

# 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

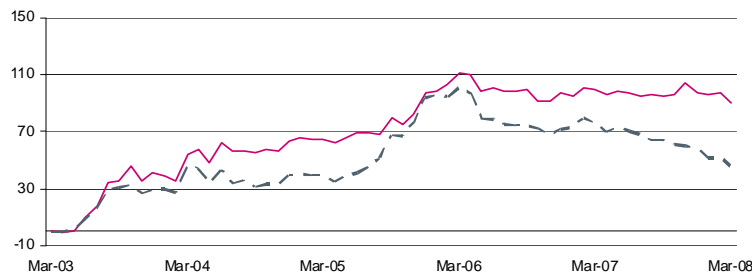
## Investment Objective

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 (with income reinvested) 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 Capital 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	-3.7	-7.6
1 year	-4.3	-17.1
3 years	16.1	4.8
5 years	90.3	45.8

## 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	Mar 03- Mar 04	Mar 04- Mar 05	Mar 05- Mar 06	Mar 06- Mar 07	Mar 07- Mar 08
12 Month Total Return	53.4	6.9	28.5	-5.6	-4.3

Source: Cumulative, Discrete and Standardised Discrete performance all sourced from 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.

## Investment Outlook

The Fund fell by 7.6%, which, although disappointing from an absolute return perspective, was slightly better than the index that declined by 8.4%. The market's brutal 25% decline over the last six months is discounting what is likely to prove a deep profits recession over the next year, from admittedly elevated levels. Few companies have escaped the effect of falling prices and even those with stable profits have suffered a significant derating. Perhaps this is symptomatic of the stance of foreign investors, hitherto the only significant buyers of the market, whose steady net selling of recent months has depressed prices. As an illustration the performance of our pharmaceutical shares has been especially disappointing, with Astellas and Takeda down 16% and 15% in March respectively. Also, Ito En Preference shares have continued to weaken, falling another 24% during March following quarterly results that were worse than our expectations. The discount to the ordinary shares continues to widen, from 24% at the end of last year to 36% now, even though we believe the preference shares could trade at a premium at some point in the future. Yielding over 4% the preference shares look particularly cheap. Keen to take advantage of these outsized falls in the prices of some important franchises, we have added to all these poor performers, funding such purchases by eliminating our holdings of Kansai Electric Power and Fuji Photo. In addition, our ongoing accumulation of SFCG was aided by the announcement of a convertible bond issue to fund a further expansion of the balance sheet which weakened the share price more than might otherwise have been the case. We think such funding will prove unnecessary in the short term given the deteriorating economic environment and falling demand for loans, but further out it will serve to put the company in an enviably stronger capital position relative to its competitors.

The gross dividend yield of the portfolio is now 3%, the highest it has ever been, partly due to falling prices but also due to rising dividends which are likely to be up 20% for our companies in the 2007 fiscal year (ending for most companies in March 2008). Many of our companies have taken advantage of recent price falls to buy back shares such that the average portfolio payout ratio (dividends and share buybacks included) is likely to be as high as 70%, up from 55% last year. Relatively stable profits, rising dividends, ongoing accretive share repurchases will all, in time, help to support prices that have been under so much pressure of late.

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.

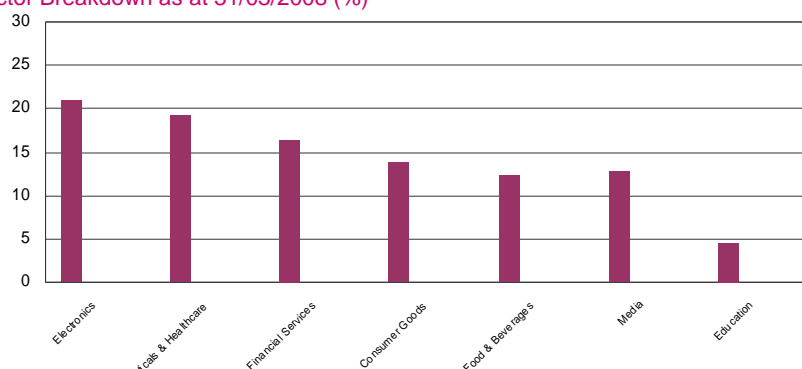
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### Ten Largest Holdings as at 31/03/2008 (%)

Name		Total
Nintendo	Media	9.3
Canon	Electronics	8.9
Kao	Consumer Goods	6.9
Astellas Pharma	Pharmaceuticals & Healthcare	6.5
Takefuji Corporation	Financial Services	6.3
Takeda Pharmaceutical	Pharmaceuticals & Healthcare	4.7
Meiko Network Japan	Education	4.5
Obic Business Consultants	Electronics	4.3
Kirin Brewery	Food & Beverages	4.2
Credit Saison	Financial Services	3.6
<b>Total</b>		<b>59.2</b>

Source: All portfolio information sourced from Close Investments Limited

### Sector Breakdown as at 31/03/2008 (%)



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

YTD	96.3
1 year	95.7
3 years	116.1
5 years	190.3

Source: Close Investments Limited

### Risk Warning

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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

April 2008

As at 31 March 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 NAV growth has exceeded the growth in the benchmark (high watermark)

## Fund Characteristics

<b>Number of Holdings</b>	28
<b>Total Fund Value (Million)</b>	12.1GBP/2.4JPYbn 26.9GBP (A+B) 5.3JPY bn (A+B)
<b>Yield</b>	N/A
<b>Currency</b>	JPY
<b>Fund Type</b>	OEIC
<b>Price</b>	1.11GBP 219JPY
<b>Dealing</b>	Daily

## Codes

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

## How to Invest

Minimum Investment £1,000 Lump Sum  
£100 Top-up

For Direct Dealing Only  
Telephone: 020 7247 8996\*  
(Professional advisers only)  
By Fax: 00 353 1 670 2149  
(Professional advisers only)  
Mail to: Close Investments Global Funds PLC,  
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\*Calls to this number are recorded for monitoring purposes

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