

BDT INVEST FUNDS PLC

Newsletter

Month of September 2009



Market Review

Global equity prices chugged higher again in September with the MSCI World Index advancing 4.0%. Despite this buoyant background the MSCI Japan Index managed to decline by 1.7% despite, or arguably because of, further Yen strength. The MSCI Asia ex Japan Index climbed 8.8%. By country Taiwan (+12.7%) and by sector information technology (+11.0%) were the places to be. China (+4.6%), Malaysia (+4.1%) and telecoms (+2.4%) were the weak links.

Both the Japanese sub funds held steady despite the decline in the market, Asian Focus and Oriental Focus managed respectable advances although both lagged the MSCI Asia ex Japan Index, part of this reflects valuation points as noted last month.

All returns refer to the US Dollar B share class, all indices are in US\$ with dividends reinvested. Please refer to the fund factsheets for individual performance details and manager commentaries.

MSCI AC Asia ex-Japan index trailing price-to-book



Note: The index traded on 1.08x trailing PB on 27 October 2008 and 2.01x on 18 September 2009.
Source: Bloomberg

source: CLSA

Annual Pilgrimage

After a week touring four cities in China we attended the CLSA Investor's Forum in Hong Kong last month (together with what appeared to be the entire Asian Fund Management community). The mood of investors was neither the despair of Sept 2008 nor the euphoria of Sept 2007 but somewhere in the middle - a discernable return of confidence but with underlying suspicions. These mood swings are neatly, and perhaps unsurprisingly, reflected in regional valuations as shown in the chart above. The porridge is neither too hot nor too cold. Interestingly Asian corporates were noticeably more upbeat about their prospects with phases such as expansion and growth dominating.

The usual array of internal and external economists, strategists and tea leaf readers laid out their global views. Unsurprisingly views varied widely, although ongoing deflation and deleveraging in the West is increasingly the consensus view with the notable exception of Russell Napier. We departed in our usual state of utter confusion with a renewed resolution to ignore the macro and focus on the stocks.

We met or listened to a number of our portfolio holdings including China Taiping (regular premiums sales going gangbusters), Johnson Electric (utilisation rates rising, re-hiring workers) and Want Want (1H inventory problems resolved, beverage sales booming). Siam Commercial Bank and India's HDFC both presented beautifully and remain best in class.

Consumer debt as % of GDP

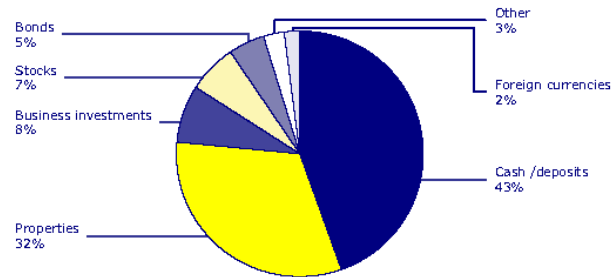


Note: Include mortgages and other consumer debt.
Source: CEIC Data, Datastream, Reserve Bank of India, Reserve Bank of Australia, CLSA Asia-Pacific Markets

Demographics and all of that

Anyway - back to the macro. The chart above speaks for itself. The unleveraged nature of Asia's most populous and least developed economies, coupled with powerful demographic trends (one macro forecast you can't get wrong), will result in strong domestic consumption growth in the years ahead. The five countries on the right of the chart account for approximately 72% of Asia ex Japan's total GDP while the chart below, taken from the 260 page door-stopping 2009 Mr and Mrs Asia report, confirms that there is plenty of cash slopping round the region.

Breakdown of how Mr & Mrs Asia invest their wealth



Source: CLSA Asia Pacific Markets

Portfolio Holdings

Mermaid Maritime announced a 9 for 20 rights issue in September (fully underwritten by the main shareholder, Thoresen Thai). The stock promptly jumped 20%. With three large assets being delivered to (and paid for by) the company during the next few months, the rights issue provides a war chest to fund the purchase of additional assets to power growth in the years ahead. Portfolio holding Rexlot announced results for the six months to June. The bottom line was disappointing with net income declining 10% but this was principally due to the accelerated roll out of their distribution outlets, the expense of which is written off up front. Turnover grew 40%, operating cash flow was strong and a maiden dividend declared. Rexlot remains an excellent play on the Chinese lottery market and is well positioned in new growth areas such as fixed-odd betting and mobile lottery. We are hanging on.

Outlook

The "danger" month is upon us and investors should not be surprised should a decent setback develop after six months of very strong gains.

