

Newton

Global investment manager with assets under management of £76.6 billion, providing investment solutions since 1978.

Assets under management¹

Strategy (£m)	708.84
Representative portfolio (£m)	691.26

General information²

Number of holdings	45
12 month turnover (%)	15.77
Active share (%)	83.89

Strategy characteristics (3 yr ex-post)

Information Ratio	0.14
Tracking Error (%pa)	5.80
Beta	0.73
Alpha	1.45

Volatility (3 yr ex-post)

Newton Asian Equity Income Strategy (%pa)	11.04
Performance Benchmark (%pa)	13.97

Dividend yield

Newton Asian Equity Income Strategy (%)	4.08
Performance Benchmark (%)	2.54

Strategy characteristics calculated on a rolling three year basis.

¹Source: Newton as at 31/03/2025. Please refer to Important Information page for more detail.

²Source: BNY Mellon Asian Income Fund as at 31/03/2025

Strategy available through pooled UK vehicle via

BNY Mellon Asian Income Fund

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[Newton Investment Management](#)

For professional investors only. Please read the important information at the back of this document. Newton claims compliance with the Global Investment Performance Standards (GIPS).

Strategy objective

The strategy seeks to outperform the FTSE AW Asia Pacific ex Japan index over rolling 5-year periods, by achieving income and capital growth from a portfolio comprised of companies that must yield at least 85% of the performance benchmark yield, which are predominantly from Asia Pacific markets, including Australia and New Zealand, but excluding Japan.

Investment approach

The investment team seeks to invest in high-quality companies which offer attractive and sustainable dividend yields, underpinned by strong cash generation. We employ a valuation screen to help portfolios in their aim to achieve a dividend yield above that of the index. The investment team follows a fundamental bottom-up security selection approach which is supported by our in-house research team. In-house research analysts are at the core of our investment process, and our multidimensional research capabilities help to promote better-informed investment decisions.

Investment team

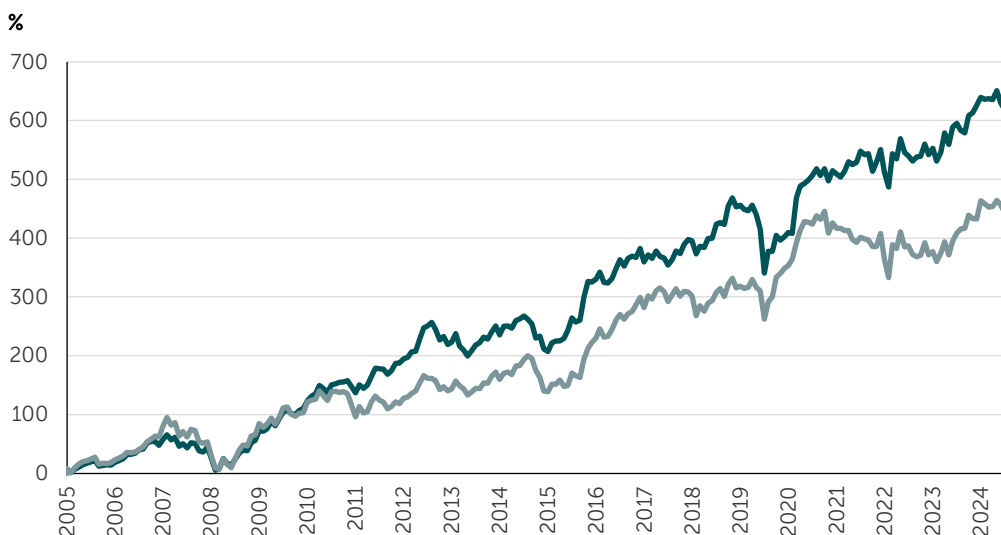
Our investment team of research analysts and portfolio managers work together across regions and sectors, helping to ensure that our investment process is highly flexible. Our Asian Equity Income strategy is managed by a team of two portfolio managers.

