

New Star Global Equity Fund

Factsheet - October 2008

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



Fund aim

To achieve long-term growth in both capital and income at a higher rate than the MSCI World Index.

Fund facts

at 30/09/2008

Launched

July 1998

Mid price

71.49p (Inc) 75.91p (Acc)

Fund size

£32.39m

IMA sector

Global Growth

Type of shares

Accumulation/Income

XD date

1 October, 1 April

Income allocation/payment dates

31 January, 31 July

Minimum investment

Lump sum

£1,000

Subsequent

£100

Regular savings

£100 per month (£50 per fund)

Fund charges

Initial 5.00%

Annual 1.25%

Market capitalisation (%)

Mega	59.55
Large	31.36
Mid	2.74
Small	2.39

Sedol numbers

352637 (Accumulation)

349435 (Income)

Fund manager profile - Hitesh Thakrar

Hitesh Thakrar joined New Star in July 2004 to work on the New Star Technology Unit Trust. He has 14 years' investment experience and nine years in the IT industry. Previously, Hitesh held senior positions at Morley Fund Management, Dresdner Kleinwort Wasserstein and Fleming (JPMorgan). He holds a BSc from King's College in London, an MBA from Cranfield School of Management and has earned the right to use the Chartered Financial Analyst designation. Hitesh took over the management responsibility for the New Star Global Equity Fund on 1 May 2008.



Fund manager comment

Global equity markets were particularly hit hard in September, with the MSCI World Total Return Index falling by 9.8%. The underlying characteristics and prospects of companies were ignored as concerns about tight credit availability, worsening economic data and the insolvency of Lehman Brothers dominated investor sentiment. The New Star Global Equity Fund fell by 11.9%, proving to be slightly more resilient than the IMA Global Growth sector, which shed 12.5%. With global economic conditions deteriorating rapidly, the oil price fell a further 13.1%, leading to a 29.8% drop in the basic resources sector. The most resilient sectors were healthcare and retailing, which both fell 8%.

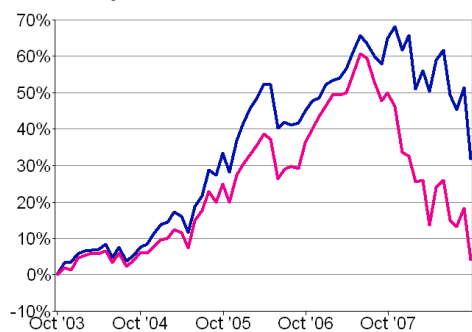
The fund continued last month to reduce its weighting in energy stocks and increase its exposure to healthcare in response to analysts' earnings revisions. Among the fund's holdings, BHP Billiton, the world's largest mining company, received clearance from the Australian regulator for its proposed acquisition of Rio Tinto. Bank of America agreed to acquire Merrill Lynch as the credit crisis threatened another of America's oldest financial institutions. Amgen, meanwhile, presented some strong trial data for its new drug for osteoporosis. The study showed that the drug could safely prevent spine and hip fractures. This data added to expectations that the drug could become a blockbuster.

The third quarter earnings season opens in October, with investors focusing on the outlook for the remainder of 2008. Amid signs of global economic slowdown, the attention is likely to be on the speed at which companies' profits are declining.

Top 10 holdings	(%)	Top 10 countries	(%)	Top 10 sectors	(%)
JPMorgan Chase & Company	2.31	United States	53.00	Banks	18.82
Procter & Gamble	2.28	United Kingdom	12.60	Pharmaceuticals & Biotech	13.07
Amgen	2.11	Japan	6.04	Technology Hardware & Equipment	6.97
AstraZeneca	2.07	Switzerland	5.92	Oil & Gas Producers	6.47
Goldman Sachs Group	2.01	Canada	4.95	Software & Computer Services	4.92
Roche Holding	2.00	France	4.01	Financial Services	4.01
Novartis	1.92	Germany	2.15	Media	3.96
ITT Industries	1.91	Spain	1.37	Household Goods	3.30
Wal Mart Stores	1.81	Channel Islands	1.37	General Retailers	2.69
McDonalds	1.79	Bermuda	1.23	Travel & Leisure	2.69
Total number of holdings	80			Cash & other	3.96%

Performance

Accumulation shares percentage growth, 30 September 03 to 30 September 08. Source: Lipper, mid-mid, UK basic rate, based in UK sterling.



■ New Star Global Equity Fund (4.21)
■ IMA Global Growth (31.88)

Past performance is not necessarily a guide to future performance.

Sector ranking	Sector position	Quartile ranking†
Since transfer 31/10/2003†	147/147	4th
6 months	39/194	1st
1 year	184/187	4th
3 years	160/160	4th
5 years	147/147	4th

Source: Lipper, mid-mid, accumulation shares, net income reinvested at 30/09/08.

† Since transfer from Edinburgh to New Star. † 1st quartile means the fund is ranked in the top 25% of funds in its sector.

Discrete year performance	Fund performance
30/09/2003 to 30/09/2004	6.2%
30/09/2004 to 30/09/2005	17.6%
30/09/2005 to 29/09/2006	9.0%
29/09/2006 to 28/09/2007	10.2%
28/09/2007 to 30/09/2008	-30.6%

Source: Lipper, mid-mid, accumulation shares, net income reinvested.

*Performance figures are on a mid-mid basis, accumulation shares, net income reinvested to 30/09/08. Source: Lipper, except company performance from Datastream. The value of investments and the income from them may fall as well as rise. Investors may not get back the amount they originally invested. The New Star Global Equity Fund invests in securities outside the UK. The value of investments may therefore increase or decrease as a result of changes in exchange rates between currencies. Half of the annual management charge of the New Star Global Equity Fund is taken from capital; this may result in capital erosion of the initial investment. 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. The simplified prospectus and full prospectus for this fund are available from New Star on request. 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. Issued by New Star Investment Funds Limited. Authorised and regulated by the Financial Services Authority.