BDT Invest LLP
5th October 2009



Investment Objective

The BDT Invest Asian Focus Fund aims to achieve absolute returns. The Fund is not managed against, nor constrained by, any index; comparisons are for illustrative purposes only. Equity investments will be made in Japanese and Asian markets. Monies not invested in equities will generally be held in short term fixed interest securities. US Dollar, Sterling and Euro denominated share classes are available. In May 2008 the Sterling share classes hedged was removed and on 12th July 2009 the Euro share classes hedge was removed.

Commentary

The Net Asset Value of the US Dollar B shares rose 4.2% last month. Highlights were strong rebounds in our Taiwanese financials. We added asset play Taiwan Fertiliser to the list early in the month in preference to Chungghwa Telecom. Mermaid Maritime reacted very positively to its rights issue announcement and HDFC jumped after (another) reminder of its growth pedigree at the CLSA Forum. While Chinese infrastructure spend has been the talk of 2009, we look elsewhere for 2010, adding Holcim Cement in Indonesia and taking a placement in Metro Pacific in the Philippines. With water, toll roads and now power (through a stake in Meralco) Metro Pacific will benefit from the long overdue infrastructure "catch up" now coming to Manila.

Compound Annual Growth Rate since Inception	
Class A\$ Share	10.3%
Class B\$ Share	10.9%
5th March 2001 - 30th September 2009	

	A Class	B Class
Net Asset Value		
Dollar Class	\$ 21.75	\$ 22.74
Sterling Class	£ 23.97	£ 25.23
Euro Class	€ 16.41	€ 16.56
Fund Size (million)	\$69.3	
Historic Yield	1.0%	1.0%
Dealing		
Dealing Frequency	Daily	
Dealing cut off point	5pm (Dublin time)	
Valuation point	9am (following day)	
Min Investment	\$ 10,000	\$3,000,000
Subsequent	\$ 2,500	\$ 100,000

	A Class	B Class
Fee and Charges		
Annual Management Fee	1.5%	0.9%
Entry Charge	3.0%	0.0%
Exit Charge	0.0%	3.0%
TER (estimated)	2.03%	1.43%
<i>(excluding performance fee and entry/exit charges)</i>		

Performance Fee
10% of any gains in excess of 10%. Subject to high tide marks and/or CAGR since inception.

Broking Commissions
The Fund pays normal transaction commissions which range from 0.2% to 0.7%. BDT Invest has entered into commission sharing arrangements.

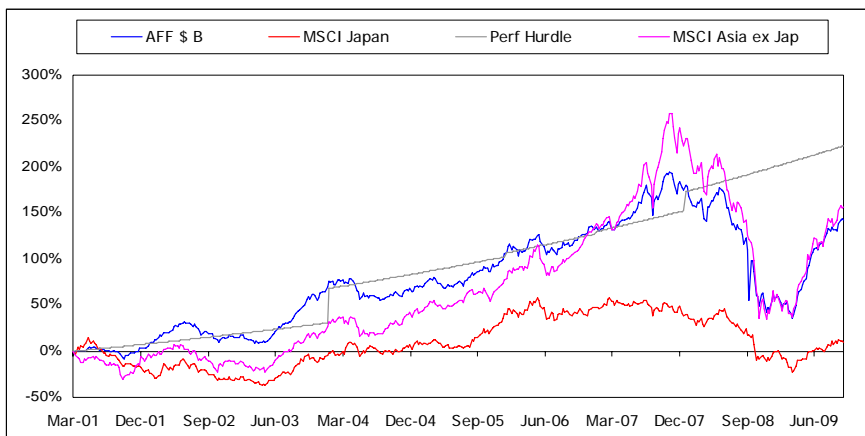
Activity
Activity is not "targeted" and will depend upon market conditions. Since launch turnover (an average of purchases and sales divided by the fund size and expressed as an annualised percentage) has been 112%.

Distributor Status
The Fund has received distributing fund status for the year ended Dec 31, 2008

Investment Manager (for enquiries)
BDT Invest LLP
4th Floor, 52 Jermyn Street
London Telephone
SW1Y 6LX +44 (020) 7659 1300

Administrator (for dealing and admin)
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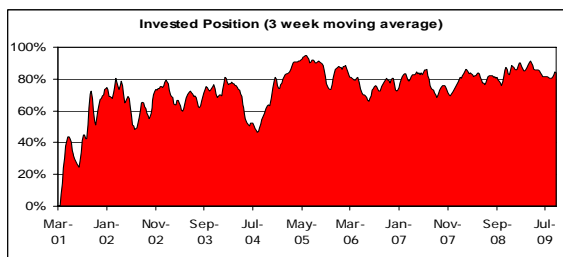
Regulatory Status
Listed on the Irish Stock Exchange, approved by the IFSRA, Authorised and Regulated by the FSA



