



# LINDSELL TRAIN JAPANESE EQUITY FUND

All data as at 30th April 2010

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") 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)

Nintendo	9.2%
Canon	8.3%
Kao	8.0%
Astellas Pharmaceutical	7.2%
Meiko Network	5.9%
OBIC Business Consultants	4.8%
Kirin Holdings	4.7%
Ito En Ltd (preference shares)	4.6%
Osaka Securities Exchange	4.4%
Takeda Pharmaceutical	4.0%

### Industry Breakdown (% NAV)

Consumer Franchises	23.6%
Media incl. Software	17.2%
Pharmaceuticals incl. Healthcare	19.4%
Retail Financial Services	3.0%
Other	32.7%
Cash	4.1%
<b>Total</b>	<b>100%</b>

## Number of Holdings

25

## Estimated Portfolio Yield

2.6% (Gross)

## Investment Performance

### Standardised Discrete Performance (Yen)

12 months to 30 April	2010	2009	2008	2007	2006
LT Japanese Equity Fund (A Shares) (%)	+28.3	-39.1	-14.6	+7.3	+34.5
TOPIX Index (total return) (%)	+18.9	-38.3	-20.1	-0.9	+51.9

### Additional Past Performance (Yen) Periods to 30 April 2010

	1 month	3 months	YTD	3 Years	5 Years	Since Appt Jan 2004
LT Japanese Equity Fund (A Shares) (%)	+1.7	+10.5	+11.0	-33.4	-3.9	+16.8
TOPIX Index (total return) %	+0.8	+10.4	+9.7	-41.4	-11.9	-4.9

### Calendar Year Performance (Yen)

Year to 31 December	2009	2008	2007	2006	2005
LT Japanese Equity Fund (A Shares) (%)	-0.7	-35.8	-4.3	+15.0	+24.2
TOPIX Index %	+5.7	-41.8	-12.2	+1.9	+43.5

**Fund Size** ¥1,200m

**Share Price** A ¥181.0362

B ¥76.0508

**B Distributing** ¥74.4952

**Dividend:**

**B Distributing** ¥0.3193 (April)

**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

**Sales Charge:** (at the discretion of the Distributor)

**A Class** 4.5%

**B & B Distributor Class** 4.0%

**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

**A Class ISIN / SEDOL :**

IE0004384180 / 0438418

**B Class (Distributor) ISIN / SEDOL:**

IE00B11DWS60 / B11DWS6

**B Class (Institutional) ISIN / SEDOL:**

IE00B11DWM09 / B11DWM0

Source: Lindsell Train and Bloomberg as at 30 April 2010. Fund performance is based on total return of A Class shares and is net of fees. The Topix performance has been changed to total return with effect from 2/11/2009 as calculated in the Prospectus. Prior to that it was based on capital return. Past performance is not a guide to future performance.

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## Fund Manager's Comments

All data as at 30th April 2010

The fund advanced 1.7% during April, somewhat outperforming the Topix index that was up 0.8%. It was the smaller capitalisation positions that did best. Meiko Network reported better than expected half-year results, underlining its strong competitive position in the tutorial based extra-curricular educational market. The company continues to take share from 'lecture style' companies as has been the trend for some years but there was also evidence that the company did well against other competing 'tutorial style' companies as well. The shares were up 15% over the month. Medikit - the medical equipment supplier with a dominant market position in dialysis products and new diversifications in indwelling needles and angiographic catheters (that deliver drugs intravenously) - continues to perform well (up 10% in April) after signalling better results earlier in the year. The shares remain notably cheap and, provided that the business can absorb the mandated government price cuts this year (we think they will), should have the capacity to raise its dividend during the current fiscal year. The best performer was Shinwa Art Auction, up 35%. No news to justify such a move but we suspect that this indicates that there are the first signs of a recovery in auction volumes, which would not be surprising given the recent recovery in the securities markets.

Most companies in Japan end their fiscal year at the end of March which means late April and May are thick with results announcements. Only a few of our companies have reported so far. Kao reported profits in line and declared an unexpected dividend increase but remained cautious about growth next year. Despite this, cash flow was prodigious, allowing for a material reduction in net debt which should continue in the coming year. Interestingly Kao should have repaid all the debt taken on when buying Kanebo by the end of next year, within six years from the date of the acquisition - exactly in line with the expectation we had at the time.

Obic Business Consultants announced better than expected numbers which prompted a further rise in the shares (up 14%) on top of the good performance last month. Hoky Medical matched expectations and signalled another year of growth ahead.

### Company / Fund Registered Office

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### Investment Manager and Promoter

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### Fund Registrar and Administrators

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Dublin 2  
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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](http://www.LindsellTrain.com)

## Risk Warning

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