	0.00
Poland	2.66	0.00
Czech Republic	1.78	0.00
United States of America	1.52	0.00
Sweden	1.50	0.00
Turkey	0.53	0.00
Cash & Others	3.71	0.00
	100.00	0.00

NEWTON EUROPEAN HIGHER INCOME FUND

GENERAL INFORMATION

Fund management team:	Raj Shant and Paul Markham
Fund size:	£22.92m
Fund launch:	30 January 2007
Comparative index:	FTSE Europe ex UK TR GBP
Sector:	IMA Europe excluding UK

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve income together with long-term capital growth predominantly through investments in European securities (excluding UK). The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests predominantly in high-yielding European equities and tends to be focused around 40 to 60 high conviction holdings, to achieve a steady income stream along with capital growth. The Fund can invest in collective investment schemes and may also hold derivative investments to reduce risk.

RISK PROFILE

The Fund invests predominantly in high-yielding European equities and will therefore be exposed to changes in currency rates. The fund typically invests in a limited number of securities and may also invest in emerging markets. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12 months, the Fund generated a strong positive return but underperformed its comparative index. At the sector level, an emphasis on telecoms and exposure to oil and gas held back performance, while positive contributions came from the consumer services and healthcare sectors. At the stock level, exposure to Italian stocks, such as Enel, ENI and Intesa San Paolo detracted from performance. The Fund's holding in the French toll roads and construction company Vinci, a leading European infrastructure stock, hurt performance after the company revised down its outlook. Other underperformers over the year under review included the Swedish telecoms group TeliaSonera. In contrast, strong contributions to performance came from the Fund's positions in the professional publisher Reed Elsevier and French auto components supplier Valeo. The Fund's holding in Deutsche Post also performed strongly as first quarter results showed continued strength in the parcels business.

The Fund established a position in AXA, a global insurer listed in France, which the manager believes should benefit from the gradual return of stability and confidence in the eurozone. In the real estate sector, the manager sold out of the position in Berlin real estate company GSW, which had performed well and had seen its yield fall below that of the German market. The manager participated in the initial public offering for German residential property company LEG Immobilien, which offers excellent long-term exposure to the rising inflationary pressures in Germany, as interest rates are kept too low for the German economy due to the weakness in the eurozone periphery. In the telecoms sector, the manager acquired a new position in Spanish telecommunications incumbent Telefonica, which is showing continued growth in its Latin American operations and impressive progress in stabilising its fixed and mobile market shares in Spain through its new bundled product called Fusion. The manager sold the fund's holding in Kabel Deutschland, the German cable company which has been the subject of a rumoured bid by Vodafone. The stock has appreciated sharply year to date, driving the yield down below that of the market. In the utilities sector, the manager sold the position in German utility company RWE, as power prices came under more pressure than we expected due to surging renewables capacity.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	26.02	-17.21	20.13	7.64	-21.37
Sterling Institutional (Net Inc.)	26.75	-16.74	20.81	8.26	-20.96
Sterling Institutional (Net Accum.)	26.84	-16.75	20.79	8.35	-20.65
Sterling X (Net Inc.) ^{1,2}	28.00	-15.92	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE Europe ex UK TR GBP	27.85	-20.03	29.56	15.86	-20.11

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

² The Sterling X (Net Inc.) Share Class was launched on 2 April 2009, closed on 28 April 2010 and re-opened on 12 November 2010.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.75	1.77
Sterling Institutional (Net Inc.)	1.18	1.20
Sterling Institutional (Net Accum.)	1.17	1.20
Sterling X (Net Inc.)	0.18	0.19
Sterling Institutional W (Net Inc.)	0.93	N/A
Sterling Institutional W (Net Accum.)	0.92	N/A
Sterling Retail Adv B (Net Inc.)	1.25	N/A
Sterling Retail Adv B (Net Accum.)	1.25	N/A
Sterling P (Net Inc.)	1.18	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	91.25	65.44	4.1824
2010	89.69	72.00	4.2414
2011	88.58	61.01	3.9560
2012	74.42	62.66	3.5356
2013	85.86	74.18	3.1262
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	92.52	66.15	4.2661
2010	91.16	73.26	4.3781
2011	90.51	62.53	4.0974
2012	76.68	64.38	3.6715
2013	88.65	76.44	3.2510
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	104.06	70.40	4.6083
2010	103.07	85.61	5.0399
2011	108.73	78.23	4.9618
2012	101.17	81.31	4.6613
2013	118.12	101.08	4.3520
Sterling X (Net Inc.)²	(pence)	(pence)	(pence)
2009 (from 2 April)	92.00	67.23	3.9333
2010 (to 28 April)	91.06	80.04	0.4680
2010 (from 12 November)	105.12	96.67	0.5762
2011	110.24	76.59	4.9842
2012	94.97	79.27	4.5148
2013	110.23	94.70	4.0448
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 September)	110.11	99.49	0.4911
2013	127.39	109.76	4.6469
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 September)	110.37	99.49	0.4916
2013	128.99	110.28	4.7374
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 2 October)	106.26	97.03	0.2224
2013	122.85	105.94	4.4661
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 2 October)	106.26	97.03	0.2224
2103	124.03	106.16	4.5022
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 20 September)	106.04	96.82	0.4349
2013	122.59	105.70	4.4963

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	15,399	83.00	18,552,092
30/06/2012	8,879	64.77	13,707,993
30/06/2013	9,369	77.97	12,015,757
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	5,188	84.88	6,112,139
30/06/2012	3,532	66.57	5,306,426
30/06/2013	1,885	80.54	2,340,121

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	68	105.21	64,265
30/06/2012	53	87.40	61,196
30/06/2013	67	110.87	60,188
Sterling X (Net Inc.)²		(pence)	
30/06/2011	6,451	103.55	6,230,001
30/06/2012	3,126	82.04	3,810,001
30/06/2013	10,889	100.25	10,861,738
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	647	115.79	559,007
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	16	121.06	12,896
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	6	111.62	5,046
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	6	116.35	5,001
Sterling P (Net Inc.)		(pence)	
30/06/2013	37	111.37	33,167

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Novartis	4.91	3.96
Deutsche Telekom	4.73	3.64
Roche	4.51	4.76
AXA	3.96	0.00
Total	3.76	4.15
Allianz	3.62	2.79
Nestle	3.50	4.30
Deutsche Post	3.17	3.11
Vinci	3.14	3.30
Vivendi	3.03	1.75
Sanofi	2.75	5.60
Zurich Insurance	2.57	4.01
TeliaSonera	1.10	3.44
ENI	0.99	5.80
Bayer	0.00	3.35

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
France	26.19	20.05
Germany	17.96	24.98
Switzerland	15.49	17.03
Sweden	9.32	7.12
Netherlands	7.81	7.65
Belgium	6.58	1.18
Spain	4.00	1.77
Norway	3.59	3.53
Greece	1.47	0.00
Denmark	1.15	1.56
Poland	1.07	3.32
Italy	0.99	10.82
Finland	0.00	2.53
Cash & Others	4.38	(1.54)
	100.00	100.00

NEWTON GLOBAL BALANCED FUND

GENERAL INFORMATION

Fund management team:	Simon Nichols and Iain Stewart / Matthew Brown
Fund size:	£518.85m
Fund launch:	23 September 1998
Comparative index:	CAPS Pooled Fund Median (Net)
Sector:	IMA Mixed Investment 40-85% Shares

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 July
Interim:	28 February

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

The Fund invests directly in a range of asset classes aiming to outperform its benchmark over rolling 5 year periods.

RISK PROFILE

The risks associated with the Fund will be risks that are consistent with a broad exposure to global capital markets. These include Equity Market risk, Currency Rate risk, Liquidity risk, Stock specific risk, Interest Rate risk and Credit risk. The resulting volatility is likely to be lower than that experienced by a 100% equity portfolio. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return but underperformed the comparative index over the 12-month period. The equity portion of the Fund was the main area of weakness as the Fund's exposure to gold, especially gold mining equities, detracted from performance. Holdings in Newcrest Mining, Barrick Gold, Eldorado Gold and Yamana Gold were particularly hard hit. A fall in the underlying commodity price was the main cause, although stock-specific problems also detracted, specifically at Newcrest Mining, which declined following a reduction in output guidance that resulted from operational issues. In the financial sector, the underweight stance in banks, and specifically the avoidance of HSBC Holdings, Barclays and Lloyds Banking Group was the other major negative. Exposure to the pharmaceutical sector was a positive in the equity portion of the Fund, largely attributable to holdings in Roche, Sanofi and BB Biotech, as was the Fund's exposure to the mobile telecoms sector, where Softbank and Sprint Nextel both performed well on confirmation that their alliance had been approved by shareholders. In the fixed interest portion of the Fund, the preference for credit – debt issued by companies – over UK Gilts (debt issued by the UK government) contributed positively.

In the equity portfolio, new holdings established included Citigroup. Citigroup was purchased on the view that following a phase of write-downs and asset disposals, the bank has significantly strengthened its balance sheet. Telecoms remain a favoured area of exposure; the manager established a holding in the Swedish telecoms company TeliaSonera. The group is well managed and benefits from operating in a stable domestic market. A number of holdings including Altria, Associated British Foods, Bayer and Bunzl were pared back on concerns that valuations had become stretched given the weak corporate spending backdrop, and the slowdown in the developing world. In the fixed income portion of the Fund, the manager established an initial position in US long-dated Treasury bonds following a moderation in the inflation outlook and a back-up in bond yields due to better growth expectations.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Exempt 1 (Net Accum.)	14.23	-3.79	15.80	17.51	-2.85
Sterling Exempt 2 (Net Accum.)	14.14	-3.87	15.71	17.42	-2.92
Sterling X (Net Accum.)	14.68	-3.40	16.26	17.98	-2.46
Sterling P (Net Inc.) ¹	13.77	N/A	N/A	N/A	N/A
CAPS Pooled Fund Median (Net)	15.77	-4.10	19.20	18.60	-13.40

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Exempt 1 (Net Accum.)	0.55	0.56
Sterling Exempt 2 (Net Accum.)	0.65	0.66
Sterling X (Net Accum.)	0.05	0.06
Sterling P (Net Inc.)	1.05	1.07

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	243.72	182.41	6.5629
2010	269.63	230.29	6.9568
2011	276.34	242.14	7.2416
2012	279.59	252.27	7.4019
2013	316.30	277.00	4.8185
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	165.49	123.94	4.3438
2010	182.94	156.31	4.5884
2011	187.42	164.19	4.7713
2012	189.44	170.98	4.8715
2013	214.20	187.64	3.1819
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	248.14	185.11	7.5241
2010	275.63	234.95	8.1062
2011	283.08	248.29	8.4993
2012	287.85	259.32	8.7136
2013	326.46	285.45	5.5790
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 June)	106.66	98.45	0.8872
2013	119.37	104.70	1.5957

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	526,443	271.24	194,088,790
30/06/2012	460,855	260.83	176,691,129
30/06/2013	479,960	298.07	161,022,273
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	20,267	183.96	11,017,187
30/06/2012	18,713	176.76	10,586,487
30/06/2013	21,645	201.84	10,724,161
Sterling X (Net Accum.)		(pence)	
30/06/2011	21,396	277.83	7,701,130
30/06/2012	15,225	268.24	5,675,834
30/06/2013	17,232	307.77	5,599,068
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	99.63	15,000
30/06/2013	17	110.85	15,000

Major Holdings (%)

Holding	30/06/2013	30/06/2012
GlaxoSmithKline	4.33	3.93
Norway 3.75% Bonds 2021	2.60	2.90
Bayer	2.32	2.55
Source Physical Markets Secured Gold Linked Note (USD)	2.02	2.73
USA Treasury Bonds 4.375% 2039	2.01	0.00
Roche	1.94	1.66
Royal Dutch Shell B	1.88	1.39
Sprint Nextel	1.85	0.68
BP	1.79	1.76
Vodafone	1.56	1.28
SSE	1.52	1.50
Newcrest Mining	0.80	2.08
Australia (Commonwealth) 4.75% Bonds 2027	0.80	1.52
Norway 4.50% Bonds 2019	0.00	1.77

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	28.17	26.52
United States of America	15.73	10.61
Overseas Government Bonds	8.39	9.73
Switzerland	6.29	5.58
France	4.58	4.35
Japan	4.09	2.64
Germany	3.83	3.91
Non-Sterling Denominated Corporate Bonds	3.43	5.67
Sterling Denominated Corporate Bonds	2.99	3.68
Commodities	2.02	2.84
Sweden	1.73	0.73
Collective Investment Schemes	1.66	1.75
Netherlands	1.58	0.66
China	0.99	1.18
Hong Kong	0.97	0.98
Australia	0.80	2.08
Denmark	0.80	0.59
Norway	0.79	1.47
Canada	0.70	2.64
Belgium	0.45	0.53
Investment Trusts	0.30	0.49
South Africa	0.00	1.17
Poland	0.00	0.63
Singapore	0.00	0.53
Brazil	0.00	0.52
Peru	0.00	0.50
Italy	0.00	0.10
Derivatives	0.18	(0.01)
Cash & Others	9.53	7.93
	100.00	100.00

NEWTON GLOBAL DYNAMIC BOND FUND

GENERAL INFORMATION

Fund management team:	Paul Brain and Howard Cunningham / Parmeshwar Chadha
Fund size:	£894.05m
Fund launch:	28 April 2006
Performance reference:	LIBOR GBP 1-Month +2%
Sector:	IMA Targeted Absolute Return
Fund ratings:	Gold/V3 Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to maximise the total return from income and capital growth from a globally diversified portfolio of predominantly higher yielding corporate and government fixed interest securities. The Fund may also invest in deposits, derivative instruments, forward transactions, approved money market instruments and collective investment schemes.

INVESTMENT POLICY

The Fund invests in a broad range of bond markets around the world, with the aim of achieving an absolute return. A mixture of high and low quality bonds and currencies can be used to meet this objective.

RISK PROFILE

The Fund invests in Global Fixed Income securities from issuers above and below "investment grade" (BBB) and is therefore exposed to credit risk. The Fund can also be exposed to changes in currency, interest and inflation rates. The Fund will use derivatives to generate returns that can involve a higher level of risk. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a strong positive return. Investors' demand for risk assets rose over the first half of the period as investor risk appetite increased on the back of the improved economic picture in the eurozone and European Central Bank (ECB) President Mario Draghi's assertion that the ECB will do "whatever it takes" to save the euro. While some "core" government bond – debt issued by governments – markets struggled (such as UK Gilts, German Bunds and US Treasuries), the Fund's exposure to these areas was limited, and the higher yielding corporate – debt issued by companies that are rated BBB and below by the rating agency Standard and Poor's – and emerging market government bond positions performed well. Having been positive for the first quarter of 2013, fixed income markets lost ground towards the end of the period due to speculation over the US Federal Reserve's quantitative easing programme (effectively printing more money) being "tapered".

The manager significantly reduced the Fund's exposure to the mainstream developed government bond markets during the final six months of 2012, with the largest remaining positions focused on higher-yielding corporate bonds and emerging-market government bonds. Notable government bond sales included 2.125% US Treasury 2021 and 1.5% US Treasury 2016. Away from government bonds, notable purchases included 1.75% Canada Housing Trust 2018.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	5.05	3.13	6.17	21.89	5.06
Sterling Exempt 2 (Gross Accum.)	6.90	5.05	8.47	24.80	7.50
Sterling Institutional (Net Inc.)	5.63	3.71	6.77	22.56	5.66
Sterling X (Net Accum.)	6.43	4.49	7.57	23.50	6.44
Sterling X (Net Inc.) ¹	6.43	4.49	N/A	N/A	N/A
Sterling X (Gross Accum.) ¹	7.33	5.47	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	5.39	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Exempt 2 (Gross Inc.) ¹	N/A	N/A	N/A	N/A	N/A

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – All Share Classes except Sterling Exempt 2 (Gross Accum.) and Sterling X (Gross Accum.) – Total return including revenue net of UK tax and annual charges, but excluding initial charge. Sterling Exempt 2 (Gross Accum.) and Sterling X (Gross Accum.) – Total return including gross revenue and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.38	1.39
Sterling Exempt 2 (Gross Accum.)	0.46	0.46
Sterling Institutional (Net Inc.)	0.81	0.81
Sterling X (Net Accum.)	0.06	0.06
Sterling X (Net Inc.)	0.06	0.06
Sterling X (Gross Accum.)	0.06	0.07
Sterling P (Net Inc.)	1.06	1.08
Sterling Institutional W (Net Inc.)	0.68	N/A
Sterling Institutional W (Net Accum.)	0.68	N/A
Sterling Retail Adv B (Net Inc.)	0.98	N/A
Sterling Retail Adv B (Net Accum.)	0.98	N/A
Sterling P (Net Accum.)	1.06	N/A
Sterling Exempt 2 (Gross Inc.)	0.46	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	105.30	86.15	5.2547
2010	112.15	103.17	5.8674
2011	109.48	103.75	4.4786
2012	111.36	104.15	3.8442
2013	112.62	108.61	1.7355
Sterling Exempt 2 (Gross Accum.)	(pence)	(pence)	(pence)
2009	134.42	104.15	8.2518
2010	154.99	134.22	9.9560
2011	156.79	152.78	8.1669
2012	173.86	155.53	7.4539
2013	180.11	173.09	3.5052
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	107.71	87.86	5.4224
2010	115.31	105.65	6.0852
2011	112.91	107.19	4.6822
2012	115.78	107.73	4.0490
2013	117.29	113.20	1.8382
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	118.07	92.07	5.8205
2010	134.73	117.65	6.9499
2011	135.71	131.98	5.6539
2012	149.21	134.15	5.1303
2013	154.31	148.56	2.4039
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2010 (from 11 October)	100.34	97.79	1.0419
2011	98.84	94.11	4.1008
2012	102.58	94.74	3.5739
2013	104.20	100.66	1.6313
Sterling X (Gross Accum.)	(pence)	(pence)	(pence)
2011 (from 18 February)	156.96	153.23	7.0124
2012	175.17	156.08	7.4948
2013	181.72	174.41	3.5346
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 June)	104.84	100.00	1.9058
2013	106.12	102.38	1.6637
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 September)	103.13	100.00	1.1799
2013	104.52	100.89	1.6379
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 September)	103.39	100.00	1.1711
2013	106.67	102.94	1.6630
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 2 October)	102.31	100.00	0.8600
2013	103.66	100.03	1.5961
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 2 October)	102.31	100.00	0.8600
2013	105.46	101.76	1.6162
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 October)	102.14	100.00	0.8634
2013	105.26	101.55	1.6418
Sterling Exempt 2 (Gross Inc.)	(pence)	(pence)	(pence)
2013 (from 11 June)	100.57	98.94	0.8796

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	276,881	106.86	259,105,047
30/06/2012	292,226	106.19	275,189,620
30/06/2013	344,636	108.00	319,112,317
Sterling Exempt 2 (Gross Accum.)		(pence)	
30/06/2011	23,846	155.13	15,372,091
30/06/2012	108,592	162.91	66,658,502
30/06/2013	113,921	174.29	65,364,295
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	6,560	110.25	5,949,820
30/06/2012	14,275	110.11	12,964,819
30/06/2013	47,816	112.55	42,485,320
Sterling X (Net Accum.)		(pence)	
30/06/2011	55,398	134.18	41,286,615
30/06/2012	99,675	140.16	71,116,149
30/06/2013	150,352	149.29	100,714,330
Sterling X (Net Inc.)		(pence)	
30/06/2011	30,454	96.58	31,531,196
30/06/2012	60,696	97.19	62,448,912
30/06/2013	88,814	100.09	88,731,239
Sterling X (Gross Accum.)		(pence)	
30/06/2011	40,843	155.36	26,289,846
30/06/2012	43,064	163.80	26,289,846
30/06/2013	56,913	175.95	32,346,962
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	99.84	15,000
30/06/2013	343	101.79	337,047
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	58,361	100.31	58,177,426
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	15,757	103.11	15,280,903
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	16	99.46	16,074
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	47	101.90	45,861
Sterling P (Net Accum.)		(pence)	
30/06/2013	11	101.69	10,911
Sterling Exempt 2 (Gross Inc.)		(pence)	
30/06/2013	17,060	98.20	17,372,492

* Distributions are shown in the year declared rather than paid.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Treasury Stock 8.00% 2013	4.96	0.00
USA Treasury Notes 1.50% 2016	4.13	0.00
USA Treasury Notes 1.00% 2017	2.95	0.00
USA Treasury Notes 1.875% 2014	2.88	0.00
USA Treasury Notes 1.50% 2018	2.60	0.00
Canada 2.00% Bonds 2016	2.59	1.24
Canada Housing Trust 1.75% Bonds 2018	2.38	0.00
Mexico 6.50% Bonds 2022	2.08	0.00
Treasury Bill 0.00% 2013	1.98	0.00
Treasury Gilt 1.25% Index-Linked 2017	1.91	2.32
USA Treasury Notes 2.125% 2021	0.00	5.12
iShares II JPMorgan Emerging Markets Bond Fund	0.00	3.50
New Zealand 5.50% Bonds 2023	0.00	2.99
Mexico 8.00% Bonds 2020	0.00	2.83
Poland 5.75% Bonds 2021	0.00	2.32
Mexico 7.75% Bonds 2017	0.00	1.94
FMS Wertmanagement 3.00% Bonds 2018	0.00	1.89
Poland 5.00% Bonds 2022	0.00	1.86
Canada 2.00% Bonds 2012	0.00	1.82

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	36.17	20.71
AA	5.92	7.61
A	9.44	15.08
BBB	12.56	12.25
BB	5.97	4.86
B	12.10	8.73
CCC	0.99	2.32
C	0.00	0.11
D	0.15	0.00
Not rated (by S&P)	8.28	19.75
Global/International Bond Funds	0.00	3.50
Equities	0.06	0.04
Derivatives	(0.37)	(0.21)
Cash & Others	8.73	5.25
	100.00	100.00

NEWTON GLOBAL EQUITY FUND

GENERAL INFORMATION

Fund management team:	Jeff Munroe and Paul Markham
Fund size:	£1,286.91m
Fund launch:	1 June 1987 (managed by Newton since November 1994)
Comparative index:	MSCI World NR GBP
Sector:	IMA Global
Fund ratings:	Silver Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:
Annual: 30 June

Distribution payment dates for all share classes:
Annual: 31 October

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth from a portfolio of international securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests in a broad range of companies from around the world and has no bias towards company size or region. It aims to generate capital growth by identifying those companies with the greatest potential.

RISK PROFILE

As an international Fund, the Fund will be exposed to changes in currency rates. The portfolio may contain some investments in less-developed markets as well as investments in small companies. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the period, the Fund delivered a positive return and outperformed the MSCI World NR GBP. At the sector level, the Fund's exposure to healthcare boosted performance, as did positioning in the energy sector, while financials exposure proved to be disadvantageous. At the stock level, performance was driven by the decision not to hold technology bellwether Apple, while holdings in Sprint Nextel, Toyota and Roche Holdings were key contributors. US mobile telecoms group Sprint Nextel reported impressive results and subsequently agreed to a takeover bid from Japanese mobile operator Softbank. The weakening of the Japanese yen boosted export-orientated stocks such as Toyota Motor. The chief detractors from performance were the negative returns generated by holdings in gold mining companies Yamana Gold and Newcrest Mining, which fell in line with a decline in the underlying commodity price.

New additions to the portfolio over the year under review included Intuit, Sun Art Retail and Continental. Intuit is predominantly a US-focused company, with the leading market share in financial management software for small businesses, and tax-filing software for individuals and tax professionals. The company is set to benefit from increasing computer literacy. Chinese hypermarket operator Sun Art Retail is well managed, gaining market share and has shown the ability to maintain profit margins. Continental, a German auto parts and tyre manufacturer, has good growth prospects driven by favourable trends in electronics, fuel efficiency, safety and rubber price decreases. The European technology giant SAP was another addition. This company has been transformed in recent years through a number of acquisitions and now boasts a strong business software product portfolio. The manager took advantage of strong share price appreciation to realise some profits by reducing holdings in a number of stocks including Softbank, Anheuser-Busch and Bangkok Bank. The holding in Fifth Third Bancorp was sold after a period of strong performance.