Top Twenty Holdings		Country Weights		Sector Weights	
China Taiping Insurance	8.1%	Japan	17.9%	Financials	30.1%
Rexlot Holdings Ltd	7.9%			Consumer Discretionary	14.4%
MintH Group	3.6%	China	13.6%	Industrial	14.3%
Mermaid Maritime	3.2%	Hong Kong	12.6%	Information Technology	8.4%
Top Glove	3.0%	Indonesia	4.3%	Health Care	5.1%
Toyko Electron	2.8%	India	6.3%	Materials	4.5%
Johnson Electric Hldgs	2.7%	Korea	2.5%	Energy	3.2%
Taiwan Semi	2.7%	Malaysia	5.5%	Property	2.9%
Bharat Heavy Electricals	2.7%	Philippines	2.6%	Consumer Staple	1.1%
Metro Pacific	2.6%	Singapore	7.6%	Telecoms	0.0%
HDFC	2.6%	Thailand	2.2%	Utilities	0.0%
Samsung F & M Ins	2.5%	Taiwan	9.1%		
Lafarge Cement	2.5%			Portfolio Concentration	
First Ship Lease Trust	2.5%			Top Twenty	62.4%
Yuanta Financial Holdings	2.3%			"5 & 40 rule"	16.0%
Jasa Marga	2.2%	% Invested	84.0%	Number of Holdings	35
SCB	2.2%	Cash	10.1%		
Taiwan Fertilizer	2.2%	T-bills	5.8%		
Daiichi Sankyo	2.1%				
Holcim Indonesia	2.1%				

30th September 2009	1 month	3 month	6 month	1 year	3 years	5 years
Asian Focus Fund A \$	4.2%	12.0%	58.9%	26.2%	9.3%	45.5%
Asian Focus Fund B \$	4.2%	12.2%	59.2%	27.2%	11.3%	50.0%
Asian Focus Fund A £	5.6%	16.3%	41.2%	41.9%	34.0%	80.2%
Asian Focus Fund B £	5.7%	16.5%	41.6%	41.8%	36.3%	85.2%
Asian Focus Fund A €	2.2%	7.4%	51.0%	15.2%	-2.6%	26.4%
Asian Focus Fund B €	2.3%	7.6%	51.6%	16.4%	-1.5%	28.7%
MSCI Asia ex Japan	8.8%	19.0%	60.5%	26.7%	24.6%	99.0%
MSCI Japan	-1.7%	6.5%	31.1%	-0.6%	-22.2%	11.7%

MSCI Indices (incl net dividends) stated in US\$. Fund returns stated in the class base currency.



Asian Focus Fund B \$	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
2005	0.9%	4.0%	-4.1%	-2.4%	1.8%	1.2%	3.9%	1.4%	5.4%	-2.7%	3.9%	6.4%	21.0%
2006	3.4%	-1.6%	3.6%	1.9%	-4.7%	0.7%	-0.2%	2.0%	0.4%	2.9%	4.4%	0.2%	13.2%
2007	-0.9%	1.7%	0.1%	2.7%	2.9%	4.5%	5.7%	-2.6%	5.9%	4.7%	-5.4%	0.4%	20.9%
2008	-9.9%	4.4%	-4.1%	5.1%	2.1%	-9.2%	-5.8%	-5.0%	-14.4%	-15.3%	-8.5%	7.7%	-43.8%
2009	-4.6%	-6.5%	7.4%	17.6%	16.2%	3.9%	8.0%	-0.3%	4.2%				52.7%



Investment Objective

The BDT Invest Oriental Focus Fund aims to achieve absolute returns. The Fund is not managed against, nor constrained by, any index; comparisons are for illustrative purposes only. From 1st April 2008 the investment universe has been refined to Asian Equity markets excluding Japan. This change was approved by shareholders at the AGM on 16th May 2008. The Manager intends to run a focused portfolio with a target of twenty five to thirty individual holdings. US Dollar, Sterling and Euro denominated share classes are available. In May 2008 the Sterling share classes hedged was removed and on 12th July 2009 the Euro share classes hedge was removed.

Commentary

The Net Asset Value of the US Dollar B shares rose by 5.2% during September. Highlights were strong rebounds in our Taiwanese financials and we added asset play Taiwan Fertiliser to the list early in the month. Mermaid Marine reacted very positively to its rights issue announcement and HDFC jumped after (another) reminder of its growth pedigree at the CLSA conference in HK. Shangri-La bounced back strongly as swine flu fears abated and the trough in occupancy appears passed. While Chinese infrastructure spend might have been the talk of '09, we look elsewhere for '10, adding Holcim Cement in Indonesia and taking a placement in Metro Pacific in the Philippines. With interests in water, toll roads and power Metro Pacific will be at the heart of the long overdue infrastructure "catch up" now coming to the greater Manila area.