Portfolio managers Zoe Kan & Alex Khosla

Performance Benchmark: FTSE AW Asia Pacific ex Japan

Performance (%) - since inception (gross)

10.59% pa Newton Asian Equity Income Strategy **9.01% pa** Performance Benchmark



Performance (%) - net and gross

	Quarterly				Annualised			
	Q1 2025	Q4 2024	Q3 2024	Q2 2024	1 year	3 years	5 years	10 years
Newton Asian Equity Income Strategy (Net)	-2.51	-0.70	4.23	1.71	2.63	2.81	9.56	6.25
Newton Asian Equity Income Strategy (Gross)	-2.35	-0.54	4.40	1.88	3.30	3.48	10.27	6.94
Performance Benchmark	-2.08	-1.77	4.55	6.07	6.66	2.63	8.42	6.33

Source: Newton FactSet, Newton Asian Equity Income composite. As at 31/03/2025. Composite inception: 31/08/2005. This is supplemental information to the GIPS compliant information. Performance is stated net and gross of management fees. The net-of-fee returns are calculated by deducting an annual management charge of 0.65% from the composite gross-of-fee returns. The impact of fees can be material. A fee schedule providing further detail is available upon request. The FTSE AW Asia Pacific ex Japan index is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark.

Strategy commentary

Performance commentary

Asian stocks rose in local-currency terms as a rally in China helped to limit the impact of increased global tensions. Chinese equities increased strongly as local firm DeepSeek released a low-cost artificial intelligence (AI) model that rivalled more expensive versions developed by US technology companies. Robust economic growth and the Chinese authorities' vows to provide more economic support also boosted sentiment. Indian stocks declined as underwhelming corporate results and reduced foreign equity investor interest unsettled investors, although strong gains in March restricted the overall loss. Trade tensions and signs of slowing AI investment by US technology companies pulled down Taiwanese shares, while rallying bank stocks and GDP (gross domestic product) growth helped Singapore's market hit an all-time high.

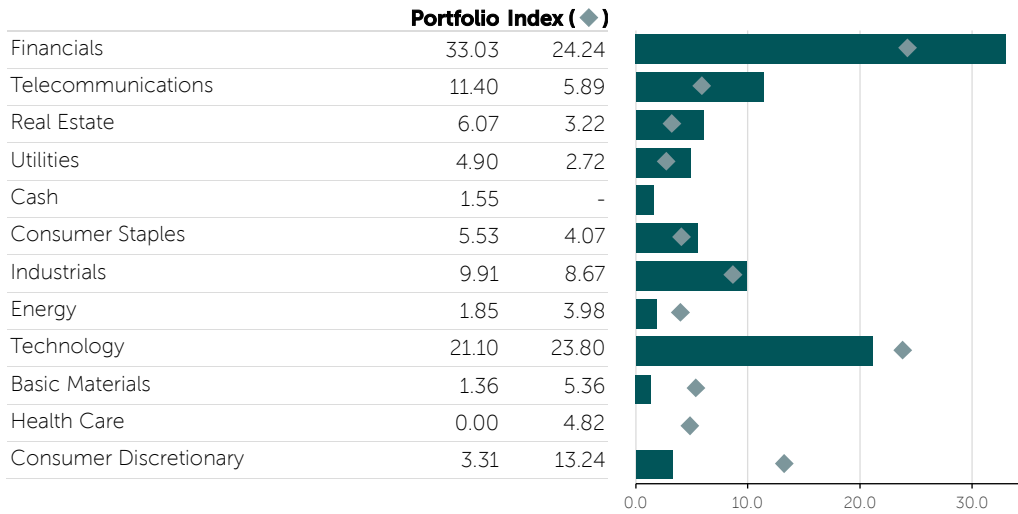
The strategy slightly underperformed its benchmark over the first quarter of 2025, driven by stock selection in the technology and telecommunications sectors. Having a notably underweight allocation to the consumer discretionary sector also detracted from relative returns. There was positive stock selection within the industrials sector, which partially offset the underperformance for the quarter. Individual detractors from relative returns included zero weightings in Chinese internet platforms Alibaba and Tencent, which cannot be held in the strategy owing to insufficient dividend yields.

At the stock level, strategy holdings that contributed positively to the quarterly return included Singapore Technologies Engineering and Hong Kong Exchanges and Clearing. Singapore Technologies Engineering released results at the end of the month that were well-received by investors. Notably, the return on equity, which measures how effectively a company is utilising investors' money to grow the value of the business, was ahead of its industry peers. Hong Kong Exchanges and Clearing performed well as expectations of increased trading volumes drove the share price. The stimulus measures announced in China last year are expected to start taking effect as they are implemented over the coming months. This should boost domestic markets and therefore trading volumes. South Korean telecommunications business KT Corporation performed well. The company continues to benefit from its recent strong profit growth due to its focus on AI initiatives.

