

BDT INVEST FUNDS PLC

Newsletter

Month of April 2008



1st May 2008

BDT Invest Funds plc



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Please see final page for important risk statements and disclaimers

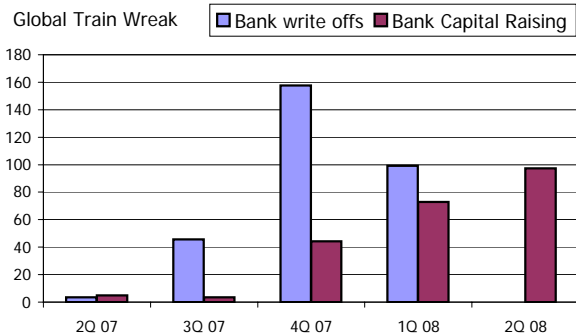
Review

Some respite for regional markets after the trauma of the first quarter although not all markets and sectors rebounded - the smaller markets of Indonesia and the Philippines continued south while the recovery in Japan was led almost exclusively by the financial and real estate sectors.

The Japanese Smaller Companies Fund declined 2.5% over the month while the Japanese, Asian and Emerging Markets Focus Funds recorded advances of 4.8%, 5.1% and 5.3% respectively. The numbers refer to the US\$ B class shares, please see the fund fact sheets for complete fund and index performance details and individual commentaries.

Pompous Prognosticators

One of our favourite weekly reads is Damian Kestel's "Bits and Pieces". Last week he included Colin Seymour's chart entitled "1927-1933 - Chart of Pompous Prognosticators", an absolute gem. A legion of quotes of which our favourite came from President Hoover on 1st May 1930 - "while the crash only took place six months ago, I am convinced we have now passed the worst - and with continued unity of effort we shall rapidly recover. There has been no significant bank or industrial failure. That danger, too, is safely behind us". The Dow Jones Industrial fell 75% during the next two years as the Great Depression unfolded. We are not suggesting a re-run following recent, somewhat hollow, votes of confidence in the economy by certain western leaders but we have enjoyed reading commentaries about the UK banking industry during the past month where prior comments from management have provided the more satirical financial journalist with a wealth of ammunition.



The mood has changed in the UK Boardroom. Executives, often remunerated by the annual growth in earnings per share or growth in book value per share, are suddenly happy to increase the number of shares in issue and at a substantial discount to the last reported book value. Why? Gosh - we haven't seen a series of deeply discounted rights issues since.....uumm.....oh yes - the Asian crisis.

Happily we can report that banks, and other financials, in our portfolios are not only unaffected by the credit crunch but, at the margin, their competitive position is improving as global financial behemoths hit reverse gear. China Insurance, our largest portfolio position, announced first quarter 2008 premium growth of 83% while Siam Commercial Bank's posted an 83% increase in earnings per share.

And yet

While we might laugh at the difficulties of financiers in the West, the slow down in the western world has significant implications for our investment areas. While the recently reported 1Q US GDP number was positive, once the increase in inventories (what does this normally imply?) and better trade performance are backed out the number is negative and, unsurprisingly, the Federal Reserve sliced another 25bps off rates.

The implication of the US drifting into recession and Europe slowing sharply, as we have mentioned previously, will be slowing growth in the manufacturing or export sectors which will inevitably feed through into slower growth in the domestic economies. We continue to concentrate our investments in companies where we believe top and bottom line growth can be sustained regardless of the deteriorating macro environment.

The implications of low interest rates are twofold. The first has been a huge increase in financial speculation in oil and both hard and soft commodities. This is creating serious problems for Governments around Asia. For example subsidised pump prices in Indonesia are blowing the Government budget to pieces and may further delay much needed infrastructure spending while across the region rising food prices are pushing up headline inflation rates which in Vietnam's case now exceeds 20%. We have no exposure to either country. The second implication of low US Dollar interest rates is the mechanical transmission of lower interest rates to a number of Asian economies due to the continued policy of targeted exchange rates. Hong Kong and Singapore are the obvious examples although admittedly easier monetary conditions do not apply to all countries, especially where capital flows have reversed.

