

# 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

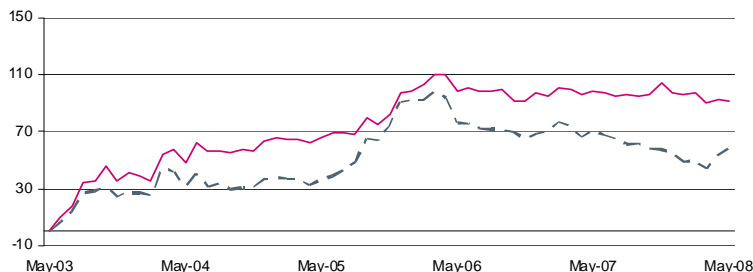
## Investment Objective

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 (in Yen terms) and their target will be to secure out-performance over the long term.

## 5 Year Performance (GBP)

Fund: Japanese Equity Fund A Share Class

Index: Japan (TSE) First Section (TOPIX)



Source: 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.

## Cumulative Year Performance

	Fund%	Index%
YTD	-3.1	1.7
1 year	-3.5	-7.4
3 years	15.8	15.9
5 years	91.5	57.9

## 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	May 03- May 04	May 04- May 05	May 05- May 06	May 06- May 07	May 07- May 08
12 Month Total Return	48.4	11.4	19.8	0.2	-3.5

Source: Cumulative, Discrete and Standardised Discrete performance all sourced from Lipper. Basis: Percentage Growth, Total Return, Gross Tax Default, rebased to sterling. Past performance is not a reliable indicator of future results..

## Investment Outlook

May was another month of price recovery for most of our companies following the declines of the first quarter, although the performance of the portfolio was held back by falls in the prices of the non-bank financials, Takefuji and Credit Saison, and the packaged software specialist, Obic Business Consultants. As a result the fund only managed a 0.2% rise versus one of 3.6% for the TOPIX Index. The reason for Takefuji's poor performance was the announcement of the issuance of a convertible bond. Although this will further improve the company's liquidity, whilst the balance sheet is reduced in size to accommodate the new regulations on lending, it also has the potential to dilute existing shareholders. Even in Japan, where the direct effects of the credit crisis are much less acute than elsewhere, funding for businesses has recently become more difficult and expensive. We think Takefuji would have preferred to issue non dilutive straight bonds but were tempted by the size, duration and low interest rate from the convertible offering. The share price fell 19%, almost the same amount as the potential dilution. Credit Saison has better access to funding through its credit card business partners - that include the mainstream banks such as Mizuho and Resona together with a number of regional banks - but with the announcement of its results signalled a slowdown in credit card usage indicative of a retrenching consumer. Indeed, weakness in consumer expenditure as a result of stagnant wage growth and sharply higher prices of foods, petrol and other commodities proved to be a recurring theme on the recent trip to Japan.

The rally in the market remains focussed on cyclical and industrial companies where the portfolio is under-represented. Although this is hurting our relative performance in the short term, we think such a bias will ultimately prove prudent as, should business conditions worsen, the profits decline for these companies will be significantly more severe than for the consumer orientated businesses that we prefer.

Activist investors recorded a notable victory at the annual general meeting of Aderans, the specialist wig company we own, in dismissing by a majority of votes all of the executive board. This is new territory for Japan. Indeed there are few precedents outside the country, and in the short term has elicited a positive response with the shares up 12% during the month. This could be the chance for a well incentivised new management aligned with its shareholders to extract significant hidden value from an important Japanese consumer franchise. We await developments.

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 stocks with the intention of holding them for the medium to long term. They have £515m funds under management as at December 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.

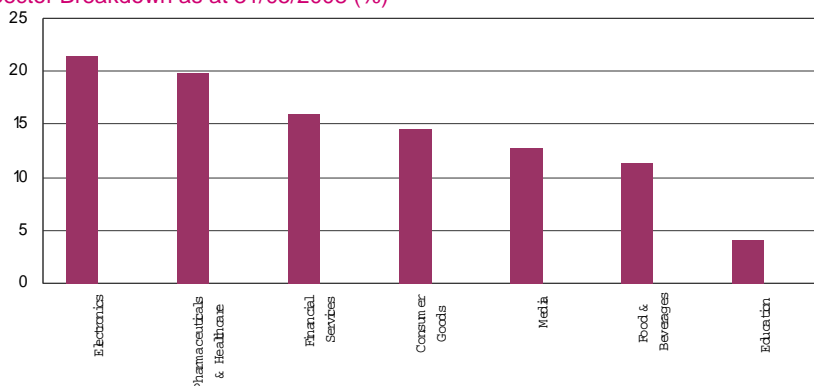
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### Ten Largest Holdings as at 31/05/2008 (%)

Name		Total
Canon	Electronics	9.6
Nintendo	Media	9.0
Astellas Pharma	Pharmaceuticals & Healthcare	6.8
Kao	Consumer Goods	6.7
Takefuji Corporation	Financial Services	5.7
Takeda Pharmaceutical	Pharmaceuticals & Healthcare	4.8
Ito En Ltd	Food & Beverages	4.6
Kirin Brewery	Food & Beverages	4.1
Aderans	Consumer Goods	3.9
Meiko Network Japan	Education	3.8
		<b>59.0</b>

Source: All portfolio information sourced from Close Investments Limited

### Sector Breakdown as at 31/05/2008 (%)



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

YTD	96.9
1 year	96.5
3 years	115.8
5 years	191.5

Source: Close Investments Limited

### 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

June 2008

As at 31 May 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 by which NAV growth has exceeded the growth in the benchmark

## Fund Characteristics

<b>Number of Holdings</b>	27
<b>Total Fund Value (Million)</b>	12.1GBP/2.5bnYen 31.3GBP (A+B) 6.5bnYen (A+B)
<b>Yield</b>	N/A
<b>Currency</b>	Yen
<b>Fund Type</b>	OEIC
<b>Price</b>	1.1143GBP 232.4706Yen
<b>Dealing</b>	Daily

## Codes

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

## How to Invest

Minimum Investment Yen200,000 Lump Sum  
Yen20,000 Top-up

### New contact details

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\*Calls to this number are recorded for monitoring purposes

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