Statutory Performance Data (%)

From To	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	25.20	-7.47	19.11	19.93	-21.07
Euro Accumulation	24.03	-7.49	18.21	19.57	-21.40
Sterling Exempt 2 (Net Accum.)	26.84	-6.55	20.27	21.08	-20.38
Sterling Exempt 1 (Net Accum.)	26.55	-6.47	20.40	21.20	-20.31
Sterling X (Net Accum.)	27.19	-6.00	21.00	21.80	-19.99
Sterling Exempt 3 (Net Accum.) ¹	26.23	-6.69	20.09	20.90	N/A
Sterling P (Net Inc.) ¹	25.93	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
MSCI World NR GBP	20.54	-4.28	21.28	23.02	-14.59

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.62	1.63
Euro Accumulation	2.12	2.13
Sterling Exempt 2 (Net Accum.)	0.65	0.66
Sterling Exempt 1 (Net Accum.)	0.55	0.56
Sterling X (Net Accum.)	0.05	0.06
Sterling Exempt 3 (Net Accum.)	0.80	0.81
Sterling P (Net Inc.)	1.05	1.06
Sterling Institutional W (Net Inc.)	0.80	N/A
Sterling Institutional W (Net Accum.)	0.80	N/A
Sterling Retail Adv B (Net Inc.)	1.12	N/A
Sterling Retail Adv B (Net Accum.)	1.12	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	72.18	51.09	0.8758
2010	80.78	67.29	0.7011
2011	83.50	66.21	0.5086
2012	80.94	71.76	0.6422
2013	98.67	79.46	0.4976
Euro Accumulation	(cents)	(cents)	(cents)
2009	71.36	50.17	0.5615
2010	87.50	69.21	0.3936
2011	86.79	69.45	0.1182
2012	91.81	77.13	0.2925
2013	104.19	88.08	0.0491
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	146.80	101.65	2.7712
2010	167.58	137.94	2.7947
2011	175.18	139.22	2.6084
2012	173.41	151.26	2.8744
2013	213.30	171.14	2.5018
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	106.88	73.95	2.0881
2010	122.13	100.44	2.1358
2011	127.74	101.55	2.0264
2012	126.57	110.36	2.2106
2013	155.32	124.56	2.2026
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	107.91	74.39	2.4526
2010	123.92	101.46	2.6745
2011	129.94	103.42	2.6375
2012	129.56	112.53	2.8357
2013	159.47	127.65	2.9390
Sterling Exempt 3 (Net Accum.)	(pence)	(pence)	(pence)
2009 (from 2 February)	106.63	73.93	1.3523
2010	121.54	100.18	1.8772
2011	126.95	100.86	1.7168
2012	125.39	109.54	1.9151
2013	153.63	123.34	1.8521
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 June)	108.79	98.21	0.0630
2013	133.09	106.94	1.3261
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 September)	103.25	98.17	N/A
2013	126.50	101.55	1.4255
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 September)	103.25	98.17	N/A
2013	126.51	101.56	1.4261
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 8 October)	99.86	95.05	N/A
2013	122.29	98.29	0.9554
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 8 October)	99.86	95.05	N/A
2013	122.28	98.29	0.9543

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	515,101	81.36	633,151,377
30/06/2012	449,230	74.64	601,861,316
30/06/2013	527,970	92.90	568,342,561
Euro Accumulation		(cents)	
30/06/2011	14,140	81.02	19,298,296
30/06/2012	12,793	83.66	18,963,660
30/06/2013	12,643	98.00**	15,053,503
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	17,072	170.65	10,003,884
30/06/2012	18,709	159.45	11,733,694
30/06/2013	79	202.09	39,263
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	140,990	124.44	113,299,834
30/06/2012	134,784	116.39	115,805,542
30/06/2013	106,995	147.18	72,697,866
Sterling X (Net Accum.)		(pence)	
30/06/2011	562,466	126.57	444,398,816
30/06/2012	475,758	118.97	399,888,301
30/06/2013	617,399	151.20	408,337,162
Sterling Exempt 3 (Net Accum.)		(pence)	
30/06/2011	13,428	123.67	10,857,927
30/06/2012	15,131	115.39	13,113,288
30/06/2013	19,458	145.55	13,369,182
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	100.17	15,000
30/06/2013	27	124.72	21,510
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	446	118.42	376,862
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	484	119.86	403,808
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	1,401	114.86	1,219,519
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	6	115.81	5,001

** Euro/Sterling exchange rate at close of business 28 June 2013: 1.166827.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Microsoft	2.68	2.19
Roche	2.58	2.51
Toyota Motor	2.57	1.97
Bayer	2.28	1.81
Novartis	2.28	1.96
Pfizer	2.07	1.82
Google	2.01	0.00
Citigroup	1.99	0.00
Principal Financial	1.98	1.52
Altria	1.93	1.95
British American Tobacco	1.65	2.04
Nestle	1.65	2.17
Bangkok Bank	1.50	2.10
Anheuser-Busch InBev	1.25	2.13
AT&T	0.00	2.04

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United States of America	46.40	40.13
Switzerland	8.70	9.81
Japan	7.52	7.07
United Kingdom	6.70	7.90
Germany	6.39	3.22
France	5.56	5.28
Netherlands	2.47	0.00
Hong Kong	2.15	1.91
Canada	1.90	3.32
China	1.70	1.66
Thailand	1.50	2.10
Singapore	1.34	2.91
Belgium	1.25	2.13
Australia	1.15	1.96
Brazil	1.15	1.98
Sweden	0.88	1.15
India	0.50	0.35
Collective Investment Schemes	0.00	0.63
South Africa	0.00	1.08
Norway	0.00	0.63
Derivatives	0.04	0.37
Cash & Others	2.70	4.41
	100.00	100.00

NEWTON GLOBAL HIGH YIELD BOND FUND

GENERAL INFORMATION

Fund management team:	Parmeshwar Chadha and Howard Cunningham
Fund size:	£155.87m
Fund launch:	2 October 2000
Comparative index:	Bank of America Merrill Lynch Global High Yield excluding Bank Capital & Junior Subordinated GBP (Hedged) Index
Sector:	IMA £ High Yield

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	Last day of each month

Distribution payment dates for all share classes:

Annual:	31 July
Interim:	Second last day of each month

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve a high yield from a globally diversified portfolio which may include but is not limited to fixed interest bonds and other debt instruments (such as floating rate notes and index-linked notes). The Fund may also invest in deposits, derivative instruments, forward transactions and collective investment schemes. At least 80% of the Fund's assets should be in Sterling denominated assets or hedged* back to Sterling.

INVESTMENT POLICY

Within the constraints of the income and capital preservation objective, the Fund is managed with reference to a hybrid index: Bank of America Merrill Lynch Global High Yield excluding Bank Capital & Junior Subordinated GBP (Hedged) Index. Typically the Fund will be relatively diversified.

RISK PROFILE

The Fund invests in fixed income securities denominated in Global currencies, predominantly from issuers below "investment grade" (rated below BBB or equivalent), and is therefore exposed to credit risk. The Fund can also be exposed to changes in currency rates and interest rates as well as emerging markets. The Fund will use derivatives to generate returns. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a strong positive return, outperforming its comparative index. The final six months of 2012 were very positive for high-yield corporate bonds – debt issued by companies that is rated BBB and below by the rating agency Standard and Poor's. Chief reasons for this strong performance from corporate bonds were investors' ongoing search for yield, reduced concerns surrounding the eurozone, further quantitative easing – effectively printing more money – and early signs of success of the Bank of England's efforts to increase banks' appetite and ability to lend both to the corporate and household sectors. In Europe, high-yield bonds performed especially strongly on the back of improved news with regards to the health of the eurozone and the Fund's significant exposure to the region was advantageous. Notable strong performers within the Fund included a Heidelberger Druck (a German industrial company) due to better than expected operating performance, and CEDC (an Eastern European vodka producer). Meanwhile, speculation over the US Federal Reserve's plan to "taper" its quantitative easing programme hurt high yield performance towards the end of the period.

Activity over the period included new positions in 7.25% First Quantum Minerals 2019, 7.875% Nitrogenmuvек 2020 and 7.25% Pacific Drilling 2017. Meanwhile, notable sales included the positions in Virgin Media Finance and Offshore Group Investment.

* Currency hedging is a technique whereby the fund manager seeks to protect the Fund from adverse currency movements that may impact the share price.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	11.90	-1.10	9.89	35.83	-11.00
Sterling X (Net Accum.)	13.08	-0.05	11.10	37.30	-10.04
Sterling X (Net Inc.) ¹	13.07	-0.04	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

Bank of America Merrill Lynch Global High Yield excluding Bank Capital & Junior Subordinated GBP (Hedged) Index ²	10.05	6.44	14.49	26.75	-6.30
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

² The Fund was in the IMA Global Bonds sector until October 2009. The performance figures for the IMA Global Bonds sector are available upon request.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.15	1.16
Sterling X (Net Accum.)	0.08	0.08
Sterling X (Net Inc.)	0.08	0.09
Sterling Institutional W (Net Inc.)	0.57	N/A
Sterling Institutional W (Net Accum.)	0.57	N/A
Sterling Retail Adv B (Net Inc.)	0.89	N/A
Sterling Retail Adv B (Net Accum.)	0.90	N/A
Sterling P (Net Inc.)	1.08	N/A
Sterling P (Net Accum.)	1.08	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	64.35	42.63	4.3220
2010	69.00	63.73	4.6256
2011	69.22	55.83	4.2829
2012	66.77	58.34	3.9294
2013	68.14	64.78	1.8129
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	74.83	46.66	4.9248
2010	87.31	75.47	5.7323
2011	90.59	75.78	5.7367
2012	99.00	80.88	5.6873
2013	103.86	99.16	2.7672
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2011 (from 25 May)	90.31	74.01	3.4252
2012	89.63	77.54	5.2954
2013	91.79	87.39	2.4641
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 September)	105.23	100.00	1.9385
2013	107.57	102.34	2.8896
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 September)	106.67	100.00	1.9525
2013	111.70	106.83	2.9780
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 October)	102.63	99.47	1.3457
2013	104.82	99.70	2.7881
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 October)	103.47	99.47	1.3518
2013	108.23	103.48	2.8572
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 September)	103.17	99.39	1.5771
2013	105.28	100.10	2.8299
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 15 October)	103.37	100.00	1.2069
2013	108.06	103.29	2.8829

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	56,823	66.30	85,709,757
30/06/2012	51,021	61.16	83,415,987
30/06/2013	80,864	64.75	124,895,340
Sterling X (Net Accum.)		(pence)	
30/06/2011	50,957	88.25	57,739,318
30/06/2012	27,032	87.97	30,730,287
30/06/2013	36,467	99.67	36,586,909
Sterling X (Net Inc.)		(pence)	
30/06/2011	3,910	88.16	4,434,987
30/06/2012	13,351	81.69	16,343,831
30/06/2013	36,110	87.34	41,343,205

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	1,664	102.29	1,627,155
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	543	107.12	507,046
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	35	99.64	35,197
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	5	103.74	5,008
Sterling P (Net Inc.)		(pence)	
30/06/2013	120	100.03	119,600
Sterling P (Net Accum.)		(pence)	
30/06/2013	64	103.56	61,904

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Wind Acquisition Finance 11.75% Bonds 2017	2.94	1.79
Conti-Gummi Finance 7.50% Bonds 2017	2.31	0.00
Unitymedia 8.125% Bonds 2017	1.99	1.74
Ziggo Bond 8.00% Bonds 2018	1.99	1.34
HeidelbergCement 7.50% Bonds 2020	1.41	1.13
Jaguar Land Rover 8.125% Bonds 2018	1.36	1.97
Nitrogenmuvek 7.875% Bonds 2020	1.26	0.00
Pacific Drilling 7.25% Bonds 2017	1.26	0.00
Cable & Wireless International Finance 8.625% Bonds 2019	1.19	1.60
Boparan 9.875% Bonds 2018	1.11	1.02
Phones4U Finance 9.50% Bonds 2018	1.11	1.47
Taylor Wimpey 10.375% Bonds 2015	1.09	1.87
Ardagh Glass Finance 7.125% Bonds 2017	0.88	1.33
Matterhorn Mobile 6.75% Bonds 2019	0.80	1.34
Offshore Group Investment 11.50% Bonds 2015	0.00	1.66

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	0.00	1.02
AA	0.43	0.60
BBB	1.97	1.29
BB	31.14	29.25
B	48.35	45.84
CCC	6.34	8.05
C	0.12	0.19
D	0.74	0.00
Not rated	3.25	9.94
Derivatives	(1.11)	(0.46)
Cash & Others	8.77	4.28
	100.00	100.00

NEWTON GLOBAL HIGHER INCOME FUND

GENERAL INFORMATION

Fund management team:	James Harries and Nick Clay
Fund size:	£4,003.55m
Fund launch:	30 November 2005
Comparative index:	FTSE World TR GBP
Sector:	IMA Global Equity Income
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:	
Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:	
Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve increasing annual distributions together with long-term capital growth from investing predominantly in global securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund is actively managed investing in equities from around the world. The Fund has the ability to invest in derivative investments to reduce risk.

RISK PROFILE

The Fund invests in a portfolio of high yielding global equities and will therefore be exposed to fluctuations in currency rates. The Fund may invest in small companies as well as emerging markets. A fall in the value of a single investment may have a significant impact on the value of the fund because it typically invests in a limited number of investments. Charges are deducted from capital which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return over the 12-month period but underperformed the FTSE World TR GBP. At the asset allocation level, the Fund held limited exposure to the US and Japanese equity markets, as these are some of the lowest yielding of the major world markets, and therefore have fewer stocks which satisfy the yield criteria for inclusion in the portfolio. These markets led the rally in the first quarter of 2013, and continued to perform relatively well during the second quarter. At the sector level, overweight exposure to telecoms relative to the comparative index, and underweight financials and consumer services detracted from performance. The Fund's limited exposure to the underperforming basic materials and technology sectors contributed positively to performance, as did an emphasis on the healthcare sector. At the stock level, the main detractors included holdings in Telekom Polska and Philip Morris, as well as holdings in gold mining stocks AngloGold Ashanti and Gold Fields which were affected by weakness in commodity markets. The main contributors at stock level included holdings in Microsoft, Roche and Deutsche Post.

The manager took the opportunity to add a number of attractively valued stocks to the portfolio, notably Microsoft, Balfour Beatty and Two Harbors. Microsoft has demonstrated a consistent and enduring ability to generate strong returns from selling software to corporations, Balfour Beatty is a construction and infrastructure services company and Two Harbors is a US mortgage real estate investment trust. The holding in the Norwegian banking group DNB was sold after a period of strong performance, while the manager also sold AT&T, Telekom Polska and Staples. AT&T was sold due to concerns over competitive pressures and Telekom Polska after poor performance and deterioration in its end markets.

Statutory Performance Data (%)

From To	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	17.09	3.89	20.32	21.91	-18.23
Sterling Institutional (Net Inc.)	17.76	4.49	21.00	22.60	-17.85
Sterling Institutional (Net Accum.)	17.78	4.48	21.01	22.63	-17.85
Sterling Exempt 2 (Net Inc.)	18.06	4.74	21.31	22.89	-17.69
Sterling X (Net Accum.)	18.95	5.51	22.18	23.83	-17.19
Sterling X (Net Inc.) ¹	18.93	5.51	N/A	N/A	N/A
Sterling Accumulation ¹	17.13	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Exempt 2 (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE World TR GBP	22.13	-3.46	22.36	22.87	-13.49

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.62	1.63
Sterling Institutional (Net Inc.)	1.05	1.06
Sterling Institutional (Net Accum.)	1.05	1.06
Sterling Exempt 2 (Net Inc.)	0.80	0.81
Sterling X (Net Accum.)	0.05	0.06
Sterling X (Net Inc.)	0.05	0.06
Sterling Accumulation	1.62	1.62
Sterling Institutional W (Net Inc.)	0.80	N/A
Sterling Institutional W (Net Accum.)	0.80	N/A
Sterling P (Net Inc.)	1.05	N/A
Sterling P (Net Accum.)	1.05	N/A
Sterling Retail Adv B (Net Inc.)	1.12	N/A
Sterling Retail Adv B (Net Accum.)	1.12	N/A
Sterling Exempt 2 (Net Accum.)	0.80	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	119.65	85.30	5.3642
2010	127.41	108.53	6.0220
2011	130.42	111.11	5.8884
2012	133.20	121.74	5.7863
2013	152.74	130.17	3.6591
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	122.15	86.71	5.4790
2010	130.73	111.06	6.2497
2011	134.10	114.35	6.1414
2012	137.79	125.78	6.0721
2013	158.61	134.90	3.8487
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	144.06	97.88	6.3115
2010	162.55	136.38	7.5722
2011	171.03	147.58	7.8299
2012	188.12	166.52	8.1222
2013	220.34	185.70	5.3299
Sterling Exempt 2 (Net Inc.)	(pence)	(pence)	(pence)
2009	123.16	87.23	5.4911
2010	132.14	112.12	6.2980
2011	135.68	115.76	6.2142
2012	139.87	127.58	6.1586
2013	161.29	137.05	3.9235
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	137.81	92.95	5.8785
2010	157.06	130.57	7.2592
2011	166.07	143.42	7.5326
2012	184.91	162.49	7.9258
2013	217.91	182.95	5.2604
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2010 (from 8 October)	107.25	100.00	0.7396
2011	110.60	94.50	5.0324
2012	115.19	104.75	5.0315
2013	133.45	113.07	3.2333
Sterling Accumulation	(pence)	(pence)	(pence)
2012 (from 13 March)	105.63	93.99	3.7931
2013	123.29	104.13	2.9440
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 September)	102.20	97.81	1.0379
2013	117.85	100.14	2.8619
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 September)	102.45	98.05	1.0419
2013	120.19	101.20	2.9134
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 September)	101.24	96.86	0.8962
2013	116.56	99.14	2.8287
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 October)	100.92	96.56	0.7321
2013	118.21	99.62	2.8575
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 1 October)	101.42	97.03	0.7719
2013	116.74	99.31	2.7990

Price and Revenue Record by Share Class (Calendar Year) – contd.

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 1 October)	101.42	97.03	0.7719
2013	118.74	100.09	2.8378
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2013 (from 14 February)	110.70	99.77	2.6709

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	1,301,747	126.20	1,031,506,129
30/06/2012	1,683,680	125.26	1,344,147,459
30/06/2013	1,896,307	140.78	1,346,975,201
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	405,822	129.79	312,669,245
30/06/2012	563,291	129.48	435,045,095
30/06/2013	494,376	146.25	338,027,982
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	113,195	167.54	67,561,916
30/06/2012	173,599	175.05	99,172,471
30/06/2013	222,795	206.62	107,828,574
Sterling Exempt 2 (Net Inc.)		(pence)	
30/06/2011	21,669	131.36	16,496,177
30/06/2012	18,603	131.37	14,159,989
30/06/2013	25,545	148.77	17,170,787
Sterling X (Net Accum.)		(pence)	
30/06/2011	41,903	162.65	25,763,120
30/06/2012	78,328	171.60	45,646,830
30/06/2013	102,566	204.55	50,142,415
Sterling X (Net Inc.)		(pence)	
30/06/2011	122,272	107.15	114,110,762
30/06/2012	132,528	107.97	122,741,486
30/06/2013	181,681	123.19	147,483,560
Sterling Accumulation		(pence)	
30/06/2012	4,053	98.43	4,117,309
30/06/2013	114,408	115.54	99,016,827
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	829,087	108.70	762,701,811
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	75,650	112.74	67,099,215
Sterling P (Net Inc.)		(pence)	
30/06/2013	458	107.48	426,471
Sterling P (Net Accum.)		(pence)	
30/06/2013	487	110.84	439,277
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	3,109	107.67	2,887,458
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	702	111.34	630,180
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2013	56,382	103.84	54,298,365

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Reynolds American	5.31	5.49
Philip Morris International	4.78	5.38
Microsoft	3.54	0.00
Sysco	3.26	1.98
Roche	3.19	3.30
GlaxoSmithKline	3.16	2.11
SSE	3.04	2.64
Novartis	3.02	2.01
Lockheed Martin	2.31	2.04
Deutsche Post	2.10	1.99
Merck	2.06	2.16
Pfizer	2.03	2.12
China Mobile (Hong Kong)	2.00	2.08
Link REIT	1.74	2.16
Bayer	0.00	3.12

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United States of America	35.58	31.89
United Kingdom	12.08	11.64
Switzerland	9.33	8.05
Netherlands	4.41	4.01
Germany	4.27	6.41
France	3.96	3.79
Norway	3.79	3.84
South Africa	2.80	2.46
Canada	2.74	2.01
Singapore	2.66	2.94
Brazil	2.63	3.03
Denmark	2.04	1.82
China	2.00	2.08
Sweden	2.00	0.00
Hong Kong	1.74	2.73
Preference Shares	1.25	3.08
Taiwan	1.09	3.42
South Korea	0.99	1.04
Thailand	0.98	0.00
Australia	0.77	2.41
Poland	0.00	1.37
Derivatives	0.19	0.21
Cash & Others	2.70	1.77
	100.00	100.00

NEWTON GLOBAL OPPORTUNITIES FUND

GENERAL INFORMATION

Fund management team:	Rob Hay and Paul Markham
Fund size:	£448.32m
Fund launch:	1 July 2005
Comparative index:	FTSE All World TR GBP
Sector:	IMA Global
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
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Distribution payment dates for all share classes:

Annual:	31 October
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INVESTMENT OBJECTIVE

The objective of the Fund is to achieve long-term capital growth from a concentrated portfolio predominately invested in the securities of companies located worldwide. The Fund does not have a bias towards any economic sector or company size. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests in a broad range of companies from around the world and has no bias towards company size or region. It aims to generate capital growth by identifying those companies with the greatest potential.

RISK PROFILE

The Fund has a highly concentrated global portfolio and hence may be exposed to currency movements. The Fund may also invest in emerging markets as well as investments that are not traded regularly and may be subject to greater fluctuations in price. The Fund may also invest in small companies which may be riskier and less liquid than large companies. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a positive return but marginally underperformed its comparative index, the FTSE All World Index. Positioning within the financials and consumer services sectors were notable sources of weakness over the period. Meanwhile, the Fund's exposure to the healthcare, technology and telecom sectors made a positive contribution to performance. At the stock level, the main detractor from performance was the Fund's holding in Australian gold mining company Newcrest Mining. Meanwhile, the US technology hardware and equipment firm EMC declined following a slowdown in demand for data storage. In a worsening macroeconomic background, the holding in Brazilian oil and gas producer Petrobras was disadvantageous. On the positive front, the Fund benefited from not holding the US technology stock Apple, while US mobile telecoms operator Sprint Nextel led performance as shareholders agreed to a takeover bid from Japanese group Softbank. The Fund's holding in German chemicals group Bayer performed well as positive corporate results demonstrated strength across its diversified business segments.

Additions to the portfolio over the year under review included Royal Dutch Shell, Intuit and Continental. Intuit is predominantly a US-focused company, with the leading market share in financial management software for small businesses, and tax-filing software for individuals and tax professionals. The company is set to benefit from increasing computer literacy. Continental, a German auto parts and tyre manufacturer, has good growth prospects driven by favourable trends in electronics, fuel efficiency, safety and rubber price decreases. The manager sold the holding in the potash and phosphate company Mosaic, as the outlook for the industry is mixed. The holding in Siam Commercial Bank was sold following a period of strong performance, while there are concerns that expansion has been pursued too aggressively, which may lead to some credit quality problems in the future.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	21.22	-4.04	20.29	20.13	-23.13
Sterling Exempt 2 (Net Accum.)	22.21	-3.23	21.27	21.10	-22.61
Sterling X (Net Accum.)	23.14	-2.50	22.18	22.01	-22.14
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Exempt 2 (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE All World TR GBP	21.41	-4.05	21.74	23.78	-13.22

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.63	1.64
Sterling Exempt 2 (Net Accum.)	0.81	0.82
Sterling X (Net Accum.)	0.06	0.07
Sterling Institutional W (Net Inc.)	0.81	N/A
Sterling Institutional W (Net Accum.)	0.81	N/A
Sterling Retail Adv B (Net Inc.)	1.13	N/A
Sterling Retail Adv B (Net Accum.)	1.13	N/A
Sterling Exempt 2 (Net Inc.)	0.81	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	132.17	95.10	2.0666
2010	154.79	124.63	1.4509
2011	157.54	128.34	1.3851
2012	154.42	139.40	1.2922
2013	184.76	152.66	0.9166
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	142.15	99.76	2.9612
2010	169.75	134.15	2.6939
2011	174.34	142.90	2.8276
2012	174.95	155.54	2.7386
2013	210.32	173.24	2.5484
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	144.97	101.16	3.7148
2010	174.42	136.92	3.7976
2011	179.82	147.66	4.1321
2012	182.16	161.02	4.0654
2013	220.01	180.69	4.1074
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 September)	102.38	98.36	N/A
2013	123.13	101.41	1.4152
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 September)	102.38	98.36	N/A
2013	123.10	101.41	1.4151
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 25 September)	100.60	96.61	N/A
2013	120.75	99.57	1.0657
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 25 September)	100.60	96.61	N/A
2013	120.74	99.57	1.0600
Sterling Exempt 2 (Net Inc.)	(pence)	(pence)	(pence)
2013 (from 11 June)	100.20	96.39	1.2739

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	6,253	152.60	4,097,622
30/06/2012	5,951	145.10	4,101,352
30/06/2013	6,301	175.07	3,599,021
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	107,429	169.56	63,358,691
30/06/2012	74,547	164.00	45,454,203
30/06/2013	64,334	200.51	32,084,891
Sterling X (Net Accum.)		(pence)	
30/06/2011	334,101	174.86	191,068,759
30/06/2012	303,205	170.40	177,931,894
30/06/2013	351,251	209.91	167,330,383

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	20	115.97	17,193
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	56	117.36	47,803
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	150	114.01	131,318
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	6	115.08	5,000
Sterling Exempt 2 (Net Inc.)		(pence)	
30/06/2013	26,205	98.85	26,510,938

Major Holdings (%)

Holding	30/06/2013	30/06/2012
USA Treasury Bills 0.00% 11/07/2013	4.70	0.00
Roche	2.88	2.52
Novartis	2.82	2.83
Microsoft	2.81	2.49
Reed Elsevier	2.80	0.00
Bayer	2.75	2.42
USA Treasury Bills 0.00% 19/09/2013	2.74	0.00
Intuit	2.68	0.00
GlaxoSmithKline	2.64	2.70
United Technologies	2.58	2.46
Laboratory Corp America	2.48	2.73
Anheuser-Busch InBev	2.34	2.69
British American Tobacco	2.17	2.93
Japan Tobacco	1.66	2.85
Newcrest Mining	0.96	2.68
USA Treasury Bills 0.00% 23/08/2012	0.00	3.71

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United States of America	40.91	37.57
Switzerland	10.39	10.83
United Kingdom	10.27	12.09
Germany	8.42	4.86
Overseas Government Bonds	7.44	3.71
Netherlands	4.98	0.00
France	3.18	4.41
Japan	3.12	5.86
Belgium	2.34	2.69
Hong Kong	2.06	2.73
Canada	1.49	0.00
Brazil	1.25	3.18
Australia	0.96	2.68
China	0.62	1.06
Thailand	0.00	1.38
South Africa	0.00	2.00
Sweden	0.00	1.71
Derivatives	0.08	0.38
Cash & Others	2.49	2.86
	100.00	100.00

NEWTON HIGHER INCOME FUND

GENERAL INFORMATION

Fund management team:	Richard Wilmot and Paul Stephany
Fund size:	£2,102.86m
Fund launch:	1 June 1987 (managed by Newton since November 1994)
Comparative index:	FTSE All Share TR
Sector:	IMA UK Equity Income
Fund ratings:	Silver Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve increasing distributions on a calendar year basis with long-term capital growth. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests predominantly in high-yielding UK equities and has a concentrated portfolio of stocks. Companies in the portfolio may generate profits overseas and pay dividends in foreign currencies. The Fund has the ability to invest in derivative investments to reduce risk.

