

# New Star Cautious Portfolio Unit Trust

## Factsheet - October 2008

New Star Investment Funds, 1 Knightsbridge Green, London SW1X 7NE www.newstaram.com



### Fund objective

To achieve long-term capital growth. The portfolio will be cautious by ensuring that it is well diversified.

### Fund facts

at 30/09/08

**Launched**  
October 2005

**Bid price**  
45.22p

**Fund size**  
£59.30m

**IMA sector**  
Cautious Managed

**Type of units**  
Accumulation

### Minimum investment

**Lump sum**  
£1,000

**Subsequent**  
£100

**Regular savings**  
£100 (£50 per fund)

**Fund charges**  
Initial 5.00%  
Annual 1.35%

**Sedol number**  
B0K42R2

**OBSR rating**  
A

### Fund manager profile - Craig Heron

Craig has 12 years' experience in the investment management industry, having previously been Head of Managed Funds Research at Edinburgh Fund Managers. Prior to this he was Senior Research Analyst at Greig Middleton & Co. Craig's main focus is on fund analysis and manager selection. The New Star fund of funds team was voted 'Best Multi-Manager Group 2008' at the Professional Adviser Awards.



The objective of the fund changed on 27 June 2008 and all income units were converted to accumulation units on 1 August 2008. As a result income units are no longer available.

### Fund manager comment

The New Star Cautious Portfolio fell by 7%# during the third quarter of 2008 while the IMA Cautious Managed sector lost 5.8%#. The main underperformers within the portfolio were Geiger Counter, Algebra-Alpha MENA, BlackRock World Mining and New Star Sterling Bond. A positive contribution in relative and absolute terms, however, came from Stratton Street Renminbi Bond. The portfolio sold Atlantis China Fortune and the wheat exchange-traded fund. Weightings were reduced in Henderson Strategic Bond and Threadneedle UK Equity Alpha Income. Marlborough UK Equity Income was topped up and positions were opened in JPM Highbridge Statistical Market Neutral Hedge and Matrix Ascension Closed End.

### Portfolio breakdown at 30 September 2008

#### UK Equity

Marlborough UK Equity Income  
Threadneedle UK Equity Alpha Income

#### UK Fixed Interest

Henderson Strategic Bond  
New Star Extra High Yield Bond  
New Star Sterling Bond

#### Emerging Markets

Algebra-Alpha MENA

#### Global Bonds

Stratton Street Renminbi Bond

#### North America

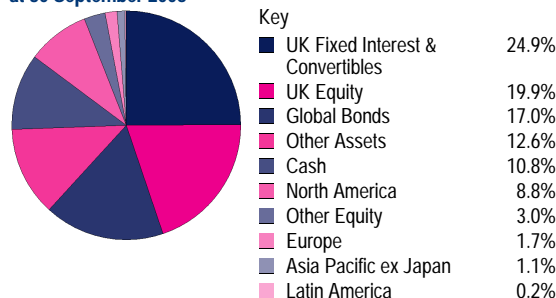
Financial Select Sector SPDR  
Oil Services HOLDRs Trust

#### Other

Acadian Timber Income  
BH Global  
BlackRock World Mining Trust  
City Natural Resources High Yield  
Geiger Counter  
Global Commodities Beta Plus  
Global Property Fund  
JPMorgan Highbridge Statistical Market Neutral Hedge  
Matrix Ascension Closed End  
New Star Financial Opportunities  
New Star International Property

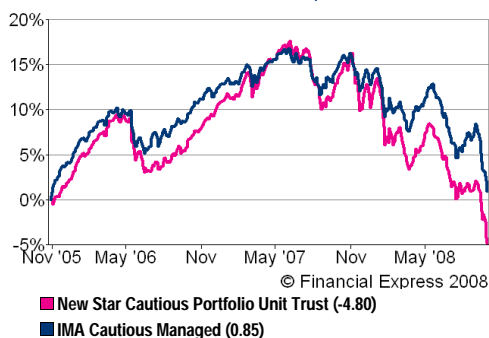
### Geographical allocation

at 30 September 2008



### Performance

Percentage growth, 28 October 05 to 30 September 08#.



### Cumulative performance to 30 September 2008#

	% Growth	% ACR†	Quartile‡
1 Yr	-15.87	-	4
3 Yrs	-	-	-
5 Yrs	-	-	-
Since launch	-4.80	-1.67	4

† Annualised compound return. ‡ 1st quartile means the fund is ranked in the top 25% of funds in its sector.

### Discrete annual performance#

	30/09/2003 to 30/09/2004	30/09/2004 to 30/09/2005	30/09/2005 to 29/09/2006	29/09/2006 to 28/09/2007	28/09/2007 to 30/09/2008
New Star Cautious Portfolio Unit Trust	-	-	-	6.0%	-15.9%

Past performance is not necessarily a guide to future performance.

#Performance figures are on a bid to bid basis, net income reinvested to 30/09/08 unless stated otherwise. Source: Lipper, except \*Bloomberg. OBSR ratings at 29/08/2008. The value of the fund's holdings and the income from them may fall as well as rise due to changing market conditions, and, where applicable, exchange rate movements. Investors may not get back the amount they originally invested when they sell their investment. Where investment is made in emerging markets their potential volatility may increase the risk to the value of the investment. The fund may use derivatives for the purposes of efficient portfolio management i.e. to reduce risk, reduce cost, or generate additional capital or income for the fund with an acceptably low level of risk. In addition, derivatives may be used for investment purposes which may lead to greater volatility in the price of the fund, but it is not likely to significantly increase the risk profile of the fund. Any costs in implementing derivative strategy will be charged to capital and may accordingly restrict capital growth. Investment in technology related stocks could be more volatile than investments in more traditional or longer established companies. Above average price movements can be expected. The opinions expressed here represent the views of the fund manager at the time of preparation and should not be interpreted as investment advice. If you have any doubts about the suitability of an investment, please contact your financial adviser. New Star Investment Funds is the trading name of New Star Investment Funds Limited, part of the New Star Marketing Group. New Star Investment Funds is not authorised to give investment advice and only provides information on New Star's products. The simplified prospectus and full prospectus for this fund are available from New Star on request. For your protection, telephone calls are recorded and may be monitored. Issued by New Star Investment Funds Limited. Authorised and regulated by the Financial Services Authority.