The needle is wearing thin and the record is very worn but we cling to our belief that the collapse of growth in the developed world, courtesy of the credit crunch, will result in decelerating growth in the developing world and this will leave currently elevated commodity prices high and dry as 2008 unfolds. This is likely to result in massive divergence in sector returns over the next twelve months.

Outlook

The recovery of regional markets from the first quarter sell off is somewhat encouraging. It would be considerably more encouraging, however, if the move had not been entirely coincident with a recovery in developed markets, a fall in junk bond spreads and a general increase in risk appetite. In other words Asia's markets may be rallying simply because of Asia's high beta reputation.

Asia's demographic advantage is set in stone for the next decade and we are unsure whether the majority of investors are judging the region by this advantage or by reference to historical trading patterns (i.e. beta). Optimists perhaps, but we remain fairly fully invested despite the dreadful macro outlook. A bumpy summer lies ahead and is sure to test the nerves.

BDT Invest LLP
1st May 2008

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, Asian and other Emerging 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. The Sterling and Euro share classes are hedged back into their base currencies in the normal course of events.

Commentary

The Net Asset Value of the US Dollar B shares rose by 5.1% in April as Asian markets recovered their poise after the first quarter mauling. Portfolio activity was reasonably light. In Japan we have shifted the emphasis slightly back toward domestic issues while we disposed of both our positions in Indonesia and we have shuffled our Taiwanese exposure a little. Hong Kong and China led the regional rebound. Most of our small cap holdings performed strongly with China New Power and Sino Environment recording gains of 30%. Regional E&P service providers also rallied assisting portfolio holding Ezra. We remain extremely light in commodities, energy and export orientated concerns.

Compound Annual Growth Rate since Inception

Class A\$ Share 14.2%

Class B\$ Share 14.8%

5th March 2001 - 30th April 2008

	A class	B Class
Net Asset Value		
Dollar Class	\$ 24.69	\$ 25.55
Sterling Class	£ 22.07	£ 23.04
Euro Class	€ 20.42	€ 20.37
Fund Size (million)	\$150.2	
Historic Yield	1.7%	1.6%

Dealing

Dealing Frequency	Daily	
Dealing cut off point	5pm (Dublin time)	
Valuation point	9am (following day)	
Min Investment	\$ 10,000	\$ 500,000
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)	2.03%	1.43%

(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 soft commission 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 116%.

Distributor Status

The Fund has received distributing fund status for the year ended Dec 31, 2006

Investment Manager (for enquiries)

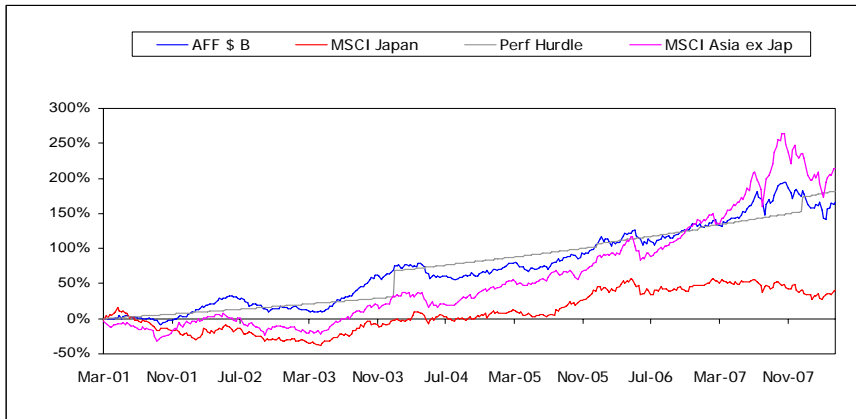
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Regulatory Status