RISK PROFILE

The Fund invests predominantly in high-yielding UK equities and has a concentrated portfolio of stocks. Companies in the portfolio may generate profits overseas and pay dividends in foreign currencies. The Fund will therefore be exposed to changes in currency rates. The Fund has the ability to invest in derivative investments and may also invest in small companies which may be riskier and less liquid than large companies. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the review period, the Fund delivered a positive return but underperformed its comparative index, the FTSE All-Share. Being underweight in the basic materials sector relative to the comparative index was the main area of outperformance. In particular, not holding the three mining companies Anglo American, Rio Tinto, and Glencore Xstrata was positive for performance; the mining sector fell heavily following fears over weak demand in China. Additionally, having an overweight position in the media company Reed Elsevier also proved beneficial. Its shares increased over the period after cash returns to shareholders exceeded market expectations and its risk solutions business saw strong revenue growth. Within the telecoms sector, the Fund's underweight position in Vodafone Group at the end of the period was detrimental to performance. Although underlying trading continues to struggle, the shares performed well, as the likelihood of a disposal of its Verizon Wireless stake increased. Elsewhere, the underweight position in banks, particularly Lloyds Banking Group and Barclays, also hurt performance. However, the manager remains cautious on UK domestic banks. The UK has only just begun the process of debt reduction and the housing market remains a long-term area of concern. On a risk/reward basis, the financial sector looks unattractive and, as such, stock selection is key; for example, Intermediate Capital and Aberdeen Asset Management were two of the Fund's best performing holdings over the period.

Over the period, significant changes to how the Fund was managed were made. This was largely driven by the belief that the dividend yield of the Fund was unsustainably high, which made it increasingly difficult to generate growth in both income and capital for investors. These changes also had the impact of bringing the Fund closer to Newton's broader thematic investment process. As a result, a number of positions were sold; examples of such

holdings included Vodafone, BP and HSBC Holdings. These sales funded new positions in, among other companies, Diageo, Prudential and Compass, which the manager believes offer attractive growth and income prospects. The manager sought to improve the Fund's exposure to the pharmaceuticals sector and reduce stock-specific risk – hence the manager sold the holding in AstraZeneca and introduced Roche Holdings and Novartis into the portfolio. Similarly, in the tobacco sector the position in Imperial Tobacco was sold in favour of buying the non-UK names Altria and Reynolds American.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	15.17	1.92	16.69	14.50	-11.59
Sterling Exempt 1 (Net Accum.)	16.44	3.01	17.96	15.79	-10.69
Sterling Exempt 2 (Net Accum.)	16.15	2.75	17.66	15.50	-10.91
Sterling Institutional (Net Accum.)	15.87	2.50	17.37	15.22	-11.13
Sterling Institutional (Net Inc.)	15.81	2.50	17.36	15.15	-11.09
Sterling X (Net Accum.)	16.96	3.53	18.54	16.37	-10.28
Sterling X (Net Inc.) ^{1,2}	16.92	3.53	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE All-Share TR	17.93	-3.13	25.63	21.14	-20.49

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

² The Sterling X (Net Inc.) Share Class was closed on 27 April 2010 and was re-opened on 8 October 2010 at £1.00.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.61	1.61
Sterling Exempt 1 (Net Accum.)	0.54	0.54
Sterling Exempt 2 (Net Accum.)	0.79	0.79
Sterling Institutional (Net Accum.)	1.04	1.04
Sterling Institutional (Net Inc.)	1.04	1.04
Sterling X (Net Accum.)	0.04	0.04
Sterling X (Net Inc.)	0.04	0.04
Sterling Institutional W (Net Inc.)	0.79	N/A
Sterling Institutional W (Net Accum.)	0.79	N/A
Sterling P (Net Inc.)	1.04	N/A
Sterling P (Net Accum.)	1.04	N/A
Sterling Retail Adv B (Net Inc.)	1.11	N/A
Sterling Retail Adv B (Net Accum.)	1.11	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	55.84	42.61	3.8238
2010	57.59	48.80	3.9736
2011	56.47	47.04	3.6283
2012	54.47	49.91	2.8548
2013	61.99	53.62	1.6015
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	206.92	146.98	13.9470
2010	227.55	192.30	15.5712
2011	236.72	201.76	15.4451
2012	252.69	224.69	13.1124
2013	297.54	253.27	7.7333
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	130.54	92.91	8.8029
2010	143.20	121.16	9.8113
2011	148.77	126.76	9.7080
2012	158.24	140.90	8.2284
2013	186.13	158.59	4.8404
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	125.32	89.38	8.4553
2010	137.14	116.17	9.4071
2011	142.28	121.20	9.2859
2012	150.80	134.46	7.8521
2013	177.18	151.11	4.6083

Price and Revenue Record by Share Class (Calendar Year) – contd.

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	57.70	43.85	3.9751
2010	59.59	50.55	4.1552
2011	58.75	49.01	3.8153
2012	57.06	52.19	3.0243
2013	65.16	56.25	1.7030
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	209.33	148.10	14.0817
2010	231.31	195.03	15.7912
2011	241.29	205.77	15.7381
2012	259.36	230.02	13.3067
2013	305.97	259.96	7.9488
Sterling X (Net Inc.)²	(pence)	(pence)	(pence)
2009 (from 2 April)	199.37	157.33	9.8682
2010 (to 27 April)	206.54	186.81	3.4741
2010 (from 8 October)	105.17	98.84	1.4496
2011	105.84	88.53	6.8797
2012	104.19	95.00	5.4542
2013	119.80	103.01	3.1291
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 September)	102.40	97.80	1.3406
2013	117.75	101.54	3.0783
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 September)	102.68	98.07	1.3429
2013	120.77	102.90	3.1433
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 September)	100.87	96.36	1.1521
2013	115.86	100.01	3.0293
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 October)	100.72	96.22	1.0384
2013	118.34	100.92	3.0781
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 October)	101.10	96.59	1.0256
2013	116.15	100.26	2.9921
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 October)	101.10	96.58	1.0254
2013	118.75	101.30	3.0581

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	1,940,369	53.78	3,607,768,407
30/06/2012	1,646,723	51.71	3,184,671,082
30/06/2013	1,471,545	56.52	2,603,648,282
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	146,652	230.39	63,652,682
30/06/2012	127,546	237.31	53,747,062
30/06/2013	97,635	275.98	35,377,635

Net Asset Value History by Share Class – contd.

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 2 (Net Accum.)			
		(pence)	
30/06/2011	15,800	144.80	10,911,806
30/06/2012	9,293	148.77	6,246,652
30/06/2013	8,592	172.60	4,978,115
Sterling Institutional (Net Accum.)			
		(pence)	
30/06/2011	283,389	138.49	204,625,860
30/06/2012	272,720	141.93	192,145,175
30/06/2013	266,818	164.25	162,443,836
Sterling Institutional (Net Inc.)			
		(pence)	
30/06/2011	109,716	55.99	195,949,005
30/06/2012	54,104	54.11	99,996,972
30/06/2013	28,345	59.44	47,690,604
Sterling X (Net Accum.)			
		(pence)	
30/06/2011	79,776	234.81	33,974,464
30/06/2012	84,004	243.07	34,559,873
30/06/2013	118,953	283.95	41,891,715
Sterling X (Net Inc.)²			
		(pence)	
30/06/2011	51,661	101.00	51,147,861
30/06/2012	55,863	98.59	56,664,306
30/06/2013	81,465	109.39	74,468,767
Sterling Institutional W (Net Inc.)			
		(pence)	
30/06/2013	28,048	107.43	26,107,988
Sterling Institutional W (Net Accum.)			
		(pence)	
30/06/2013	775	111.99	692,144
Sterling P (Net Inc.)			
		(pence)	
30/06/2013	505	105.68	478,319
Sterling P (Net Accum.)			
		(pence)	
30/06/2013	120	109.70	109,638
Sterling Retail Adv B (Net Inc.)			
		(pence)	
30/06/2013	26	108.36	24,256
Sterling Retail Adv B (Net Accum.)			
		(pence)	
30/06/2013	36	108.32	33,304

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Royal Dutch Shell B	8.19	8.71
GlaxoSmithKline	6.40	8.17
British American Tobacco	4.48	6.90
Severn Trent	3.87	1.17
National Grid	3.82	2.58
Diageo	3.54	0.00
Centrica	3.38	3.83
SSE	3.25	4.00
Reed Elsevier	2.83	2.63
Unilever	2.74	1.75
Vodafone	0.00	6.91
AstraZeneca	0.00	4.79
BT	0.00	3.01
BP	0.00	5.18
Imperial Tobacco	0.00	4.77

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Gas, Water & Multiutilities	11.07	9.56
Media	8.58	5.29
Oil & Gas Producers	8.19	13.89
United States of America	6.49	0.00
Pharmaceuticals & Biotechnology	6.40	12.96
Switzerland	5.29	0.00
Financial Services	4.60	4.63
Life Insurance	4.49	1.22
Tobacco	4.48	11.67
Support Services	4.22	1.57
Travel & Leisure	4.22	1.50
Nonlife Insurance	4.12	1.30
Aerospace & Defence	3.88	3.11
Beverages	3.54	0.41
Electricity	3.25	4.00
Food Producers	2.74	1.81
Industrial Engineering	2.20	0.34
Software & Computer Services	1.55	0.64
Chemicals	1.31	0.00
Oil & Gas Equipment, Services & Distribution	1.08	0.00
Norway	1.04	0.00
Industrial Transportation	0.89	0.59
General Retailers	0.27	0.60
Banks	0.00	2.95
Mobile Telecommunications	0.00	6.91
Fixed Line Telecommunications	0.00	3.42
Food & Drug Retailers	0.00	2.35
Equity Investment Instruments	0.00	1.41
Real Estate Investment Trusts	0.00	2.01
Construction & Materials	0.00	1.11
Mining	0.00	1.44
Packaging	0.00	0.77
Cash & Others	6.10	2.54
	100.00	100.00

NEWTON INDEX LINKED GILT FUND

GENERAL INFORMATION

Fund management team:	Howard Cunningham and Carl Shepherd
Fund size:	£138.31m
Fund launch:	24 February 1998
Comparative index:	FTSE A (Index Linked) British Govt (over 5 years) TR
Sector:	IMA UK Index Linked Gilts

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to maximise returns by investment in a portfolio of predominantly sterling index linked gilts. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The objective of the Fund is to exceed the total return of the FTSE A (Index Linked) British Government (over 5 years) Index over rolling 5 year periods.

RISK PROFILE

As a Fund consisting of sterling-based investments, the portfolio will be exposed to changes in inflation rates, bond yields and interest rates within the UK. The portfolio will contain investments with maturities predominantly in excess of 5 years spread over a range of UK Index Linked Gilt issues. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund delivered a positive return, outperforming its comparative index. Index-linked Gilts – UK government bonds that move in line with inflation – struggled over the second half of 2012, but they comfortably outperformed conventional Gilts – UK government bonds – over the period as a whole. This outperformance was aided by further quantitative easing – effectively printing more money – and a more benign growth outlook as the worst fears concerning the eurozone receded. Elsewhere, the Fund's holdings in index-linked corporate bonds – debt issued by companies – were advantageous for performance. Gilts lost ground towards the end of the period due to speculation of the US Federal Reserve's plan to "taper" its quantitative easing programme.

Fund activity included the sale of the positions in 2% Index-Linked 2035 and 1.25% Index-linked 2017. New additions included 1.875% Index-Linked 2022 and 1.25% Index-Linked 2032. A position was also established in an index-linked corporate bond issued by Rabobank, a Dutch banking group.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Exempt 2 (Gross Accum.)	3.60	15.31	10.45	8.39	0.24
Sterling Institutional (Net Accum.)	2.88	14.32	9.76	7.69	-0.75
Sterling X (Gross Accum.)	3.81	15.54	10.67	8.60	0.50
Sterling X (Net Inc.) ¹	3.31	N/A	N/A	N/A	N/A

FTSE A (Index Linked) British Govt (over 5 years) TR	2.71	16.87	9.67	8.37	-0.59
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Sterling Institutional (Net Accum.) and Sterling X (Net Inc.) – Total return including revenue net of UK tax and annual charges, but excluding initial charge. Sterling Exempt 2 (Gross Accum.) and Sterling X (Gross Accum.) – Total return including gross revenue and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Exempt 2 (Gross Accum.)	0.26	0.25
Sterling Institutional (Net Accum.)	0.56	0.55
Sterling X (Gross Accum.)	0.06	0.05
Sterling X (Net Inc.)	0.06	0.05

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Exempt 2 (Gross Accum.)	(pence)	(pence)	(pence)
2009	226.60	192.34	6.3066
2010	241.12	211.71	3.3205
2011	296.62	230.70	7.0889
2012	299.95	279.72	8.3937
2013	329.94	287.01	3.0886
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	219.14	187.19	4.4101
2010	232.12	204.52	1.9845
2011	282.97	221.77	4.8380
2012	286.03	265.37	5.7214
2013	311.64	271.54	1.9836
Sterling X (Gross Accum.)	(pence)	(pence)	(pence)
2009	227.71	192.99	6.7533
2010	242.72	212.84	3.7932
2011	299.32	232.36	7.6634
2012	302.70	282.38	9.0651
2013	333.79	290.21	3.4371
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2011 (from 25 May)	297.44	250.62	4.1464
2012 (from 3 January to 14 March)**	297.11	280.20	N/A
2012 (from 12 April to 31 May)**	289.23	278.41	N/A
2012 (from 6 June)**	282.67	265.20	3.7142
2013	308.59	268.61	2.5421

* Distributions are shown in the year declared rather than paid.

** The Sterling X (Net Inc.) Share Class closed and re-opened at the dates above.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Treasury 2.50% Index-Linked 2020	7.92	8.43
Treasury 1.875% Index-Linked 2022	6.83	4.77
Treasury 1.25% Index-Linked 2027	6.78	6.39
Treasury 2.50% Index-Linked 2024	6.36	7.75
Treasury 1.125% Index-Linked 2037	6.09	6.49
Treasury 4.125% Index-Linked 2030	6.08	5.27
Treasury 0.50% Index-Linked 2050	5.55	4.51
Treasury 0.375% Index-Linked 2062	5.24	2.29
Treasury 2.00% Index-Linked 2035	5.04	6.81
Treasury 1.25% Index-Linked 2055	5.03	6.96
Treasury 0.75% Index-Linked 2047	4.76	6.04
Treasury 0.625% Index-Linked 2040	4.24	6.19
Treasury 0.75% Index-Linked 2034	4.17	6.39
Treasury 0.625% Index-Linked 2042	3.79	5.62

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	94.92	92.49
AA-	1.09	0.60
A	0.78	0.91
A-	0.58	2.21
BBB	0.46	0.00
Derivatives	0.13	(0.04)
Cash & Others	2.04	3.83
	100.00	100.00

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 2 (Gross Accum.)		(pence)	
30/06/2011	92,096	252.02	36,543,545
30/06/2012	106,349	290.69	36,584,628
30/06/2013	93,966	297.52	31,582,813
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	19,184	241.44	7,945,470
30/06/2012	15,117	276.11	5,474,907
30/06/2013	22,653	280.63	8,072,205
Sterling X (Gross Accum.)		(pence)	
30/06/2011	13,784	254.06	5,425,702
30/06/2012	19,349	293.63	6,589,585
30/06/2013	16,664	301.13	5,533,642
Sterling X (Net Inc.)		(pence)	
30/06/2011	1,122	253.29	442,971
30/06/2012	5	275.57	1,760
30/06/2013	5,029	275.59	1,824,815

NEWTON INTERNATIONAL BOND FUND

GENERAL INFORMATION

Fund management team:	Paul Brain and Howard Cunningham / Jon Day
Fund size:	£731.96m
Fund launch:	1 February 1991
Comparative index:	JP Morgan Global GBI Unhedged TR
Sector:	IMA Global Bonds
Fund ratings:	Gold/V4 Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to maximise the total return from income and capital growth in the world bond markets through investment predominantly in Government and other public securities. The Fund may also invest in deposits, derivative instruments, forward transactions and collective investment schemes.

INVESTMENT POLICY

Investments are made in securities that ensure diversification and liquidity whilst paying attention to the objective of the Fund. For comparison sake alone, the Fund is viewed against the JP Morgan Global Government Bond Index (GBI).

RISK PROFILE

As a global fund, the Fund will be exposed to changes in currency rates and bond yields around the world. The portfolio may contain some investments in less-developed markets, but most securities will be domiciled within the developed nations of North America, Europe and the Far East. The Fund will use derivatives to generate returns and that can involve a higher level of risk. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a negative return and underperformed its comparative index. The Fund's limited Japanese government bond exposure during the first half of the period was successful as the Japanese government focused on greater monetary stimulus in an effort to boost its economy, and yields rose (prices fell). Being underweight the eurozone's peripheral bond markets, such as Spain, reduced performance, but this was more than offset by the Fund's exposure to emerging markets. However, over the first three months of 2013, the Fund's zero weighting in Japan was a negative as Japanese government bonds rallied strongly. Meanwhile, the prospect of the US quantitative easing programme (effectively printing more money) coming to an end weighed on fixed income markets from mid-May onwards. The Fund's underweight exposure to 'core' government bond markets (the US, UK, Japan and Germany) was beneficial, but this was offset by exposure to quasi-government (debt issued by companies that are backed by a government) and emerging market sovereign issuance, which struggled.

There were few key changes to the Fund's bond allocation over the period. A timely switch out of UK Gilts and into US Treasuries allowed the Fund to benefit from a weaker US bond market over the second half of 2012. Meanwhile, overall duration – a measure of a Fund's sensitivity to interest rate changes – was cut to around two years less than that of the index. Notable new additions included 4.75% Italy 2017.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	-2.77	5.63	3.32	16.01	18.53
Euro Accumulation	-3.61	5.71	2.62	15.79	18.16
Sterling Institutional (Net Accum.)	-2.32	6.12	3.78	16.54	19.09
Sterling Institutional (Net Inc.)	-2.32	6.12	3.79	16.55	19.07
Sterling Exempt 2 (Gross Accum.)	-1.79	6.63	4.53	17.55	20.24
Sterling P (Net Inc.) ¹	-2.71	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
JP Morgan Global GBI Unhedged TR	-1.71	6.06	2.65	14.83	26.69

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – For all share classes except Sterling Exempt 2 (Gross Accum.) – Total return including revenue net of UK tax and annual charges, but excluding initial charge. For Sterling Exempt 2 (Gross Accum.) – Total return including gross revenue and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.13	1.13
Euro Accumulation	1.63	1.63
Sterling Institutional (Net Accum.)	0.56	0.56
Sterling Institutional (Net Inc.)	0.56	0.56
Sterling Exempt 2 (Gross Accum.)	0.36	0.36
Sterling P (Net Inc.)	1.06	1.06
Sterling Institutional W (Net Inc.)	0.56	N/A
Sterling Institutional W (Net Accum.)	0.56	N/A
Sterling P (Net Accum.)	1.06	N/A
Sterling Retail Adv B (Net Inc.)	0.88	N/A
Sterling Retail Adv B (Net Accum.)	0.88	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depository, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	214.92	179.30	4.0467
2010	216.42	190.25	3.9288
2011	223.78	197.63	2.6010
2012	223.11	208.41	2.1343
2013	222.07	208.01	0.8553
Euro Accumulation	(cents)	(cents)	(cents)
2009	133.41	121.92	2.1829
2010	153.41	126.53	2.1971
2011	157.83	134.94	1.2124
2012	172.21	150.76	0.9468
2013	158.89	148.35	0.3035
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	240.72	201.73	5.5661
2010	252.13	218.69	5.6291
2011	266.01	232.68	4.2034
2012	267.48	249.68	3.7513
2013	269.81	253.10	1.6315
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	227.36	189.66	5.2213
2010	229.18	201.17	5.1490
2011	236.89	209.10	3.7612
2012	236.39	220.65	3.3033
2013	235.01	220.45	1.4210
Sterling Exempt 2 (Gross Accum.)	(pence)	(pence)	(pence)
2009	157.95	132.74	4.8745
2010	167.89	144.67	4.9928
2011	178.05	155.27	3.8422
2012	179.88	167.62	3.5015
2013	182.08	171.06	1.5518
Sterling X (Net Accum.)**	(pence)	(pence)	(pence)
2009 (from 29 June to 8 October)	151.27	133.95	0.0037
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 22 June)	102.15	98.27	0.5702
2013	102.25	95.79	0.4213
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 September)	100.81	97.72	0.7459
2013	101.54	95.25	0.6139
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 September)	100.81	97.72	0.7460
2013	102.33	95.99	0.6187
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 16 October)	100.84	97.71	0.2195
2013	102.23	95.78	0.4213
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 3 October)	101.06	97.93	0.5672
2013	101.90	95.51	0.4905
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 3 October)	101.06	97.93	0.5674
2013	102.50	96.07	0.4934

* Distributions are shown in the year declared rather than paid.

** The Sterling X (Net Accum.) Share Class launched on 29 June 2009 and closed on 8 October 2009.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	610,186	208.09	293,237,158
30/06/2012	621,319	217.48	285,692,083
30/06/2013	508,257	209.80	242,256,803
Euro Accumulation		(cents)	
30/06/2011	873	138.68	696,017
30/06/2012	13,335	163.53	10,113,064
30/06/2013	688	149.21***	538,303
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	17,847	247.09	7,223,154
30/06/2012	47,536	262.03	18,141,324
30/06/2013	39,380	256.33	15,362,675
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	80,875	220.05	36,753,410
30/06/2012	138,579	229.99	60,253,561
30/06/2013	159,341	221.85	71,825,101
Sterling Exempt 2 (Gross Accum.)		(pence)	
30/06/2011	8,133	165.30	4,919,891
30/06/2012	224	176.14	127,197
30/06/2013	287	173.25	165,382
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	100.13	15,000
30/06/2013	317	96.59	328,666
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	22,018	95.85	22,970,726
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	1,645	97.22	1,692,113
Sterling P (Net Accum.)		(pence)	
30/06/2013	9	97.00	8,788
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	96.23	5,029
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	16	97.29	16,412

*** Euro/Sterling exchange rate at close of business 28 June 2013: 1.166827.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
USA Treasury Notes 1.00% 2017	6.68	3.10
USA Treasury Notes 1.50% 2018	4.32	0.00
USA Treasury Notes 2.125% 2021	3.49	7.97
Canada 2.00% Bonds 2016	3.31	2.93
Treasury Gilt 1.75% 2022	2.72	0.00
USA Treasury Bonds 4.25% 2039	2.61	2.97
Mexico 6.50% Bonds 2022	2.53	0.00
Belgium 3.00% Bonds 2019	2.43	0.00
USA Treasury Notes 1.00% 2016	2.40	2.10
Italy 4.75% BTP 2017	2.26	0.00
New South Wales Treasury 2.75% Index-Linked Bonds 2025	0.47	2.35
Italy 5.50% BTP 2022	0.00	4.35
New Zealand 5.50% Bonds 2023	0.00	3.56
Mexico 8.00% Bonds 2020	0.00	2.89
Norway 6.50% 2013	0.00	2.51
FMS Wertmanagement 3.00% Bonds 2018	0.00	2.45

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	69.38	42.00
AA	14.91	9.06
A	2.14	9.06
BBB	4.87	1.81
Not rated (by S&P)	0.00	33.93
Derivatives	0.53	(0.39)
Cash & Others	8.17	4.53
	100.00	100.00

NEWTON LONG CORPORATE BOND FUND

GENERAL INFORMATION

Fund management team:	Howard Cunningham and Scott Freedman
Fund size:	£248.62m
Fund launch:	29 June 2000
Comparative index:	BofA Merrill Lynch Non-Gilt 10 yr+ Invest Grade TR
Sector:	IMA £ Corporate Bond

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to maximise returns through investment in predominantly sterling denominated fixed interest securities excluding gilts. The Fund may also invest in deposits, derivative instruments, forward transactions and collective investment schemes.

INVESTMENT POLICY

The Fund aims to outperform the BofA Merrill Lynch Non-Gilt (over 10 years) Investment Grade Index by up to 1% p.a. over rolling 5 year periods.

RISK PROFILE

The Fund invests in fixed rate predominantly sterling denominated bonds, excluding gilts, and is therefore exposed to changes in the level of sterling interest rates. The Fund is also exposed to credit risk, through investment grade corporate bonds issued by both UK domiciled and non-UK domiciled companies. The Fund may invest in investments that are not traded regularly and are therefore subject to greater fluctuations in price. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a positive return and outperformed the BofA Merrill Lynch Non-Gilt (over 10 year) Investment Grade Index. The Fund had limited exposure to the European banking sector and peripheral eurozone countries, which were the main beneficiaries of the improved economic picture in the region, and this hindered performance over the second half of 2012. However, the Fund benefited from strong stock selection and having more than 10% of the portfolio invested in bonds maturing in less than 10 years, which outperformed long-dated bonds. Long-dated corporate bonds – debt issued by companies – lost ground towards the end of the period due to speculation over the US Federal Reserve's quantitative easing programme (effectively printing more money) being 'tapered' but shorter-dated bonds declined to a lesser extent.