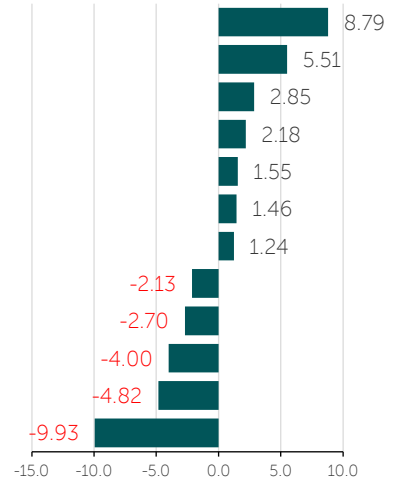
Stocks that detracted from performance included ITC, Bank Mandiri and Chroma. Indian fast-moving consumer goods (FMCG) company ITC saw its share price affected by the divestment of its hotel business, but was later helped by the positive implications from the Union Budget. Indonesia's Bank Mandiri suffered during the quarter due to negative sentiment after the Indonesian government announced the launch of a multi-billion-dollar sovereign wealth fund, Danantara. Bank Mandiri is state owned and is therefore likely to play a material role in the allocation of funds used to finance investment projects via Danantara. Details of the investment projects have been scant, which unnerved investors about the potential use of the banks' capital resources. Taiwanese electrical equipment manufacturer Chroma fell due to the unwinding of the recent positive run for AI-related businesses.

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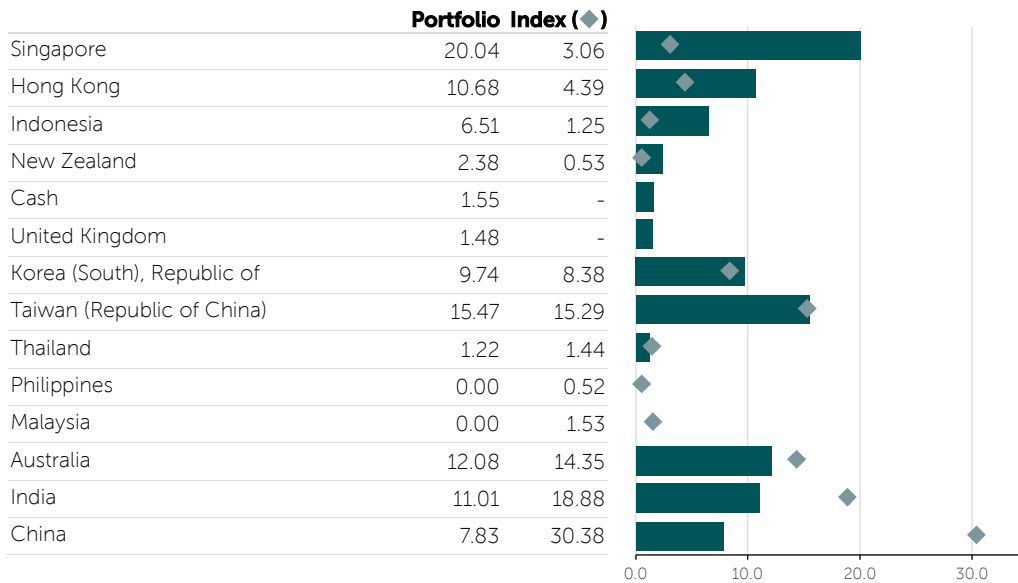
Sector positioning (absolute %)



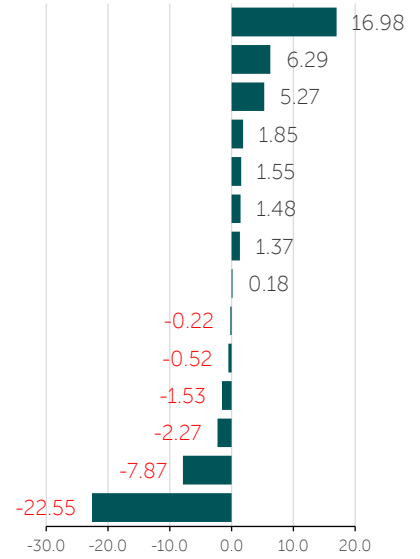
Sector positioning (relative %)



