

Press Release



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Newton Underlines Long Term Power of Equities *Research shows holding equities is the key to long-term returns*

LONDON, 18 August, 2008 – According to research by Newton Investment Management, UK equities continue to be an attractive long-term investment despite the current market volatility.

Research suggests holding UK equities for a period of more than eight years during the last 108 years, has not only produced higher real returns than gilts, but also with lower deviation*. Even during periods of short-term volatility in equities, such as the stockmarket crash of 1929, or the bursting of the tech bubble in 2000, equity market performance has tended to even out over time.

Jeff Munroe, Chief Investment Officer at Newton, comments: “In times of high volatility many investors may consider whether equities remain an appropriate investment vehicle for their savings and pension plans. However, it’s a fundamental principle of long-term investing that if you want to achieve higher returns, you must be able to accept higher risk and volatility along the way. This is why investors should be thinking about investing through market cycles and not trying to pick the best time to invest. As hard as it is at certain times, it is advisable to avoid the herd mentality, which inevitably sees investors piling in at the top of the market and selling at the bottom.

“Over the long term, equity markets have proved to be a powerful way of generating income and capital growth. While we are currently witnessing important changes in the contours of financial markets, it is important for investors to consider a long-term investment horizon, particularly where their savings and pension plans are concerned. With increased life expectancy and many people retiring at a later stage, never has provisioning for your retirement been more important.”

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Notes to Editors:

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*Source: Thomson Datastream and Newton Investment Management, to 31 July 2008. All information source BNY Mellon Asset Management International Limited as at 30 June 2008. This press release is issued by BNY Mellon Asset Management International Limited to members of the financial press and media and the information contained herein should not be construed as investment advice. Not available or offered to U.S. investors. Past performance is not a guide to future performance. Registered office: The Bank of New York Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA. Registered in England no. 1118580. Authorised and regulated by the Financial Services Authority
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