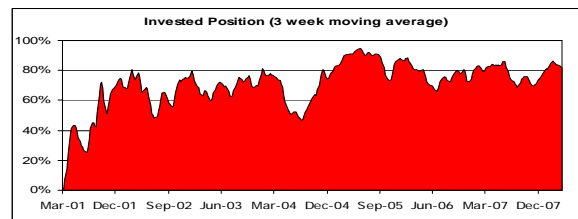
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Top Twenty Holdings		Country Weights		Sector Weights	
China Insurance	5.8%	Japan	23.8%	Financials	26.3%
SCB	4.0%	China	13.9%	Information Technology	12.9%
Farglory Land Development	3.7%	Hong Kong	3.2%	Industrial	11.2%
Nippon Electric Glass	3.2%	Indonesia	0.0%	Consumer Discretionary	7.3%
Taiwan Semi	2.8%	India	4.0%	Property	7.0%
Samsung F & M Ins	2.8%	Korea	6.9%	Telecoms	4.0%
Ezra Holdings Pte Ltd	2.6%	Malaysia	5.4%	Utilities	4.0%
Yuanta Financial Holdings	2.6%	Philippines	1.5%	Energy	2.6%
Stanley Electric Co Ltd	2.6%	Singapore	5.1%	Consumer Staples	2.2%
Fanuc	2.6%	Thailand	4.0%	Health Care	1.8%
Isuzu Motors Ltd	2.5%	Taiwan	13.5%	Materials	1.8%
Sino-Environment Tech	2.5%				
China Power New Energy	2.3%				
Sony Financial Holdings	2.3%				
Minth Group	2.3%				
Chinatrust Financial	2.3%				
Nintendo Co Ltd	2.2%				
Rexcapital Financial Hldgs Ltd	2.2%				
Colgate-Palmolive	2.2%				
Cheung Kong	2.1%				
		% Invested	81.2%		
		Cash	8.7%		
		T-bills	10.2%		
				Portfolio Concentration	
				Top Twenty	55.6%
				"5 & 40 rule"	5.8%
				Number of Holdings	37

30th April 2008	1 month	3 month	6 month	1 year	3 years	5 years
Asian Focus Fund A \$	5.1%	5.1%	-10.3%	10.1%	57.0%	137.1%
Asian Focus Fund B \$	5.1%	5.3%	-10.0%	10.7%	59.8%	143.4%
Asian Focus Fund A £	5.3%	5.9%	-9.9%	10.3%	57.0%	142.9%
Asian Focus Fund B £	5.3%	6.1%	-9.6%	10.9%	59.4%	151.6%
Asian Focus Fund A €	4.9%	5.0%	-10.6%	8.7%	50.4%	127.1%
Asian Focus Fund B €	5.0%	5.1%	-10.4%	8.5%	51.0%	128.5%
MSCI Asia ex Japan	8.1%	7.4%	-15.7%	23.0%	112.0%	284.1%
MSCI Japan	7.3%	3.6%	-6.8%	-6.7%	32.8%	117.5%

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
2001			0.1%	3.1%	0.9%	-1.8%	-2.6%	-1.0%	-4.7%	4.2%	5.4%	2.3%	5.6%
2002	6.4%	5.3%	3.4%	3.8%	4.3%	-3.5%	-4.5%	-1.2%	-5.0%	-0.3%	2.6%	-3.1%	7.6%
2003	0.7%	-1.3%	-3.6%	1.5%	7.4%	6.1%	4.4%	7.2%	6.3%	8.0%	-1.9%	6.1%	48.1%
2004	2.4%	2.3%	-0.2%	-5.9%	-1.7%	-0.7%	-2.4%	0.4%	2.1%	-1.0%	4.8%	2.0%	1.7%
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%								-5.0%

Japanese Focus Fund



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 4.8% in April, underperforming the TOPIX gain of 7.0% in US Dollar terms. In local currency terms, the Topix index rose 12.0%. April's increase in the index was driven by a relatively narrow range of financial and real estate stocks. Nine out of the top ten gainers in the 100 largest companies were from these sectors and less than a third of the TOPIX constituents actually outperformed the index.

Although the Fund holds no bank stocks, it does have a healthy weighting in non-bank financials and in real estate stocks and these performed well during the month. The underperformance relative to the index resulted more from the Fund's liquidity position. As the earnings season approached in Japan, we have attempted to limit the Fund's exposure to companies that might disappoint the market, either in results or in earnings guidance for the coming year. This has resulted in the Fund running a relatively high level of liquidity.

The strength in financial stocks has been accompanied by a sharp sell-off in the Japanese Government bond market. As well as higher bond yields around the world, this increase in Japanese yields was triggered by an inflation scare. The most recent headline CPI number was 1.2%, however excluding fresh food and energy the number was only 0.1%. Inflation is being driven by the global rise in raw material prices rather than stronger domestic demand. As we have often written, Japanese banks desperately need a steeper yield curve but we would feel much more comfortable if the steepening was driven by domestic factors rather than international ones.