Compound Annual Growth Rate since Inception	
Class A \$ Share	14.9%
Class B \$ Share	15.8%
11th Oct 2004 - 30th September 2009	

	A Class	B Class
Net Asset Value		
Dollar Class	\$ 18.93	\$ 19.66
Sterling Class	£ 23.40	£ 24.19
Euro Class	€ 15.85	€ 16.55
Fund Size (million)	\$18.7	
Historic Yield	1.1%	1.0%

Dealing	
Dealing Frequency	Daily
Dealing cut off point	5pm (Dublin time)
Valuation point	9am (following day)
Min Investment	\$ 10,000 \$3,000,000
Subsequent	\$ 2,500 \$ 100,000

Fee and Charges	
Annual Management Fee	1.5% 0.9%
Entry Charge	3.0% 0.0%
Exit Charge	0.0% 3.0%
TER (estimated)	2.19% 1.59%

(excluding performance fee and entry/exit charges)

Performance Fee
10% of any gains in excess of 10%. Subject to high tide marks and/or CAGR since inception.

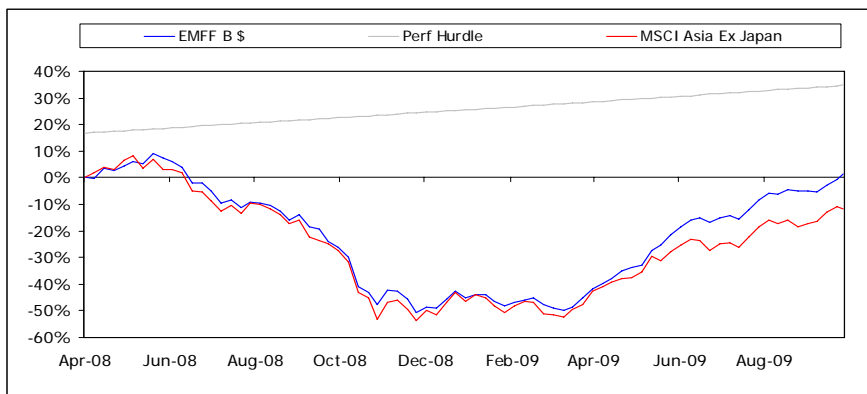
Broking Commissions
The Fund pays normal transaction commissions which range from 0.2% to 0.7%. BDT Invest has entered into commission sharing arrangements.

Activity
Activity is not "targeted" and will depend upon market conditions. Since launch turnover (an average of purchases and sales divided by the fund size and expressed as an annualised percentage) has been 125%.

Distributor Status
The Fund has received distributing fund status for the year ended Dec 31, 2008
Investment Manager (for enquiries)
BDT Invest LLP
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Regulatory Status
Listed on the Irish Stock Exchange, approved by the IFSRA, Authorised and Regulated by the FSA

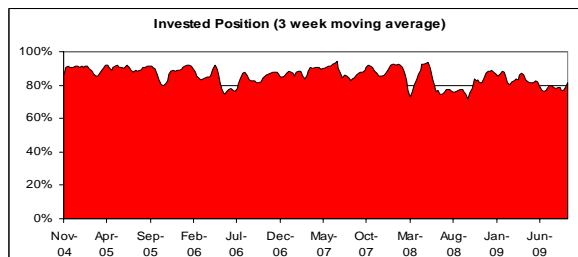


Top Twenty Holdings		Country Weights		Sector Weights	
China Taiping Insurance	8.0%	China	17.8%	Financials	27.7%
Mermaid Maritime Pcl	7.9%	Hong Kong	16.2%	Industrial	14.5%
Rexlot Holdings Ltd	7.6%	Singapore	13.8%	Consumer Discretionary	13.8%
Johnson Electric Holdings	4.3%	Taiwan	9.1%	Energy	7.9%
Minth Group	3.9%	India	6.1%	Property	6.2%
Jardine Matheson	3.3%	Malaysia	5.1%	Information Technology	4.1%
Top Glove corp	3.1%	Philippines	4.9%	Materials	4.1%
Metro Pacific	3.0%	Indonesia	4.2%	Health Care	3.1%
Samsung F & M Ins	2.7%	Thailand	3.3%	Consumer Staple	2.1%
Yuanta Financial Holdings Ltd	2.6%	Korea	2.7%	Telecoms	0.0%
Bharat Heavy Electricals	2.6%			Utilities	0.0%
First Ship Lease	2.6%				
HDFC	2.5%				
Shangri-la Asia Ltd	2.3%				
Taiwan Fertilizer	2.2%				
Taiwan Semi	2.2%				
SCB	2.2%				
Jasa Marga	2.2%				
First Financial Hold	2.1%				
Holcim Indonesia	2.1%				

