



BNY MELLON
ASSET MANAGEMENT

Professional Factsheet

As at 31 December 2010

Investment objective

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

Fund details

Total net assets (million) £ 2,293.76
 Historic yield (%) 3.01
 IMA sector Balanced Managed
 Lipper sector LGC - Mixed Asset Sterling
 Agg - Global
 Benchmark see performance note
 Domicile UK
 Fund type ICVC
 Fund manager Iain Stewart
 Alternate Matthew Brown
 Base currency GBP
 Currencies available GBP
 Historic yields are not indicative of future yields.

Key dates

Fund launch 04 Nov 1986
 Close of financial year 30 Jun
 Distributions 28 Feb, 31 Aug

Dealing

09:00 to 17:00 each business day
 Valuation point: 12:00 London time

Share class details

Launch Date 04 Nov 1986
 Min. investment £ 1,000
 Annual mgmt charge 1.50%
 Max. initial charge 4.00%
 ISIN GB0006778574
 Bloomberg WHICAI LN
 Sedol 0677857
 Valoren 827799
 WKN 930430
 Registered for sale in: DE, UK, ES, AT

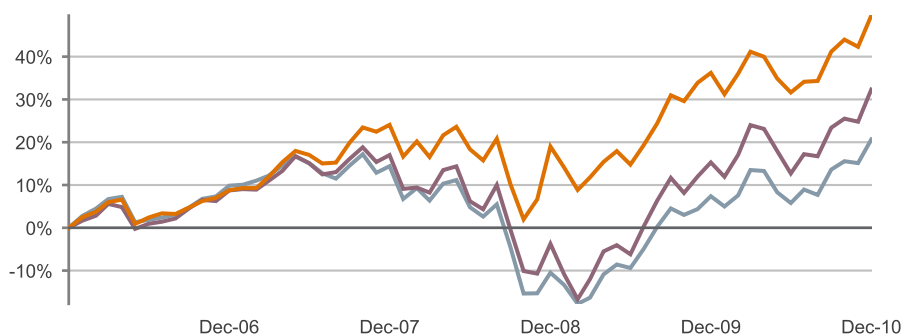
Newton Balanced Sterling Income

FUND RATINGS AND AWARDS



Standard & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell.

CUMULATIVE PERFORMANCE



49.6% Newton Balanced GBP Inc

32.3% LCI UK Balanced & Intl Equity (35:15:50)

20.6% IMA Balanced Managed

CALENDAR PERFORMANCE (%)

	2006	2007	2008	2009	2010
Newton Balanced GBP Inc	8.78	14.05	-4.08	14.46	9.82
LCI UK Balanced & Intl Equity (35:15:50)	8.72	7.61	-17.73	19.77	14.76
IMA Balanced Managed	9.84	4.14	-21.75	19.97	12.35

ANNUAL PERFORMANCE TO LAST QUARTER END (%)

From	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009
To	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010
Fund	8.78	14.05	-4.08	14.46	9.82
Index	8.72	7.61	-17.73	19.77	14.76
Sector	9.84	4.14	-21.75	19.97	12.35

PERFORMANCE

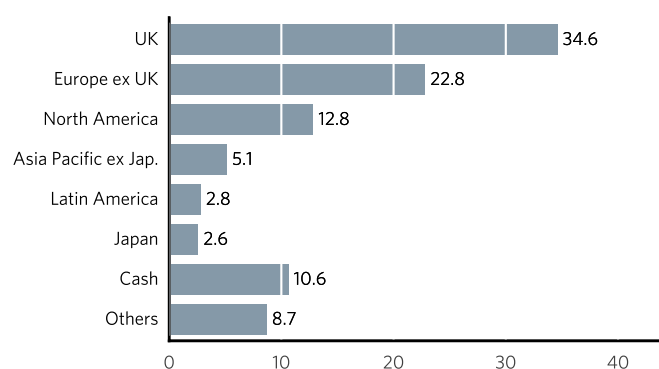
	Fund (%)	Index (%)	Sector (%)	Rank	Funds in sector	Quartile rank
1 month	5.12	6.02	4.79	60	152	2
3 months	5.97	7.22	6.18	92	151	3
6 months	13.65	17.39	14.03	97	150	3
YTD	9.82	14.76	12.35	125	142	4
1 year	9.82	14.76	12.35	125	142	4
3 years	20.58	13.08	5.46	8	115	1
5 years	49.59	32.30	20.64	5	94	1
3 years annualised	6.43	4.18	1.79	8	115	1
5 years annualised	8.38	5.75	3.82	5	94	1

Source for all performance: Lipper as at 31 December 2010. Total return including income net of UK tax and annual charges, but excluding initial charge. For comparison, please note that the index quoted is gross of tax. All figures are in sterling terms. The impact of the initial charge, which may be up to 4%, 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.

