

# Japanese Equity Fund – A Share Class

A sub-fund of Close Finsbury Global Investment Funds Plc

**Fund Adviser**  
Lindsell Train Limited



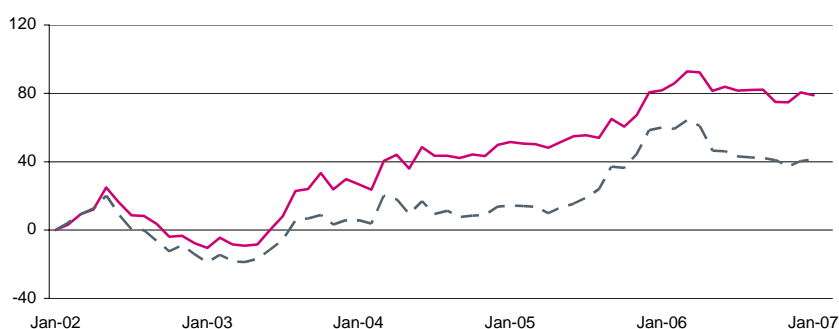
**Michael Lindsell**  
Fund Adviser

## Investment Objective

To maximise total return over the longer term from a well-diversified portfolio of equities, (and, if considered appropriate, convertible securities) primarily quoted on stock markets in Japan.

## 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 guide to future performance.

## Cumulative Year Performance

|         | Fund% | Index% |
|---------|-------|--------|
| YTD     | -0.9  | 0.9    |
| 1 year  | -1.7  | -11.6  |
| 3 years | 41.0  | 33.8   |
| 5 years | 78.8  | 41.5   |

## Discrete Year Performance

|      | Fund% | Index% |
|------|-------|--------|
| 2006 | -0.1  | -11.5  |
| 2005 | 20.6  | 39.3   |
| 2004 | 15.4  | 7.4    |
| 2003 | 40.5  | 23.3   |
| 2002 | -10.5 | -18.4  |
| 2001 | -26.0 | -28.1  |

## Standardised Discrete Performance Information

| Percentage Growth     | Jan 02-<br>Jan 03 | Jan 03-<br>Jan 04 | Jan 04-<br>Jan 05 | Jan 05-<br>Jan 06 | Jan 06-<br>Jan 07 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 12 Month Total Return | -10.5             | 41.6              | 19.5              | 20.0              | -1.7              |

Source: Cumulative, Discrete and Standardised Discrete performance all sourced from Lipper.  
\* estimated by Lipper Percentage Growth Total Return, Gross Tax Default. Fund and Index performance has been rebased to sterling. Past performance is not a guide to future performance.

## Investment Outlook

The Fund began the year with a small 0.7% rise, underperforming the TOPIX index that advanced 2.4%. We were disappointed with the overall performance as the Fund's biggest holding; Nintendo rose by another 15% at the same time as other big holdings. But small declines in the prices of Canon, Astellas, Aderans and Obic Business Consultants cancelled out these contributions.

Nintendo has had a good Christmas as anticipated. Released 3<sup>rd</sup> quarter results suggest that the popularity of its 'Nintendo DS' handheld console has now extended to Europe and tentatively the USA. We believe the strategy of significantly expanding the scale of the overall market could transform the company's revenues. This year's sales are likely to be 80% more than the average of the last 10 years and next year we expect sales to rise even more.

Canon announced its 2006 results, reporting a higher than expected advance in profits, a healthy rise in the dividend of 50% and a postponement of its decision to manufacture large scale flat screens, a new business venture that we had reservations about. This delays significant capital investment and, in our view, increases the prospect of the company boosting shareholder returns sooner. The market's reaction to the results seemed to us a little miserly, and may have been linked to Canon's conservative guidance for FY 2007.

Following subscriptions we have allowed our holding in Kansai Electric Power to fall to just over 5% of NAV from 6.5% following its good recent performance and have raised the weighting in Medikit marginally, taking advantage of weaker prices and the 2.0% dividend yield.

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 world's 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 £400m funds under management as at 30 June 2006.

## Investment Policy

The Japanese Equity Fund is an actively managed fund investing in a select portfolio 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 31/01/2007 (%)

| Name                  | Total       |
|-----------------------|-------------|
| Nintendo              | 9.6         |
| Canon                 | 8.8         |
| Takefuji Corporation  | 7.7         |
| Kao                   | 6.4         |
| Kansai Electric Power | 5.2         |
| Astellas Pharma       | 4.9         |
| Meiko Network Japan   | 4.4         |
| Fuji Photo Film       | 4.2         |
| Kirin Brewery         | 4.0         |
| Takeda Pharmaceutical | 4.0         |
| <b>Total</b>          | <b>59.2</b> |

Source: All portfolio information sourced from Close Investments Limited

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

|         |       |
|---------|-------|
| YTD     | 99.1  |
| 1 year  | 98.3  |
| 3 years | 141.0 |
| 5 years | 178.8 |

Source: Close Investments Limited as at 31 January 2007

### Risk Warning

The information contained herein concerns a sub-fund of Close Finsbury Global Investment 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. Past performance is not a guide to future performance. 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. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. 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.

As at 31 January 2007

## Fast Facts

|                                 |  |
|---------------------------------|--|
| <b>Launch Date</b>              | 30/10/1998   |
| <b>Benchmark</b>                | Japan (TSE) First Section (TOPIX)  |
| <b>Minimum Investment</b>       | £1,000 Lump Sum<br>£100 Direct Debit<br>£100 Top-up                                    |
| <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>         | 25  |
| <b>Total Fund Value (Million)</b> | 4.6 GBP/1.1 JPYbn<br>16.5GBP (A+B)<br>3.9JPY bn (A+B) |
| <b>Yield</b>                      | N/A   |
| <b>Currency</b>                   | JPY   |
| <b>Fund Type</b>                  | OEIC  |
| <b>Price</b>                      | 1.13GBP<br>269JPY                                     |
| <b>Dealing</b>                    | Daily   |

## Codes

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

## How to Invest

Available with wrapper products:  
ISA, Savings Scheme, PEP

Available outside wrapper: Direct Dealing

## How to Contact Us

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