

# Japanese Equity Fund – A Share Class

A sub-fund of Close Investments Global Funds Plc  
(formerly Close Finsbury Global Investment Funds Plc)

**Fund Adviser**  
Lindsell Train Limited



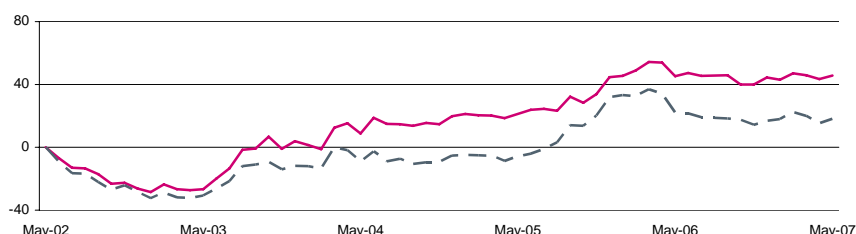
**Michael Lindsell**  
Fund Adviser

## Investment Objective

To maximise total return over the longer term from a well-diversified portfolio of equities, (and, if considered appropriate, convertible securities) primarily quoted on stock markets in Japan.

## 5 Year Performance

**Fund: Japanese Equity Fund A Share Class**  
**Index: Japan (TSE) First Section (TOPIX) (JPY)**



Source: Lipper. Percentage Growth Capital Return, Gross Tax Default. Fund and Index performance has been rebased to sterling. Past performance is not a guide to future performance.

## Cumulative Year Performance

	Fund%	Index%
YTD	0.8	1.1
1 year	0.2	-3.3
3 years	33.7	29.5
5 years	45.6	18.1

## Discrete Year Performance

	Fund%	Index%
2006	-0.1	-11.5
2005	20.6	39.3
2004	15.4	7.4
2003	40.5	23.3
2002	-10.5	-18.4

## Standardised Discrete Performance Information

Percentage Growth	May 02- May 03	May 03- May 04	May 04- May 05	May 05- May 06	May 06- May 07
12 Month Total Return	-26.6	48.4	11.4	19.8	0.2

Source: Cumulative, Discrete and Standardised Discrete performance all sourced from Lipper. Percentage Growth Total Return, Gross Tax Default. Fund and Index performance has been rebased to sterling. Past performance is not a guide to future performance.

## Investment Outlook

The 3.2% rise in the Benchmark was not quite matched by the performance of the Fund, which advanced 2.4%. Nintendo rose another 13% and Ryoyo Electric recovered from its recent demise, rising 20%. Even Takefuji was up 12% in a month when the forecasted 2007 dividend was cut by 22%. Kansai Electric Power, Aderans and Mandom were down 9%, 6% and 7% respectively. We had been reducing our position in Kansai Electric Power at higher levels. At the current price we are happy to retain the investment at a reduced weighting under 4% now that the dividend yield is once again nudging 2%.

Even with the forecasted cut in Takefuji's dividend, the current expectation for the growth in the weighted average dividend for the portfolio for fiscal year 2007 is 6%. This is reminiscent of this time last year when our companies forecasted dividends to rise by approximately the same amount, only for the rate of increase to turn out at 27%. Like last year there is plenty of scope for upward revisions, not so much from an improvement in individual companies growth prospects, which in many cases are already good, but more from a rise in payouts as companies endeavour to increase returns on retained earnings in order to raise returns on equity.

Following the loss of our holding in Impact 21 to Polo Ralph Lauren's tender offer, we initiated a new position in Credit Saison. The company is Japan's second largest issuer of credit cards, both in its own name and in affiliation with other businesses especially retail store chains and banking groups. Like Takefuji, it has been hit by the new regulations on unsecured consumer lending and has been forced to reduce its maximum interest rates on current loans to 18% as well as make some provisions for past over-charged interest expense. Although the lending part of the business earns attractive returns, even if those margins have recently been constrained by regulation, the processing of credit card transactions and the business flow brought in from its affiliations are the most attractive characteristics of credit card companies. Recently, the company has made acquisitions and established affiliations to boost scale. Japan's credit card market is much less mature as compared to other western countries both with regard to credit card usage and with the fragmentation of the industry. We think Credit Saison will benefit from growth in the future as credit card usage increases and a consolidation of the industry.

Figures sourced from Lipper. Figures quoted in Japanese Yen (local currency)

## Biography

Michael Lindsell is the Investment Adviser to the Japanese Equity Fund. Michael's career and interest in Japanese equities started over 20 years ago at Lazard Brothers. Successful roles as a Japanese equities fund manager and Head of Japanese equities followed at Scimitar Asset Management Hong Kong, Warburg Asset Management and GT Management's Tokyo office followed over the next 15 years. After being relocated to the UK in 1997, he was appointed head of the combined global product team following the acquisition of GT by INVESCO in 1998. 18 months later, Michael left to establish Lindsell Train Limited, together with Nick Train in 2000.