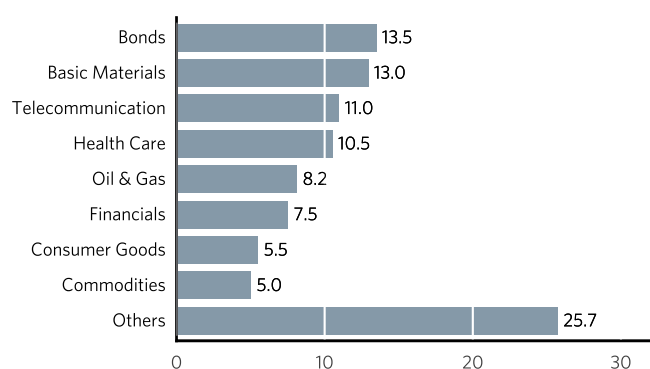
Managed by

NEWTON
The Power of Ideas

ASSET ALLOCATION (%)



ASSET ALLOCATION - INDUSTRY (%)



FUND MANAGER COMMENTARY

December was both an eventful and a volatile environment for investors. Nevertheless, equity markets climbed higher, with accommodative monetary policy remaining a dominant factor. Contrastingly, this backdrop proved less beneficial for fixed interest markets, indeed, government bond yields rose over the month. The Fund lost some ground relative to its benchmark in December, but outperformed the peer group sector average. Our void position in UK Gilts made a positive contribution, but this was counteracted by the effects of a relatively defensive stance in equities. Positioning in basic materials detracted from performance, with void positions in Rio Tinto and Xstrata being particularly disadvantageous. On a more positive note, the Fund was rewarded for its position in physical gold and its exposure to an agricultural commodity exchange-traded fund. Orthopaedic and wound care company Smith & Nephew was the top contributing stock, benefiting from bid rumours.

Telecoms, the portfolio's largest sector overweighting, was a focus for trading activity. Here, we took some profits in Vodafone and Millicom International Cellular after a period of strong performance. New additions in the equity portfolio included Tokyo-based Inpex, the global oil and gas exploration company, which has an exciting liquefied natural gas project off the coast of Australia. Don Quijote, a Japanese high street chain selling a mixture of household goods, was added to the Fund after an impressive meeting with management. In the fixed interest component of the portfolio, we sold Angel Lux.

Barring the emergence of further new crises, 2011 could follow 2010 as a volatile, but ultimately positive, year for risk assets such as equities. However, we would stress that this potential scenario is by no means certain and would represent the continuation of a cyclical bull market from the lows reached in March 2009. In constructing portfolios, we believe that the balance of risks favours equities over government bonds.

TOP 10 HOLDINGS (%)

GlaxoSmithKline PLC	3.7
Vodafone Group PLC	3.4
BP PLC	2.3
Newcrest Mining Ltd	2.1
ETFS Agriculture DJ-AIGCISM	2.0
ETFS Physical Gold	2.0
Norway (Kingdom of) 4.5% Bds 22/05/2019	1.7
BHP Billiton PLC	1.7
Royal Dutch Shell PLC	1.5
Smith & Nephew PLC	1.5

ABSOLUTE CONTRIBUTION - TOP 5 (%)

Stock level contributors	
ETFS Agriculture DJ-AIGCISM	0.27
Smith & Nephew PLC	0.22
BP PLC	0.21
Statoil ASA	0.19
BHP Billiton PLC	0.19

ACTIVE MONEY - GEOGRAPHICAL SPLIT TOP 5 (%)

	Fund	Index	Relative
Commodities	5.0	0.0	5.0
Unitised / Structured Investments (Other)	0.9	0.0	0.9
Derivative Instruments	0.3	0.0	0.3
Property	0.0	0.5	-0.5
Equities	69.7	71.5	-1.8

Portfolio holdings are subject to change at any time without notice. The information provided is for illustrative purposes only and should not be construed as a recommendation to purchase or sell any security.

ACTIVE MONEY - TOP OVERWEIGHT (%)

	Fund	Index	Relative
GlaxoSmithKline PLC	3.7	1.4	2.4
Newcrest Mining Ltd	2.1	0.1	2.0
Vodafone Group PLC	3.4	1.8	1.6
Smith & Nephew PLC	1.5	0.1	1.3
Millicom Intl Cellular	1.2	0.0	1.2

ACTIVE MONEY - TOP UNDERWEIGHT (%)

	Fund	Index	Relative
Rio Tinto PLC	0.0	1.4	-1.4
Royal Dutch Shell PLC	1.5	2.8	-1.3
HSBC Holdings PLC	1.4	2.4	-1.0
AstraZeneca PLC	0.0	0.9	-0.9
Xstrata PLC	0.0	0.7	-0.7

SUMMARY ATTRIBUTION - TOP 5 STOCKS (%)

ETFS Agriculture DJ-AIGCISM	0.18
Smith & Nephew PLC	0.14
Statoil ASA	0.14
MTN Group Ltd	0.10
Petroleo Brasileiro SA	0.08

SUMMARY ATTRIBUTION - BOTTOM 5 STOCKS (%)

Hypermarcas SA	-0.11
Xstrata PLC	-0.07
Rio Tinto PLC	-0.07
Royal Dutch Shell PLC	-0.06
GlaxoSmithKline PLC	-0.06

Source: BNY Mellon

HISTORICAL FUND STATISTICS - 3YRS

Jensen alpha	0.22
Beta	0.78
Correlation to benchmark	0.92
Annualised information ratio	0.31
Annualised Sharpe ratio	0.28
Annualised tracking error	6.95
R ²	0.86

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