

# New Star Indian Equity Fund

## Factsheet – October 2008

New Star Asset Management, 1 Knightsbridge Green, London SW1X 7NE www.newstaram.com



### Fund aim

To achieve medium to long-term capital growth. The fund will invest principally in equity and equity related securities of Indian companies.

### Fund facts at 30/09/2008

#### Launched

July 2008

#### Base currency

US dollar

#### Mid price

457p

#### Fund size

\$20.44m

#### IMA sector

N/A

#### Type of shares

Income

#### XD date

1 April

#### Income reinvestment date

31 July

#### Minimum investment

##### Lump sum

£3,500

##### Subsequent

£500

#### Fund charges

**Initial** 5.00%

**Annual** 1.50%

**Launch estimated total expense ratio** 2.80%

#### Sedol number

B3D3TT8

### About Tata Asset Management (Mauritius) Private Limited and Tata Asset Management Limited

To take advantage of India's exceptional growth potential New Star has formed a joint venture with Tata Asset Management (Mauritius) Private Limited, a 100% subsidiary of Tata Asset Management Limited, one of India's fastest growing asset management groups, to offer the New Star Indian Equity Fund.

Tata Mauritius is part of the Tata Group, one of India's largest private-sector conglomerates and one of the country's most trusted companies, with the highest reputation for integrity and professionalism. Its reach stretches far beyond India, with operations in more than 80 countries. In the UK, it is probably best known for its acquisition of Corus, the steel manufacturer, in 2007 and its recent acquisition of Jaguar and Land Rover.

### Fund manager comment

Indian equities fell during September, with the Sensex and Nifty indices losing 11.7%\* and 10%\* respectively. The continuing fall-out from the global credit crisis triggered a rise in risk aversion, hitting short-term capital flows into emerging markets. The New Star Indian Equity Fund used the sell-off to add to holdings and ended September nearly 90% invested.

Large stocks outperformed their smaller rivals. Automobiles and parts, banking and oil and gas were among the strongest sectors while pharmaceuticals, computer software, metals and power lagged. The fund increased its exposure to oil and gas, telecommunications, software and pharmaceuticals.

Although India's stockmarket is not immune from the global crisis, there are several factors that provide a degree of protection. While economic data in other countries were in retreat, India recorded a 7.1% annual rise in rate of industrial production in July, up from 5.4% in June. Also, the Indian financial system does not face the leverage issues that have affected the West, with many companies arguably under-leveraged on a historic basis and the consumer market immature in terms of credit penetration. One positive influence was the government's decision to ease overseas borrowing rules for infrastructure companies.

The Reserve Bank of India's monetary policy will be watched keenly, with money market conditions tight and inflation expected to decrease over the coming months. Even if the most pessimistic forecasts for gross domestic product growth of between 6.5% and 7% year-on-year are correct, India's economy would still be among the fastest growing in the world.

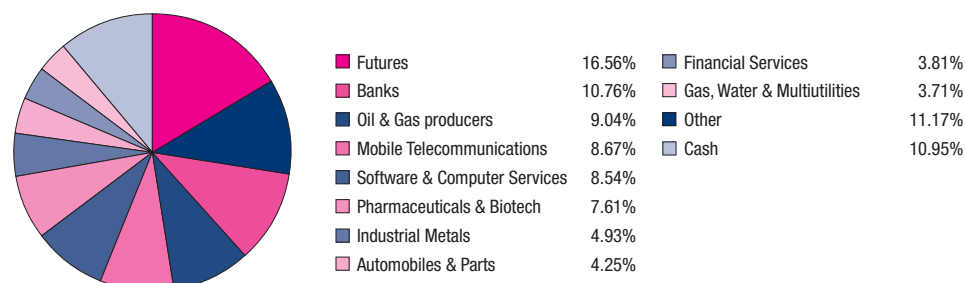
### Top 10 holdings

	%
Financials Futures (CNX Nifty October 08)	16.56
Bharti Airtel	7.44
Infosys Technologies	6.18
HDFC Bank	5.57
Cipla	4.33
GAIL	3.66
Sun Pharmaceuticals	3.28
Exide Industries	3.16
Reliance Industries	3.08
ICICI Bank	3.02
<b>Total number of holdings</b>	<b>32</b>

### Performance

The Financial Services Authority's rules on financial promotions do not permit the publication of past performance information unless it exists for the previous 12 months. Historic prices for New Star funds are available at [www.newstaram.com](http://www.newstaram.com).

### Sector allocation



\*Performance figures are on a capital return basis to 30 September 2008. Source: Datastream. Past performance is not necessarily a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount originally invested. The fund invests in securities outside the UK, the value of investments may therefore increase or decrease as a result of changes in exchange rates. The fund invests in stocks from a single geographic region, which can lead to more volatility. Where investment is made in emerging markets their potential volatility may increase the risk to the value of the investments. An average UK OEIC fund will invest in 80 to 150 different companies, however, the New Star Indian Equity Fund typically holds more of a concentrated portfolio. While increasing potential reward, the nature of this fund can increase risk. As such, the fund may be more volatile and will be impacted more by fluctuation in the value of the underlying stocks. The New Star Indian Equity Fund is a Luxembourg-based SICAV compliant with UCITS and recognised in the UK under Section 264 of the Financial Services and Markets Act 2000. There will be no right to cancel any agreement to purchase shares under section 6.7 of the UK Financial Services Conduct of Business Sourcebook. Compensation will not be available under the UK Financial Services Compensation Scheme and access to the Financial Ombudsman Service may be limited. This document is provided for the purpose of information only. The opinions expressed here represent the views of the investment adviser at the time of preparation and should not be interpreted as investment advice. The simplified prospectus and full prospectus for this fund are available from New Star on request. New Star is not authorised to give investment advice and only provides information on products offered by the New Star Asset Management Group. Issued by New Star Asset Management Limited (New Star). Authorised and regulated by the Financial Services Authority.