Portfolio Concentration	
Top Twenty	69.2%
"5 & 40 rule"	23.5%
Number of Holdings	28

30th September 2009	1 month	3 month	6 month	1 year	2 years	3 years
EM Focus Fund A \$	5.2%	18.1%	77.6%	39.9%	-9.6%	36.9%
EM Focus Fund B \$	5.2%	18.3%	78.1%	40.8%	-8.5%	40.0%
EM Focus Fund A £	6.6%	22.6%	57.8%	57.1%	11.1%	67.0%
EM Focus Fund B £	6.7%	22.8%	58.2%	58.1%	12.4%	70.3%
EM Focus Fund A €	3.3%	12.4%	67.5%	24.3%	-20.7%	17.5%
EM Focus Fund B €	3.3%	13.4%	69.4%	27.3%	-18.5%	21.2%
MSCI Asia ex Japan	8.8%	19.0%	60.5%	26.7%	-22.5%	24.6%
MSCI EMF Asia	9.2%	19.6%	60.2%	27.7%	-23.3%	24.4%

MSCI Indices (incl net dividends) stated in US\$. Fund returns stated in the class base currency.



Oriental Focus Fund B \$	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
2008 (from 1st April)				5.3%	1.2%	-10.5%	-4.6%	-4.8%	-17.4%	-18.8%	-11.0%	8.0%	-44.2%
2009	-3.8%	-4.1%	9.9%	19.7%	21.0%	4.0%	11.3%	1.0%	5.2%				80.7%



Investment Objective

The BDT Invest Japanese Focus Fund aims to achieve absolute returns. The Fund is not managed against, nor constrained by, any index; comparisons are for illustrative purposes only. Equity investments will be made in Japanese equities. Monies not invested in equities will generally be held in short term fixed interest securities. US Dollar, Sterling and Euro denominated share classes are available. The Sterling and Euro share classes are hedged back into their base currency in the normal course of events.

Portfolio Commentary

The US\$ B shares rose by 0.4% in September, outperforming the TOPIX fall of 1.9% in US Dollar terms. In local currency terms, the TOPIX declined 5.8%. An overweight position in technology stocks and an underweight one in banks were the main contributors to relative performance this month. There has been good news from both sides of the Pacific in the technology sector recently with many companies reporting signs of an upturn in orders, including semiconductor production equipment maker Tokyo Electron. In the same area our holdings in semiconductor materials suppliers JSR and SUMCO recorded double digit gains over the month. Defensive stocks also did well, perhaps not surprisingly in a falling market. Cable TV operator Jupiter Telecom, Japan Tobacco and East Japan Railway all rose. Financials were the worst performing area of the market and not holding the likes of Nomura and Mizuho certainly helped relative performance.

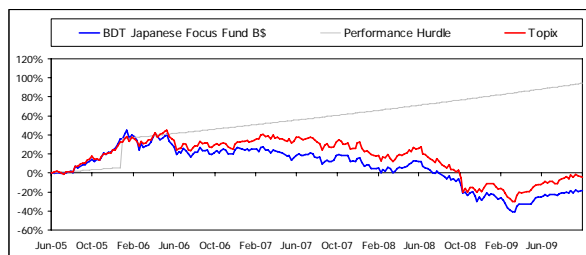
Japan's severe underperformance of the rest of Asia was caused by three factors this month. First, the newly elected left-leaning Government made some market unfriendly moves. Appointing arch anti-Koizumist Mr. Kamei as Minister of Financial Services made foreign investors wary, and he lived up to his reputation by immediately proposing a moratorium on bank debt repayments for all SMEs. The new Finance Minister Mr. Fujii opined that a strong Yen was helpful in promoting a shift away from Japan's traditional export dependency towards a more balanced economy. Whilst this is certainly true in the long term, its immediate effect is highly deflationary.

The strength in the Yen that followed Mr. Fujii's comments was the second factor to damage the market. Many of Japan's producers of cyclical commodities have to price in US\$ whilst the auto companies have huge overseas operations. A strong Yen hits the profits of both. The final issue that the market faced was the prospect of yet more equity issuance. Nomura's move to raise US\$5.5bn (after raising US\$3bn earlier in the year) focussed attention on the list of companies hoping to issue new equity and we have since seen estimates that over \$30bn will be raised in the next six months. Hitachi, for example, has seen over half its shareholders' equity destroyed in the last year alone and needs to repair its balance sheet. Only once this is fully priced in will the broad market be able to make sustained upward progress.