The manager participated in a new issue by DIRECTV, a US cable company, and added bonds issued by Network Rail Infra Finance and Citigroup. Meanwhile, following a strong rally in BAE Systems bonds, stemming from the announcement of a potential merger with fellow defence and aerospace company EADS, the manager sold the position. Finally, the manager sold the position in 5.625% Experian Finance 2013.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Exempt 1 (Gross Accum.)	6.52	14.41	4.64	18.70	1.66
Sterling Exempt 2 (Gross Accum.)	6.41	14.30	4.53	18.58	1.89
Sterling Institutional (Net Accum.)	5.38	12.53	3.08	17.26	0.16
Sterling X (Gross Accum.)	6.73	14.65	4.84	18.93	1.87
BofA Merrill Lynch Non-Gilt 10 yr+ Invest Grade TR	5.55	14.71	4.62	19.09	1.83

Source: Lipper as at 30 June 2013 – Sterling Institutional (Net Accum.) – Total return including revenue net of UK tax and annual charges, but excluding initial charge. Sterling Exempt 1 (Gross Accum.), Sterling Exempt 2 (Gross Accum.) and Sterling X (Gross Accum.) – Total return including gross revenue and annual charges, but excluding initial charge. All figures are in sterling terms.

The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Exempt 1 (Gross Accum.)	0.26	0.26
Sterling Exempt 2 (Gross Accum.)	0.36	0.36
Sterling Institutional (Net Accum.)	0.56	0.56
Sterling X (Gross Accum.)	0.06	0.06

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Exempt 1 (Gross Accum.)	(pence)	(pence)	(pence)
2009	173.41	139.03	8.9788
2010	195.31	168.15	9.1059
2011	208.61	181.24	9.3719
2012	238.12	206.58	9.9184
2013	249.87	228.79	4.7753
Sterling Exempt 2 (Gross Accum.)	(pence)	(pence)	(pence)
2009	117.13	93.98	5.9612
2010	131.79	113.53	6.0237
2011	140.60	122.25	6.1882
2012	160.31	139.20	6.5316
2013	168.16	153.97	3.1345
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	103.75	83.92	4.0911
2010	115.60	100.13	4.0581
2011	120.78	106.41	4.0955
2012	136.21	119.23	4.2546
2013	142.31	130.10	2.0162
Sterling X (Gross Accum.)	(pence)	(pence)	(pence)
2009	174.18	139.46	9.3258
2010	196.52	169.02	9.5240
2011	210.42	182.53	9.8374
2012	240.67	208.48	10.4641
2013	252.77	231.52	5.0693

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 1 (Gross Accum.)		(pence)	
30/06/2011	69,648	189.72	36,711,620
30/06/2012	64,966	216.64	29,987,495
30/06/2013	69,321	230.07	30,130,121
Sterling Exempt 2 (Gross Accum.)		(pence)	
30/06/2011	1,356	127.92	1,060,195
30/06/2012	12,757	145.93	8,742,086
30/06/2013	14,399	154.82	9,300,822
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	5,214	110.86	4,703,263
30/06/2012	9,324	124.52	7,488,118
30/06/2013	3,934	130.81	3,007,191
Sterling X (Gross Accum.)		(pence)	
30/06/2011	120,192	191.22	62,856,752
30/06/2012	147,996	218.79	67,642,140
30/06/2013	160,971	232.82	69,140,963

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Network Rail Infra Finance 4.75% Bonds 2035	2.74	1.61
Temasek Financial 5.125% Bonds 2040	2.39	2.75
Electricite de France 6.125% Bonds 2034	1.96	1.44
Citigroup 5.15% Bonds 2026	1.53	0.00
GlaxoSmithKline Capital 6.375% Bonds 2039	1.52	1.31
Kreditanstalt Fur Wiederaufbau 5.00% Bonds 2036	1.48	0.96
Kreditanstalt Fur Wiederaufbau 5.50% Bonds 2025	1.46	0.99
Tesco Property Finance 5.744% Bonds 2040	1.43	1.34
HSBC Bank 5.375% Bonds 2030	1.35	1.33
HBOS Treasury Services 4.875% EMTN 2024	1.31	1.34
Southern Gas Network 4.875% EMTN 2029	1.31	1.40
Sunderland (SHG) Finance 6.38% Bonds 2042	1.29	1.41
Juturna 5.0636% Bonds 2033	1.28	1.52
European Investment Bank 4.50% Bonds 2044	0.91	1.69

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	20.24	15.55
AA	15.56	14.19
A	30.35	27.83
BBB	25.64	22.66
BB	0.00	0.38
Not rated (by S&P)	5.62	14.64
Cash & Others	2.59	4.75
	100.00	100.00

NEWTON LONG GILT FUND

GENERAL INFORMATION

Fund management team:	Howard Cunningham and Carl Shepherd
Fund size:	£80.02m
Fund launch:	1 March 1979
Comparative index:	FTSE A British Govt Over 15 Years TR
Sector:	IMA UK Gilt

DISTRIBUTION

Period end dates for distributions for all share classes:	
Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:	
Annual:	31 August
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to maximise returns through investment in securities issued or guaranteed by the UK Government or the Governments of foreign countries or corporate bodies. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The objective of the Fund is to marginally outperform the FTSE A British Government (over 15 years) Index over rolling 5 year periods.

RISK PROFILE

As a UK gilt Fund, the portfolio will be predominantly exposed to changes in bond yields and interest rates and inflation within the UK. The portfolio will contain investments with maturities predominantly in excess of 15 years, spread over a range of individual government and corporate bond issues. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund delivered a negative return but outperformed the FTSE Actuaries British Government over 15 years Index. Long-dated UK Gilts – UK government bonds – enjoyed a strong start to the period as the global and domestic growth outlook weakened, UK inflation eased, and the perception of long Gilts as “safe-haven” assets attracted investors in the face of continuing eurozone risks. However, long-dated Gilts lost ground as investor risk appetite picked up towards the end of 2012 and into 2013. Speculation of the US Federal Reserve’s plan to “taper” its quantitative easing programme also hurt performance towards the end of the period. Meanwhile, the Fund benefited from having shorter duration (less sensitivity to rising Gilt yields) than the comparative index throughout the period, while strong performances also came from some of its corporate bond holdings – debt issued by companies.

Notable additions to the portfolio included 4.5% UK 2042 and 4.25% UK 2032. Sales included 4.25% UK 2027. Meanwhile, in corporate bonds, the manager took part in a new issuance by the University of Cambridge.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Exempt 2 (Gross Accum.)	-3.36	25.82	3.80	8.18	10.93
Sterling Institutional (Net Accum.)	-4.13	24.72	2.75	7.05	9.74
Sterling X (Gross Accum.)	-3.16	26.08	4.01	8.40	11.15
FTSE A British Govt Over 15 Years TR	-4.64	27.88	2.81	7.96	11.27

Source: Lipper as at 30 June 2013 – Sterling Institutional (Net Accum.) – Total return including revenue net of UK tax and annual charges, but excluding initial charge. Sterling Exempt 2 (Gross Accum.) and Sterling X (Gross Accum.) – Total return including gross revenue and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Exempt 2 (Gross Accum.)	0.26	0.26
Sterling Institutional (Net Accum.)	0.56	0.56
Sterling X (Gross Accum.)	0.06	0.06

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Exempt 2 (Gross Accum.)	(pence)	(pence)	(pence)
2009	299.20	258.91	11.3964
2010	322.70	273.26	11.6324
2011	386.04	292.49	11.6240
2012	406.31	361.90	11.3858
2013	410.68	374.41	5.5052
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	286.98	250.16	8.1223
2010	306.56	261.05	8.1821
2011	362.05	276.63	8.0234
2012	379.24	338.79	7.6343
2013	380.94	347.26	3.6564
Sterling X (Gross Accum.)	(pence)	(pence)	(pence)
2009	300.71	259.85	12.0116
2010	324.92	274.84	12.3038
2011	389.72	294.77	12.3852
2012	410.68	365.54	12.2925
2013	415.76	378.89	5.9654

* Distributions are shown in the year declared rather than paid.

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
AAA	91.39	95.94
AA	0.83	1.29
A	1.11	1.65
BBB	0.45	0.00
Cash & Others	6.22	1.12
	100.00	100.00

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 2 (Gross Accum.)		(pence)	
30/06/2011	80,800	311.96	25,900,632
30/06/2012	84,522	392.85	21,515,092
30/06/2013	53,569	377.37	14,195,414
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	8,039	293.90	2,735,202
30/06/2012	11,033	366.87	3,007,364
30/06/2013	2,690	349.59	769,350
Sterling X (Gross Accum.)		(pence)	
30/06/2011	16,514	314.63	5,248,792
30/06/2012	14,629	397.03	3,684,513
30/06/2013	23,761	382.16	6,217,590

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Treasury 4.75% Stock 2030	9.13	7.67
Treasury 4.25% Stock 2032	9.00	5.40
Treasury 4.50% Stock 2042	7.28	6.03
Treasury 4.50% Stock 2034	7.19	6.27
Treasury 4.75% Stock 2038	6.42	6.81
Treasury 4.25% Stock 2040	6.15	6.34
Treasury 4.25% Stock 2055	5.97	6.98
Treasury 4.25% Stock 2039	5.67	6.26
Treasury 4.25% Stock 2036	5.27	6.31
Treasury 4.25% Stock 2046	5.22	5.41
Treasury 4.25% Stock 2049	4.05	5.93
Treasury 6.00% Stock 2028	2.88	6.77

NEWTON MANAGED FUND

GENERAL INFORMATION

Fund management team:	Chris Metcalfe and Rob Stewart
Fund size:	£1,339.40m
Fund launch:	2 April 1990
Comparative index:	IMA Flexible Investment Sector
Sector:	IMA Flexible Investment
Fund ratings:	Silver Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	30 September
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth and income from a portfolio of UK, EC and international securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund is actively managed, investing predominantly in equities on a global basis with the aim of providing a balance between capital growth and income.

RISK PROFILE

As a global Fund, the Fund will be exposed to changes in currency rates. The portfolio may contain some investments in less-developed markets. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund generated a positive return and outperformed its comparative index over the year under review. Stock selection within the pharmaceutical, food producers and the media sector drove relative performance. Amongst pharmaceuticals, Swiss stocks Novartis and Roche Holdings were key contributors. There are signs that research and development drug pipeline productivity is beginning to improve across the sector: as evidence of this trend, Novartis recently received a breakthrough designation from the US Food and Drug Administration for one of its new early-phase cancer compounds. Roche has benefited as it has become apparent that its Rituxan cancer drugs will not see any meaningful competition for some time, given regulatory problems facing potential competitors. Among food producers, Associated British Foods made further gains after its Primark business saw sales growth rebound and margins beat expectations. The stock was further supported by strength in the company's sugar and grocery subsidiaries. Media stocks Reed Elsevier and Daily Mail & General Trust have performed very well in 2013. Both have posted solid results and reported a positive trading outlook. On the negative side, performance was held back by the Fund's gold-related investments, such as Yamana Gold, which lagged on weakness in precious metal prices.

Towards the end of the reporting year, the manager reduced the Fund's fixed income exposure with the sale of New South Wales Treasury and New Zealand government index-linked bonds, and by reducing the Fund's holdings in Norwegian government bonds. In the equity portfolio, a new position was initiated in UK telecommunications company Vodafone Group. A new position was also established in US technology company Hewlett-Packard. The management has undertaken a restructuring programme and initiatives to replace enterprise laser printers with ink jets, and this will be one of the main areas of growth for the company. The portfolio continues to have limited exposure to financial stocks but during the second quarter of 2013 the manager increased exposure to Citigroup; the company has a much strengthened balance sheet, given its improvement in capital, liquidity, asset quality and risk management.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	19.90	-4.06	17.61	15.03	-21.24
Sterling Institutional (Net Accum.)	20.60	-3.51	18.28	15.70	-20.86
Sterling P (Net Inc.) ¹	20.59	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
IMA Flexible Investment	15.84	-6.11	16.85	18.25	-16.52

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.62	1.62
Sterling Institutional (Net Accum.)	1.05	1.05
Sterling P (Net Inc.)	1.05	1.05
Sterling Institutional W (Net Inc.)	0.80	N/A
Sterling Institutional W (Net Accum.)	0.80	N/A
Sterling Retail Adv B (Net Inc.)	1.12	N/A
Sterling Retail Adv B (Net Accum.)	1.12	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	455.45	341.32	8.0467
2010	504.99	416.22	6.9122
2011	508.58	426.43	6.0588
2012	501.38	449.80	7.6218
2013	591.72	498.92	6.3599
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	487.28	358.32	10.6716
2010	553.32	454.77	10.3184
2011	561.48	474.70	9.6985
2012	570.58	504.55	11.6608
2013	678.26	570.65	9.0605
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 22 June)	109.36	99.32	0.8273
2013	129.02	108.55	1.7238
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 31 August)	102.64	99.10	0.4691
2013	121.58	102.19	1.7631
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 31 August)	102.64	99.10	0.4682
2013	122.14	102.67	1.7719
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 October)	100.28	96.85	0.5875
2013	118.47	99.70	1.5451
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 October)	100.28	96.85	0.5876
2013	119.19	100.29	1.1256

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	1,345,190	492.67	273,041,863
30/06/2012	1,165,659	465.35	250,492,334
30/06/2013	1,248,033	548.84	227,394,960
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	80,317	547.64	14,666,070
30/06/2012	73,169	528.25	13,851,112
30/06/2013	81,419	636.79	12,785,837
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	101.25	15,000
30/06/2013	24	119.41	19,932
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	3,089	112.42	2,747,563
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	1,585	114.70	1,382,300
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5,217	109.67	4,756,690
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	34	111.89	30,803

Major Holdings (%)

Holding	30/06/2013	30/06/2012
BP	2.72	2.37
Reed Elsevier	2.68	1.42
Bayer	2.52	1.45
Smiths	2.40	0.98
Smith & Nephew	2.39	0.74
Microsoft	2.38	1.16
Roche	2.35	1.65
Novartis	2.33	1.55
Daily Mail & General Trust	2.29	0.69
Sanofi	2.27	0.84
Bunzl	1.87	1.90
Standard Life	1.87	1.64
GlaxoSmithKline	1.85	3.47
Unilever	1.84	1.73
British American Tobacco	1.26	3.69
USA Treasury Notes 0.375% 2012	0.00	2.59
Royal Dutch Shell B	0.00	2.27

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	43.73	42.67
United States of America	21.07	11.78
Switzerland	6.50	4.98
France	4.66	3.42
Sterling Denominated Corporate Bonds	2.79	7.04
Investment Trusts	2.54	0.61
Germany	2.52	2.29
Overseas Government Bonds	2.25	3.77
Japan	1.59	1.30
Thailand	0.93	2.19
Norway	0.89	1.26
Netherlands	0.83	0.00
Sweden	0.81	0.28
Hong Kong	0.72	0.64
Denmark	0.56	0.35
Non-Sterling Denominated Corporate Bonds	0.41	3.59
Brazil	0.41	0.44
China	0.37	0.87
Canada	0.28	2.33
Commodities	0.00	1.44
Australia	0.00	1.11
Belgium	0.00	1.01
Taiwan	0.00	0.71
India	0.00	0.66
Singapore	0.00	0.56
South Africa	0.00	0.52
Poland	0.00	0.30
Cash & Others	6.14	3.88
	100.00	100.00

NEWTON ORIENTAL FUND

GENERAL INFORMATION

Fund management team:	Jason Pidcock and Caroline Keen
Fund size:	£596.80m
Fund launch:	30 November 1990 (managed by Newton since November 1994)
Comparative index:	FTSE AW Asia Pacific ex Japan
Sector:	IMA Asia Pacific Excluding Japan
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:
Annual: 30 June

Distribution payment dates for all share classes:
Annual: 31 October

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth by investing in securities predominantly in Asian and Pacific markets including Australia and New Zealand but excluding Japan. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The manager will invest in companies from around the Asia Pacific ex Japan region that will help meet the Fund's objective – to increase the capital return over the long-term.

RISK PROFILE

As a regional portfolio, the Fund will be exposed to changes in currencies and investments in less-developed markets. The Fund may also invest in small companies which may be riskier and less liquid than large companies. A fall in the value of a single investment may have a significant impact on the value of the Fund because it typically invests in a limited number of investments. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return and outperformed the FTSE AW Asia Pacific ex Japan Index over the 12-month period. At the sector level, the Fund's exposure to healthcare and telecommunications was beneficial, while its oil and gas and financials exposure detracted from performance. In the healthcare sector, the Indian hospital operator Apollo Hospitals and IHH Healthcare were key contributors. Apollo Hospitals announced a deal to acquire a multi-speciality regional hospital in India, adding to its strong market position. The Fund's consumer holdings made a strong contribution to performance. Sands China, Biostime International Holdings, Indofood and Universal Robina were the main contributors. Macau casino operator Sands China benefited from its newest property Sands Cotai Central, and the strong growth in gaming revenues for Macau as a whole. Biostime has delivered excellent earnings growth and is viewed favourably by the market, thanks to its premium brand offering and high food safety standards. Amongst the Fund's telecom holdings, Thailand's Advanced Info Service performed well. The stock rose following clarity from the regulator regarding the 3G licence process, and investors focused on the company's considerable earnings growth potential. The Fund's commodity-linked holdings, notably Singapore-listed commodities trader Noble Group and Newcrest Mining detracted from returns on weaker metal and mineral prices. The Fund's holding in HTC, the Taiwanese mobile handset maker, detracted from performance as the company downgraded its market expectations.

The manager participated in the initial public offering (IPO) – the first sale of shares to the public by a private company – of IHH Healthcare, a leading pan-Asian healthcare company with a focus on high-end hospitals in Singapore, Turkey and Malaysia. Another IPO the manager participated in was from Philippines-based conglomerate LT Group, whose principal activities are in the tobacco and consumer areas. The manager also increased the Fund's exposure to Thailand via a placing of Shin, a media investment company whose largest asset is a stake in Advanced Info Service. Following a challenging year for the company, the manager decided to sell HTC, given the company's struggle to regain market share from Apple and Samsung. The manager also reduced the Fund's holding in oil & gas exploration group Santos. Towards the

end of the reporting year, the manager increased the Fund's cash levels on the view that the deteriorating economic background in China was likely to weigh on Asia Pacific equity markets over the summer months.

Statutory Performance Data (%)

From To	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
Sterling Income	14.03	-15.39	22.58	32.59	-7.10
Euro Accumulation	12.97	-15.41	21.63	32.21	-7.46
Sterling Exempt 1 (Net Accum.)	15.25	-14.47	23.90	34.02	-6.34
Sterling Institutional (Net Accum.)	14.68	-14.89	23.26	33.35	-6.70
Sterling X (Net Accum.)	15.82	-14.04	24.52	34.69	-5.96
Sterling P (Net Inc.) ¹	14.60	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A

FTSE AW Asia Pacific ex Japan TR GBP	13.38	-10.57	21.25	34.64	-4.68
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¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.66	1.66
Euro Accumulation	2.16	2.16
Sterling Exempt 1 (Net Accum.)	0.59	0.59
Sterling Institutional (Net Accum.)	1.09	1.09
Sterling X (Net Accum.)	0.09	0.09
Sterling P (Net Inc.)	1.09	1.09
Sterling Institutional W (Net Inc.)	0.84	N/A
Sterling Institutional W (Net Accum.)	0.84	N/A
Sterling Retail Adv B (Net Inc.)	1.16	N/A
Sterling Retail Adv B (Net Accum.)	1.16	N/A
Sterling P (Net Accum.)	1.09	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	446.56	270.54	5.1053
2010	577.02	408.27	3.1483
2011	579.42	434.11	3.6320
2012	531.36	453.48	2.0344
2013	588.27	503.73	3.7479
Euro Accumulation	(cents)	(cents)	(cents)
2009	183.14	110.03	1.6478
2010	247.46	171.79	0.4619
2011	253.58	186.94	0.3556
2012	238.32	208.56	0.0000
2013	255.21	217.87	0.4773
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	305.74	181.07	5.1979
2010	402.07	279.83	5.2950
2011	404.76	306.97	6.5205
2012	377.52	323.18	5.2261
2013	425.08	364.37	6.6860
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	145.28	86.36	2.0827
2010	190.07	132.90	1.8225
2011	191.05	144.57	2.1768
2012	177.40	151.64	1.6389
2013	198.58	170.14	2.2580
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	308.94	182.26	6.0665
2010	408.30	282.90	6.8667
2011	411.66	312.92	8.5000
2012	385.68	330.63	7.1188
2013	436.87	374.66	8.7925
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 22 June)	113.07	98.44	0.0000
2013	128.84	110.38	1.3797
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 4 September)	107.12	98.74	N/A
2013	122.22	104.74	1.4736
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 4 September)	107.13	98.74	N/A
2013	122.22	104.74	1.4790
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 26 September)	102.96	98.89	N/A
2013	117.28	100.47	1.0220
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 26 September)	102.96	98.89	N/A
2013	117.28	100.47	1.0194
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 October)	100.35	96.39	N/A
2013	114.35	97.97	0.3326

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	543,818	553.97	98,167,762
30/06/2012	403,800	467.22	86,426,494
30/06/2013	333,847	529.43	63,058,177
Euro Accumulation		(cents)	
30/06/2011	23,155	226.45	11,306,831
30/06/2012	13,363	214.05	7,742,217
30/06/2013	11,130	228.69**	5,678,627
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	9,694	390.62	2,481,601
30/06/2012	5,607	334.45	1,676,357
30/06/2013	4,903	385.71	1,271,048
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	430,069	184.20	233,484,941
30/06/2012	193,623	156.93	123,379,597
30/06/2013	147,574	180.10	81,941,809
Sterling X (Net Accum.)		(pence)	
30/06/2011	7,073	397.66	1,778,664
30/06/2012	6,075	342.18	1,775,213
30/06/2013	7,027	396.60	1,771,758
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	101.86	15,000
30/06/2013	386	115.43	334,808
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	48,889	109.37	44,701,491
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	20,503	110.84	18,497,581
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	22,434	105.30	21,305,044
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	8	106.32	7,694
Sterling P (Net Accum.)		(pence)	
30/06/2013	102	103.67	98,380

** Euro/Sterling exchange rate at close of business 28 June 2013: 1.166827.

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Taiwan Semiconductor Manufacturing	6.89	6.44
Apollo Hospitals	6.53	4.87
Noble	5.03	5.88
BHP Billiton	4.79	6.08
Standard Chartered	4.78	6.07
Oil Search	3.91	3.43
Santos	3.80	5.25
AIA	3.73	3.87
Sands China	3.64	2.92
IHH Healthcare	3.14	0.00
Taiwan Mobile	3.06	4.07
Belle International	2.58	3.84
Newcrest Mining	1.00	3.79

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Australia	14.40	20.84
Hong Kong	13.27	14.68
India	11.07	11.72
Taiwan	9.95	13.19
United Kingdom	9.57	12.15
Singapore	8.82	9.87
Thailand	7.45	4.18
Philippines	6.14	3.46
China	6.00	6.50
Indonesia	3.71	1.56
Malaysia	3.14	0.00
New Zealand	0.58	0.00
Cash & Others	5.90	1.85
	100.00	100.00

NEWTON OVERSEAS EQUITY FUND

GENERAL INFORMATION

Fund management team:	Terry Coles and Jeff Munroe
Fund size:	£302.24m
Fund launch:	31 March 1996
Comparative index:	1/3 FTSE AW North America, 1/3 FTSE AW Europe ex UK, 1/3 FTSE AW Asia Pacific
Sector:	IMA Global

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	30 September
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve long-term growth by investing in stocks and shares quoted on major stock markets of the world, excluding the UK. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund aims to outperform its comparative index (1/3 FTSE All World North America Index / 1/3 FTSE All World Europe ex UK Index / 1/3 FTSE All World Asia Pacific Index) by over 2% p.a. over rolling 5 year periods.

RISK PROFILE

The Fund is a portfolio of equities with exposure to many currencies around the globe. Investors in the Fund are therefore exposed to foreign currency fluctuations and the stock specific risk of the underlying equity holdings. From time to time, if the fund manager deems it appropriate, the portfolio may invest in forward currency contracts (to hedge* currency exposure), options, futures, convertibles, warrants and bonds. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return and outperformed its comparative index over the 12-month period. At the stock level, the Fund's Japanese holdings benefited from the increasing momentum from government policies designed to promote economic growth. The subsequent weakening of the Japanese yen led to strong gains by the export-oriented stocks within the portfolio, particularly Toyota Motor. Another Japanese stock of note was Softbank. Its performance was driven by the agreed approval of the merger with Sprint Nextel. The traditionally more stable growth areas of the market such as healthcare and consumer goods showed strength, with stocks such as Swiss pharmaceutical company Roche Holding and Heinz among the top contributors. Meanwhile, the Fund's holding in the German chemicals company, Bayer, made gains after its management raised earnings guidance after reporting strong results. The chief detractors from Fund performance over the year were the negative returns generated by holdings in gold miners Yamana Gold and Newcrest Mining, which fell amid a decline in the underlying commodity price.

In terms of Fund activity, the manager added a number of new holdings. Continental, the German auto components manufacturer, was purchased in order to gain exposure to the trend of improving fuel efficiency in the automobile sector. The US health benefit plan manager Express Scripts is a beneficiary of the increasing use of generic drugs, while European technology giant SAP has been transformed in recent years through a number of acquisitions and now boasts a strong product portfolio. The manager also added a new position in Intuit, which is predominantly a US-focused company, with the leading market share in financial management software for small businesses. To fund these purchases, the manager sold the holding in Taiwan Semiconductor Manufacturing after its shares had risen due to an improving semiconductor market, while the holding in Fifth Third Bancorp was also sold after a period of strong performance. The manager sold the holding in HJ Heinz following a takeover offer from Warren Buffet's Berkshire Hathaway and

private equity firm 3G. The manager also took advantage of strong share price appreciation to realise some profits by reducing holdings in a number of stocks including Softbank, Interpublic Group and Bangkok Bank.