Country positioning (absolute %)



Country positioning (relative %)

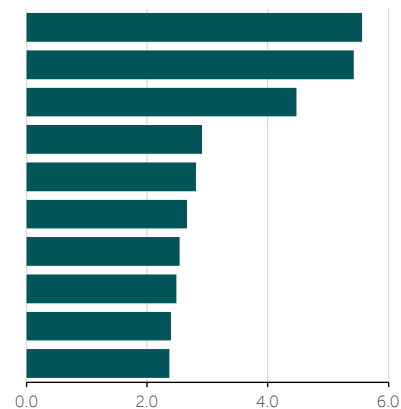


Source: Newton FactSet as at 31/03/2025. Portfolio details relate to a representative portfolio, BNY Mellon Asian Income Fund, which adheres to the same investment approach as the strategy. The strategy does not aim to replicate either the composition or performance of the performance benchmark.

Security positioning overweight/underweight (%)

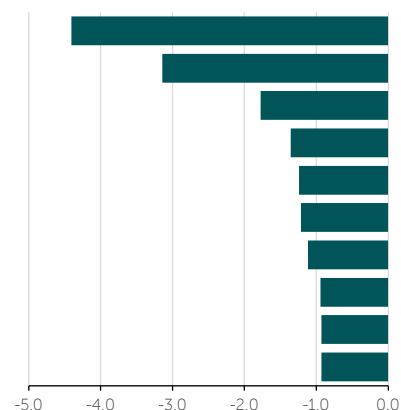
Top 10 overweight

	Portfolio	Index	Relative
Singapore Tech Engineering Ltd	5.65	0.09	5.56
DBS Group Holdings Ltd	6.21	0.78	5.42
ITC Ltd	4.64	0.16	4.48
AIA Group Ltd	3.82	0.91	2.91
Samsung Electronics Co Ltd	5.21	2.40	2.81
National Australia Bank Ltd	3.40	0.74	2.66
Bank Mandiri (Persero) Tbk PT	2.70	0.16	2.54
Link Real Estate Inv Trust	2.62	0.14	2.49
MediaTek Inc	3.09	0.70	2.39
Hong Kong Exchanges & Clearing	2.96	0.60	2.37



Top 10 underweight

	Portfolio	Index	Relative
Tencent Holdings Ltd	0.00	4.41	-4.41
Alibaba Group Holding Ltd	0.00	3.14	-3.14
Commonwealth Bank of Australia	0.00	1.77	-1.77
HDFC Bank Ltd	0.00	1.36	-1.36
Meituan	0.00	1.24	-1.24
XIAOMI CORP	0.00	1.21	-1.21
Reliance Industries Limited	0.00	1.12	-1.12
Pinduoduo Inc	0.00	0.94	-0.94
China Construction Bank Corp	0.00	0.93	-0.93
ICICI Bank Ltd	0.00	0.93	-0.93



Security positioning (absolute %)

Top 10 holdings

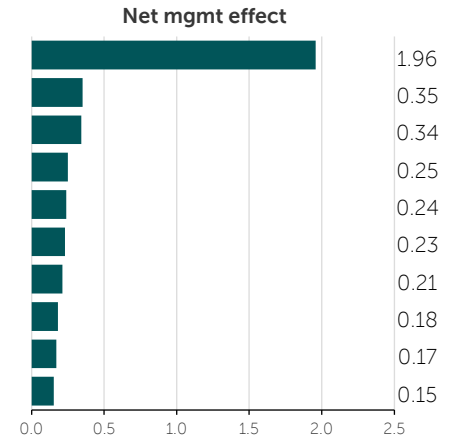
	Portfolio
Taiwan Semiconductor Manufacturing	8.04
DBS Group Holdings Ltd	6.21
Singapore Tech Engineering Ltd	5.65
Samsung Electronics Co Ltd	5.21
ITC Ltd	4.64
AIA Group Ltd	3.82
National Australia Bank Ltd	3.40
MediaTek Inc	3.09
Hong Kong Exchanges & Clearing	2.96
Bank Mandiri (Persero) Tbk PT	2.70

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Performance attribution by security top 10 (%) - 3 months