Top Twenty Holdings		Sector Weights	
Tokyo Electron	4.1%	Industrials	15.8%
Jupiter Telecommunications	3.8%	Information Technology	22.6%
Tsumura	3.8%	Health Care	9.2%
JSR	3.7%	Consumer Staple	4.8%
Murata Manufacturing	3.7%	Property	2.7%
Toyota Motor	3.6%	Consumer Discretionary	17.9%
Nikon	3.6%	Materials	5.8%
East Japan Rail	3.3%	Utilities	0.0%
SMC	3.2%	Energy	0.0%
Shionogi	3.1%	Financials	12.2%
Fuji Machine	3.1%	Telecoms	0.0%
Fujitsu	3.0%	Liquidity	9.1%
Sekisui House	2.9%		
Japan Tobacco	2.7%	Portfolio Concentration	
Mitsubishi Estate	2.7%	Top Twenty	62.6%
Nissha Printing	2.7%	"5 & 40 rule"	0.0%
Sumco	2.7%	Number of Holdings	36
Fast Retailing	2.5%		
Daiichi Sankyo	2.4%		
Horiba	2.4%		

30th September 2009	1 month	3 month	6 month	1 year	2 years	3 years
Japan Focus Fund A \$	0.4%	3.4%	27.8%	-10.7%	-32.0%	-34.2%
Japan Focus Fund B \$	0.4%	3.4%	28.1%	-10.3%	-31.3%	-33.1%
Japan Focus Fund A £	-3.9%	-2.4%	15.8%	-28.0%	-48.6%	-49.7%
Japan Focus Fund B £	-3.8%	-2.3%	16.1%	-29.5%	-49.4%	-50.0%
Japan Focus Fund A €	-4.0%	-3.0%	15.9%	-28.4%	-49.3%	-51.0%
Japan Focus Fund B €	-3.8%	-2.8%	15.9%	-28.5%	-49.0%	-50.6%
Japan TPX	-1.9%	4.2%	28.8%	-2.3%	-27.7%	-25.7%
MSCI Japan	-1.7%	6.5%	31.1%	-0.6%	-27.3%	-22.2%

Indices stated in US\$. Fund returns stated in the class base currency. TPX returns converted into US\$ using 0900 GMT rate in order to match valuation point.



Japan Focus Fund BS	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
2005						-0.4%	2.5%	3.8%	8.2%	1.1%	5.9%	10.7%	35.9%
2006	2.9%	-5.8%	5.1%	-1.4%	-7.0%	-1.1%	-2.2%	1.0%	-2.2%	1.9%	0.6%	0.0%	-8.5%
2007	-0.5%	1.3%	-1.8%	-3.2%	-1.3%	1.2%	-0.8%	-3.9%	4.0%	0.9%	-3.1%	-5.2%	-11.3%
2008	-4.1%	0.9%	-1.9%	4.8%	2.8%	-6.5%	-3.3%	-4.4%	-6.5%	-13.1%	-5.4%	5.9%	-28.1%
2009	-6.1%	-17.4%	3.8%	7.4%	9.8%	4.9%	0.1%	2.4%	0.4%				3.2%

Compound Annual Growth Rate since Inception	
Class A\$ Share	-5.2%
Class B\$ Share	-4.7%
3rd June 2005 - 30th September 2009	

	A Class	B Class
Net Asset Value		
Dollar Class	\$ 7.94	\$ 8.12
Sterling Class	£ 6.91	£ 6.89
Euro Class	€ 6.52	€ 6.59
Fund Size (million)	\$7.6	
Historic Yield	0.0%	0.0%
Dealing		
Dealing Frequency	Daily	
Dealing cut off point	5pm (Dublin time)	
Valuation point	9am (following day)	
Min Investment	\$ 10,000	\$3,000,000
Subsequent	\$ 2,500	\$ 100,000

	A Class	B Class
Fee and Charges		
Annual Management Fee	1.5%	0.9%
Entry Charge	3.0%	0.0%
Exit Charge	0.0%	3.0%
TER (estimated)	2.27%	1.67%

(excluding performance fee and entry/exit charges)

Performance Fee
10% of any gains in excess of 10%. Subject to high tide marks and/or CAGR since inception.

Broking Commissions
The Fund pays normal transaction commissions which range from 0.2% to 0.7%. BDT Invest has entered into commission sharing arrangements.