* Currency hedging is a technique whereby the fund manager seeks to protect the Fund from adverse currency movements that may impact the share price.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Exempt 1 (Net Accum.)	24.70	-12.34	19.33	22.76	-17.96
Sterling Exempt 2 (Net Accum.)	24.57	-12.43	19.21	22.64	-18.03
Sterling Exempt 3 (Net Accum.) ¹	24.39	-12.56	19.04	N/A	N/A
Sterling X (Net Accum.)	25.32	-11.90	19.93	23.37	-17.63
Index ²	23.09	-7.98	21.89	22.40	-12.85

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

² Index – 1/3 FTSE AW North America, 1/3 FTSE AW Europe ex UK, 1/3 FTSE AW Asia Pacific.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Exempt 1 (Net Accum.)	0.57	0.58
Sterling Exempt 2 (Net Accum.)	0.67	0.68
Sterling Exempt 3 (Net Accum.)	0.82	0.83
Sterling X (Net Accum.)	0.07	0.08

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2009	312.87	216.05	4.5197
2010	366.89	291.08	4.0605
2011	374.12	287.03	4.3215
2012	350.24	306.29	4.9823
2013	419.19	344.55	3.7645
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	148.12	102.36	2.0275
2010	173.52	137.79	1.7695
2011	176.85	135.65	1.8816
2012	165.35	144.72	2.1984
2013	197.79	162.63	1.6846
Sterling Exempt 3 (Net Accum.)	(pence)	(pence)	(pence)
2009 (from 22 September)	148.06	132.29	0.2613
2010	173.19	137.71	1.5416
2011	176.38	135.24	1.6496
2012	164.61	144.23	1.9538
2013	196.71	161.84	1.5423
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	316.39	217.67	5.7540
2010	372.89	294.50	5.7747
2011	381.22	292.83	6.1394
2012	359.14	312.87	6.8051
2013	431.17	353.71	4.8619

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2011	215,802	364.12	59,267,107
30/06/2012	179,227	320.26	55,962,234
30/06/2013	181,032	398.27	45,454,003
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	18,118	172.12	10,525,882
30/06/2012	15,254	151.24	10,085,811
30/06/2013	9,970	187.89	5,305,955
Sterling Exempt 3 (Net Accum.)		(pence)	
30/06/2011	4,446	171.67	2,589,820
30/06/2012	15,857	150.62	10,527,833
30/06/2013	19,129	186.85	10,237,625
Sterling X (Net Accum.)		(pence)	
30/06/2011	96,611	370.99	26,041,552
30/06/2012	73,844	327.95	22,516,892
30/06/2013	92,112	409.87	22,473,530

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Roche	2.98	2.89
Toyota Motor	2.92	1.86
Microsoft	2.87	0.80
Bayer	2.50	1.81
Novartis	2.45	2.07
Japan Tobacco	2.39	2.64
Google	2.15	1.47
Nestle	2.15	2.38
Principal Financial	2.00	1.14
United Technologies	1.93	1.38
Anheuser-Busch Inbev	1.54	2.53
Pfizer	1.48	2.19
Sygenta	1.48	2.14
ITC	1.42	2.05
Philip Morris International	1.14	2.46
Apple	0.00	2.59

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United States of America	39.69	38.52
Japan	11.04	10.39
Switzerland	10.37	10.70
Germany	9.32	5.54
France	4.27	3.39
India	3.47	4.08
Hong Kong	3.17	4.25
Singapore	2.77	4.65
China	1.92	1.81
Canada	1.64	1.55
Thailand	1.60	1.85
Belgium	1.54	2.53
Brazil	1.32	2.01
Netherlands	1.32	0.00
Australia	1.27	1.93
Denmark	1.19	1.95
Mexico	0.54	0.00
South Korea	0.51	0.50
Taiwan	0.00	1.01
Collective Investment Schemes	0.00	1.24
South Africa	0.00	1.09
Indonesia	0.00	0.97
Norway	0.00	0.55
Derivatives	0.00	(0.16)
Cash & Others	3.05	(0.35)
	100.00	100.00

NEWTON PAN-EUROPEAN FUND

GENERAL INFORMATION

Fund management team:	Thomas Beevers and Raj Shant
Fund size:	£0.0m
Fund launch:	4 February 1999
Fund closed:	28 January 2013
Comparative index:	FTSEurofirst 300 Index
Sector:	IMA Europe including UK

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual: 30 June

Distribution payment dates for all share classes:

Annual: 31 October

INVESTMENT OBJECTIVE

The objective of the Fund is to provide capital growth from a portfolio of predominantly European securities, including the UK and Eastern Europe, with a bias towards larger, blue chip companies. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests primarily in blue chip equities across Europe including the UK. Whilst being well diversified by sector and by country, it tends to be focused around 40 to 60 high conviction holdings.

RISK PROFILE

The Fund invests across Europe including the UK and as such, is exposed to currency fluctuations. Whilst being well diversified by sector and by country, it tends to be focused around 40 to 60 high conviction holdings. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund closed on 28 January 2013.

Up until the Fund's closure, it delivered a strong positive return but underperformed the comparative index. Areas of underperformance included the industrials, consumer goods and financials sectors; indeed, the Fund's limited exposure to financials was negative as the sector performed well on the back of improving eurozone news. The greatest negative impact derived from Swedish Match, which issued a profit warning and declined amid pricing pressure in its key Scandinavian market. Elsewhere, the French toll-roads and construction company Vinci, a leading European infrastructure stock, was a drag on performance after the company revised down its outlook. The main positives came from Norwegian bank DNB and the German pharmaceuticals and chemicals company, Bayer, which continued to benefit from a strong portfolio of drugs. The holding in the Swiss bank, UBS, was also positive, along with the Fund's avoidance of Vodafone Group, which struggled over the period.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/01/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	18.64	-13.03	19.26	7.24	-20.21
Euro Accumulation	18.50	-13.04	18.33	6.94	-20.48
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSEurofirst 300 TR	23.10	-14.19	27.81	16.34	-20.49

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 January 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)²

Share Class	30/06/2013	30/06/2012
Sterling Income	N/A	1.77
Euro Accumulation	N/A	2.27
Sterling Institutional W (Net Inc.)	N/A	N/A
Sterling Institutional W (Net Accum.)	N/A	N/A
Sterling Retail Adv B (Net Inc.)	N/A	N/A
Sterling Retail Adv B (Net Accum.)	N/A	N/A

² The Fund closed on 28/01/2013.

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	174.97	121.22	2.8713
2010	178.80	144.05	2.8566
2011	181.16	133.66	1.8080
2012	165.91	144.46	3.2378
2013 (to 28 January)	175.11	166.13	N/A
Euro Accumulation	(cents)	(cents)	(cents)
2009	79.00	53.44	0.6677
2010	84.72	71.05	0.5483
2011	88.14	63.79	0.3422
2012	85.74	73.88	1.2008
2013 (to 28 January)	87.59	86.04	N/A
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 31 August)	106.78	98.99	N/A
2013 (to 28 January)	112.78	106.94	N/A
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 31 August)	106.78	98.99	N/A
2013 (to 28 January)	112.78	106.94	N/A
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 28 September)	104.70	97.10	N/A
2013 (to 28 January)	110.56	104.85	N/A
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 28 September)	104.70	97.10	N/A
2013 (to 28 January)	110.56	104.85	N/A

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	17,728	173.27	10,231,629
30/06/2012	12,843	147.48	8,708,451
30/06/2013	N/A	N/A	N/A
Euro Accumulation		(cents)	
30/06/2011	73	79.85	101,100
30/06/2012	32	77.51	50,935
30/06/2013	N/A	N/A	N/A
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	N/A	N/A	N/A

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Royal Dutch Shell B	N/A	4.14
Roche	N/A	4.07
Total	N/A	3.86
Nestle	N/A	3.60
Novartis	N/A	3.59
Bayer	N/A	3.26
Deutsche Telekom	N/A	3.05
TeliaSonera	N/A	2.80
ENI	N/A	2.64
Air Liquide	N/A	2.59

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	N/A	28.28
Switzerland	N/A	19.50
Germany	N/A	18.75
France	N/A	13.76
Sweden	N/A	6.19
Italy	N/A	5.36
Netherlands	N/A	2.58
Norway	N/A	2.55
Denmark	N/A	1.82
Belgium	N/A	1.38
Spain	N/A	0.00
Ireland	N/A	0.00
Cash & Others	N/A	(0.17)
	0.00	100.00

NEWTON PHOENIX MULTI-ASSET FUND

GENERAL INFORMATION

Fund management team:	Paul Flood and Bhavin Shah
Fund size:	£117.03m
Fund launch:	27 November 2006
Performance reference:	LIBOR GBP 1-Month +2%
Sector:	IMA Mixed Investment 20-60% Shares

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	31 August
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve long-term capital growth in excess of cash* returns from a balanced portfolio diversified across a range of assets. The Fund may invest in equities, fixed interest securities, collective investment schemes, warrants, derivative instruments, deposits and money market instruments. The ACD does not intend to have an interest in any immovable property or tangible movable property.

INVESTMENT POLICY

The Fund invests in a wide range of assets in order to generate a return above cash with significantly less volatility than an equity portfolio.

RISK PROFILE

The Fund attempts to limit risk through diversification, but may invest overseas, thus exposing performance to currency risk, although part of this risk is hedged. In addition, the investments in quoted Funds of hedge Funds, property investment trusts and structured products may offer less transparency and liquidity than equities or bonds. Sub investment grade bonds also carry more default risk than investment grade bonds. The Fund may also invest in small companies which may be riskier and less liquid than large companies as well as companies in the emerging markets. The Fund may use derivatives to generate returns. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return over the 12-month period. At a company level, and within the equity (company share) portion of the Fund, strong performers included a number of global pharmaceutical stocks including Roche Holdings, Sanofi and Novartis. Among technology stocks, holdings in Accenture, a management and technology consulting business, and TSMC, a semiconductor manufacturing company based in Taiwan were positive contributors to performance. As financial markets became increasingly unstable during the second quarter of 2013, exposure to hedge funds, infrastructure and currency positioning all helped to cushion the impact of weaker equity and bond markets.

After a strong start to 2013 for equity markets, the manager scaled back the Fund's equity weighting by reducing positions in strong performers such as the pharmaceuticals companies discussed above. The manager also took the opportunity to sell the holding in the media company Nielsen after a strong run and reinvest in a corporate bond issued by the same company, as Nielsen is looking to reduce its debt levels. The manager continued to look for investment opportunities in infrastructure, establishing a position in Greencoat UK Wind Plc, a fund invested in UK wind generation assets, as well as the John Laing Infrastructure Fund which invests in social infrastructure such as hospitals, schools and prisons. The manager decided to reduce the holding in Ashmore Global Opportunities, following a restructuring of the company, and following strong performance reduce the holding in Oakley Capital. The manager also reduced the Fund's exposure to gold mining equities, preferring more direct exposure to the precious metal. The manager continued to limit the Fund's exposure to government bonds (debt issued by governments) on concerns that bond markets would weaken further as central banks considered withdrawing or "tapering" quantitative easing programmes (effectively printing more money).

* "cash" being LIBOR.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	6.91	-0.62	11.24	16.12	-14.55
Sterling Accumulation	6.92	-0.62	11.24	16.13	-14.55
Sterling Exempt 2 (Net Accum.)	7.59	0.03	11.99	16.89	-13.98
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling X (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
LIBOR GBP 1-Month +2%	2.51	2.70	2.59	2.54	5.26

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.66	1.65
Sterling Accumulation	1.66	1.65
Sterling Exempt 2 (Net Accum.)	0.84	0.83
Sterling Institutional W (Net Inc.)	0.71	N/A
Sterling Institutional W (Net Accum.)	0.71	N/A
Sterling Retail Adv B (Net Inc.)	1.01	N/A
Sterling Retail Adv B (Net Accum.)	1.01	N/A
Sterling X (Net Accum.)	0.09	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	115.42	95.42	1.7651
2010	126.31	113.46	1.5934
2011	129.23	118.29	1.7219
2012	130.79	122.09	1.8454
2013	139.79	129.60	1.0933

Price and Revenue Record by Share Class (Calendar Year) – contd.

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Accumulation	(pence)	(pence)	(pence)
2009	129.17	105.63	1.9619
2010	143.47	127.70	1.7986
2011	148.23	136.02	1.9704
2012	152.52	141.19	2.1420
2013	164.03	152.11	1.2831
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	132.59	107.84	2.7878
2010	148.24	131.17	2.7652
2011	153.69	141.25	3.0157
2012	159.42	146.86	3.2452
2013	172.10	159.19	1.9005
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 September)	102.44	100.19	0.6158
2013	109.98	101.66	1.2633
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 September)	102.44	100.19	0.6156
2013	110.66	102.30	1.2682
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 27 September)	101.15	99.16	0.7489
2013	108.32	100.22	1.1169
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 27 September)	101.15	99.16	0.7488
2013	109.12	100.99	1.1238
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2013 (from 21 May)	100.23	93.53	1.1605

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	22,764	126.62	17,978,926
30/06/2012	19,359	124.16	15,591,071
30/06/2013	17,184	130.81	13,137,078
Sterling Accumulation		(pence)	
30/06/2011	106,716	145.60	73,292,559
30/06/2012	91,866	144.80	63,442,649
30/06/2013	85,030	154.77	54,939,525
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	32,108	150.94	21,272,128
30/06/2012	46,918	151.10	31,051,811
30/06/2013	2,871	162.51	1,766,463
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	239	102.59	233,147
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	932	104.49	891,863
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	5	101.15	5,036
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	12	103.02	11,728
Sterling X (Net Accum.)		(pence)	
30/06/2013	10,753	94.70	11,355,346

Major Holdings (%)

Holding	30/06/2013	30/06/2012
Source Physical Markets Secured Gold Linked Note (USD)	3.31	3.82
BH Global	2.45	2.17
BH Macro	2.16	1.69
Bluecrest Allblue Fund	1.94	1.79
John Laing Infrastructure Fund	1.91	1.11
New Zealand Government 5.50% Bonds 2023	1.69	1.51
HICL Infrastructure	1.68	1.39
ICG-Longbow UK Property Debt Investment	1.54	0.00
Starwood European Real Estate Finance	1.49	0.00
Anglian Water Services Finance		
4.125% Index-Linked Notes 2020	1.46	1.13
New South Wales Treasury 2.75% Index-Linked 2025	1.43	1.46
Treasury 4.25% Stock 2040	1.38	1.58
Treasury 4.75% Stock 2030	1.37	1.97
ETFS Physical Gold 0.00% Secured Note (USD)	0.00	2.32

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	13.31	8.51
Non-Sterling Denominated Corporate Bonds	13.13	7.70
Sterling Denominated Corporate Bonds	12.99	14.75
Investment Trusts	10.87	7.51
United States of America	9.53	7.90
Hedge Funds	6.55	6.63
UK Government Stocks	4.03	6.20
Commodities	3.81	6.57
Overseas Government Bonds	3.12	2.97
Switzerland	2.81	2.96
Germany	2.35	1.59
France	1.68	1.63
Thailand	1.44	1.03
India	1.40	1.17
Japan	1.38	1.61
Hong Kong	1.33	0.94
Singapore	1.14	0.46
China	1.10	1.02
Philippines	0.96	0.65
Sweden	0.70	0.00
Taiwan	0.64	0.96
New Zealand	0.62	0.00
Israel	0.61	0.61
South Africa	0.55	0.00
Denmark	0.53	0.00
Structured Products	0.00	3.49
Canada	0.00	1.66
Australia	0.00	1.17
Norway	0.00	0.65
Poland	0.00	0.75
Brazil	0.00	0.39
Derivatives	0.29	0.37
Cash & Others	3.13	8.15
	100.00	100.00

NEWTON REAL RETURN FUND

GENERAL INFORMATION

Fund management team:	Iain Stewart and James Harries
Fund size:	£7,851.14m
Fund launch:	1 September 1993
Performance reference:	LIBOR GBP 1-Month +4%
Sector:	IMA Absolute Return
Fund ratings:	Platinum Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
Interim:	31 December

Distribution payment dates for all share classes:

Annual:	30 September
Interim:	28 February

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve significant real rates of return in sterling terms predominantly from a portfolio of UK and international securities.

The Fund may also invest in deposits, approved money market instruments, derivative instruments, forward transactions and collective investment schemes.

INVESTMENT POLICY

The Fund aims to achieve an absolute return from a diverse portfolio of securities across a range of asset classes. This flexibility is utilised in order to outperform the Funds target over a 5 year time frame.

RISK PROFILE

The risks associated with the Fund will be risks that are consistent with a broad exposure to global capital markets, these include Equity Market risk, Currency Exchange Rate risk, Liquidity risk, Stock specific risk, Fixed Interest security risk and Credit risk. Because of the nature of the Fund's performance reference, the Fund has a greater emphasis on capital protection. The volatility of the Fund aims to be intermediate to that of equities and government bonds. The Fund may use derivatives to generate returns as well as invest in investments that are not traded regularly and are therefore subject to greater fluctuations in price. The Fund may also invest in emerging markets. These factors may affect the performance of the Fund. Charges are deducted from the capital of the Fund, which will affect its growth. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

The Fund delivered a positive return over the 12-month period. The Fund's holdings in gold mining equities largely proved disappointing, on account of ongoing concerns surrounding cost structures and recent falls in gold demand. Barrick Gold, Newmont Mining, Eldorado Gold and Yamana Gold all fell back heavily over the year. Meanwhile, some of the Fund's telecom holdings in the eurozone suffered as a result of company-specific concerns; these included Telekom Polska and the Dutch provider, KPN. Healthcare stood out as a positive sector, benefiting from the rally in defensive areas. Pharmaceutical leaders GlaxoSmithKline, Roche Holdings and Novartis were among the top contributing holdings. In the mobile telecoms sector, Sprint Nextel and Softbank performed well as shareholders gave consent to a merger between the two companies. In the fixed income portion of the Fund's corporate debt exposure (debt issued by companies) provided a positive contribution. Exposure to government bonds (debt issued by governments) detracted from performance.

In the equity portion of the Fund, the manager added a new position in Royal Dutch Shell and reduced holdings in Total and Petroleo Brasileiro, the latter on short-term risks associated with the deteriorating economic background in Brazil. A holding in Microsoft was added to the Fund, on account of the potential within its product range and its new market strategy. The manager also added to a number of holdings following share-price weakness, such as emerging-market operator Millicom, and in UK utility providers United Utilities and Scottish and Southern Energy. Towards the end of the period, the manager reduced holdings which had produced very strong returns including pharmaceutical stocks GlaxoSmithKline and Novartis, as well as British American Tobacco, Japan Tobacco and Reynolds American. In addition, holdings in Australian telecommunications operator Telstra and Norwegian oil producer Statoil were sold. In the fixed income portion of the Fund, the manager established a position in long-dated US Treasury bonds, and increased this following a significant rise in bond yields.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	4.73	-0.63	11.26	14.77	2.08
Sterling Income 'A'	4.31	-1.03	10.81	14.31	1.67
Sterling Exempt 2 (Net Accum.)	5.00	-0.37	11.55	15.07	2.32
Sterling X (Net Accum.)	5.63	0.23	12.22	15.77	2.94
Sterling Institutional (Net Accum.) ¹	4.79	-0.56	11.30	14.83	N/A
Sterling X (Net Inc.) ¹	5.63	0.22	12.21	N/A	N/A
Sterling Exempt 2 (Net Inc.) ¹	5.00	-0.38	11.54	N/A	N/A
Sterling Exempt 1 (Net Accum.) ¹	5.09	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	4.81	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Libor GBP 1-Month +4%	4.51	4.73	4.62	4.57	7.41

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

The annual management charge is charged to capital.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.11	1.11
Sterling Income 'A'	1.61	1.61
Sterling Exempt 2 (Net Accum.)	0.79	0.79
Sterling X (Net Accum.)	0.04	0.04
Sterling Institutional (Net Accum.)	1.04	1.04
Sterling X (Net Inc.)	0.04	0.04
Sterling Exempt 2 (Net Inc.)	0.79	0.79
Sterling Exempt 1 (Net Accum.)	0.69	0.69
Sterling P (Net Inc.)	1.04	1.04
Sterling Institutional W (Net Inc.)	0.79	N/A
Sterling Institutional W (Net Accum.)	0.79	N/A
Sterling Retail Adv B (Net Inc.)	1.11	N/A
Sterling Retail Adv B (Net Accum.)	1.11	N/A
Sterling P (Net Accum.)	1.04	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	276.14	236.01	8.9659
2010	291.07	262.21	9.7938
2011	296.55	266.80	8.7503
2012	288.82	272.85	8.5460
2013	299.87	278.75	5.1786
Sterling Income 'A'	(pence)	(pence)	(pence)
2009	115.02	98.49	3.8507
2010	120.63	108.88	4.1778
2011	122.63	110.19	3.7302
2012	118.61	112.28	3.6313
2013	122.77	114.30	2.1535
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	180.34	151.17	5.7806
2010	197.68	173.86	6.5421
2011	204.12	187.30	6.0773
2012	209.40	194.13	6.1422
2013	220.55	204.82	3.8544
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	142.45	118.82	4.3608
2010	157.09	137.41	4.9675
2011	162.62	149.39	4.6077
2012	168.17	155.55	4.6820
2013	177.80	164.74	3.0428

Price and Revenue Record by Share Class (Calendar Year) – contd.

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009 (from 30 June)	115.25	98.48	1.6267
2010	126.06	111.09	4.2354
2011	130.05	119.30	3.9301
2012	133.06	123.46	3.9696
2013	139.98	130.09	2.4609
Sterling X (Net Inc.)	(pence)	(pence)	(pence)
2009 (from 15 July)	116.71	100.00	1.3568
2010	124.37	111.26	3.9960
2011	127.26	114.77	3.5816
2012	125.66	118.24	3.5327
2013	131.28	121.63	2.2465
Sterling Exempt 2 (Net Inc.)	(pence)	(pence)	(pence)
2009 (from 14 August)	180.35	160.82	1.7768
2010	191.24	172.06	6.4042
2011	195.04	175.56	5.7607
2012	190.60	179.89	5.6505
2013	198.21	184.07	3.4596
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 29 February)	103.83	96.22	2.6852
2013	109.41	101.58	1.9111
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 September)	105.32	100.00	1.3674
2013	109.36	101.64	1.9181
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 September)	101.52	98.05	1.2850
2013	105.56	98.03	1.8579
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 September)	101.52	98.05	1.2861
2013	106.95	99.33	1.8821
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 8 October)	100.00	96.56	1.2540
2013	103.84	96.53	1.8115
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 8 October)	100.00	96.56	1.2518
2013	105.19	97.78	1.8500
Sterling P (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 October)	100.00	96.56	0.5416
2013	105.22	97.78	1.8475

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
			(pence)
Sterling Income			
30/06/2011	399,980	285.58	140,059,981
30/06/2012	494,026	275.62	179,241,665
30/06/2013	406,324	280.78	144,713,681
Sterling Income 'A'			
			(pence)
30/06/2011	637,679	118.00	540,428,763
30/06/2012	1,023,764	113.31	903,535,303
30/06/2013	1,171,160	114.87	1,019,539,619
Sterling Exempt 2 (Net Accum.)			
			(pence)
30/06/2011	1,598,461	200.46	797,401,039
30/06/2012	2,258,276	199.71	1,130,778,143
30/06/2013	2,992,005	210.38	1,422,182,266
Sterling X (Net Accum.)			
			(pence)
30/06/2011	930,397	159.78	582,309,089
30/06/2012	1,449,919	160.14	905,415,010
30/06/2013	2,053,559	169.71	1,210,038,073
Sterling Institutional (Net Accum.)			
			(pence)
30/06/2011	89,477	127.70	70,067,980
30/06/2012	175,710	126.98	138,381,087
30/06/2013	249,865	133.49	187,173,090
Sterling X (Net Inc.)			
			(pence)
30/06/2011	119,570	122.73	97,422,670
30/06/2012	182,059	119.65	152,155,015
30/06/2013	187,101	123.05	152,047,515
Sterling Exempt 2 (Net Inc.)			
			(pence)
30/06/2011	210,529	187.86	112,065,675
30/06/2012	330,901	181.77	182,044,936
30/06/2013	505,205	185.61	272,193,557
Sterling Exempt 1 (Net Accum.)			
			(pence)
30/06/2012	28,429	99.00	28,715,528
30/06/2013	108,496	104.37	103,952,685
Sterling P (Net Inc.)			
			(pence)
30/06/2012	15	100.50	15,000
30/06/2013	2,425	102.38	2,369,033
Sterling Institutional W (Net Inc.)			
			(pence)
30/06/2013	102,837	98.83	104,057,514
Sterling Institutional W (Net Accum.)			
			(pence)
30/06/2013	66,012	102.02	64,707,131
Sterling Retail Adv B (Net Inc.)			
			(pence)
30/06/2013	2,469	97.21	2,539,532
Sterling Retail Adv B (Net Accum.)			
			(pence)
30/06/2013	1,314	100.31	1,309,943
Sterling P (Net Accum.)			
			(pence)
30/06/2013	2,364	100.34	2,355,630

Major Holdings (%)

Holding	30/06/2013	30/06/2012
USA Treasury Bonds 3.125% 2043	4.89	0.00
GlaxoSmithKline	4.34	3.00
Bayer	3.43	2.49
Sprint Nextel	3.12	0.42
Reynolds American	2.45	2.08
Novartis	2.29	1.95
Roche	2.12	1.87
Centrica	2.05	1.45
Norway 4.50% Bonds 2019	1.98	2.57
Sanofi	1.98	1.36
ETFS Physical Gold 0.00% Secured Note (USD)	1.55	2.12
USA Treasury Bills 0.00% 2012	0.00	6.23
USA Treasury Notes 0.50% 2012	0.00	3.43
Treasury 0.00% Stock 2012	0.00	3.41
Australia 5.50% Bonds 2023	0.00	3.25
USA Treasury Bonds 2.50% TII 2029	0.00	2.37

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
United Kingdom	15.20	12.74
United States of America	14.89	8.59
Overseas Government Stocks	14.21	18.34
Non-Sterling Denominated Corporate Bonds	7.68	11.30
Switzerland	6.93	5.50
Germany	4.73	3.67
Japan	3.87	2.57
France	3.82	3.41
Commodities	3.00	3.55
Sterling Denominated Corporate Bonds	2.82	2.53
Canada	2.61	3.17
Sweden	2.33	0.00
UK Government Stocks	1.75	3.41
Investment Trusts	1.55	0.53
Denmark	1.32	1.31
Collective Investment Schemes	1.18	1.42
Netherlands	1.16	1.88
South Africa	1.02	0.96
Australia	0.77	2.89
Norway	0.00	0.85
Brazil	0.00	0.80
Poland	0.00	0.77
Peru	0.00	0.50
Derivatives	0.33	0.71
Cash & Others	8.83	8.60
	100.00	100.00

NEWTON UK EQUITY FUND

GENERAL INFORMATION

Fund management team:	Richard Wilmot and Paul Stephany
Fund size:	£1,102.07m
Fund launch:	1 May 1985
Comparative index:	FTSE All Share TR
Sector:	IMA UK All Companies
Fund ratings:	Gold Rating by S&P Fund Manager Ratings

DISTRIBUTION

Period end dates for distributions for all share classes:	
Annual:	30 June
Interim:	31 December, 31 March, 30 September

Distribution payment dates for all share classes:	
Annual:	30 September
Interim:	28 February, 31 May, 30 November

INVESTMENT OBJECTIVE

The objective of the Fund is to achieve capital growth and income from a portfolio of predominantly UK securities. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund will invest on a broad range of UK equities across companies of all size.