Security

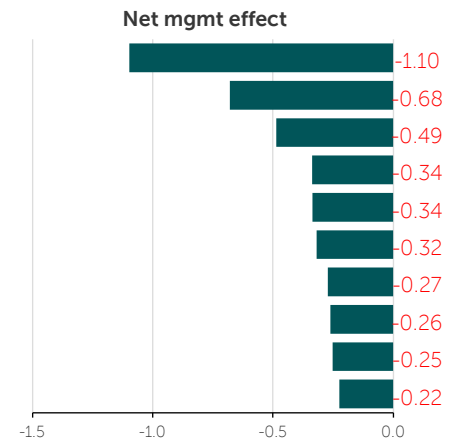
Singapore Tech Engineering Ltd
DBS Group Holdings Ltd
Hong Kong Exchanges & Clearing
KT Corporation
Link Real Estate Inv Trust
HSBC Holdings PLC
Parkway Life REIT
Tingyi (Cayman) Hldg Corp
Hon Hai Precision Industry Ltd
Singapore Exchange Ltd



Performance attribution by security bottom 10 (%) - 3 months

Security

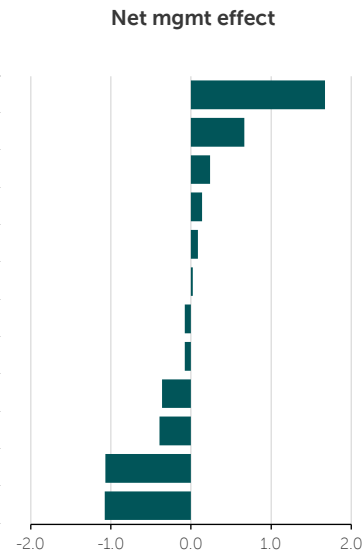
Alibaba Group Holding Ltd
Tencent Holdings Ltd
ITC Ltd
XIAOMI CORP
Bank Mandiri (Persero) Tbk PT
Chroma Ate Inc
Tata Consultancy Services Ltd
Telkom Indonesia (Persero) Tbk
National Australia Bank Ltd
ASE Technology Holding Co Ltd



Source: Newton FactSet as at 31/03/2025. Portfolio details relate to a representative portfolio, BNY Mellon Asian Income Fund, which adheres to the same investment approach as the strategy. The strategy does not aim to replicate either the composition or performance of the performance benchmark.

Performance attribution by sector (%) - 3 months

	Selection effect	Allocation effect	Net mgmt effect
Industrials	1.62	0.05	1.67
Real Estate	0.75	-0.09	0.67
Financials	0.02	0.22	0.24
Health Care	-	0.14	0.14
Cash	-	0.09	0.09
Energy	-0.02	0.04	0.02
Utilities	0.01	-0.09	-0.08
Basic Materials	-0.04	-0.04	-0.08
Telecommunications	-0.85	0.49	-0.36
Consumer Staples	-0.36	-0.03	-0.39
Technology	-1.26	0.20	-1.07
Consumer Discretionary	-0.09	-0.99	-1.08
Total	-0.25	-0.02	-0.27

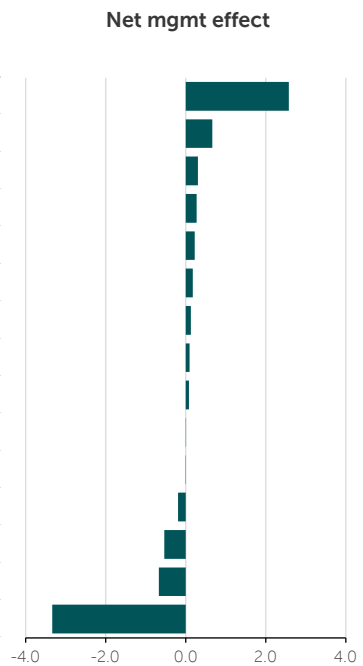


Sector returns (%) - 3 months

	Portfolio	Index
Industrials	12.97	-4.88
Real Estate	6.68	-5.06
Financials	0.30	0.21
Health Care	0.00	-4.91
Cash	-	-
Energy	-5.36	-4.05
Utilities	-5.94	-5.90
Basic Materials	-3.39	-0.99
Telecommunications	-0.87	6.97
Consumer Staples	-8.88	-2.76
Technology	-13.38	-8.45
Consumer Discretionary	4.13	8.16

