

# New Star UK Strategic Capital Unit Trust

## Factsheet - October 2008

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



### Fund aim

To achieve capital growth. The fund will invest principally in the UK in a managed portfolio of investment trust shares and other closed-ended vehicles.

### Fund facts

at 30/09/08

#### Launched

April 1989\*\*

#### Bid price

227.28p

#### Offer price

239.86p

#### Fund size

£46.73m

#### IMA sector

UK All Companies

#### XD dates

1 October, 1 April

#### Income allocation dates

30 November, 31 May

#### Type of units

Accumulation

#### Minimum investment

Lump sum

£1,000

#### Subsequent

£100

#### Regular savings

£100 (£50 per fund)

#### Fund charges

Initial 5.00%

Annual 1.25%

#### Sedol number

B19FM28

### Fund manager profile - Paul Craig

Paul Craig joined New Star in 2003. He has 20 years' investment experience, including 10 years gained at Exeter Investment Group. At Exeter he focused on managing investment trust shares and portfolios. He employs a 'bottom-up' process in identifying securities, overlaid with a 'top-down' view of general economic trends.



### Fund manager comment

During the three months to end September 2008, the New Star UK Strategic Capital Unit Trust fell 16.3%\* while the IMA UK All Companies sector lost 13.8%\*. UK equities were weak and volatile as the credit crisis worsened, causing exceptional damage to the global banking industry. In the UK, Bradford & Bingley and HBOS lost their independence although the ramifications for bond and equity holders depended on which bank was owned. The mining sector also remained under pressure amid fears of a serious slowdown in the developing economies and an unwinding of leveraged commodity trading. Volatility was particularly severe. In September, the FTSE 100 Total Return Index fell 12.9%\*, its worst monthly performance since 1987, while the 5.3%\* decline on 29 September was the eighth biggest single-day fall on record. Against this background, the fund sustained losses as a result of falling net asset values and widening discounts among closed-end funds.

### Asset allocation

at 30 September 2008	%
General market exposure	47.2
UK growth	37.2
Europe	6.6
Asia	3.4
Alternative asset classes	51.5
Private equity	26.0
Property	8.5
Life sciences and Technology	4.2
Alternative energy	6.0
Commodities	5.2
Fixed interest	1.6
Cash	1.3

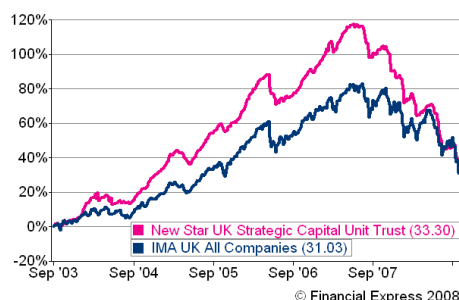
### Top 10 holdings

at 30 September 2008	%
New Star Private Equity	9.6
HgCapital	7.2
Renewable Energy Generation	6.0
Hansa	4.7
Rights & Issues	4.6
Advance UK	4.2
North Atlantic Smaller Companies	4.1
SR Europe	3.4
City Natural Resources	3.4
Montanaro UK Smaller Companies	3.2

### Thematic components

at 30 September 2008	%
Core portfolio trusts	36.3
Targeted asset classes	27.4
Star fund manager trusts	26.6
Discount contraction	6.8
Lower volatility value	1.6
Cash	1.3

### Performance\* Since transfer††



Performance figures are on a bid to bid basis, UK sterling, net income reinvested from 01.09.03 to 30.09.08 Source: Lipper.  
†† Since transfer from Exeter to New Star.

### Cumulative performance to 30 September 2008\*

	% Growth	% ACR†	Quartile
Since launch (17/04/89)**	385.12	8.45	1
1 Yr	-34.15	-	4
3 Yrs	-16.42	-5.80	4
5 Yrs	33.73	5.98	3
Since transfer (01/09/03)††	33.30	5.82	2

† Annualised compound return. †† Since transfer from Exeter to New Star.

### 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 UK Strategic Capital Unit Trust	20.2%	33.1%	13.4%	12.0%	-34.2%

Past performance is not necessarily a guide to future performance.

\*Please note that fund, index and sector performance statistics are all supplied by Lipper and are on a bid to bid basis with net income reinvested at 30/09/08 unless otherwise stated.

\*\*Originally launched on 17 April 1989 the fund merged into a new Unit Trust, specifically set up for the purposes of the merger, on 1 September 2006. The value of investments and any income from them may fall as well as rise and investors may not get back the amount originally invested. Although the New Star UK Strategic Capital Unit Trust invests primarily in the UK, some of its holdings' assets may be affected by currency exchange rates. The fund will include investments in various different share classes of split capital investment trust companies and other highly geared shares. Such companies employ borrowing to 'gear up' the assets with the aim of enhancing returns. Where this occurs, shares in such companies will rank after such borrowings, and should those companies' assets fall in value, their ability to pay their shareholders may be affected. You should note that as a result of investing in companies that employ gearing, the price of the fund may be more volatile and could be subject to sudden and large falls in value. As the fund invests in such share classes, it may be regarded as higher risk. If you have any doubts about the suitability of an investment, please contact your financial adviser. The opinions expressed here are solely those of the fund manager at the time of production and should not be interpreted as investment advice. For full details of the fund, including relevant risk factors, please read the simplified prospectus document. 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. 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. For the latest information on New Star funds please visit our website www.newstaram.com.