



LINDSELL TRAIN JAPANESE EQUITY FUND

All data as at 31st December 2009

NOTE: Lindsell Train took over as Investment Manager of the Lindsell Train Japanese Equity Fund, previously the Close Investments Japanese Equity Fund, on 2nd November 2009.

Investment Objective

To increase the 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. Investment performance is measured against the TOPIX Tokyo Stock Exchange (first section) ("TOPIX") TR Index in Yen terms.

Portfolio Characteristics

The portfolio is concentrated, with the number of stocks ranging from 20-35, has a higher dividend yield than the market average and has low turnover.

Top 10 Holdings (% NAV)

Canon	9.7%
Nintendo	8.9%
Kao	7.8%
Astellas Pharma	7.7%
Meiko Network	6.0%
Kirin Holdings	4.8%
Ito En Ltd (preference shares)	4.5%
Osaka Securities Exchange Co	4.4%
Takeda Pharma	4.1%
OBIC Business Consultants	3.9%

Industry Breakdown (% NAV)

Consumer Franchises	23.9%
Media incl. Software	16.5%
Pharmaceuticals incl. Healthcare	20.1%
Retail Financial Services	3.7%
Other	35.8%
Total	100%

Number of Holdings

25

Dividend Yield

Current yield of the portfolio 2.8% (Gross)

Investment Performance

Standardised Discrete Performance (Yen)

12 months to December	2009	2008	2007	2006	2005
LT Japanese Equity Fund (A Shares) (%)	-0.7	-35.8	-4.3	+15.0	+24.2
TOPIX Index (%)	+5.6	-41.8	-12.2	+1.9	+43.5

Source: Lindsell Train and Bloomberg as at 31 December 2009. Quoted in Japanese Yen. Fund performance is based on total return and is net of fees. Past performance is not a guide to future performance.

Past Performance as at December (Yen)

	1 month	3 months	3 Years	5 Years	Since Appt
LT Japanese Equity Fund (A Shares) (%)	+5.5	-2.8	-39.0	-12.8	+5.2
Lipper Ranking (November figures)	26/183	18/183	14/161	13/134	n/a
TOPIX %	+8.1	-0.2	-46.0	-21.1	-13.4

Calendar Year Performance (Yen)

Year to 31 December	YTD	2008	2007	2006	2005
LT Japanese Equity Fund (A Shares) (%)	-0.7	-35.8	-4.3	+15.0	+24.2
TOPIX %	+5.6	-41.8	-12.2	+1.9	+43.5

Source: Lindsell Train & Bloomberg

Fund Size ¥1,007.5m

Share Price A ¥163.0393

B ¥68.3781

B Distributing ¥65.1812

Dividend:

B Distributing ¥0.3193

Source: Lindsell Train & Capita Financial

Portfolio Manager: Michael Lindsell

Fund Type: Dublin OEIC

Type of Scheme: UCITS

Available Classes: A, B and B Distributing

Launch date: 30 Oct 1998

Base Currency: Yen (¥)

Dealing & Valuation: 12 noon on each Dublin Business Day

Min Investment 'A' ¥200,000
Subsequent ¥20,000

Min Investment 'B' ¥10,000,000
Subsequent ¥200,000

Management Fees:

A Class 1.15% p.a.

B & B Distributing 0.65% p.a.

Year End: 31 Dec

Dividend: XD dates: Oct/Apr

Benchmark: TOPIX TR Index

A Class ISIN / SEDOL :

IE0004384180 / 0438418

B Class (Distributor) ISIN / SEDOL:

IE00B11DWS60 / B11DWS6

B Class (Institutional) ISIN / SEDOL:

IE00B11DWM09 / B11DWM0

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Fund Manager's Comments

The market had a strong last month of the year, rising by 8.1% - somewhat more than the 5.5% rise in the net asset value ('NAV') of the Fund. The Fund benefited from a 17% advance in Canon's share price, partly in reaction to the announcement of an unchanged 2009 dividend but also following the proposed acquisition of Océ, the Dutch large format digital printing specialist. Not only does this take Canon into a new sub sector of the printing market where competition is less intense but it also undermines competitors, notably Konica Minolta who were dependent on a relationship with Océ which is now likely to be terminated. It seems to us that the proposed purchase price of less than 0.5x enterprise value/sales represents a good deal for Canon. The market's rise was led by other economically sensitive shares such as steel, automobile and electronic manufacturers and it was our negligible ownership of these companies that contributed most to the underperformance of the index.

Obic Business Consultants fell further, exacerbating an inexplicably poor quarter for the shares which prompted us to add to the position. The same was the case for Hoya Medical, the hospital equipment supply business that is growing slowly but surely as it signs up individual hospitals to its equipment outsourcing business. We detect that its fall is more to do with a switch in the market's liking of companies benefitting from some form of sharp cyclical recovery to the detriment of steady growth businesses than any negative change in the prospects for Hoya's business per se. A sharp cyclical economic rebound led by exports is the antithesis of what we think is likely to occur while savings rebuild and while excess supply persists in the Western consuming economies but given recent price movements the market clearly thinks otherwise. We took advantage of this shift in emphasis and the weakness in Hoya's price and increased the holding to 2.5% of NAV.

Good things happened to a number of our companies in December: Astellas continued to invest its cash pile by

acquiring the rights to new compounds and repurchasing its own shares; Morningstar Japan and Ito En announced share buybacks, in Ito En's case specifically for the preference shares, the class of shares we own; Medikit announced far better than expected results, with mid year operating profits up over 20%; and Kirin Holdings' merger ratio with Suntory looks to be more favourable to Kirin that we had feared. Most of this was ignored in the clamour for cyclical growth but in due course we think value creating initiatives such as these will be well rewarded by the market.

All data as at 31st December 2009

Company / Fund Registered Office

33 Sir John Rogerson's Quay
Dublin 2, Ireland

Investment Manager and Promoter

Lindsell Train Limited
2 Queen Anne's Gate Buildings
Dartmouth Street, London SW1H 9BP

Phone: +44 20 7227 8200
Enquiry@LindsellTrain.com

Fund Registrar and Administrators

Capita Financial Administrators (Ireland) Limited
1 Adelaide Court
Adelaide Road
Dublin 2
Ireland
Phone: 00 353 1 400 5300
Fax: 00 353 1 400 5350

Dealing

Capita Financial Administrators (Ireland) Limited
Phone: 00 353 1 400 5300

Custodian

BNY Mellon Trust Company (Ireland) Limited

Auditors

Grant Thornton LLP

Lindsell Train is authorised and regulated by the Financial Services Authority.

Reports can be found on our website www.LindsellTrain.com

Risk Warning

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