RISK PROFILE

The Fund invests predominantly in the UK, and therefore has a geographically concentrated portfolio. The Fund may also hold some investments in overseas companies, and will be exposed to changes in currency rates. The Fund may also invest in small companies which may be riskier and less liquid than large companies. Charges are deducted from the capital of the Fund, which will affect its growth. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the 12-month period, the Fund generated a positive return in line with its comparative index, the FTSE All-Share Index. An underweight position, relative to the index, in the basic materials sector was the main source of outperformance. The decision not to hold the mining stocks Anglo American and Rio Tinto was particularly positive for the Fund's return. The sector fell heavily following fears over weak demand in China. Additionally, having an overweight position in the industrials sector was advantageous. In particular, Ashtead Group contributed well owing to large increases in its pre-tax profits. The firm benefited from an improvement in the US market over the period. The overweight position in consumer services was also positive; ASOS, the UK online retailer, had a very strong year following continued international expansion, while Whitbread saw its share price rise on the back of the expansion of its Costa Coffee chain. The main area of underperformance was stock selection within the technology sector. A position in SDL was particularly unfavourable for returns, with the firm suffering from profit warnings over the year. Imagination Technologies also detracted from performance; the share price of the graphics chip designer fell after it announced that its revenues would not meet forecasts. Elsewhere, the Fund's limited exposure to banks, particularly Lloyds Banking Group, HSBC Holdings and Barclays, also hurt performance. However, the manager remains cautious on UK domestic banks. The UK has only just begun the process of debt reduction and the housing market remains a long-term area of concern. On a risk/reward basis, the financial sector looks unattractive and, as such, stock selection is key; for example, holdings in Hargreaves Lansdown and London property stocks performed well.

There was a relatively low turnover within the Fund over the 12 months. Sales for the period saw a reduction in exposure to emerging markets and, in particular, China. After a period of favourable portfolio performance in a strongly rising market and continued risks to the financial system, the Manager chose to take some profits in a number of stocks most vulnerable to deteriorating conditions. These included BHP Billiton, Standard Chartered and Rio Tinto. These funded moves into more defensive stocks – those traditionally deemed to be less sensitive to economic change – like Severn Trent, which was bought following a sharp decrease in its share price caused by a takeover bid failing to come into fruition. Additionally, new positions were added in GlaxoSmithKline and Unilever.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	17.89	-4.18	17.06	16.57	-16.51
Sterling Institutional (Net Accum.)	18.60	-3.63	17.73	17.26	-16.05
Sterling Institutional (Net Inc.)	18.56	-3.63	17.72	17.24	-16.04
Sterling X (Net Accum.)	19.78	-2.66	18.91	18.44	-15.26
Sterling Exempt 1 (Net Accum.) ¹	19.19	N/A	N/A	N/A	N/A
Sterling Exempt 3 (Net Accum.) ¹	19.07	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling P (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
FTSE All Share TR	17.93	-3.13	25.63	21.14	-20.49

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.61	1.61
Sterling Institutional (Net Accum.)	1.04	1.04
Sterling Institutional (Net Inc.)	1.04	1.04
Sterling X (Net Accum.)	0.04	0.04
Sterling Exempt 1 (Net Accum.)	0.54	0.53
Sterling Exempt 3 (Net Accum.)	0.64	0.64
Sterling Institutional W (Net Inc.)	0.79	N/A
Sterling Institutional W (Net Accum.)	0.79	N/A
Sterling P (Net Inc.)	1.04	N/A
Sterling Retail Adv B (Net Inc.)	1.11	N/A
Sterling Retail Adv B (Net Accum.)	1.11	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	592.50	479.21	17.1706
2010	654.88	543.76	19.7240
2011	663.75	499.89	16.6618
2012	643.11	565.72	15.5927
2013	736.80	649.78	10.2481
Sterling Exempt 2 (Net Accum.)**	(pence)	(pence)	(pence)
2009	158.41	124.17	5.1901
2010	182.94	150.06	5.5126
2011	186.72	144.68	4.8594
2012	186.05	164.68	2.4280
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	139.63	109.67	4.4061
2010	160.85	132.23	4.8539
2011	163.97	126.96	4.2663
2012	168.72	144.43	4.1403
2013	195.87	171.11	2.7761
Sterling Institutional (Net Inc.)	(pence)	(pence)	(pence)
2009	596.59	482.07	19.2217
2010	662.73	548.83	20.3251
2011	672.12	507.74	17.3287
2012	657.29	575.31	16.3317
2013	754.58	664.14	10.7353
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	160.37	124.96	5.7969
2010	186.61	152.03	5.5987
2011	191.20	148.42	4.9722
2012	199.63	169.26	4.8733
2013	232.73	202.55	3.2957
Sterling X (Net Inc.)***	(pence)	(pence)	(pence)
2011 (from 25 May)	190.91	151.23	0.3062
Sterling Exempt 1 (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 2 April)	315.26	271.86	5.5535
2013	366.75	319.79	5.1951
Sterling Exempt 3 (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 2 April)	136.72	117.97	2.4093
2013	158.99	138.68	2.2523
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 September)	105.31	100.48	0.5162
2013	121.02	106.42	1.7224
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 September)	105.44	100.60	0.5167
2013	122.54	106.95	1.7372
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 21 September)	102.44	97.76	0.4067
2013	117.60	103.50	1.6729
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 9 October)	102.25	97.58	0.3550
2013	117.39	103.33	1.6312
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 9 October)	102.25	97.59	0.3549
2013	118.67	103.70	1.6435

* Distributions are shown in the year declared rather than paid.

** The Sterling Exempt 2 (Net Accum.) Share Class closed on 4 September 2012.

*** The Sterling X (Net Inc.) Share Class closed on 26 September 2011.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	1,120,143	631.70	177,321,326
30/06/2012	998,703	590.59	169,102,078
30/06/2013	1,021,809	676.94	150,945,329
Sterling Exempt 2 (Net Accum.)**		(pence)	
30/06/2011	453	181.11	250,000
30/06/2012	437	174.94	250,000
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	87,325	159.04	54,908,270
30/06/2012	12,870	153.23	8,399,092
30/06/2013	10,045	181.42	5,536,793
Sterling Institutional (Net Inc.)		(pence)	
30/06/2011	6,494	640.78	1,013,380
30/06/2012	1,647	602.09	273,490
30/06/2013	4,205	693.59	606,212
Sterling X (Net Accum.)		(pence)	
30/06/2011	204,553	185.43	110,314,036
30/06/2012	180,474	180.46	100,008,404
30/06/2013	28,727	215.80	13,312,159
Sterling X (Net Inc.)***		(pence)	
30/06/2011	2,485	185.13	1,342,266
Sterling Exempt 1 (Net Accum.)		(pence)	
30/06/2012	49,122	285.65	17,196,767
30/06/2013	44,032	339.88	12,955,178
Sterling Exempt 3 (Net Accum.)		(pence)	
30/06/2012	5,889	123.94	4,751,251
30/06/2013	6,520	147.32	4,425,447
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	5,875	111.27	5,279,958
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	758	113.53	667,973
Sterling P (Net Inc.)		(pence)	
30/06/2013	21	108.09	19,730
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	36	107.92	33,145
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	43	109.91	38,889

Major Holdings (%)

Holding	30/06/2013	30/06/2012
GlaxoSmithKline	5.63	0.00
British American Tobacco	4.50	4.92
Diageo	3.55	3.20
Unilever	2.75	0.00
Prudential	2.50	2.61
Compass	2.22	1.33
Rolls-Royce	2.11	1.48
Severn Trent	1.94	0.00
Abcam	1.88	0.78
Whitbread	1.71	1.09
Reed Elsevier	1.58	2.04
BG	0.00	4.09
AstraZeneca	0.00	3.89
BHP Billiton	0.00	3.64
Rio Tinto	0.00	3.06
Anglo American	0.00	2.94
Barclays	0.00	1.93

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Pharmaceuticals & Biotechnology	10.12	6.33
Support Services	9.44	10.06
Media	5.90	3.81
Travel & Leisure	5.43	3.57
Food Producers	4.99	1.77
Tobacco	4.50	4.92
Software & Computer Services	3.86	4.33
Financial Services	3.62	4.83
Gas, Water & Multiutilities	3.62	2.47
Real Estate Investment Trusts	3.59	2.22
Industrial Engineering	3.55	4.07
Beverages	3.55	3.88
Aerospace & Defence	3.36	3.66
Technology, Hardware & Equipment	2.61	2.70
Life Insurance	2.50	2.61
Chemicals	2.50	2.51
Electronic & Electrical Equipment	2.45	1.81
Oil & Gas Producers	2.38	6.32
Oil & Gas Equipment, Services & Distribution	2.34	1.56
Electricity	1.70	1.34
Real Estate Investment & Services	1.53	1.51
Food & Drug Retailers	1.52	1.18
General Retailers	1.49	1.54
Household Goods & Home Construction	1.42	1.16
Health Care Equipment & Services	1.33	2.96
Germany	1.06	0.00
Mining	0.00	9.64
Banks	0.00	3.54
Personal Goods	0.00	0.96
Fixed Line Telecommunications	0.00	1.30
Cash & Others	9.64	1.44
	100.00	100.00

NEWTON UK OPPORTUNITIES FUND

GENERAL INFORMATION

Fund management team:	Paul Stephany and Richard Wilmot
Fund size:	£341.83m
Fund launch:	8 February 2002
Comparative index:	FTSE All-Share
Sector:	IMA UK All Companies

DISTRIBUTION

Period end dates for distributions for all share classes:

Annual:	30 June
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Distribution payment dates for all share classes:

Annual:	31 October
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INVESTMENT OBJECTIVE

The objective of the Fund is to maximise long-term capital growth from a concentrated portfolio primarily invested in the securities of UK companies. The Fund does not have a bias towards any economic sector or company size. The Fund may also invest in collective investment schemes.

INVESTMENT POLICY

The Fund invests primarily in UK equities and is not constrained by benchmark considerations. The Fund does not have a bias towards any economic sector or company size.

RISK PROFILE

The Fund has a highly concentrated portfolio and also has the ability to invest overseas and hence may be exposed to currency movements. The Fund may also invest in small companies which may be riskier and less liquid than large companies. These factors may affect the performance of the Fund. Please refer to pages 102-105 for the Synthetic Risk Reward Indicator for this Fund.

PORTFOLIO SUMMARY

Over the review period, the Fund delivered a positive return and outperformed its comparative index, the FTSE All-Share. Virgin Media contributed well, thanks to good subscriber growth topped off with a bid from the US conglomerate Liberty Global in February 2013. Additionally, having an overweight position relative to the comparative index in the media company Reed Elsevier also proved beneficial. Its shares increased over the period after cash returns to shareholders exceeded market expectations and its risk solutions business saw strong revenue growth. Within the financials sector, the Fund benefited from stock selection. For example, Standard Life, Intermediate Capital and Prudential were three of the Fund's best performing holdings over the period. However, not holding Lloyds Banking Group and Barclays hurt relative performance. The largest detractor to performance over the period was Imagination Technologies as the company's revenue growth disappointed. However, the manager continues to believe in this company and its growth potential.

A new position was established in Premier Oil; the manager believes the firm to be an undervalued oil and gas producer with impressive cash flow and longer term upside from large Falklands and North Sea projects. Sainsbury was also added to the Fund as it stands out within a challenged industry. Meanwhile, Whitbread was introduced amid hopes of further success from its powerful Costa Coffee and Premier Inn brands. The manager added Unilever owing to the firm's strong portfolio of trusted brands and its exposure to the emerging market consumer. Imagination Technologies was introduced on account of its position as a global leader in mobile graphics. Disposals included Sage Group, which was sold after its valuation increased while Virgin Media was sold after the bid from Liberty Global. Following fears of escalating costs from the Macondo oil disaster in the Gulf of Mexico, the manager sold BP. Additionally, given concerns over its growth outlook the position in AstraZeneca was sold. Lastly, the manager sold the position in the brewer SABMiller to switch to a holding in the more spirits-focused Diageo, which offers a better risk/reward opportunity.

Statutory Performance Data (%)

From	30/06/12	30/06/11	30/06/10	30/06/09	30/06/08
To	30/06/13	30/06/12	30/06/11	30/06/10	30/06/09
Sterling Income	20.75	-2.68	18.78	19.36	-12.96
Sterling Exempt 2 (Net Accum.)	21.76	-1.87	19.74	20.29	-12.36
Sterling Institutional (Net Accum.)	21.46	-2.12	19.44	20.03	-12.64
Sterling X (Net Accum.)	22.68	-1.14	20.64	21.20	-11.81
Sterling P (Net Inc.) ¹	21.46	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Inc.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Institutional W (Net Accum.) ¹	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Inc.)	N/A	N/A	N/A	N/A	N/A
Sterling Retail Adv B (Net Accum.)	N/A	N/A	N/A	N/A	N/A
FTSE All-Share	17.93	-3.13	25.63	21.14	-20.49

¹ Full 5 year performance data is not available. For share class launch dates, please refer to the Investor Information section at the back of this report.

Source: Lipper as at 30 June 2013 – Total return including revenue net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. The impact of the initial charge, which may be up to 7%, can be material on the performance of your investment. Performance figures including the initial charge are available upon request.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

Ongoing Charges (%)

Share Class	30/06/2013	30/06/2012
Sterling Income	1.62	1.62
Sterling Exempt 2 (Net Accum.)	0.80	0.80
Sterling Institutional (Net Accum.)	1.05	1.05
Sterling X (Net Accum.)	0.05	0.05
Sterling P (Net Inc.)	1.05	1.06
Sterling Institutional W (Net Inc.)	0.80	N/A
Sterling Institutional W (Net Accum.)	0.80	N/A
Sterling Retail Adv B (Net Inc.)	1.12	N/A
Sterling Retail Adv B (Net Accum.)	1.12	N/A

The Ongoing Charges figure for new share classes launched within the period is annualised.

The Ongoing Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. The AMC is levied by the ACD and is used to pay the Investment Manager, Financial Adviser, Fund Accountant, Fund Administrator and Distributor. Other operating costs include the costs for other services paid for by the Fund, such as the fees paid to the Depositary, Custodian, Auditor and Regulator.

The Ongoing Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the KIID is a calculation as at a point in time, and therefore there could be immaterial differences between the two. Share classes with less than 12 months history may be estimated based on other share class data.

Price and Revenue Record by Share Class (Calendar Year)

Share Class	Highest Price	Lowest Price	Net Revenue per share*
Sterling Income	(pence)	(pence)	(pence)
2009	176.08	140.68	4.0519
2010	191.31	168.43	3.0925
2011	204.07	167.85	2.4222
2012	206.33	182.38	3.8087
2013	245.89	208.05	4.7035
Sterling Exempt 2 (Net Accum.)	(pence)	(pence)	(pence)
2009	153.61	114.91	4.2957
2010	167.29	147.05	3.9198
2011	185.52	152.95	3.5749
2012	193.88	167.26	4.8940
2013	231.87	195.57	6.0667
Sterling Institutional (Net Accum.)	(pence)	(pence)	(pence)
2009	147.24	110.33	3.8697
2010	160.24	140.92	3.3986
2011	177.15	146.01	3.0065
2012	184.47	159.36	4.2573
2013	220.38	186.06	5.2987
Sterling X (Net Accum.)	(pence)	(pence)	(pence)
2009	156.10	116.12	5.1172
2010	170.38	149.56	5.1202
2011	190.69	157.36	4.9770
2012	201.51	173.10	6.3822
2013	241.71	203.29	7.8695
Sterling P (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 25 June)	111.47	99.50	0.0220
2013	133.18	112.44	3.1992
Sterling Institutional W (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 5 September)	104.61	99.78	N/A
2013	125.12	105.52	3.2522
Sterling Institutional W (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 5 September)	104.61	99.78	N/A
2013	125.12	105.53	3.2358
Sterling Retail Adv B (Net Inc.)	(pence)	(pence)	(pence)
2012 (from 27 September)	102.71	98.00	N/A
2013	122.68	103.60	2.7529
Sterling Retail Adv B (Net Accum.)	(pence)	(pence)	(pence)
2012 (from 27 September)	102.71	98.00	N/A
2013	122.68	103.60	2.7544

* Distributions are shown in the year declared rather than paid.

Net Asset Value History by Share Class

Share Class	Net Asset Value (£'000s)	Per share	Shares in issue
Sterling Income		(pence)	
30/06/2011	291,314	198.23	146,954,870
30/06/2012	243,909	189.12	128,968,179
30/06/2013	241,263	223.20	108,092,282
Sterling Exempt 2 (Net Accum.)		(pence)	
30/06/2011	28,806	180.45	15,963,514
30/06/2012	24,555	177.06	13,868,492
30/06/2013	25,102	215.10	11,670,041
Sterling Institutional (Net Accum.)		(pence)	
30/06/2011	99,012	172.33	57,456,173
30/06/2012	84,713	168.66	50,226,477
30/06/2013	9,132	204.40	4,467,559
Sterling X (Net Accum.)		(pence)	
30/06/2011	45,746	185.46	24,666,359
30/06/2012	43,615	183.34	23,789,291
30/06/2013	53,858	224.41	24,000,124
Sterling P (Net Inc.)		(pence)	
30/06/2012	15	101.92	15,000
30/06/2013	17	120.31	14,037
Sterling Institutional W (Net Inc.)		(pence)	
30/06/2013	2,203	112.82	1,952,497
Sterling Institutional W (Net Accum.)		(pence)	
30/06/2013	603	116.07	519,375
Sterling Retail Adv B (Net Inc.)		(pence)	
30/06/2013	9,646	111.01	8,689,619
Sterling Retail Adv B (Net Accum.)		(pence)	
30/06/2013	6	113.77	5,001

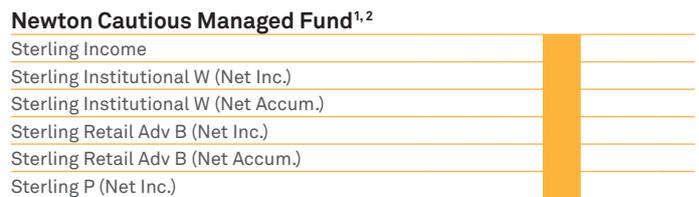
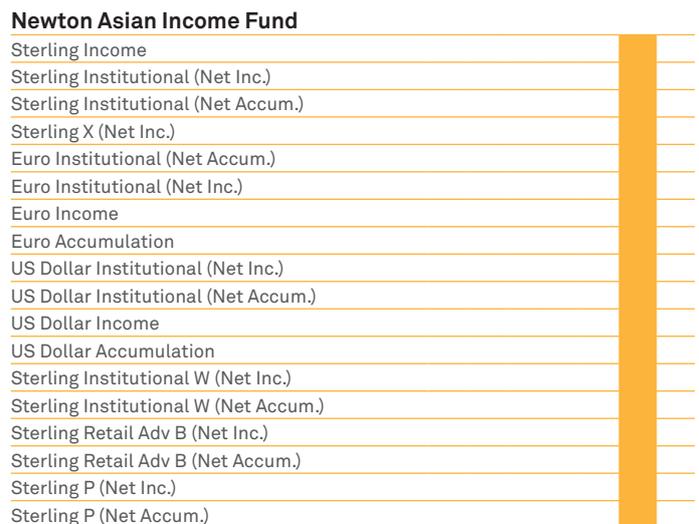
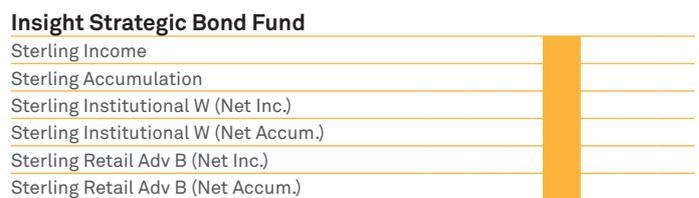
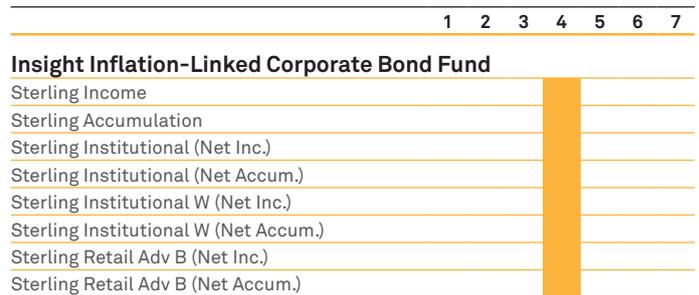
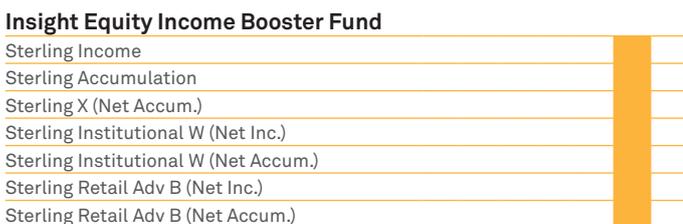
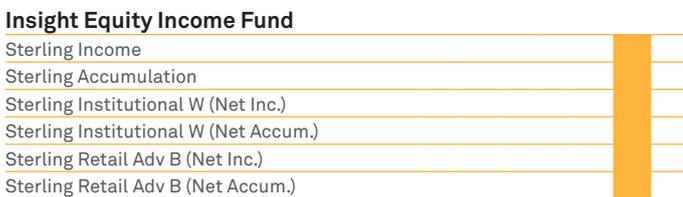
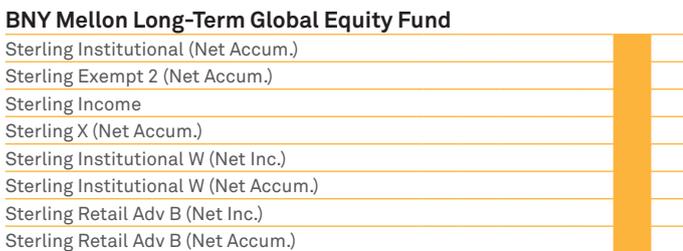
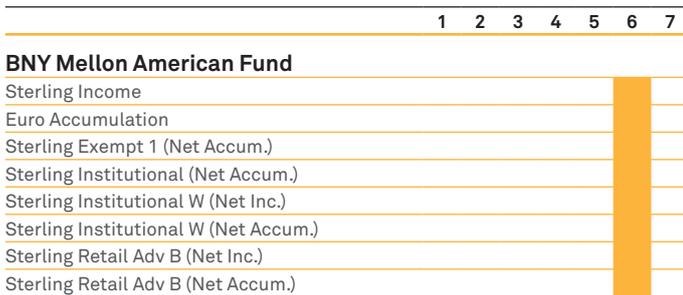
Major Holdings (%)

Holding	30/06/2013	30/06/2012
GlaxoSmithKline	4.72	4.61
Royal Dutch Shell B	4.55	4.84
British American Tobacco	4.49	4.86
Reed Elsevier	4.16	3.26
Centrica	4.07	4.01
Associated British Foods	4.02	4.42
SSE	3.88	4.27
Roche	3.84	3.19
Standard Life	3.73	3.19
Compass	3.54	3.24
BHP Billiton	3.35	3.55
BG	2.15	3.84
BP	0.00	3.86
Sage	0.00	3.98

Portfolio Category (%)

Investments	30/06/2013	30/06/2012
Support Services	12.34	8.22
Oil & Gas Producers	8.59	12.54
Gas, Water & Multiutilities	7.45	6.34
Tobacco	7.29	8.31
Media	6.84	5.36
Life Insurance	6.36	6.20
Food Producers	6.23	4.42
Travel & Leisure	5.93	3.24
Switzerland	5.14	3.19
Pharmaceuticals & Biotechnology	4.72	7.14
Electricity	3.88	4.27
Mining	3.35	6.20
Beverages	3.02	4.46
Oil & Gas Equipment, Services & Distribution	2.64	1.51
Food & Drug Retailers	2.21	0.00
Financial Services	2.03	1.76
General Retailers	1.64	1.80
Chemicals	1.64	0.00
Aerospace & Defence	1.60	1.34
Nonlife Insurance	1.51	0.00
Construction & Materials	1.48	1.96
Technology Hardware & Equipment	1.45	0.00
Real Estate Investment Trusts	1.34	0.00
Software & Computer Services	0.00	3.98
United States of America	0.00	2.33
General Industrials	0.00	2.36
Cash & Others	1.32	3.07
	100.00	100.00

SYNTHETIC RISK REWARD INDICATOR



	1	2	3	4	5	6	7
Newton Continental European Fund							
Sterling Income							
Euro Accumulation							
Sterling Exempt 1 (Net Accum.)							
Sterling P (Net Inc.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Newton Corporate Bond Fund							
Sterling Income							
Sterling P (Net Inc.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Sterling P (Net Accum.)							
Newton Emerging Income Fund³							
Sterling Income							
Sterling Accumulation							
Sterling X (Net Inc.)							
Sterling X (Net Accum.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Institutional (Net Inc.)							
Sterling Institutional (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Newton European Higher Income Fund							
Sterling Income							
Sterling Institutional (Net Inc.)							
Sterling Institutional (Net Accum.)							
Sterling X (Net Inc.) ⁴							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Sterling P (Net Inc.)							
Newton Global Balanced Fund							
Sterling Exempt 1 (Net Accum.)							
Sterling Exempt 2 (Net Accum.)							
Sterling X (Net Accum.)							
Sterling P (Net Inc.)							
Newton Global Dynamic Bond Fund							
Sterling Income							
Sterling Exempt 2 (Gross Accum.)							
Sterling Institutional (Net Inc.)							
Sterling X (Net Accum.)							
Sterling X (Net Inc.)							
Sterling X (Gross Accum.)							
Sterling P (Net Inc.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Sterling P (Net Accum.)							
Sterling Exempt 2 (Gross Inc.)							

