

New Star Tri-Star Unit Trust

Factsheet - August 2007

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



Fund aim

To provide a combination of income and capital growth, investing in three types of assets - UK equities, bonds and UK commercial property.

Fund facts

at 31/07/2007

Launched

July 2006

Bid price

47.53p (Inc) 49.28p (Acc)

Fund size

£33.93m

IMA sector

Cautious Managed

Type of units

Accumulation/Income

XD date

2 June, 2 December

Income allocation/payment dates

1 August, 1 February

Income yield*

4.41%

Minimum investment

Lump sum

£1,000

Subsequent

£100

Regular savings

£100 per month (£50 per fund)

Fund charges

Initial 5.00%

Annual 1.35%

Fund manager profile - Gregor Logan

Gregor Logan, New Star's Joint Chief Investment Officer and lead manager of the New Star Tri-Star Unit Trust, joined New Star in 2004. He has 29 years' investment experience. Gregor was previously Chief Investment Officer of Pavilion Asset Management and MGM Assurance, prior to which he worked for 13 years at Fidelity International. Stock selection in the asset classes of the Tri-Star Unit Trust is managed by talented New Star fund managers: Stephen Whittaker and Edward Collins for UK equities, James Gledhill for bonds and Roger Dossett for commercial property. Edward Collins becomes solely responsible for the UK equity portfolio on 1 September 2007.



Fund manager comment

Fears of a credit crunch resulting from the sub-prime lending woes in the US led to substantial selling of global equities in July. UK equity indices declined, with the FTSE All-Share Total Return Index falling 3.3%#. Unlike in June, however, government bond prices rose and yields fell as investors sought safe havens for their cash.

The yields on 10-year gilts fell from a fresh high for 2007 of 5.54% early in the month to 5.2%. European high-yield corporate bond spreads widened significantly and ended the month 1.21 percentage points higher. Fears of large supply and the prospect of a widespread liquidity crunch were the biggest causes. A number of deals have already been pulled or postponed, leaving investment banks with large exposures to corporate bonds and loans. The underlying health of companies remains strong, however, with default rates low, earnings continuing to exceed expectations and the global economic environment still positive. Many of the New Star Tri-Star Unit Trust's equity holdings fell, with the biggest declines in insurance, banking and housebuilding stocks as a result of interest rate and credit fears. By contrast, the fund's holdings in Imperial Chemical Industries and Xstrata performed relatively well. The New Star Property Unit Trust moved onto a "bid" pricing basis following net redemptions during the month. Whilst the underlying net asset value of the Property Unit Trust was not affected, the price at which investors could redeem units was reduced by 4.1%. This reduction in the bid price of Property Unit Trust units will only be suffered by investors who sell while the fund remains on a "bid" basis. The Tri-Star Unit Trust will retain its existing exposure to commercial property through continued investment in the New Star Property Unit Trust. When the Property Unit Trust returns to an "offer" basis, the bid price will be adjusted upwards accordingly.

#Performance figures are on a bid-bid basis, net income reinvested to 31/07/07. Source: Lipper.

Top 10 holdings

	(%)
New Star Property Unit Trust	31.13
BP	1.52
Edcon FRN 2014	1.37
UK Treasury 4% 2016	1.23
Cookson Group	1.03
Merrill Lynch 5.75% 2014	1.00
Tanfield	0.99
Abbot Group	0.98
Reed Elsevier	0.97
Centrica	0.94

Total number of holdings

109

Top 10 sectors

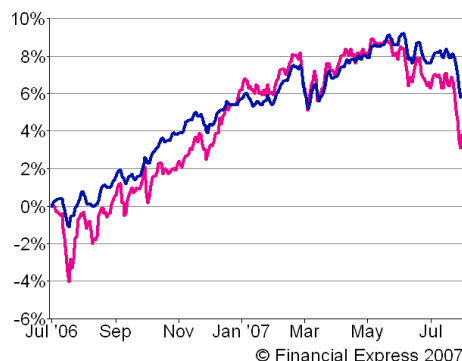
	(%)
Non Equity Investment Instruments	31.13
Oil & Gas Producers	2.97
Life Insurance	2.93
General Industrials	2.52
Banks	2.26
Support Services	1.82
Software & Computer Services	1.80
Media	1.74
Household Goods	1.63
Gas Water & Multi-utilities	1.61

Cash

3.97%

Performance

Accumulation shares percentage growth, 03 July 06 to 31 July 07. Source: Lipper, mid-mid, UK basic rate, based in UK sterling.



■ New Star Tri-Star Unit Trust (3.75)
■ IMA Cautious Managed (5.98)

Past performance is not necessarily a guide to future performance.

Sector ranking	Sector position	Quartile ranking‡
Since launch 03/07/2006	70/86	4th
6 months	92/96	4th
1 year	59/87	3rd
3 years	n/a	n/a
5 years	n/a	n/a

Source: Lipper, mid-mid, net income reinvested at 31/07/07.

Discrete year performance	Fund performance
30/06/2006 to 29/06/2007	n/a
30/06/2005 to 30/06/2006	n/a
30/06/2004 to 30/06/2005	n/a
30/06/2003 to 30/06/2004	n/a
28/06/2002 to 30/06/2003	n/a

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

Asset split (%)

Equity	31.38
Bond	33.52
New Star Property Unit Trust	31.13

Sedol numbers

B10SNC3 (Retail Income)
B10SNJ0 (Retail Accumulation)

*Yield is net of charges and net of tax and is not guaranteed. It will vary as the proportion of the fund held in each asset class changes. The value of investments and any income from them may fall as well as rise and may also increase or decrease due to changes in exchange rates between currencies. Investors may not get back the amount originally invested. The annual management fee of the fund is charged to capital which may restrain capital growth. The fund may invest a proportion of its portfolio in higher yielding bonds, which pose a greater risk of capital loss through default. The fund may also invest in emerging markets debt, index-related securities and other financial instruments, which may expose the fund to potential capital loss. The fund invests in units in the New Star Property Unit Trust and may also invest in other property vehicles. Property funds invest in a specialist sector, which may be less liquid and produce more volatile performance than an investment in broader investment sectors. Whilst property valuations are conducted by an independent expert, any such valuation is a matter of the valuer's opinion. For property funds, the value of capital and income will fluctuate as property values and rental income rise and fall. The simplified prospectus and full prospectus for this fund are available from New Star on request. The opinions expressed here are those of the fund manager and should not be interpreted as investment advice. 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.