Performance attribution by country (%) - 3 months

	Selection effect	Allocation effect	Net mgmt effect
Singapore	1.57	1.00	2.58
Hong Kong	0.48	0.18	0.66
Australia	0.23	0.08	0.31
Korea (South), Republic of	0.23	0.05	0.27
United Kingdom	-	0.23	0.23
Thailand	0.13	0.05	0.18
Malaysia	-	0.13	0.13
Taiwan (Republic of China)	0.10	-0.00	0.10
Cash	-	0.09	0.09
Philippines	-	0.01	0.01
United States	-	-0.01	-0.01
New Zealand	-0.02	-0.17	-0.19
Indonesia	0.22	-0.75	-0.53
India	-0.89	0.22	-0.67
China	-0.65	-2.71	-3.34
Total	1.39	-1.64	-0.27



Country returns (%) - 3 months

	Portfolio	Index
Singapore	12.55	4.06
Hong Kong	5.32	0.49
Australia	-3.50	-5.31
Korea (South), Republic of	4.36	1.93
United Kingdom	16.24	-
Thailand	-4.75	-14.45
Malaysia	0.00	-9.63
Taiwan (Republic of China)	-14.69	-15.09
Cash	-	-
Philippines	0.00	-3.33
United States	-	-1.65
New Zealand	-10.90	-10.09
Indonesia	-12.20	-15.13
India	-13.37	-6.05
China	0.22	10.97

Source: Newton FactSet as at 31/03/2025. Portfolio details relate to a representative portfolio, BNY Mellon Asian Income Fund, which adheres to the same investment approach as the strategy. The strategy does not aim to replicate either the composition or performance of the performance benchmark.

Transaction highlights

Purchases



Nari Technology

Industrials

A partially state-owned, publicly listed Chinese electronic manufacturing company that provides power and automation technologies, including the manufacture of high-power insulated transistors. Positive fundamental analysis led us to increase the strategy's holding.



Midea Group

Consumer discretionary

Chinese electrical appliance manufacturer that makes goods for domestic use as well as large-scale commercial installation, including Olympic stadiums. Recent underperformance enabled us to build this conviction holding to a fuller strategy weight.



Chroma

Industrials

Taiwanese electronic company that specialises in precision testing and measurement systems, and intelligent manufacturing systems. Share-price weakness provided the opportunity to increase the position at an attractive valuation.

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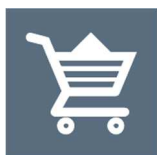
Transaction highlights

Sales



Chailease Financials

Taiwanese financing company that provides leases for commercial assets, including transportation, industrial and office-related equipment. The company is running a persistently high number of non-performing loans that has undermined our original investment rationale, so we exited the position.



ITC Hotels Consumer staples

Indian hotel management company, operating under the philosophy of 'responsible luxury' regarding the energy use and environmental design of its hotels. The business was a subsidiary of the strategy's holding in consumer staples company ITC Limited until it was demerged during the first quarter of 2025. We sold ITC Hotels as it does not meet the strategy's income criteria.



Singapore Technologies Engineering Industrials

A multinational technology and engineering group that provides solutions for aerospace, 'smart cities', defence and public security. After a run of recent strong performance, we reduced the holding back to a more suitable position size based on a lower yield. We continue to hold the stock for its exposure to the defence sector.

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Key risks

Newton Asian Equity Income Strategy

Past performance is not a guide to future performance. Your capital may be at risk. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Newton is not a tax expert and independent tax and/or legal advice should be sought.

Investment performance %

	Mar 24 to Mar 25	Mar 23 to Mar 24	Mar 22 to Mar 23	Mar 21 to Mar 22	Mar 20 to Mar 21
Newton Asian Equity Income Strategy - Net	2.63	7.99	-1.96	6.17	36.83
Newton Asian Equity Income Strategy - Gross	3.30	8.69	-1.32	6.86	37.72
Performance Benchmark*	6.66	4.47	-2.99	-4.30	44.78

Performance calendar years %

	YTD 2025	2024	2023	2022	2021
Newton Asian Equity Income Strategy - Net	-2.51	7.59	6.26	0.19	6.26
Newton Asian Equity Income Strategy - Gross	-2.35	8.28	6.95	0.84	6.95
Performance Benchmark*	-2.08	12.15	2.29	-5.88	-0.10

Source: Newton. As at 31/03/2025

Source: Newton FactSet, Newton Asian Equity Income composite. As at 31/03/2025. Performance is stated net and gross of management fees. The net-of-fee returns are calculated by deducting an annual management charge of 0.65% from the composite gross-of-fee returns. The impact of fees can be material. A fee schedule providing further detail is available upon request.