Activity
Activity is not "targeted" and will depend upon market conditions. Since launch turnover (an average of purchases and sales divided by the fund size and expressed as an annualised percentage) has been 131%

Distributor Status
The Fund has received distributing fund status for the year ended Dec 31, 2008

Investment Manager (for enquiries)
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Regulatory Status
Listed on the Irish Stock Exchange, approved by the IFSRA, Authorised and Regulated by the FSA

Japanese Smaller Companies Fund



Compound Annual Growth Rate since Inception
Class A\$ Share 0.4%
Class B\$ Share 1.0%
9th Feb 2004 - 30th September 2009

Investment Objective

The Fund seeks to achieve long-term capital appreciation through investment in Japanese smaller companies. The Fund uses the TSE 2nd Section Index as its performance benchmark although comparisons will also be made with the more growth orientated JASDAQ Index. US Dollar, Japanese Yen, Sterling and Euro denominated share classes are available. The Sterling and Euro share classes are hedged back into their base currency in the normal course of events.

Portfolio Commentary

The Yen B shares fell 4.4% in September, underperforming the 4.2% fall in the TSE 2nd Section Index and the 1.5% decline in the JASDAQ Index. The leading contributors to returns were stocks in the technology sector. Disco performed well once again, as did Fujimi and SUMCO. However the Fund's holdings in the real estate and financial sectors endured a correction and contributed negatively to performance.

Stock Highlights:

Micronics Japan (2.3 % of NAV, Jasdaq):

The world's leading manufacturer of advanced probe cards which are used for testing integrated circuits on semiconductors. They also make testers for LCD panels. Order intake bottomed in the June quarter and made an impressive recovery this quarter as foundries in Korea & Taiwan started placing new orders. The recently launched DDR3 memory chip and the release of Windows Seven this November is likely to stimulate the DRAM market. The share sells at a P/E of 12x for FY9/11.

Matsuda Sangyo (1.8% of NAV, TSE-1):

A precious metal recycler that buys defective and waste electronics parts from manufacturing plants in Japan (40% of total purchases) and Asia (60%) in order to extract pure metals. 65% of total sales are from gold and 12% each from silver and white gold. Management aims to hedge some risk in the futures market but earnings growth still depends on precious metal prices as well as capacity utilization at customers. The share sells at a P/E of 12x for FY3/11.

Hitachi Kokusai Electric (1.7% of NAV, TSE-1):

Thermal process equipment used in IC wafer production lines (25% of total sales) always acts as the big swing factor for earnings growth. Sales of information systems (40% of sales) and broadcasting systems (35%) are mature and stable. Order intake in the IC business plunged late last year and bottomed in the June quarter. A modest recovery has now begun as Korean DRAM makers have started placing new orders. The share sells at a P/B of 0.9x.

	A Class	B Class
Net Asset Value		
Dollar Class	\$ 10.23	\$ 10.55
Sterling Class	£ 10.39	£ 10.61
Euro Class	€ 9.72	€ 9.92
Yen Class	JPY 870	JPY 897
Fund Size (million)	\$27.0	
Historic Yield	0.0%	0.0%

	Daily
Dealing	
Dealing Frequency	Daily
Dealing cut off point	5pm (Dublin time)
Valuation point	9am (following day)
Min Investment	\$ 10,000 \$3,000,000
Subsequent	\$ 2,500 \$ 100,000

	1.75%	1.25%
Fee and Charges		
Annual Management Fee	1.75%	1.25%
Entry Charge	3.0%	0.0%
Exit Charge	0.0%	3.0%
TER (estimated)	2.27%	1.77%

(excluding entry/exit charges)

Performance Fee
There is no performance fee

Broking Commissions
The Fund pays normal transaction commissions which range from 0.2% to 0.7%. BDT Invest has entered into commission sharing arrangements.

Activity
Activity is not "targeted" and will depend upon market conditions. Since launch turnover (an average of purchases and sales divided by the fund size and expressed as an annualised percentage) has been 197%.

Distributor Status
The Fund has received distributing fund status for the year ended Dec 31, 2008

Investment Manager (for enquiries)
BDT Invest LLP
4th Floor, 52 Jermyn Street
London Telephone
SW1Y 6LX +44 (020) 7659 1300

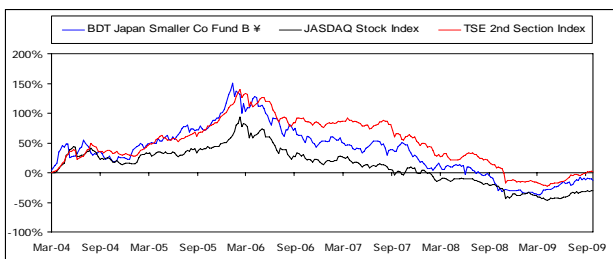
Administrator (for dealing and admin)
HSBC Securities Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2 Telephone
Ireland +353 (01) 635 6000