	1	2	3	4	5	6	7
Newton Global Equity Fund							
Sterling Income							
Euro Accumulation							
Sterling Exempt 2 (Net Accum.)							
Sterling Exempt 1 (Net Accum.)							
Sterling X (Net Accum.)							
Sterling Exempt 3 (Net Accum.)							
Sterling P (Net Inc.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Newton Global High Yield Bond Fund⁵							
Sterling Income							
Sterling X (Net Accum.)							
Sterling X (Net Inc.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Sterling P (Net Inc.)							
Sterling P (Net Accum.)							
Newton Global Higher Income Fund							
Sterling Income							
Sterling Institutional (Net Inc.)							
Sterling Institutional (Net Accum.)							
Sterling Exempt 2 (Net Inc.)							
Sterling X (Net Accum.)							
Sterling X (Net Inc.)							
Sterling Accumulation							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling P (Net Inc.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Sterling P (Net Accum.)							
Sterling Exempt 2 (Net Accum.)							
Newton Global Opportunities Fund							
Sterling Income							
Sterling Exempt 2 (Net Accum.)							
Sterling X (Net Accum.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							
Sterling Exempt 2 (Net Inc.)							
Newton Higher Income Fund							
Sterling Income							
Sterling Exempt 1 (Net Accum.)							
Sterling Exempt 2 (Net Accum.)							
Sterling Institutional (Net Accum.)							
Sterling Institutional (Net Inc.)							
Sterling X (Net Accum.)							
Sterling X (Net Inc.)							
Sterling Institutional W (Net Inc.)							
Sterling Institutional W (Net Accum.)							
Sterling P (Net Inc.)							
Sterling P (Net Accum.)							
Sterling Retail Adv B (Net Inc.)							
Sterling Retail Adv B (Net Accum.)							

	1	2	3	4	5	6	7
Newton Index Linked Gilt Fund							
Sterling Exempt 2 (Gross Accum.)					█		
Sterling Institutional (Net Accum.)					█		
Sterling X (Gross Accum.)					█		
Sterling X (Net Inc.)					█		
Newton International Bond Fund							
Sterling Income					█		
Euro Accumulation		█					
Sterling Institutional (Net Accum.)					█		
Sterling Institutional (Net Inc.)					█		
Sterling Exempt 2 (Gross Accum.)					█		
Sterling P (Net Inc.)					█		
Sterling Institutional W (Net Inc.)					█		
Sterling Institutional W (Net Accum.)					█		
Sterling Retail Adv B (Net Inc.)					█		
Sterling Retail Adv B (Net Accum.)					█		
Sterling P (Net Accum.)					█		
Newton Long Corporate Bond Fund							
Sterling Exempt 1 (Gross Accum.)				█			
Sterling Exempt 2 (Gross Accum.)				█			
Sterling Institutional (Net Accum.)				█			
Sterling X (Gross Accum.)				█			
Newton Long Gilt Fund							
Sterling Exempt 2 (Gross Accum.)					█		
Sterling Institutional (Net Accum.)					█		
Sterling X (Gross Accum.)					█		
Newton Managed Fund							
Sterling Income					█		
Sterling Institutional (Net Accum.)					█		
Sterling P (Net Inc.)					█		
Sterling Institutional W (Net Inc.)					█		
Sterling Institutional W (Net Accum.)					█		
Sterling Retail Adv B (Net Inc.)					█		
Sterling Retail Adv B (Net Accum.)					█		
Newton Oriental Fund³							
Sterling Income					█	█	
Euro Accumulation					█	█	
Sterling Exempt 1 (Net Accum.)					█	█	
Sterling Institutional (Net Accum.)					█	█	
Sterling X (Net Accum.)					█	█	
Sterling P (Net Inc.)					█	█	
Sterling Institutional W (Net Inc.)					█	█	
Sterling Institutional W (Net Accum.)					█	█	
Sterling Retail Adv B (Net Inc.)					█	█	
Sterling Retail Adv B (Net Accum.)					█	█	
Sterling P (Net Accum.)					█	█	
Newton Overseas Equity Fund							
Sterling Exempt 1 (Net Accum.)						█	
Sterling Exempt 2 (Net Accum.)						█	
Sterling X (Net Accum.)						█	
Sterling Exempt 3 (Net Accum.)						█	
Newton Pan-European Fund^{6,7}							
Sterling Income					█		
Euro Accumulation					█		
Sterling Institutional W (Net Inc.)					█		
Sterling Institutional W (Net Accum.)					█		
Sterling Retail Adv B (Net Inc.)					█		
Sterling Retail Adv B (Net Accum.)					█		

	1	2	3	4	5	6	7
Newton Phoenix Multi-Asset Fund							
Sterling Income					█		
Sterling Accumulation					█		
Sterling Exempt 2 (Net Accum.)					█		
Sterling Institutional W (Net Inc.)					█		
Sterling Institutional W (Net Accum.)					█		
Sterling Retail Adv B (Net Inc.)					█		
Sterling Retail Adv B (Net Accum.)					█		
Sterling X (Net Accum.)					█		
Newton Real Return Fund⁵							
Sterling Income					█	█	
Sterling Income 'A'					█	█	
Sterling Exempt 2 (Net Accum.)					█	█	
Sterling X (Net Accum.)					█	█	
Sterling Institutional (Net Accum.)					█	█	
Sterling X (Net Inc.)					█	█	
Sterling Exempt 2 (Net Inc.)					█	█	
Sterling Exempt 1 (Net Accum.)					█	█	
Sterling P (Net Inc.)					█	█	
Sterling Institutional W (Net Inc.)					█	█	
Sterling Institutional W (Net Accum.)					█	█	
Sterling Retail Adv B (Net Inc.)					█	█	
Sterling Retail Adv B (Net Accum.)					█	█	
Sterling P (Net Accum.)					█	█	
Newton UK Equity Fund							
Sterling Income							█
Sterling Exempt 2 (Net Accum.)							█
Sterling Institutional (Net Accum.)							█
Sterling Institutional (Net Inc.)							█
Sterling X (Net Accum.)							█
Sterling Exempt 1 (Net Accum.)							█
Sterling Exempt 3 (Net Accum.)							█
Sterling Institutional W (Net Inc.)							█
Sterling Institutional W (Net Accum.)							█
Sterling P (Net Inc.)							█
Sterling Retail Adv B (Net Inc.)							█
Sterling Retail Adv B (Net Accum.)							█
Newton UK Opportunities Fund							
Sterling Income							█
Sterling Exempt 2 (Net Accum.)							█
Sterling Institutional (Net Accum.)							█
Sterling X (Net Accum.)							█
Sterling P (Net Inc.)							█
Sterling Institutional W (Net Inc.)							█
Sterling Institutional W (Net Accum.)							█
Sterling Retail Adv B (Net Inc.)							█
Sterling Retail Adv B (Net Accum.)							█

¹ The Fund closed on 15/06/2013.

² Data for 31/05/2013.

³ The Synthetic Risk Reward Indicator was changed from category 7 to 6, effective 30 April 2013.

⁴ The Synthetic Risk Reward Indicator was changed from category 7 to 6, effective 30 November 2012.

⁵ The Synthetic Risk Reward Indicator was changed from category 5 to 4, effective 30 November 2012.

⁶ The Fund closed on 28/01/2013.

⁷ Data for 31/12/2012.

Please note that these amendments are not due to a change in the investment objectives of the Sub-Fund, but are due to market movements during the reporting period.

We have calculated the risk and reward category, as shown above, using a method of calculation derived from EU rules. It is based on the rate at which the value of the Sub-Fund has moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the Fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment.

Sub-Funds in category 3 have in the past shown moderately low volatility. With a Sub-Fund of category 3, you have a moderately low risk of losing money but your chance for gains is also moderately low.

Sub-Funds in category 4 have in the past shown moderate volatility. With a Sub-Fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Sub-Funds in category 5 have in the past shown moderately high volatility. With a Sub-Fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Sub-Funds in category 6 have in the past shown relatively high volatility. With a Sub-Fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Sub-Funds in category 7 have in the past shown very high volatility. With a Sub-Fund of category 7, you have a very high risk of losing money but your chance for gains is also very high.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES AND DIRECTOR'S STATEMENT

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") requires the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period, which give a true and fair view of the financial position of the Company as at the end of the year, and of the net revenue and expenses and the net gains or losses on the property of the Company for the year then ended.

In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and the Prospectus;
- comply with applicable accounting standards;
- keep proper accounting records that enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Regulations.

DIRECTOR'S STATEMENT

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, we hereby certify the Report on behalf of the Directors of BNY Mellon Fund Managers Limited.

David Turnbull

Director

BNY Mellon Fund Managers Limited

26 September 2013

INVESTOR INFORMATION

GENERAL

BNY Mellon Investment Funds (the “Company”) is an open-ended investment company with variable capital, incorporated in England and Wales under registered number IC 27 and authorised by the Financial Conduct Authority (formerly the Financial Services Authority) with effect from 13 April 1999.

The Company has been established as an “umbrella company”. The assets of each sub-fund are treated as separate from those of every other sub-fund and will be invested in accordance with that sub-fund’s own investment objective and policy.

Each sub-fund has a specific portfolio of assets and investments to which the Sub-Fund’s assets and/or liabilities are attributable and each investor should view each sub-fund as a separate investment entity.

Investors should be aware that the Company’s creditors may look to all the Company’s assets for payment regardless of the sub-fund in respect of which the debt has arisen. Assets may be re-allocated to and from other sub-funds if it is necessary to do so to satisfy any creditor proceeding against the Company. In the event that any assets are so re-allocated, BNY Mellon Fund Managers Limited, the authorised corporate director, (“ACD”) will advise shareholders in the next report to shareholders. The FCA registered number for the ACD is 122007.

Each sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that sub-fund and within the sub-funds charges will be allocated between share classes in accordance with the terms of issue of those share classes.

Any assets, liabilities, expenses, costs or charges not attributable to a particular sub-fund may be allocated by the ACD in a manner which is fair to shareholders as a whole but they will normally be allocated to all sub-funds pro rata to the value of the net assets of the relevant funds.

Although each sub-fund, so far as possible, will be treated as bearing the liabilities, expenses, costs and charges attributable to it, if its assets are not sufficient, the ACD may re-allocate assets, liabilities, expenses, costs and charges between the sub-funds in a manner which is fair to the shareholders of the Company generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Values of the relevant sub-funds. If there is any such re-allocation the ACD will advise shareholders of it in the next succeeding annual or half-yearly report to shareholders.

Shareholders are not, however, liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after he has paid the purchase price of the Shares.

SIGNIFICANT EVENTS

The following additions and amendments have been made:-

Additions

Date	Sub-Fund/Share Class Launched
2000	
24 March	Newton Global Innovation Fund
2 October	Newton European High Yield Bond Fund
27 October	Newton Intrepid Fund – Sterling Income ‘A’
2002	
8 February	Newton UK Opportunities Fund
2004	
2 August	Newton American Fund – Sterling Exempt 1 (Net Accum.)
14 September	Newton Income Fund – Sterling Exempt 2 (Net Accum.)
28 October	Newton Absolute Intrepid Fund – Sterling Exempt 2 (Net Accum.)
14 November	Newton UK Equity Fund – Sterling Exempt 2 (Net Accum.)

Additions – contd.

Date	Sub-Fund/Share Class Launched
2005	
26 January	Newton Higher Income Fund – Sterling Exempt 2 (Net Accum.)
26 January	Newton Overseas Equity Fund – Sterling Exempt 2 (Net Accum.)
31 January	Newton UK Opportunities Fund – Sterling Exempt 2 (Net Accum.)
11 April	Newton Higher Income Fund – Sterling Institutional (Net Accum.)
11 April	Newton Income Fund – Sterling Institutional (Net Accum.)
14 April	Newton Global Balanced Fund – Sterling Exempt 2 (Net Accum.)
6 May	Newton Long Corporate Bond Fund – Sterling Exempt 2 (Gross Accum.)
25 May	Newton UK Opportunities Fund – Sterling Institutional (Net Accum.)
1 July	Newton Global Opportunities Fund
3 November	Newton 60/40 Global Equity Fund – Sterling Exempt 2 (Net Accum.)
30 November	Newton Global Higher Income Fund
30 November	Newton Asian Income Fund
7 December	Newton International Bond Fund – Sterling Institutional (Net Accum.)
2006	
2 February	Newton International Growth Fund – Sterling Exempt 1 (Net Accum.)
27 February	Newton Absolute Intrepid Fund – Sterling X (Net Accum.)
28 April	Newton Global Dynamic Bond Fund – Sterling Income
28 April	Newton Global Dynamic Bond Fund – Sterling Exempt 2 (Gross Accum.)
2 May	Newton Higher Income Fund – Sterling Institutional (Net Inc.)
5 June	Newton Balanced Fund – Sterling Institutional (Net Accum.)
12 June	Newton Managed Fund – Sterling Institutional (Net Accum.)
23 June	Newton Income Fund – Sterling Institutional (Net Inc.)
29 June	Newton Global Dynamic Bond Fund – Sterling Institutional (Net Inc.)
4 August	Newton Global Higher Income Fund – Sterling Exempt 2 (Net Inc.)
24 October	Newton Long Corporate Bond Fund – Sterling Institutional (Net Accum.)
27 November	Newton Phoenix Multi-Asset Fund – Sterling Income
27 November	Newton Phoenix Multi-Asset Fund – Sterling Accumulation
12 December	Newton Global Opportunities Fund – Sterling X (Net Accum.)
2007	
29 January	Newton Oriental Fund – Sterling Institutional (Net Accum.)
30 January	Newton European Higher Income Fund – Sterling Income
30 January	Newton European Higher Income Fund – Sterling Institutional (Net Inc.)
2 April	Newton Long Corporate Bond Fund – Sterling X (Gross Accum.)
2 April	Newton Long Gilt Fund – Sterling X (Gross Accum.)
16 April	Newton Overseas Equity Fund – Sterling X (Gross Accum.)
16 April	Newton UK Equity Fund – Sterling X (Net Accum.)
27 April	Newton International Bond Fund – Sterling Institutional (Net Inc.)
18 May	Newton International Bond Fund – Sterling Exempt 2 (Gross Accum.)
2 July	Newton Higher Income Fund – Sterling X (Net Accum.)
2 July	Newton UK Opportunities Fund – Sterling X (Gross Accum.)
3 July	Newton Oriental Fund – Sterling X (Net Accum.)
24 August	Mellon Long-Term Global Equity Fund (Walter Scott & Partners Limited act as Investment Advisers to this Sub-Fund) – Sterling Institutional (Net Accum.)
24 August	Mellon Long-Term Global Equity Fund (Walter Scott & Partners Limited act as Investment Advisers to this Sub-Fund) – Sterling Exempt 2 (Net Accum.)
10 September	Newton European Higher Income Fund – Sterling Institutional (Net Accum.)
10 September	Newton International Growth Fund – Sterling X (Net Accum.)
28 September	Mellon Long-Term Global Equity Fund – Sterling Income
1 October	Newton Global Higher Income Fund – Sterling X (Net Accum.)
1 October	Newton Index Linked Gilt Fund – Sterling X (Gross Accum.)

Additions – contd.

Date	Sub-Fund/Share Class Launched
2007 – contd.	
14 December	Newton Diversified Growth Fund – Sterling Institutional (Net Accum.)
14 December	Newton Diversified Growth Fund – Sterling Exempt 2 (Net Accum.)
2008	
1 February	Newton Phoenix Multi-Asset Fund – Sterling Exempt 2 (Net Accum.)
19 March	Newton European High Yield Bond Fund – Sterling X (Net Accum.)
19 March	Newton Global Dynamic Bond Fund – Sterling X (Net Accum.)
19 March	Newton Income Fund – Sterling X (Net Accum.)
19 March	Newton Strategic Corporate Bond Fund – Sterling X (Net Accum.)
2009	
2 February	Newton International Growth Fund – Sterling Exempt 3 (Net Accum.)
3 March	Newton Growth Fund – Sterling Institutional (Net Accum.)
2 April	Newton Asian Income Fund – Sterling X (Net Inc.)
2 April	Newton European Higher Income Fund – Sterling X (Net Inc.)
2 April	Newton Higher Income Fund – Sterling X (Net Inc.)
9 April	BNY Mellon Global Strategic Bond Fund – Sterling Income
9 April	BNY Mellon Global Strategic Bond Fund – Sterling Institutional (Net Inc.)
9 April	BNY Mellon Global Strategic Bond Fund – Sterling Institutional (Net Accum.)
29 June	Newton International Bond Fund – Sterling X (Net Accum.)
30 June	Newton Real Return Fund – Sterling Institutional (Net Accum.)
15 July	Newton Real Return Fund – Sterling X (Net Inc.)
14 August	Newton Real Return Fund – Sterling Exempt 2 (Net Inc.)
22 September	Newton Overseas Equity Fund – Sterling Exempt 3 (Net Accum.) re-opened
15 October	Newton UK Equity Fund – Sterling Exempt 2 (Net Accum.) re-opened
14 December	Newton UK Equity Fund – Sterling X (Net Accum.) re-opened
2010	
26 February	Newton Real Return Fund – Sterling P (Net Accum.)
8 October	Newton Global Higher Income Fund – Sterling X (Net Inc.)
8 October	Newton Higher Income Fund – Sterling X (Net Inc.) re-opened
11 October	Newton Global Dynamic Bond Fund – Sterling X (Net Inc.)
12 November	Newton European Higher Income Fund – Sterling X (Net Inc.) re-opened
17 December	BNY Mellon Long-Term Global Equity Fund – Sterling X (Net Accum.)
2011	
18 February	Newton Global Dynamic Bond Fund – Sterling X (Gross Accum.)
25 May	Newton Global High Yield Bond Fund – Sterling X (Net Inc.)
25 May	Newton Income Fund – Sterling X (Net Inc.)
25 May	Newton Index Linked Gilt Fund – Sterling X (Net Inc.)
2012	
30 January	Newton Asian Income Fund – Euro Institutional (Net Accum.)
29 February	Newton Real Return Fund – Sterling Exempt 1 (Net Accum.)
5 March	Newton Asian Income Fund – Euro Institutional (Net Inc.)
5 March	Newton Asian Income Fund – Euro Accumulation
5 March	Newton Asian Income Fund – Euro Income
13 March	Newton Global Higher Income Fund – Sterling Accumulation
2 April	Newton Asian Income Fund – US Dollar Institutional (Net Inc.)
2 April	Newton Asian Income Fund – US Dollar Institutional (Net Accum.)
2 April	Newton Asian Income Fund – US Dollar Income
2 April	Newton Asian Income Fund – US Dollar Accumulation
2 April	Newton UK Equity Fund – Sterling Exempt 1 (Net Accum.)
2 April	Newton UK Equity Fund – Sterling Exempt 3 (Net Accum.)
24 April	BNY Mellon American Fund – Sterling Institutional (Net Accum.)
20 June	Newton Continental European Fund – Sterling P (Net Inc.)

Additions – contd.

Date	Sub-Fund/Share Class Launched
2012 – contd.	
20 June	Newton Corporate Bond Fund – Sterling P (Net Inc.)
21 June	Newton Global Balanced Fund – Sterling P (Net Inc.)
21 June	Newton Global Dynamic Bond Fund – Sterling P (Net Inc.)
21 June	Newton Global Equity Fund – Sterling P (Net Inc.)
22 June	Newton International Bond Fund – Sterling P (Net Inc.)
22 June	Newton Managed Fund – Sterling P (Net Inc.)
22 June	Newton Oriental Fund – Sterling P (Net Inc.)
25 June	Newton Real Return Fund – Sterling P (Net Inc.)
25 June	Newton UK Opportunities Fund – Sterling P (Net Inc.)
30 August	BNY Mellon American Fund – Sterling Institutional W (Net Inc.)
30 August	BNY Mellon American Fund – Sterling Institutional W (Net Accum.)
30 August	BNY Mellon Global Strategic Bond Fund – Sterling Institutional W (Net Inc.)
30 August	BNY Mellon Global Strategic Bond Fund – Sterling Institutional W (Net Accum.)
30 August	BNY Mellon Long-Term Global Equity Fund – Sterling Institutional W (Net Inc.)
30 August	BNY Mellon Long-Term Global Equity Fund – Sterling Institutional W (Net Accum.)
30 August	Newton Asian Income Fund – Sterling Institutional W (Net Inc.)
30 August	Newton Asian Income Fund – Sterling Institutional W (Net Accum.)
30 August	Newton Continental European Fund – Sterling Institutional W (Net Inc.)
30 August	Newton Continental European Fund – Sterling Institutional W (Net Accum.)
31 August	Newton Balanced Fund – Sterling Institutional W (Net Inc.)
31 August	Newton Balanced Fund – Sterling Institutional W (Net Accum.)
31 August	Newton Cautious Managed Fund – Sterling Institutional W (Net Inc.)
31 August	Newton Cautious Managed Fund – Sterling Institutional W (Net Accum.)
31 August	Newton Managed Fund – Sterling Institutional W (Net Inc.)
31 August	Newton Managed Fund – Sterling Institutional W (Net Accum.)
31 August	Newton Pan-European Fund – Sterling Institutional W (Net Inc.)
31 August	Newton Pan-European Fund – Sterling Institutional W (Net Accum.)
3 September	Newton Corporate Bond Fund – Sterling Institutional W (Net Inc.)
3 September	Newton Corporate Bond Fund – Sterling Institutional W (Net Accum.)
3 September	Newton European Higher Income Fund – Sterling Institutional W (Net Inc.)
3 September	Newton European Higher Income Fund – Sterling Institutional W (Net Accum.)
3 September	Newton Global Dynamic Bond Fund – Sterling Institutional W (Net Inc.)
3 September	Newton Global Dynamic Bond Fund – Sterling Institutional W (Net Accum.)
3 September	Newton Global Equity Fund – Sterling Institutional W (Net Inc.)
3 September	Newton Global Equity Fund – Sterling Institutional W (Net Accum.)
3 September	Newton Global High Yield Bond Fund – Sterling Institutional W (Net Inc.)
3 September	Newton Global High Yield Bond Fund – Sterling Institutional W (Net Accum.)
4 September	Newton Global Higher Income Fund – Sterling Institutional W (Net Inc.)
4 September	Newton Global Higher Income Fund – Sterling Institutional W (Net Accum.)
4 September	Newton Global Opportunities Fund – Sterling Institutional W (Net Inc.)
4 September	Newton Global Opportunities Fund – Sterling Institutional W (Net Accum.)
4 September	Newton Higher Income Fund – Sterling Institutional W (Net Inc.)
4 September	Newton Higher Income Fund – Sterling Institutional W (Net Accum.)
4 September	Newton International Bond Fund – Sterling Institutional W (Net Inc.)

Additions – contd.