## Adviser Profile

Lindsell Train Limited, which is authorised and regulated by the Financial Services Authority, was formed in December 2000 by Michael Lindsell and Nick Train who worked together at GT Management from 1992 through to GT's takeover by INVESCO in 1998. Both Michael Lindsell and Nick Train went on to fulfil senior roles at INVESCO and M&G PLC respectively, where they continued to develop an in depth knowledge of investment processes and the worlds' stockmarkets. Their shared investment philosophy is to invest in durable businesses that are significantly under priced or less durable businesses that are valued by the market at a significant discount to their net balance sheet financial assets. This is achieved by choosing a concentrated portfolio of a small number of stocks with the intention of holding them for the medium to long term. They have £517m funds under management as at 30 April 2007.

## Investment Policy

The Japanese Equity Fund is an actively managed fund investing in a select portfolio between 20 to 30 stocks. The investment style is bottom-up, where companies are screened to find good medium-term growth prospects, strong balance sheets and attractive valuations.

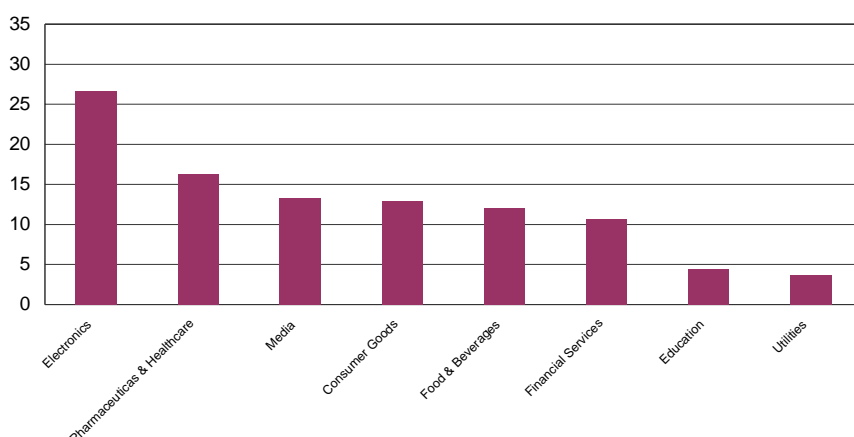
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### Ten Largest Holdings as at 31/05/2007 (%)

Name	Total
Nintendo	9.7
Canon	9.6
Takefuji Corporation	7.7
Kao	6.2
Astellas Pharma	5.7
Takeda Pharmaceutical	4.4
Meiko Network Japan	4.3
Kirin Brewery	4.3
Ito En	4.1
Fuji Photo Film	3.9
<b>Total</b>	<b>59.9</b>

Source: All portfolio information sourced from Close Investments Limited

### Sector Breakdown as at 31/05/2007 (%)



### Share Price Total Return on £100 (£)

YTD	100.8
1 year	100.2
3 years	133.7
5 years	145.6

Source: Close Investments Limited as at 31 May 2007

### Risk Warning

The information contained herein concerns a sub-fund of Close Investments Global Funds Plc (formerly Close Finsbury Global Investment Funds Plc), an open ended investment company domiciled in Ireland and a recognised collective investment scheme for the purposes of the UK Financial Services and Markets Act 2000, which is managed by Close Investments Limited. Any opinions on individual stocks are those of the Fund's Investment Adviser and no reliance should be placed on any such views. Any research in this document has been procured and may have been acted upon by Lindsell Train Limited for its own purposes. The results are being made available to you only incidentally. The views expressed herein do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of any company in the Close Brothers Group or any part thereof and no assurances are made as to their accuracy. Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed. An investor may not get back the original amount invested. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Fund and has not been prepared in connection with any such offer or invitation.

Issued by Close Investments Limited

August 2007

As at 31 May 2007

### Fast Facts

<b>Launch Date</b>	30/10/1998
<b>Benchmark</b>	Japan (TSE) First Section (TOPIX)
<b>Charges</b>	4.5% Initial
<b>Annual Management Charge</b>	1.5% Payable by the Fund
<b>Performance fee</b>	20% of the amount NAV growth has exceeded the growth in the benchmark (high watermark)

### Fund Characteristics

<b>Number of Holdings</b>	26
<b>Total Fund Value (Million)</b>	5.0 GBP/1.2 JPYbn 21.9GBP (A+B) 5.3JPY bn (A+B)
<b>Yield</b>	N/A
<b>Currency</b>	JPY
<b>Fund Type</b>	OEIC
<b>Price</b>	1.16GBP 278JPY
<b>Dealing</b>	Daily

### Codes

<b>Sedol</b>	0438418
<b>ISIN</b>	IE0004384180
<b>Bloomberg</b>	FINJEQI ID

### How to Invest

Available within an ISA, Savings Scheme, PEP

<b>Minimum Investment</b>	£1,000 Lump Sum £100 Direct Debit £100 Top-up
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<b>Investing for Children</b>	£100 Lump Sum £25 Direct Debit
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Online dealing and account administration available for ISA, PEP and Savings Scheme via [www.closeinvestments.com](http://www.closeinvestments.com).

Available outside wrapper: Direct Dealing

<b>Minimum Investment</b>	£1,000 Lump Sum £100 Top-up
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For Direct Dealing Only  
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