*FTSE AW Asia Pacific ex Japan is used as a comparator for this portfolio. The portfolio does not aim to replicate either the composition or the performance of the performance benchmark.

Risk factors

- **Objective/Performance Risk:** There is no guarantee that the strategy will achieve its objectives.
- **Currency Risk:** This strategy invests in international markets which means it is exposed to changes in currency rates which could affect the value of the strategy.
- **Geographic Concentration Risk:** The strategy primarily invests in a single market which may have a significant impact on the value of the strategy.
- **Derivatives Risk:** Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the strategy can lose significantly more than the amount it has invested in derivatives.
- **Emerging Markets Risk:** Emerging Markets have additional risks due to less-developed market practices.
- **Concentration Risk:** A fall in the value of a single investment may have a significant impact on the value of the strategy because it typically invests in a limited number of investments
- **Liquidity Risk:** The strategy may not always find another party willing to purchase an asset that the strategy wants to sell which could impact the strategy's ability to sell the asset or to sell the asset at its current value.
- **Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect ('Stock Connect') risk:** The strategy may invest in China A shares through Stock Connect programmes. These may be subject to regulatory changes and quota limitations. An operational constraint such as a suspension in trading could negatively affect the strategy's ability to achieve its investment objective.
- **High Yield Companies Risk:** Companies with high-dividend rates are at a greater risk of being able to meet these payments and are more sensitive to interest rate risk.
- **Counterparty Risk:** The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the strategy to financial loss.

Important information

This is a financial promotion and has been issued by Newton Investment Management Ltd. 'Newton' and/or 'Newton Investment Management' is a corporate brand which refers to the following group of affiliated companies: Newton Investment Management Limited (NIM), Newton Investment Management North America LLC (NIMNA) and Newton Investment Management Japan Limited (NIMJ). NIMNA was established in 2021 and NIMJ was established in March 2023. In the United Kingdom, NIM is authorised and regulated by the Financial Conduct Authority ('FCA'), 12 Endeavour Square, London, E20 1JN, in the conduct of investment business. Registered in England no. 01371973. NIM and NIMNA are both registered as investment advisors with the Securities & Exchange Commission ('SEC') to offer investment advisory services in the United States. NIM's investment business in the United States is described in Form ADV, Part 1 and 2, which can be obtained from the SEC.gov website or obtained upon request. NIMJ is authorised and regulated by the Japan Financial Services Agency (JFSA). All firms are indirect subsidiaries of The Bank of New York Mellon Corporation ('BNY').

Newton's assets under management are as of the most recent quarter end, unless noted otherwise. Newton's assets under management include assets collectively managed by NIM, NIMNA and NIMJ. In addition, AUM for Newton includes assets of bank-maintained collective investment funds for which Newton has been appointed sub-advisor, where Newton personnel act as dual officers of affiliated companies and assets of wrap fee account(s) for which Newton provides sub-advisory services to the primary manager of the wrap program.

Material in this publication is for general information only. The opinions expressed in this document are those of Newton and should not be construed as investment advice or recommendations for any purchase or sale of any specific security or commodity. Certain information contained herein is based on outside sources believed to be reliable, but its accuracy is not guaranteed.

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The FTSE AW Asia Pacific ex Japan index is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. The Newton Asian Equity Income Strategy composite includes any Newton managed segregated accounts that follow the strategy and the BNY Mellon Asian Income Fund.

Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

Newton claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions and/or list of Broadly Distributed Pooled Funds and/or a GIPS Report contact Newton at +44 (0)20 7163 9000 or write to Newton at contact@newtonim.com. Model Fees are used to calculate the strategy's net returns and performance returns include the reinvestment of dividends and other earnings. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Newton Asian Equity Income composite contains fully discretionary portfolios which invest in high yielding securities (securities which have a yield higher than the yield on the FTSE All World Asia Pacific ex Japan index) in the Asia Pacific region (with the exception of Japan) and for comparison purposes is measured against the FTSE All World Asia Pacific ex Japan.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" and "ICB®", are trade marks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The new "Industry Classification Benchmark" (ICB) framework adopted by FTSE indices in March 2021 is now reflected in the report.