

# Press Release



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## **Newton Global Higher Income Fund rated AA by S&P**

### ***Diversification Drives Returns***

London, 26 August 2008 – Newton Global Higher Income Fund has received an AA rating by Standard & Poor's (S&P). The fund's rating was raised from A to AA in S&P's latest annual review.

The £415m Newton Global Higher Income Fund aims to deliver growth and a rising level of income from investing across global stock markets. Although the Newton investment team adopts a strict yield discipline for this income fund, the focus is on underestimated growth stocks rather than absolute yield. The fund has consistently met its yield target since being launched at the end of 2005.

Traditionally equity income funds tend to focus on the UK stock market but in recent years the level of dividend yield in overseas markets has drastically improved. The Newton Global Higher Income Fund's asset allocation reflects a shift away from the UK stock market with an allocation of only 10% compared to a 25% holding in Euro-denominated assets, 30% in Asian holdings and around 10% in Latin America.

Since its launch, the Newton Global Higher Income Fund has shown consistent top-decile performance by combining two of Newton's long-standing investment strengths. One is its expertise in managing equity income funds; the other is its excellent track record in managing global equity portfolios. In common with all of Newton's funds, both approaches are underpinned by its global thematic investment process.

Since its launch in November 2005, the fund has delivered a 35% return\*. Over the year to the end of June 2008, the fund returned 2.1% versus -8.5% for the FTSE World Index and -8.54% for its average peer in the IMA Global Growth sector.

James Harries, manager of the Newton Global Higher Income Fund explains: "Part of the fund's appeal for UK equity income investors is that it gives investors the opportunity to diversify their income portfolios away from being so reliant on the UK market and sterling assets. It's this diversity that has helped to drive returns."

"Further, the investment objective is to maintain a high level of yield in the portfolio, as yield is far less volatile than growth. This is reflected in the consistency of the fund's returns. Because the fund yields 3.5% it can withstand capital volatility in equity markets far better than its purely growth oriented peers," he says. "Meanwhile our forecast of 8% growth in global dividends this year should continue to

\*Source: Lipper. Total return, including income net of UK tax and annual charges, but excluding initial charge. All figures are in sterling terms. All other 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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provide a very useful tailwind for the fund's performance.”

Helena Morrissey, Chief Executive Officer at Newton comments: “Newton had a very successful year across the board in 2007. The Newton Global Higher Income Fund, managed by an experienced investment team leveraging the well-established thematic investment approach, has consistently outperformed other income funds in its peer group. It is great to see the team's hard work being recognised and rewarded with an S&P AA rating.”

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**Notes to Editors:**

**Newton Investment Management Limited** is a London-based global asset management subsidiary of The Bank of New York Mellon Corporation and part of BNY Mellon Asset Management. With assets under management of more than £38 billion, the company provides a broad range of award-winning investment products and services to individuals, pension funds, charities and corporations. News and other information about Newton is available at [www.newton.co.uk](http://www.newton.co.uk).

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**The Newton Higher Income Fund** is a sub-fund of BNY Mellon Investment Funds, an Investment Company with Variable Capital (ICVC) incorporated in England and Wales under registered number IC27 and authorised by the Financial Services Authority. BNY Mellon Fund Managers Limited (BNYMFM) is the Authorised Corporate Director. BNY Mellon Fund Managers Limited, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1998251. Authorised and regulated by the Financial Services Authority. The investment adviser of the Newton sub-funds is Newton Investment Management Limited (NIM).