

# 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



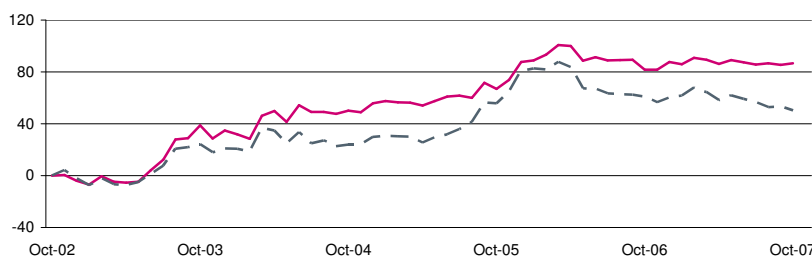
Michael Lindsell

## 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 reliable indicator of future results.

## Cumulative Year Performance

	Fund%	Index%
YTD	-0.5	-6.2
1 year	2.7	-6.6
3 years	24.4	21.3
5 years	86.6	50.4

## 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	Oct 02- Oct 03	Oct 03- Oct 04	Oct 04- Oct 05	Oct 05- Oct 06	Oct 06- Oct 07
12 Month Total Return	38.7	8.1	11.2	9.0	2.7

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 reliable indicator of future results.

## Investment Outlook

The Fund advanced 2.8%, against the return on the TOPIX index of 0.2%, in a month of big gainers and losers. Fortunately, we had larger positions in the former which allowed our relative performance to improve to the best it has been so far this year.

On the positive side a long-awaited resurgence in Takefuji's share price added 29% to its market value. The company's promise of a share buyback and the confirmed payment of the half year dividend at an annual yield of approximately 8% was perhaps enough to persuade the sellers to stand back, at least for the moment. The respite from falling non-bank financial share prices also helped the performance of our recent purchase of Credit Saison as it was up 23%, even after the strong rally in the latter days of last month. Nintendo continued its ascent rising 20% during the month. The purchases of positions in smaller companies have also proved fruitful as there has been a notable rebound in small capitalisation stocks generally since the summer. Morningstar Japan was up a further 17% and the Osaka Securities Exchange 20%.

The disappointments included Aderans, whose business continues to struggle as its results testified and the share price returned to its low, down 23% during the month, supported by a relatively high dividend yield just above 4%. Takeda Pharmaceutical was down in the last days of the month after it admitted that one of its new compounds will not only come to market later than expected but will also appeal to a narrower group of patients. This is always a risk for companies trying to bring innovative products to market, but one hopes such problems of efficacy or safety (usually side effects) are detected earlier in the development process than was the case here. Some fall in the share price was justified but, unlike its foreign competitors, Takeda at least has a supportive dividend yield of 2.4% and plenty of cash backing (net cash equates to 37% of current market capitalisation) as well as plenty of other potentially innovative compounds to rely on for growth in the future. Finally our small position in Ito-En preference shares fell 13% as the company announced an additional share issue. Unusually for us, we took advantage of the low price at issue (3.1% yield and 6.7% free cash flow yield on enterprise value) and plan to buy more shares subsequently with valuation, especially yield, so compelling at these levels.

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 £542m funds under management as at September 2007.

## Investment Policy

The Japanese Equity Fund is an actively managed fund investing in a select portfolio of 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.



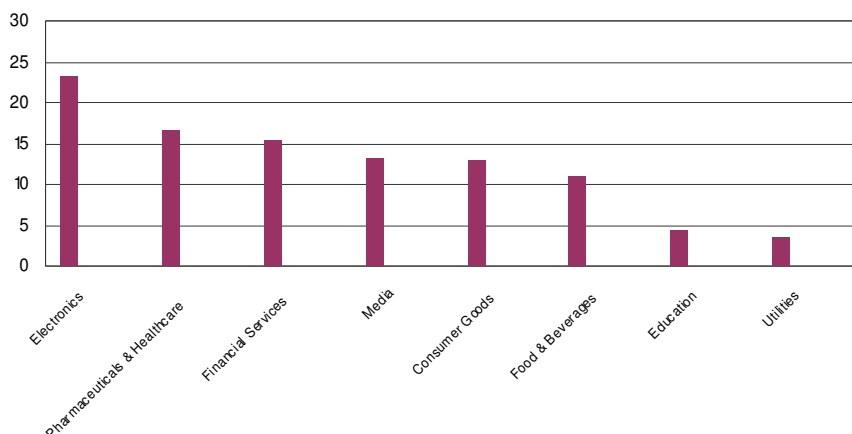
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### Ten Largest Holdings as at 31/10/2007 (%)

Name		Total
Nintendo	Media	9.8
Canon	Electronics	9.1
Takefuji Corporation	Financial Services	7.3
Kao	Consumer Goods	6.7
Astellas Pharma	Pharmaceuticals & Healthcare	6.0
Credit Saison	Financial Services	4.5
Meiko Network Japan	Education	4.3
Obic Business Consultants	Electronics	4.1
Takeda Pharmaceutical	Pharmaceuticals & Healthcare	4.0
Kirin Brewery	Food & Beverages	3.9
<b>Total</b>		<b>59.7</b>

Source: All portfolio information sourced from Close Investments Limited

### Sector Breakdown as at 31/10/2007 (%)



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

YTD	99.5
1 year	102.7
3 years	124.4
5 years	186.6

Source: Close Investments Limited as at 31 October 2007

### Risk Warning

The information contained herein concerns a sub-fund of Close Investments Global 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. The performance information set out above refers to the past. Past performance is not a reliable indicator of future results. 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. The returns on the Japanese Equity may increase or decrease as a result of currency fluctuations. 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.

Please note that the views and information expressed should not be taken as a recommendation or advice on how the Fund or any holding mentioned is likely to perform. If you wish to obtain financial advice as to whether an investment is or remains suitable for your needs you should consult a financial advisor.

As at 31 October 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>	28
<b>Total Fund Value (Million)</b>	11.4GBP/2.7JPYbn 26.9GBP (A+B) 6.4JPY bn (A+B)
<b>Yield</b>	N/A
<b>Currency</b>	JPY
<b>Fund Type</b>	OEIC
<b>Price</b>	1.14GBP 273JPY
<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
<b>Investing for Children</b>	£100 Lump Sum £25 Direct Debit

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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