Date	Sub-Fund/Share Class Launched
2012 – contd.	
4 September	Newton International Bond Fund – Sterling Institutional W (Net Accum.)
4 September	Newton Oriental Fund – Sterling Institutional W (Net Inc.)
4 September	Newton Oriental Fund – Sterling Institutional W (Net Accum.)
5 September	Newton Phoenix Multi-Asset Fund – Sterling Institutional W (Net Inc.)
5 September	Newton Phoenix Multi-Asset Fund – Sterling Institutional W (Net Accum.)
5 September	Newton Real Return Fund – Sterling Institutional W (Net Inc.)
5 September	Newton Real Return Fund – Sterling Institutional W (Net Accum.)
5 September	Newton UK Equity Fund – Sterling Institutional W (Net Inc.)
5 September	Newton UK Equity Fund – Sterling Institutional W (Net Accum.)
5 September	Newton UK Opportunities Fund – Sterling Institutional W (Net Inc.)
5 September	Newton UK Opportunities Fund – Sterling Institutional W (Net Accum.)
20 September	Newton Asian Income Fund – Sterling P (Net Inc.)
20 September	Newton Cautious Managed Fund – Sterling P (Net Inc.)
20 September	Newton European Higher Income Fund – Sterling P (Net Inc.)
21 September	Newton Global High Yield Bond Fund – Sterling P (Net Inc.)
21 September	Newton Global Higher Income Fund – Sterling P (Net Inc.)
21 September	Newton Higher Income Fund – Sterling P (Net Inc.)
21 September	Newton UK Equity Fund – Sterling P (Net Inc.)
24 September	BNY Mellon American Fund – Sterling Retail Adv B (Net Inc.)
24 September	BNY Mellon American Fund – Sterling Retail Adv B (Net Accum.)
24 September	BNY Mellon Global Strategic Bond Fund – Sterling Retail Adv B (Net Inc.)
24 September	BNY Mellon Global Strategic Bond Fund – Sterling Retail Adv B (Net Accum.)
25 September	BNY Mellon Long-Term Global Equity Fund – Sterling Retail Adv B (Net Inc.)
25 September	BNY Mellon Long-Term Global Equity Fund – Sterling Retail Adv B (Net Accum.)
25 September	Newton Global Opportunities Fund – Sterling Retail Adv B (Net Inc.)
25 September	Newton Global Opportunities Fund – Sterling Retail Adv B (Net Accum.)
26 September	Newton Oriental Fund – Sterling Retail Adv B (Net Inc.)
26 September	Newton Oriental Fund – Sterling Retail Adv B (Net Accum.)
27 September	Newton Continental European Fund – Sterling Retail Adv B (Net Inc.)
27 September	Newton Continental European Fund – Sterling Retail Adv B (Net Accum.)
27 September	Newton Phoenix Multi-Asset Fund – Sterling Retail Adv B (Net Inc.)
27 September	Newton Phoenix Multi-Asset Fund – Sterling Retail Adv B (Net Accum.)
27 September	Newton UK Opportunities Fund – Sterling Retail Adv B (Net Inc.)
27 September	Newton UK Opportunities Fund – Sterling Retail Adv B (Net Accum.)
28 September	Newton Balanced Fund – Sterling Retail Adv B (Net Inc.)
28 September	Newton Balanced Fund – Sterling Retail Adv B (Net Accum.)
28 September	Newton Pan-European Fund – Sterling Retail Adv B (Net Inc.)
28 September	Newton Pan-European Fund – Sterling Retail Adv B (Net Accum.)
1 October	Newton Asian Income Fund – Sterling Retail Adv B (Net Inc.)
1 October	Newton Asian Income Fund – Sterling Retail Adv B (Net Accum.)
1 October	Newton Asian Income Fund – Sterling P (Net Accum.)
1 October	Newton Global Higher Income Fund – Sterling Retail Adv B (Net Inc.)
1 October	Newton Global Higher Income Fund – Sterling Retail Adv B (Net Accum.)
2 October	Newton European Higher Income Fund – Sterling Retail Adv B (Net Inc.)
2 October	Newton European Higher Income Fund – Sterling Retail Adv B (Net Accum.)
2 October	Newton Global Dynamic Bond Fund – Sterling Retail Adv B (Net Inc.)
2 October	Newton Global Dynamic Bond Fund – Sterling Retail Adv B (Net Accum.)
3 October	Newton Global Dynamic Bond Fund – Sterling P (Net Accum.)

Additions – contd.

Date	Sub-Fund/Share Class Launched
2012 – contd.	
3 October	Newton Global Higher Income Fund – Sterling P (Net Accum.)
3 October	Newton Higher Income Fund – Sterling Retail Adv B (Net Inc.)
3 October	Newton Higher Income Fund – Sterling Retail Adv B (Net Accum.)
3 October	Newton International Bond Fund – Sterling Retail Adv B (Net Inc.)
3 October	Newton International Bond Fund – Sterling Retail Adv B (Net Accum.)
4 October	Newton Corporate Bond Fund – Sterling Retail Adv B (Net Inc.)
4 October	Newton Corporate Bond Fund – Sterling Retail Adv B (Net Accum.)
4 October	Newton Emerging Income Fund – Sterling Income
4 October	Newton Emerging Income Fund – Sterling Accumulation
4 October	Newton Emerging Income Fund – Sterling X (Net Inc.)
4 October	Newton Emerging Income Fund – Sterling X (Net Accum.)
4 October	Newton Emerging Income Fund – Sterling Institutional W (Net Inc.)
4 October	Newton Global High Yield Bond Fund – Sterling Retail Adv B (Net Inc.)
4 October	Newton Global High Yield Bond Fund – Sterling Retail Adv B (Net Accum.)
4 October	Newton Higher Income Fund – Sterling P (Net Accum.)
5 October	Newton Cautious Managed Fund – Sterling Retail Adv B (Net Inc.)
5 October	Newton Cautious Managed Fund – Sterling Retail Adv B (Net Accum.)
5 October	Newton Managed Fund – Sterling Retail Adv B (Net Inc.)
5 October	Newton Managed Fund – Sterling Retail Adv B (Net Accum.)
5 October	Newton Oriental Fund – Sterling P (Net Accum.)
5 October	Newton Real Return Fund – Sterling P (Net Accum.)
8 October	Newton Global Equity Fund – Sterling Retail Adv B (Net Inc.)
8 October	Newton Global Equity Fund – Sterling Retail Adv B (Net Accum.)
8 October	Newton Real Return Fund – Sterling Retail Adv B (Net Inc.)
8 October	Newton Real Return Fund – Sterling Retail Adv B (Net Accum.)
9 October	Newton UK Equity Fund – Sterling Retail Adv B (Net Inc.)
9 October	Newton UK Equity Fund – Sterling Retail Adv B (Net Accum.)
12 October	Newton Corporate Bond Fund – Sterling P (Net Accum.)
15 October	Newton Emerging Income Fund – Sterling Institutional W (Net Accum.)
15 October	Newton Emerging Income Fund – Sterling Institutional (Net Inc.)
15 October	Newton Emerging Income Fund – Sterling Institutional (Net Accum.)
15 October	Newton Global High Yield Bond Fund – Sterling P (Net Accum.)
16 October	Newton International Bond Fund – Sterling P (Net Accum.)
23 October	Newton Emerging Income Fund – Sterling Retail Adv B (Net Inc.)
23 October	Newton Emerging Income Fund – Sterling Retail Adv B (Net Accum.)
2013	
9 February	Insight Equity Income Booster Fund – Sterling Institutional W (Net Accum.)
9 February	Insight Equity Income Booster Fund – Sterling Institutional W (Net Inc.)
9 February	Insight Equity Income Booster Fund – Sterling Accumulation
9 February	Insight Equity Income Booster Fund – Sterling Income
9 February	Insight Equity Income Booster Fund – Sterling X (Net Accum.)
9 February	Insight Equity Income Fund – Sterling Institutional W (Net Accum.)
9 February	Insight Equity Income Fund – Sterling Institutional W (Net Inc.)
9 February	Insight Equity Income Fund – Sterling Accumulation
9 February	Insight Equity Income Fund – Sterling Income
9 February	Insight Global Absolute Return Fund – Sterling Institutional (Net Accum.)
9 February	Insight Global Absolute Return Fund – Sterling Accumulation
9 February	Insight Global Multi-Strategy Fund – Sterling Institutional (Net Accum.)
9 February	Insight Global Multi-Strategy Fund – Sterling Institutional (Net Inc.)
9 February	Insight Global Multi-Strategy Fund – Sterling Institutional S (Net Accum.)
9 February	Insight Global Multi-Strategy Fund – Sterling Institutional S (Net Inc.)
9 February	Insight Global Multi-Strategy Fund – Sterling Accumulation
9 February	Insight Global Multi-Strategy Fund – Sterling Income

Additions – contd.

Date	Sub-Fund/Share Class Launched
2013 – contd.	
9 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Institutional (Net Accum.)
9 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Institutional (Net Inc.)
9 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Accumulation
9 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Income
9 February	Insight Strategic Bond Fund – Sterling Accumulation
9 February	Insight Strategic Bond Fund – Sterling Income
11 February	Insight Equity Income Booster Fund – Sterling Retail Adv B (Net Accum.)
11 February	Insight Equity Income Booster Fund – Sterling Retail Adv B (Net Inc.)
11 February	Insight Equity Income Fund – Sterling Retail Adv B (Net Accum.)
11 February	Insight Equity Income Fund – Sterling Retail Adv B (Net Inc.)
11 February	Insight Global Absolute Return Fund – Sterling Institutional W (Net Accum.)
11 February	Insight Global Absolute Return Fund – Sterling Institutional W (Net Inc.)
11 February	Insight Global Absolute Return Fund – Sterling Retail Adv B (Net Accum.)
11 February	Insight Global Absolute Return Fund – Sterling Retail Adv B (Net Inc.)
11 February	Insight Global Absolute Return Fund – Sterling Income
11 February	Insight Global Multi-Strategy Fund – Sterling Institutional W (Net Accum.)
11 February	Insight Global Multi-Strategy Fund – Sterling Institutional W (Net Inc.)
11 February	Insight Global Multi-Strategy Fund – Sterling Retail Adv B (Net Accum.)
11 February	Insight Global Multi-Strategy Fund – Sterling Retail Adv B (Net Inc.)
11 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Institutional W (Net Accum.)
11 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Institutional W (Net Inc.)
11 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Retail Adv B (Net Accum.)
11 February	Insight Inflation-Linked Corporate Bond Fund – Sterling Retail Adv B (Net Inc.)
11 February	Insight Strategic Bond Fund – Sterling Institutional W (Net Accum.)
11 February	Insight Strategic Bond Fund – Sterling Institutional W (Net Inc.)
11 February	Insight Strategic Bond Fund – Sterling Retail Adv B (Net Accum.)
11 February	Insight Strategic Bond Fund – Sterling Retail Adv B (Net Inc.)
14 February	Newton Global Higher Income Fund – Sterling Exempt 2 (Net Accum.)
21 May	Newton Phoenix Multi-Asset Fund – Sterling X (Net Accum.)
11 June	Newton Global Dynamic Bond Fund – Sterling Exempt 2 (Gross Inc.)
11 June	Newton Global Opportunities Fund – Sterling Exempt 2 (Net Inc.)

Amendments

Date	Description
2004	
30 July	Newton Intrepid Fund name changed to Newton Absolute Intrepid Fund.
31 July	Following the restructuring of Newton's range of exempt unit trusts, a number of Sub-Funds and/or Share Classes were added to the Company. The Sub-Funds offer one or more of the following Share Class types – Sterling Income, Mellon Newton Euro Accumulation, Sterling Exempt 1 (Net Accum.), Sterling Exempt 2 (Net Accum.), Sterling Exempt 1 (Gross Accum.), Sterling Exempt 2 (Gross Accum.), Sterling Institutional (Net Accum.).
2 August	The name of the Company was changed from Newton Investment Funds to Mellon Investment Funds ICVC (“MIF”) and the name of the ACD was changed from Newton Fund Managers Limited to Mellon Fund Managers Limited.

Amendments – contd.

Date	Description
2005	
31 March	Mellon Newton Euro Accumulation shares name changed to Euro Accumulation shares. The following Funds offer a Euro Accumulation Share Class: Newton American Fund, Newton Continental European Fund, Newton Global Innovation Fund, Newton International Bond Fund, Newton International Growth Fund, Newton Japan Fund, Newton Oriental Fund and Newton Pan-European Fund. The MIF Prospectus was amended to include an Exempt 3 class for all Sub-Funds as and when required.
1 July	The MIF Prospectus was amended to include a Sterling X Share Class for all Sub-Funds as and when required. MIF is meeting the requirements of the European Union Savings Directive (EUSD).
30 September	At a series of Extraordinary General Meetings of Shareholders in the Company the following changes were approved and effected from:
1 October	The objective of the Company was changed, as stated in the Instrument of Incorporation, to enable Sub-Funds of the Company to take up the wider powers prescribed by the recently amended UCITS Directive. The wider powers were adopted by the following Sub-Funds: Newton European High Yield Bond Fund, Newton Strategic Corporate Bond Fund (formerly Newton High Yield Bond Fund), Newton International Bond Fund, Newton Long Corporate Bond Fund, Newton Absolute Intrepid Fund, Newton Balanced Fund, Newton Global Balanced Fund and Newton Managed Intrepid Fund. Consequently the investment objective and policy of these Sub-Funds was amended to permit greater investment flexibility, including the greater use of derivatives. The Newton High Yield Bond Fund name changed to Newton Strategic Corporate Bond Fund. The following Sub-Funds had the investment objective and policy amended to take up/permit greater investment flexibility but did not take up the wider investment powers permitted under the amended UCITS Directive: Newton American Fund, Newton Continental European Fund, Newton Income Fund, Newton Index Linked Gilt Fund, Newton Japan Fund, Newton Oriental Fund, Newton Pan-European Fund and Newton UK Equity Fund. The limit on investing in other collective investment schemes was increased from 5% to 10% on all Sub-Funds. The investment objective of all Sub-Funds explicitly permits the use of collective investment schemes as an asset class. The investment objective and policy of the Newton International Bond Fund was amended to remove the list of Government and other public securities allowable for investment.
14 October	The basis for charging Registrar Fees and other allowable expenses to the Sub-Funds changed. An Administration Fee of 0.10% per annum is charged on Sterling Income Share Class; 0.03% per annum is charged on Sterling Institutional (Net Inc.), Sterling Institutional (Net Accum.) Share Class and all Exempt and Sterling X Share Classes. The Administration Fee is calculated and accrued daily and payable monthly.
8 November	The Prospectus was amended to include an Sterling Institutional (Net Inc.) Share Class for all Sub-Funds as and when required.
13 November	The annual management charge of the Newton Absolute Intrepid Fund is charged to capital rather than income.
2006	
30 June	Newton Managed Intrepid Fund was merged into Newton Absolute Intrepid Fund.
18 December	Newton Global Innovation Fund was closed.
2007	
1 September	Newton Growth Fund annual management charge increased to 1.5%.
1 October	Following the successful merger of Mellon Financial Corporation with Bank of New York, Mellon Fund Managers Limited became part of BNY Asset Management International Holdings Limited. Newton Strategic Corporate Bond Fund changed from the IMA UK Other Bond to the IMA UK Corporate Bond Sector.

Amendments – contd.

Date	Description
2007 – contd.	
3 October	The Sterling Exempt 3 (Net Accum.) Share Class of both the Newton Overseas Equity Fund and the Newton UK Equity Fund was closed.
31 December	Newton Equity & Bond Fund changed sector from IMA UK Equity & Bond Income to IMA Balanced Managed. The performance record was retained.
2008	
31 March	Following the successful merger of Mellon Financial Corporation with The Bank of New York, the name of the Company changed from Mellon Investment Funds ICVC (“MIF”) to BNY Mellon Investment Funds (“BNY MIF”) and the name of the ACD from Mellon Fund Managers Limited to BNY Mellon Fund Managers Limited. Mellon Long-Term Global Equity Fund name changed to BNY Mellon Long-Term Global Equity Fund.
11 June	Newton Absolute Intrepid Fund changed sector from IMA Active Managed to IMA Absolute Return. The performance record from 31 March 2004 is retained.
1 July	No initial charge will be applied to the reinvestment of distribution income.
18 September	Newton UK Equity Fund Sterling X (Net Accum.) Share Class was closed.
31 December	The name of the Newton Strategic Corporate Bond Fund changed to Newton Corporate Bond Fund. The Newton Corporate Bond Fund moved from the IMA UK Corporate Bond Sector to the IMA £ Corporate Bond Sector. The performance record was retained. Newton Higher Income Fund: at the interim accounting date (31 December 2008), in accordance with the Regulations and the objective of the Sub-Fund, a proportion of the income available for distribution was retained within the Sub-Fund. For the period 1 January to 30 June 2009, the value of the deferred income was included in the daily Net Asset Value (NAV) calculations and, therefore, included in the published price. At the annual accounting date (30 June 2009) all accrued income was distributed. Suspension of dealing: the ACD and Depositary have agreed that the previous suspension limit of 28 days be extended to indefinite. The ACD and Depositary must review the temporary suspension at least every 28 days and inform the FSA of the result of that review with the aim of ending the temporary suspension as soon as practicable after the exceptional circumstances have ceased. Following the end of the temporary suspension, for dealing purposes, the ACD will recommence the calculation of the net asset value and share price of the fund(s) at the next relevant valuation point.
2009	
28 January	Newton Diversified Growth Fund Sterling Exempt 2 (Net Accum.) Share Class was closed.
5 February	Newton Diversified Growth Fund Sterling Institutional (Net Accum.) Share Class was closed.
25 February	Newton UK Equity Fund Sterling Exempt 2 (Net Accum.) Share Class was closed.
1 July	Newton Absolute Intrepid Fund name changed to Newton Real Return Fund. Newton Higher Income Fund distribution frequency changed from half-yearly to quarterly. BNY Mellon Long-Term Global Equity Fund minimum investment level reduced to £1,000 and ISA functionality introduced. Administration for the Sterling Exempt and Sterling X Share Classes moved from the London office to BNY Mellon House, Ingrave Road, Brentwood, CM15 8TG. Shares in Exempt and Sterling X Share Classes represented to 4 decimal places.
1 August	The annual management charge of the Newton Income Fund is charged to capital rather than income.

Amendments – contd.

Date	Description
2009 – contd.	
9 October	Newton International Bond Fund Sterling X (Net Accum.) Share Class was closed.
30 October (close of business)	Newton European High Yield Bond Fund At an Extraordinary General Meeting held on 28 October 2009, Shareholders voted in favour of the following changes which will be implemented with effect from midnight on 30 October 2009:- The name of the Newton European High Yield Bond Fund changed to Newton Global High Yield Bond Fund; The investment objective changed to:- “The objective of the Sub-Fund is to achieve a high yield from a globally diversified portfolio which may include but is not limited to fixed interest bonds and other debt instruments (such as floating rate notes and index-linked notes). The Sub-Fund may also invest in deposits, derivative instruments, forward transactions and collective investment schemes. At least 80% of the Sub-Fund’s assets should be in Sterling denominated assets or hedged back to Sterling” with effect from 31 October 2009; The IMA sector changed from Global Bonds to £ High Yield – please note that the performance history has been retained.
	Newton Equity & Bond Fund The lead fund manager changed from Jamie Korner to Simon Nicholls.
30 November (close of business)	Newton Global Dynamic Bond – change of benchmark from a customised benchmark of 25% Merrill Lynch Global Bond Index; 25% Merrill Lynch Global High Yield Index; 25% JP Morgan Emerging Markets Bond Index; 25% JP Morgan Global Bonds Index hedged to a cash benchmark of LIBOR 1-Month GBP + 2% p.a. (gross).
31 December (midnight)	The following changes were implemented on the Newton Equity & Bond Fund:- The Annual Management Charge was reduced on the Sterling Income Share Class from 1.5% to 1.25% and on the Sterling Institutional (Net Accum.) Share Class from 1% to 0.75%. The IMA sector changed from Balanced Managed to Cautious Managed.
2010	
29 January (midnight)	The name of the Newton Equity & Bond Fund changed to Newton Cautious Managed Fund.
19 March	Newton Real Return Fund Sterling P (Net Accum.) Share Class was reduced to zero.
31 March (midnight)	The following changes were made to the Newton 60/40 Global Equity Fund:- Name changed to Newton 50/50 Global Equity Fund. Investment objective changed as follows: “The objective of the Sub-Fund is to invest in a broad spread of UK and international securities to achieve income and capital growth over the longer term.” The Sub-Fund will be managed to a benchmark of approximately 50% UK and 50% international equities. The Sub-Fund may also invest in collective investment schemes. The benchmark changed to: – 50% UK equities represented by FTSE All Share; and – 50% overseas equities represented by 1/3 FTSE AW North America, 1/3 FTSE AW Europe ex UK and 1/3 FTSE AW Asia Pacific.
27 April	The Newton European Higher Income Fund Sterling X (Net Inc.) Share Class was reduced to zero. The Newton Higher Income Fund Sterling X (Net Inc.) Share Class was reduced to zero.
2011	
4 February	Newton Corporate Bond Sterling X (Net Accum.) Share Class closed.
17 June	Newton Japan Fund Sterling Exempt 1 (Net Accum.) Share Class was closed.

Amendments – contd.

Date	Description
2011 – contd.	
24 June	Newton Japan Fund was closed.
26 September	Newton Income Fund Sterling X (Net Inc.) Share Class was reduced to zero.
17 October	As part of an internal re-structuring in 2011 The Royal Bank of Scotland Group plc transferred its Trustee and Depository Services business from The Royal Bank of Scotland plc to National Westminster Bank plc and consequently National Westminster Bank plc was appointed as depository of the Funds on 17 October 2011. As depository, National Westminster Bank plc will have the same duties and responsibilities as The Royal Bank of Scotland and the change of depository will have no impact on the way the Funds are operated. The settlement cycle of Newton Long Gilt Fund Sterling Exempt 2 (Gross Accum.) and Sterling X (Gross Accum.) Share Class and of Newton Index Linked Gilt Fund Sterling Exempt 2 (Gross Accum.), Sterling X (Net Inc.) and Sterling X (Gross Accum.) Share Class changed from T+1 to T+4.
2012	
30 January	The name of the Newton International Growth Fund changed to Newton Global Equity Fund. The Investment Adviser of the Newton American Fund changed from Newton Investment Management Limited to The Boston Company Asset Management, LLC. The Sub-Fund name also changed to the BNY Mellon American Fund.
31 March	The Newton Growth Fund and Newton UK Equity Fund merged into the Newton Income Fund.
2 April	Following the successful merger, the Newton Income Fund was renamed the Newton UK Equity Fund.
4 September	Newton UK Equity Sterling Exempt 2 (Net Accum.) Share Class was closed.
4 October	Newton Emerging Income Fund launched.
2013	
28 January	Newton Pan-European Fund was closed.
9 February	Insight Strategic Bond Fund, Insight Inflation-Linked Corporate Bond Fund, Insight Global Multi-Strategy Fund, Insight Global Absolute Return Fund, Insight Equity Income Booster Fund and Insight Equity Income Fund launched.
15 June	The Newton Cautious Managed Fund merged into the Newton Managed Income Fund; a sub-fund of BNY Mellon Managed Funds I.

Client classification notice: Under the FCA's Conduct of Business rules we are required to classify our investors. We have classified you as a Retail Client unless otherwise notified. This means that you will have the maximum amount of protection available for complaints and compensation, and will receive information in a straightforward way. However, some clients, such as professional investors, may not necessarily have the same rights under the Financial Ombudsman Service and the Financial Services Compensation Scheme. Further details may be found on our website – www.bnymellonam.co.uk under Client Classification.

The ACD makes available the daily prices of shares on its website: www.bnymellonam.com. Selected share prices are also available, free, via our Priceline on 0500 330 000.

The ACD has dispensed with the requirement to convene Annual General Meetings of the Company. However, Extraordinary General Meetings will continue to take place as and when required.

DILUTION ADJUSTMENT

As set out in the Prospectus, the ACD may make a dilution adjustment when calculating the price of a share. In deciding whether to make a dilution adjustment at any valuation point, the ACD will take into account the number of shares to be created or cancelled. Where the number of shares to be created exceeds the number of shares to be cancelled, the dilution adjustment to the share price will be upwards. Where the number of shares to be cancelled exceeds the number of shares to be created, the dilution adjustment to the share price will be downwards.

ANNUAL AND INTERIM REPORTS

The ACD acts on instructions received from shareholders when making a copy of the Interim and Annual Short Report for BNY Mellon Investment Funds available each year.

HELP THE ENVIRONMENT – ACCESS THE REPORTS ONLINE

You can log on to our website and access a copy of the Long Form Financial Statements and the Short Report in English, German, Spanish or Portuguese using the following links:-

English Long Form – www.bnymellonam.com/mifelong
English Short Report – www.bnymellonam.com/mifeshort

German Long Form – www.bnymellonam.com/mifdelong
German Short Report – www.bnymellonam.com/mifdeshort

Spanish Long Form – www.bnymellonam.com/mifeslong
Spanish Short Report – www.bnymellonam.com/mifeshort

Portuguese Long Form – www.bnymellonam.com/mifptlong
Portuguese Short Report – www.bnymellonam.com/mifptshort

A copy of the full Long Form financial statements is also available on written request from BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, United Kingdom. The annual accounting period is to 30 June and the interim accounting period is to 31 December.

HELP THE ENVIRONMENT – OPT OUT AND ACCESS THE REPORTS ONLINE (UK INVESTORS ONLY)

If you are a UK investor and have received a copy of the latest Short Report but would prefer not to receive a hard copy of the Annual and Interim Short Report for future reporting periods, please write to BNY Mellon Fund Managers Limited at Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, United Kingdom. We will note your instructions on your account.

If you reside outside the UK but wish to receive a copy of the Annual and Interim Short Reports in English, please write to BNY Mellon Fund Managers Limited, Client Service Centre, PO Box 12041, Brentwood, CM14 9LS, England, UK and we will record your preference on your account.

The cost of producing the BNY MIF Interim and Annual Reports is charged to the Company in accordance with the provisions of the Regulations and the Prospectus. This Short Report is printed on recycled material from sustainable sources.

INVESTMENT FUNDS INFORMATION

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Directors of BNY Mellon Fund Managers Limited

G A Brisk
L E Lenel (resigned 31 August 2013)
J F Lubran (appointed 12 March 2013)
A Mearns (resigned 31 October 2012)
M J Oomen (appointed 15 March 2013)
D M Turnbull (Chairman)

Dealing

(i) For all Share Classes (other than
Sterling Exempt and Sterling X):

Call, **free**, 0500 440 000
Call +44 (0) 203 528 4012

(ii) For Sterling Exempt
and Sterling X Share Classes:

Call 0844 892 2715
Fax 0844 892 2716

Priceline

(i) Call, **free**, 0500 330 000

Client Enquiries

(i) Call, **free**, 0800 614 330
(ii) Call +44 (0) 203 528 4002

Authorisation

BNY Mellon Fund Managers Limited
Authorised and regulated
by the Financial Conduct Authority

BNY Mellon Fund Managers Limited
Registered in England No. 1998251
A subsidiary of BNY Mellon Asset
Management International Limited
with effect from 29 October 2012,
prior to that a subsidiary of BNY Mellon
Asset Management International
Holdings Limited

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by the Securities and Exchange Commission

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CM14 9LS

Depository

National Westminster Bank plc
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and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority

Auditors

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London SE1 2AF

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A-1011 Vienna
Austria

Austrian Tax Agent

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A-1090 Vienna
Austria

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B-1210 Brussels
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Selnaustrasse 16
CH-8002 Zurich
Switzerland

French Centralising & Financial Agent

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3 rue d'Antin
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Authorised and regulated by the Financial
Conduct Authority. A member of the IMA

