

New Star Money Market Unit Trust

Factsheet - July 2008

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



Fund aim

To achieve a high level of return consistent with a high degree of capital security. The fund will invest principally in short-term deposits and other money market instruments.

Fund facts at 30/06/2008

Launched
December 1998

Bid price
137.77p

Fund size
£8.70m

IMA sector
Money Market

Type of units
Accumulation

XD date
1 Jan, 1 July

Income allocation date
28 February, 31 August

Income yield +
5.01%

Minimum investment

Lump sum
£1,000

Subsequent
£100

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

Fund charges

Initial 0.00%
Annual 0.50%

Fund manager profile - Nigel Marsh

Nigel Marsh became a member of the New Star fixed income team in 2004 when the funds that he managed were transferred from Pavilion to New Star. Prior to joining Pavilion as a fund manager in 2000, he was a broker at ABN AMRO for six years. Nigel took charge of the New Star Money Market Unit Trust on 7 September 2007.



Fund manager comment

Stresses within the financial sector continued throughout the second quarter of 2008, with three-month sterling LIBOR, having peaked at just above 6% at the end of the first quarter, remaining at elevated levels of approximately 0.75 percentage points above base rate.

The Bank of England Monetary Policy Committee cut its rate by a quarter percentage point to 5% at its April meeting, judging that the reduction was necessary to meet the 2% target for Consumer Prices Index inflation in the medium term. There was, however, an acknowledgement that inflation would rise further this year, reflecting the impact of higher energy and food prices. The inflation outlook continued to deteriorate throughout the quarter to such an extent that the Bank admitted in its May Quarterly Inflation Report that inflation would accelerate and exceed the government's 3% limit for several quarters.

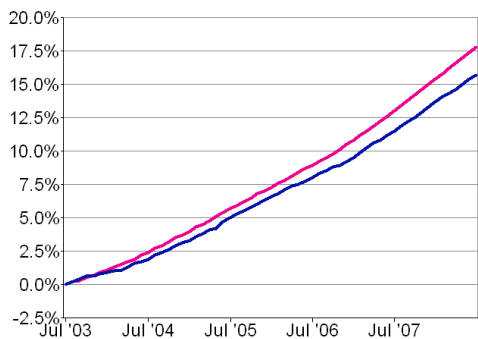
Despite further rises in food and oil prices, UK retail sales figures for May confirmed a record month-on-month increase of 3.5%, bringing the annual rate to 8.1%, a percentage rise that surprised investors. Inflation also accelerated in May to 3.3% and the Bank predicted that inflation would exceed 4% by the end of the year.

Over the quarter, the New Star Money Market Unit Trust continued to take advantage of high LIBOR rates, locking in higher yields through investments in deposits with longer maturities because the downside risks to growth are likely to outlast the current rise in inflation, resulting in the Bank reverting to an easing bias during 2009.

Principal deposits	(%)
Bank of America 5.10% 01/07/2008	15.53
HSBC 5.15% 01/07/2008	12.77
Dresdner 5.45% 18/07/2008	11.78
Dresdner 5.36% 20/10/2008	11.77
Bank of Scotland 5.87% 16/07/2008	6.98
Bank of Scotland 5.78% 20/08/2008	6.94
Barclays 6.10% 05/06/2009	5.77
Société Générale 5.80% 12/09/2008	5.76
Barclays 5.80% 07/10/2008	4.89
Royal Bank of Scotland 5.90% 30/09/2008	3.50
Total number of holdings	15

Performance

Percentage growth, 30 June 03 to 30 June 08.
Source: Lipper, bid-bid, UK basic rate, based in UK sterling.



■ New Star Money Market Unit Trust (17.80)
■ IMA Money Market (15.70)

Sector ranking	Sector position	Quartile ranking†
Since transfer 01/09/2003†	16/26	3rd
6 months	10/30	2nd
1 year	14/29	2nd
3 years	15/27	3rd
5 years	16/26	3rd

Source: Lipper, bid-bid, net income reinvested at 30/06/08.
† Since transfer from Exeter to New Star.
‡ 1st quartile means the fund is ranked in the top 25% of funds in its sector

Discrete year performance	Fund performance
30/06/2003 to 30/06/2004	2.4%
30/06/2004 to 30/06/2005	3.2%
30/06/2005 to 30/06/2006	3.1%
30/06/2006 to 29/06/2007	3.7%
29/06/2007 to 30/06/2008	4.3%

Source: Lipper, bid-bid, net income reinvested.

Market capitalisation (%)	
Large	n/a
Mid	n/a
Small	n/a

Sedol number
0444051

Past performance is not necessarily a guide to future performance.

+Yield is net of charges and gross of tax and is not guaranteed. The New Star Money Market Unit Trust does not invest in stocks and shares. Instead it invests in money market assets, which include deposits with banks and other financial institutions. Since interest rates fluctuate, the New Star Money Market Unit Trust's return will also fluctuate. Although money market assets do not fluctuate in value during the period of investment, if an institution with which money is placed were to default, you may not get back the amount you have invested and may not be covered in the scope of any investor compensation scheme. This document is provided for the purpose of information only. The opinions expressed here are the fund manager's at the time of production and should not be interpreted as investment advice. Any income allocated has tax deducted at a rate of 20%. 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.