

# New Star Japan Recovery Fund

Irish authorised OEIC, UCITS III compliant  
at 28 November 2008

www.newstaram.com



## Fund managers



Chris Burling

Andrew Gibbs

## Fund statistics

All information in this factsheet refers to the US\$ retail share class. The retail € and £ share classes are currently closed to new investors.

### NAV (per share)

|            |          |
|------------|----------|
| US\$ class | US\$4.04 |
| € class†   | €3.26    |
| £ class    | £4.87    |

†First trading date for € class: 02.09.03

Fund size US\$10.6m

### Market capitalisation

|                            |       |
|----------------------------|-------|
| Large (>US\$10bn)          | 65.8% |
| Mid (>US\$5bn & <US\$10bn) | 16.2% |
| Small (<US\$5bn)           | 18.0% |

## Fund at a glance

### Fund aim

Long-term capital growth principally through investments in Japanese companies.

### Investment style

- Alpha generation driven through bottom-up stock selection
- Using proprietary research with a focus on careful fundamental analysis to provide a balance of strategic and tactical holdings
- Portfolio typically holds 50 to 60 stocks that are likely to offer superior capital gains

|                                |                             |
|--------------------------------|-----------------------------|
| Launch date                    | 16.08.2002                  |
| Base currency                  | US dollar                   |
| Minimum investment and holding | US\$5,000, €5,000 or £3,500 |
| Management fee                 | 1.75% per annum             |
| Subscription fee               | up to 5.25%                 |
| Redemption/switching fees      | Nil                         |
| Valuations                     | Daily                       |
| Subscriptions/redemptions      | Daily                       |

NAV Publications FT, Morningstar, www.newstaram.com

ISIN USD: IE0031947397  
GBP: IE0031947405  
EUR: IE0033555701

Bloomberg NSJAPRD ID

Sedol 3194739

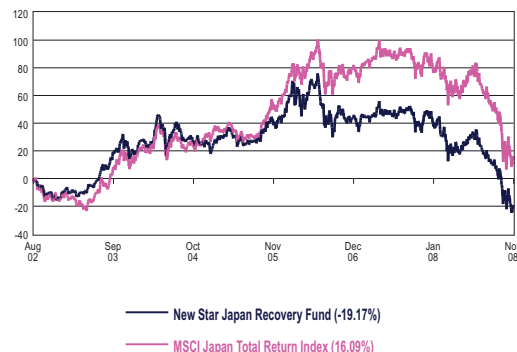
Valor 1638430

Registration Ireland, Spain, Italy, France, Switzerland, Netherlands, Malta, Denmark, Sweden, Finland, Luxembourg, Hong Kong, Singapore†

## International Investment Services

Phone: +353 1 475 8000  
Email: dublin@newstaram.com

## Performance since launch (%)



## Performance overview (%)

|                                      | November 2008 | Year to date | 1 year | 3 years | 5 years | Since Launch |
|--------------------------------------|---------------|--------------|--------|---------|---------|--------------|
| US\$ class                           | -4.28         | -39.96       | -43.31 | -44.11  | -31.83  | -19.17       |
| € class †                            | -4.46         | -31.12       | -34.71 | -48.58  | -35.22  | -34.88       |
| £ class                              | 0.80          | -22.10       | -24.03 | -37.57  | -19.49  | -2.62        |
| MSCI Japan Total Return Index (US\$) | -1.25         | -34.44       | -37.04 | -27.45  | 4.08    | 16.09        |

|                                      | 2007   | 2006   | 2005  | 2004  | 2003  |
|--------------------------------------|--------|--------|-------|-------|-------|
| US\$                                 | -6.66  | -9.24  | 24.00 | 3.33  | 37.96 |
| € class †                            | -15.80 | -18.81 | 42.49 | -7.44 | N/A   |
| £ class                              | -8.24  | -20.26 | 38.67 | -2.52 | 39.80 |
| MSCI Japan Total Return Index (US\$) | -4.14  | 6.30   | 25.60 | 16.00 | 36.20 |

† First trading date for € class: 02.09.2003

## Risk characteristics

|                                      | Alpha | Beta | Tracking error* | Correlation | Sharpe ratio* | Standard deviation (%)* |
|--------------------------------------|-------|------|-----------------|-------------|---------------|-------------------------|
| New Star Japan Recovery (US\$)       | -0.48 | 0.94 | 6.95            | 0.92        | -0.34         | 17.13                   |
| MSCI Japan Total Return Index (US\$) | 0.00  | 1.00 | -               | 1.00        | 0.01          | 16.64                   |

\*Annualised figures

## Peer group analysis

|                    | November 2008 | Year to date | 1 year  | 3 years | 5 years | Since Launch |
|--------------------|---------------|--------------|---------|---------|---------|--------------|
| Position in sector | 248/278       | 181/266      | 187/263 | 170/195 | 136/139 | 116/122      |
| Quartile ranking   | 4th           | 3rd          | 3rd     | 4th     | 4th     | 4th          |

Sector: Lipper Global Equity Japan

## Top 10 holdings (%)

|                          |      |
|--------------------------|------|
| TOYOTA MOTOR             | 5.51 |
| MITSUBISHI UFJ FINANCIAL | 4.25 |
| TAKEDA PHARMACEUTICAL    | 4.17 |
| INPEX                    | 3.77 |
| EAST JAPAN RAILWAY       | 3.72 |
| TERUMO                   | 3.38 |
| MITSUBISHI ESTATE        | 3.24 |
| NTT DOCOMO               | 3.08 |
| MITSUBISHI               | 2.88 |
| JAPAN TOBACCO            | 2.85 |

TOTAL HOLDINGS 44

## Sector breakdown (%)

|                        |       |
|------------------------|-------|
| FINANCIALS             | 18.63 |
| INFORMATION TECHNOLOGY | 18.16 |
| INDUSTRIALS            | 12.46 |
| CONSUMER DISCRETIONARY | 10.03 |
| CONSUMER STAPLES       | 9.45  |
| HEALTHCARE             | 8.74  |
| TELECOMMUNICATIONS     | 8.02  |
| MATERIALS              | 4.96  |
| ENERGY                 | 4.86  |
| UTILITIES              | 2.52  |

CASH 2.17%

## Fund management commentary

The MSCI Japan Total Return Index lost 1.25% in dollar terms during November while the New Star Japan Recovery Fund fell 4.28%. Defensive sectors such as telecommunications, healthcare and food, beverage and tobacco continued to provide a measure of resilience. Diversified financial stocks performed poorly, however, along with automobiles and components and insurance.

During a difficult month, the largest positive contributor to the fund's performance was Secom, which announced a share buyback. Inpex also performed well following a rally in crude oil prices. The company has won exploration rights to an offshore field in Indonesia. Toyota, however, was the biggest drag on performance after forecasting a large profits fall due to a global contraction in demand.

Among portfolio changes, Ricoh was sold because the deterioration in demand for office equipment looked set to continue. The fund's defensive holdings were increased with the purchase of Asahi Breweries.

Japan's stockmarket continued to outperform other major markets in like currency terms last month. Equities moved on international news during November rather than domestic results or economic indicators. Shares began November with a rally in anticipation of an Obama victory in the US and a fresh policy approach in Washington. Japanese equities faltered, however, after Toyota cut its full-year forecast. The declines were not helped by concerns about the US Big Three carmakers and whether the government would bail them out. The Citigroup rescue along with economic stimulus measures announced in Europe and China provided some relief for the market towards the month end.

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