

# 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



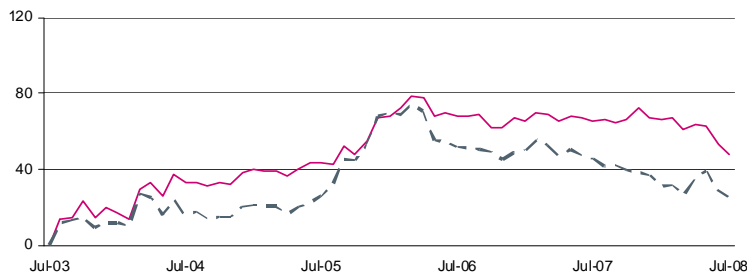
Michael Lindsell

## 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     | 11.8  | -7.3   |
| 1 year  | -10.6 | -12.2  |
| 3 years | 2.8   | 3.6    |
| 5 years | 47.8  | 33.5   |

## 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     | Jul 03-Jul 04 | Jul 04-Jul 05 | Jul 05-Jul 06 | Jul 06-Jul 07 | Jul 07-Jul 08 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| 12 Month Total Return | 32.7          | 8.3           | 16.9          | -1.7          | -10.6         |

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

The Fund fell 2.1%, 0.9% more than the market (Topix Index) during the month. Gathering evidence of weakening earnings continues to weigh on share prices particularly those of small companies that tend to be the most economically sensitive. Our recent activity has been concentrated in this area. We have added to positions in Obic Business Consultants, Morningstar Japan, Shinwa Art Auction, Medikit and the Osaka Securities Exchange during July. These companies will not be immune from earnings declines as the recent quarterly results from Obic and Shinwa testify but all have important market positions in growing businesses that will likely expand as financially weaker competition suffers more from today's declining cash flows. The margin of safety we build into our valuations for these companies is much enhanced in difficult times by balance sheet cash and investments, which at today's prices equates to 91% of market capitalisation for Obic, 98% for Shinwa, 83% for Medikit, 68% for Morningstar and 27% for the Osaka Exchange. After declines from the peak in small company indices of 83% for the Hercules and Mothers and 60% for Jasdag some companies in this unloved part of the market are undoubtedly cheap and thus have responded by increasing our weightings. In late 2005 we had less than 20% of the portfolio invested in companies with market capitalisations of less than \$1bn, now we have over 25% and a further 15% in companies under \$2bn.

Another position we increased during the month was Aderans, taking advantage of the weakness in the share price after the announcement of the EGM to approve of a new board of directors charged with reviewing the company's strategy and specifically improving shareholder returns. Now that the old discredited management is gone the scope for change is extensive and much more, we think, than the market expects.

At the end of the month first quarter results began to filter out which contained further evidence of weakening demand and continued price pressures especially in consumer durable industries such as cars and electronic goods. Capital goods and some basic materials are holding up for now but they will surely succumb in future quarters. The Fund may not be immune from falling earnings overall but has little exposure to these parts of the market.

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.

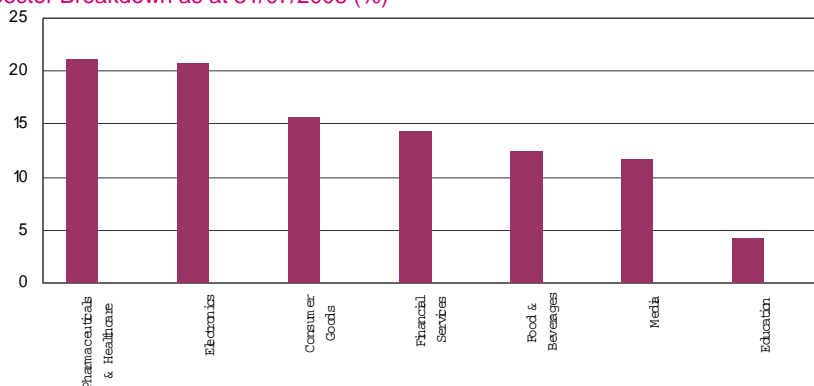
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### Ten Largest Holdings as at 31/07/2008 (%)

| Name                  |                              | Total       |
|-----------------------|------------------------------|-------------|
| Canon                 | Electronics                  | 8.9         |
| Nintendo              | Media                        | 8.2         |
| Astellas Pharma       | Pharmaceuticals & Healthcare | 7.7         |
| Kao                   | Consumer Goods               | 7.7         |
| Takefuji Corporation  | Financial Services           | 5.0         |
| Takeda Pharmaceutical | Pharmaceuticals & Healthcare | 4.9         |
| Ito En Ltd            | Food & Beverages             | 4.8         |
| Kirin Brewery         | Food & Beverages             | 4.3         |
| Meiko Network Japan   | Education                    | 4.2         |
| Aderans               | Consumer Goods               | 4.1         |
|                       |                              | <b>59.8</b> |

Source: All portfolio information sourced from Close Investments Limited

### Sector Breakdown as at 31/07/2008 (%)



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

|         |       |
|---------|-------|
| YTD     | 88.2  |
| 1 year  | 89.4  |
| 3 years | 102.8 |
| 5 years | 147.8 |

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

August 2008

As at 31 July 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> | 10.7GBP/2.3bnYen<br>29.7GBP (A+B)<br>6.4bnYen (A+B) |
| <b>Yield</b>                      | N/A   |
| <b>Currency</b>                   | Yen   |
| <b>Fund Type</b>                  | OEIC  |
| <b>Price</b>                      | 1.0142GBP<br>217.1557Yen                            |
| <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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Telephone: 0870 606 6452\*  
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Mail to: Close Investments Global Funds plc,  
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\*Calls to this number are recorded for monitoring purposes

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