The economy continues to give mixed signals. Exports decelerated further in March as weakness in demand from Japan's two largest markets - the U.S. and China - counterbalanced strong demand from Europe and the developing world. Corporate profits and capital spending have both peaked and the former may fall in the year to March 2009 but consumer spending has remained surprisingly resilient.

Compound Annual Growth Rate since Inception	
Class A\$ Share	2.4%
Class B\$ Share	3.0%
3rd June 2005 - 30th April 2008	

	A class	B Class
Net Asset Value		
Dollar Class	\$ 10.72	\$ 10.89
Sterling Class	£ 10.77	£ 10.89
Euro Class	€ 11.31	€ 11.51
Fund Size (million)	\$15.8	
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 \$ 500,000
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)	2.27%	1.67%
<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 a normal transaction commission which is currently 0.20%. BDT Invest has entered into soft commission 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 141%

Distributor Status
The Fund has received distributing fund status for the year ended Dec 31, 2006

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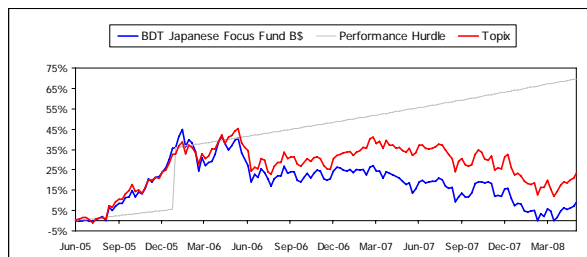
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Regulatory Status
Listed on the Irish Stock Exchange, approved by the IFSRA, Authorised and Regulated by the FSA

Top Twenty Holdings		Sector Weights	
Takeda Pharmaceutical	5.0%	Financials	16.9%
Nippon Electric Glass	4.4%	Information Technology	16.1%
Murata Manufacturing	4.0%	Industrials	15.4%
Daiwa Securities Group Inc	3.7%	Health Care	7.6%
Sony Financial Holdings Inc	3.7%	Consumer Discretionary	6.6%
East Japan Rail	3.5%	Property	5.5%
Mitsubishi Estate Co	3.5%	Telecoms	3.2%
Isuzu Motors	3.4%	Consumer Staple	2.8%
Fanuc Ltd	3.3%	Materials	0.0%
Nomura Holdings Inc	3.3%	Utilities	0.0%
NTT Docomo Inc	3.2%	Energy	0.0%
T & D Holdings Inc	3.2%	Liquidity	25.9%
Stanley Electric Co Ltd	3.2%	Portfolio Concentration	
Jafoo Co Ltd	3.0%		
Nintendo Co Ltd	2.8%	Top Twenty	65.3%
Japan Tobacco Inc	2.8%	"5 & 40 rule"	0.0%
Mitsubishi Tanabe Pharma Co Ltd	2.6%	Number of Holdings	25
Mitsui & Co	2.5%		
Nichias Corp	2.2%		
Sumitomo Realty & Dev	2.0%		

30th April 2008	1 month	3 month	6 month	1 year	2 years	3 years
Japan Focus Fund A \$	4.7%	3.5%	-9.0%	-9.3%	-21.3%	n/a
Japan Focus Fund B \$	4.8%	3.7%	-8.7%	-8.7%	-20.3%	n/a
Japan Focus Fund A £	10.1%	2.0%	-16.7%	-18.3%	-23.7%	n/a
Japan Focus Fund B £	10.1%	1.9%	-16.4%	-17.6%	-22.4%	n/a
Japan Focus Fund A €	9.4%	1.3%	-16.9%	-19.3%	-25.5%	n/a
Japan Focus Fund B €	9.5%	1.5%	-16.6%	-18.8%	-25.1%	n/a
Japan TPX	7.0%	3.5%	-7.3%	-8.2%	-13.0%	n/a
MSCI Japan	7.3%	3.6%	-6.8%	-6.7%	-8.4%	32.8%

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%									-0.6%

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