

NEWTON
Global Higher Income (OEIC)

OBSR Fund Rating
AA / Silver



Key Information

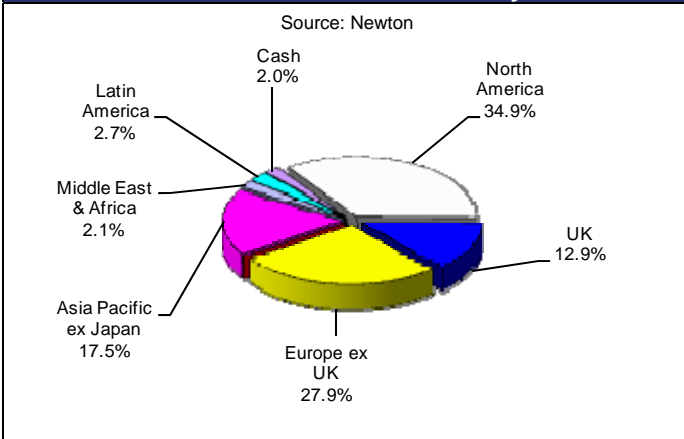
Launch Date	November 2005	
Fund Size	£2199.1m	
Type of Shares Available	Income	
Distribution Dates	28 February, 31 May, 31 August, 30 November	
Historic Yield	4.88%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	4.00%
	Annual	1.50%

Classification

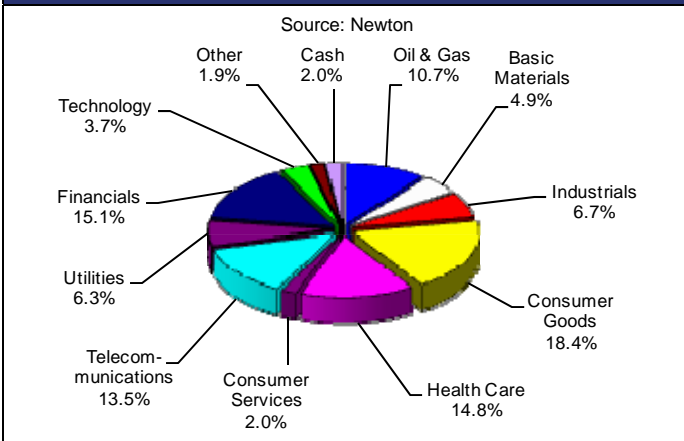
Sector	Global
Market Cap / Style	Large Cap Bias / Blend
Benchmark/Index	FTSE World - World
Management/Investment Style	
Fund Manager	James Harries (November 2005)

The fund offers investors an income-orientated global equity fund which incorporates the best elements of Newton's thematic sector analysis with strict yield criteria.

Asset Distribution - Country



Asset Distribution - Sector



Top Ten Holdings

Company	%
Reynolds American	5.5
Philip Morris International	5.3
Bayer	3.4
Roche Holding	3.2
SSE	2.5
GlaxoSmithKline	2.3
Pfizer	2.2
Link Real Estate Investment Trust	2.2
Merck & Co	2.2
Procter & Gamble	2.1
Concentration (Top 10)	30.7

Source: Newton

Investment Objective & Methodology

The fund aims to achieve rising annual income distributions together with capital growth from investment primarily in global securities. The aim is to grow the dividends at least in line with inflation. The fund is benchmarked against the FTSE World Index.

The fund has been managed from launch by James Harries, an experienced member of the well-established global team at Newton. Within this team, the manager is able to draw upon the experience of a number of individuals and the global sector research. The emphasis is very much on the team rather than the individual and Newton believes a global approach is critical to understanding companies, markets and economies.

The fund is constructed using Newton's thematic approach and research-led investment process. As a core output from the global equity model/process, the fund will be as in line with the Newton stock and sector themes as possible. The policy group provides a thematic framework and economic forecasts for international variables, and the manager will selectively invest in companies fitting those global themes. The global research team provides him with key global stock selection as industry analysts cover the top 250 companies, the remaining ones being covered by regional researchers. The fund is managed using strict yield criteria. The manager will only invest in stocks that have a prospective yield premium of at least 25% more than that of the FTSE World index. In his search for higher-yielding stocks, he focuses on what he believes to be reasonably priced companies with a sustainable competitive advantage and sound fundamentals. Dividends are a good indicator of a company's quality in his view, because they require the generation of cash flows and disciplined capital allocation. Any holding whose prospective yield falls below that of the FTSE World index yield will be sold.

The manager aims to hold around 60 stocks in the portfolio. The fund is managed in an unconstrained manner due to the specific nature of the process and the manager believes that the yield criteria approach is a good approach to risk management in general. As for portfolio construction, the manager will take active positions in most holdings with a minimum weighting of 1% and he believes a 3% weighting to be a committed position. No absolute holding will be above 5%.

www.obsrfundratings.co.uk

Data as at 31 December 2011
Last Updated January 2012