Regulatory Status
Listed on the Irish Stock Exchange, approved by the IFSRA, Authorised and Regulated by the FSA

Top Twenty Holdings		Portfolio Emphasis		Sector Weights	
Disco	3.7%	Internet Services	1.4%	Information Technology	28.2%
THK	2.9%	Discount Retailing	5.5%	Industrial	23.8%
K' S Holdings	2.7%	Environmental care	3.4%	Consumer Discretionary	15.6%
Shinko Electric Ind	2.6%	Finance	7.7%	Materials	13.5%
Stanley Electric	2.6%	Asset reflation	8.7%	Financials	9.1%
Sumitomo Bakelite	2.5%	Demographic Change	2.0%	Property	6.4%
Shimamura	2.5%	Other	0.0%	Health Care	2.0%
Sumco	2.5%	Domestic growth	28.7%	Consumer Staple	0.0%
Takata	2.3%	Climate change	4.7%	Energy	0.0%
Taiyo Ink	2.3%	Silicon Cycle	10.1%	Telecoms	0.0%
Hitachi High Tech	2.3%	Other Electronics	29.1%	Utilities	0.0%
Micronics Japan	2.3%	Autos	10.2%	Portfolio Concentration	
Toyo Tanso	2.3%	Machinery	10.5%		
Nissha Printing	2.2%	Others	5.2%	Top Twenty	48.5%
Furuya Metal	2.2%	Global growth	69.8%	"5 & 40 rule"	0.0%
Goldcrest	2.2%	% Invested	98.5%	Number of Holdings	51
Mori Seiki	2.2%	Cash	1.5%		
Nabtesco	2.2%	T-bills	0.0%		
Fuyo General Lease	2.1%				
Tokyo Ohka Kogyo	2.1%				

30th September 2009	1 month	3 month	6 month	1 year	3 years	5 years
Japanese SC Fund A \$	0.0%	10.0%	41.7%	25.2%	-30.3%	-13.0%
Japanese SC Fund B \$	0.0%	10.1%	42.2%	25.9%	-28.8%	-10.6%
Japanese SC Fund A £	-4.4%	3.8%	28.0%	6.6%	-43.7%	-19.6%
Japanese SC Fund B £	-4.3%	3.8%	27.8%	6.6%	-43.2%	-18.1%
Japanese SC Fund A €	-4.0%	3.7%	28.7%	5.9%	-45.4%	-24.7%
Japanese SC Fund B €	-3.8%	4.2%	29.2%	6.1%	-44.5%	-22.7%
Japanese SC Fund A ¥	-4.4%	3.4%	29.5%	7.4%	-46.7%	-29.6%
Japanese SC Fund B ¥	-4.4%	3.5%	29.8%	7.9%	-45.9%	-27.7%
Japan TPX 2nd Section	-4.2%	0.7%	22.2%	-5.1%	-47.0%	-25.5%
Japan JASDAQ	-1.5%	2.4%	21.2%	-5.1%	-44.3%	-41.5%

Indices stated in Yen. Fund returns stated in the class base currency.



Japanese SC Fund B ¥	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
2005	11.7%	0.2%	0.4%	6.1%	1.5%	5.2%	7.8%	-4.5%	-0.5%	7.6%	6.8%	18.6%	77.0%
2006	1.4%	-9.2%	5.1%	-5.3%	-11.4%	1.0%	-12.1%	2.9%	-5.0%	-2.7%	-7.3%	4.2%	-33.7%
2007	2.2%	-3.1%	-3.0%	-4.1%	-0.1%	7.0%	-0.3%	-7.3%	3.2%	5.2%	-14.5%	-8.1%	-22.3%
2008	-8.4%	7.3%	-6.2%	2.0%	0.3%	-4.4%	-5.0%	-2.8%	-17.5%	-12.3%	-1.9%	1.4%	-40.1%
2009	-5.2%	-3.9%	4.5%	7.2%	11.4%	4.9%	5.0%	3.1%	-4.4%				23.6%

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Past performance is not a guide to future returns. The value of investments and the income from them can go down as well as up and an investor may not get back the original amount invested. The difference at any one time between the Net Asset Value of Shares for the purposes of purchases and redemptions means that investment in the Company should be viewed as medium to long term.

Prospective shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, shares in the places of their citizenship, residence and domicile. The tax consequences for each shareholder of acquiring, holding, converting, redeeming or disposing of shares in the Company will depend upon the relevant laws of any jurisdiction to which the shareholder is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice and the levels and basis of and release from taxation relating to the Company and to shareholders may change from time to time.

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