

# 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



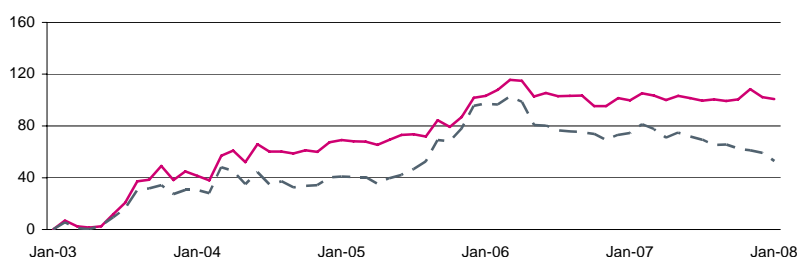
Michael Lindsell

## Investment Objective

To increase real value of client capital over the longer term from a focused portfolio of equities (and if considered appropriate, convertible securities) primarily quoted on stock markets in Japan. The investment performance of the managers will be measured against the TOPIX Index (with income reinvested) and their target will be to secure out-performance over the long term.

## 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	-0.8	-4.0
1 year	0.5	-12.4
3 years	18.6	8.4
5 years	100.7	52.9

## Discrete Year Performance

	Fund%	Index%
2007	0.4	-7.9
2006	-0.1	-11.5
2005	20.6	39.3
2004	15.4	7.4
2003	40.5	23.3

## Standardised Discrete Performance Information

Percentage Growth	Jan 03- Jan 04	Jan 04- Jan 05	Jan 05- Jan 06	Jan 06- Jan 07	Jan 07- Jan 08
12 Month Total Return	41.6	19.5	20.0	-1.7	0.5

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 year began on a pessimistic note with the Index falling from the first day of trading. At its worst the market was down more than 17%, whilst it finally ended the month in Yen terms down 8.8%. The Fund fared better but was nonetheless down 5.7% in Yen terms. The market fall represents a rise in the risk premium to account for the increasing risk of a fall in profits now the domestic economy is clearly slowing (the data has become irrefutable) and there are more signs of slower demand from overseas as well. Where we suffered particularly was in the performance of our economically sensitive shares, especially Rohm, Ryoyo, Mabuchi Motor, Fuji Photo and Canon, each down between 12-16%. Also Nintendo disappointed after many months of outperforming, falling 21%. This followed excellent results and what we think will prove to be conservative forecasts. Set against this gloom were many notable positive performances, with 40% of the companies we hold (by number) rising in value and some such as Osaka Securities Exchange ('OSE') and Takefuji, the pariah from last year, rising more than 10%. The OSE is in negotiations to buy the JASDAQ stock exchange which we think will give it command over the smaller company liquidity pool over time and provide an important diversification to earnings. Takefuji's multi-year woes have meant that its lack of risk-taking has shielded it from any contagion from the current credit crisis, unlike many other Japanese financial businesses. In addition, a 7% yield adds to its attraction.

Falling prices and increasing value crystallised some decisions on companies we have been considering for some time. We started to build new positions in SFCG, a specialist provider of funding to small businesses, and Hogy Medical, a hospital services and medical supply company and added to positions in Shinwa Art Auction, Canon, Rohm, Obic Business Consultants, Meiko Network and others on weakness. Some of the prices during the month's low point looked particularly alluring to us, as we were able to buy businesses on free cash flow yields well over 6%, a more than adequate premium to 30 year Japanese government bonds trading at 2.5%, especially for the quality of company we were acquiring.

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.

## Japanese Equity Fund – A Share Class

### Ten Largest Holdings as at 31/01/2008 (%)

Name		Total
Nintendo	Media	9.3
Canon	Electronics	8.8
Takefuji Corporation	Financial Services	7.4
Kao	Consumer Goods	6.9
Astellas Pharma	Pharmaceuticals & Healthcare	6.3
Meiko Network Japan	Education	4.4
Takeda Pharmaceutical	Pharmaceuticals & Healthcare	4.3
Kirin Brewery	Food & Beverages	4.0
Credit Saison	Financial Services	3.8
Mandom	Consumer Goods	3.4
<b>Total</b>		<b>58.6</b>

Source: All portfolio information sourced from Close Investments Limited

### Sector Breakdown as at 31/01/2008 (%)



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

YTD	99.2
1 year	100.5
3 years	118.6
5 years	200.7

Source: Close Investments Limited as at 31 January 2008

### 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.

Issued by Close Investments Limited

February 2008

As at 31 January 2008

### 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>	31
<b>Total Fund Value (Million)</b>	12.8GBP/2.7JPYbn 30.9GBP (A+B) 6.5JPY bn (A+B)
<b>Yield</b>	N/A
<b>Currency</b>	JPY
<b>Fund Type</b>	OEIC
<b>Price</b>	1.14GBP 241JPY
<b>Dealing</b>	Daily

### Codes

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

### How to Invest

Minimum Investment £1,000 Lump Sum  
£100 Top-up

For Direct Dealing Only  
Telephone: 020 7247 8996\*  
(Professional advisers only)  
By Fax: 00 353 1 670 2149  
(Professional advisers only)  
Mail to: Close Investments Global Funds PLC,  
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\*Calls to this number are recorded for monitoring purposes

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