BDT INVEST FUNDS PLC

Newsletter

Month of January 2010

BDT Invest Funds plc

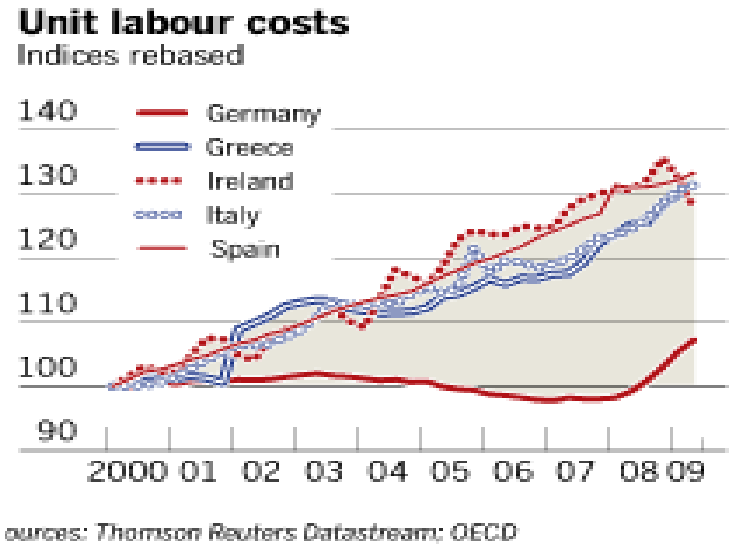
Charts, with short commentary, to accompany Market Review

A competitive Dollar

After falling continuously from early 2002 until early 2008, the US Dollar Index rallied strongly during the financial meltdown in the second half of 2008. In late 2009 the Index successfully tested, and held, the 2008 lows and looks set - from a purely technical perspective - to rally further in 2010. The Euro (57.6%) and Pound Sterling (11.9%) account for almost 60% of the Index.

An uncompetitive Club Med

The convergence trade was fun. The Greek market briefly traded at 40x earnings back in 2000 as the Euro took shape. Unfortunately, as the chart illustrates, peripheral countries within the Eurozone have lost competitiveness relative to Germany - the anchor point of the Euro - over the past decade.
Comparisons with Thailand in 1997 are harsh but fair. Achieving budget deficit reductions into the teeth of a recession will be no mean feat.



Commodities

It is no accident that the great commodity bull market coincided with Dollar weakness. The chart of the RJ/CRB Commodity Price Index over the past decade is shown on the left. This index is admittedly heavily weighted towards energy but the point is the same - the CRY has been little more than another "anti Dollar" bet. With economic recovery in the West likely to fade in 2H10 and China and India attempting to reign in overheating economies, the commodity area is best avoided for now.

2nd February 2010

BDT Invest Funds plc

Market and Fund Review

After a bright start global equities trended lower over the course of January battling against a number of increasingly obvious headwinds that we discuss below. The MSCI World Index retreated 4.1% while the MSCI Asia ex Japan Index fell 6.0%. The MSCI Japan Index managed a modest advance of 1.9%, courtesy of a stronger Yen.

The Japanese Focus Fund and the Japanese Smaller Companies Fund inched ahead by 1.8% and 2.0% respectively. The Asian Focus Fund fell 0.1% while the Oriental Focus Fund declined by 2.2%. All in all a fairly competitive start to the year.

Please note the Asian and Oriental Focus Funds went ex their annual dividend (of approximately 1% in both cases) on the 4th January 2010 and the returns stated above are total return.

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.

It's the Dollar, Stupid!

The top chart on the previous page tracks the US Dollar Index over the past decade. The principle constituents of the index are the Euro (57.6%), the Yen (13.6%), Sterling (11.9%) and the Canadian Dollar (9.1%). We are interested by the fact that the index has successfully tested, and bounced off, the lows recorded in the first half of 2008. Regular readers will be aware of our long held opinion that the direction of the US Dollar remains the KEY determinant of the direction of global equity prices. A stronger Dollar, ceteris paribus, is generally associated with weaker global equity prices and this holds especially true in South East Asia where currencies continue to be pegged, formally or informally, to the Dollar.

We expect the Dollar to continue to strengthen over the next few quarters for the following three reasons;

First In, First Out - the US economy led the global economy into recession and, as evidenced by the preliminary 4Q 09 GDP report last week, is likely to be the first major developed economy to recover. Commentaries complaining that the headline 5.7% number is heavily influenced by inventory build miss the point. Relatively rapid growth is unquestionably Dollar bullish.

Deleveraging - regardless of the rights or wrongs of President Obama's proposed "Volcker Rules" (generally rights in our humble opinion), the reality is that proprietary desks are likely to have substantially reduced access to cheap, deposit based, funding. The likely reduction in the size of their trading books, and the reversal of bank capital flows in hedge and private equity vehicles, merely adds to ongoing and well established deleveraging trends. These trends are Dollar bullish.

The Euro and Club Med - Readers are advised to dig out Martin Wolf's excellent article (The Greek tragedy deserves a global audience, FT 19th January 2010). The most salient point of the article is the chart showing how labour costs in Ireland, Greece, Spain and Portugal have soared relative to German labour costs since the inception of the Euro. This chart is reproduced in the middle of the previous page. If Paddy and Pedro had become 20% more productive relative to Fritz and Hans over this period there would not be a problem. However, they have not and there is. While the Irish in particular understand this, and are making great efforts to regain competitiveness, the Club Med countries are belatedly staring down the barrel of deflation, default or Euro exit. European monetary growth aggregates have fallen off a cliff and an optimistic description of southern Eurozone growth prospects would be dismal. Only a reversal of much of the Euro's strength over the past decade can significantly alter the outlook for the Club Med members. As noted earlier, the Euro accounts for 57.6% of the Dollar Index so Euro weakness equates to Dollar strength. 2010 may prove an interesting year for those, such as Andrew Hunt, who have never trusted this politically driven and economically unproven monetary experiment.

China

It is clear that the Chinese authorities are seeking to remove a part of the monetary and fiscal stimulus that propelled economic growth in 2009 and the stock market is understandably nervous as a result. A few days in Guangzhou and Shenzhen last month undertaking factory visits, however, proved enlightening. Demand, both export but particularly domestic, appears robust and the most common complaint was a shortage of labour as companies continue to reverse the cost cutting programs of late 2008 / early 2009. Household consumption trends appear to remain robust.

Without wishing to appear too sanguine, we suspect the recovery in the private sector will do much to offset a more restrictive lending stance. The edict to the banks from on high will impact the State Owned Enterprise sector but less so the private sector which, in all honesty, has never really had access to credit from the domestic banking sector. As with India, inflationary pressures are evident within the economy and both countries are likely to continue with a tightening bias. The Reserve Bank of India increased the Cash Reserve Ratio by 75bps last week and have signalled a further 75bps rise during February.

Continued tightening in China and India and a strengthening Dollar are likely to keep Asian equities under pressure in the short term. Commodity related sectors, to which we have minimal exposure, look the most vulnerable.

Marketing

Ian Furtado resigned from BDT Invest last month. We wish him well. Reconfiguration of our sales and client service efforts is work in progress and in the short term please feel free to call any, or all, of Messrs B, D or T if you have any particular queries.

Outlook

A decent correction is underway and, as mentioned above, it is unrealistic to expect regional equities to perform strongly if the Dollar continues to appreciate. From a shorter term perspective Japan remains uniquely positioned as the one equity market that is demonstrably cheap and likely to react positively to further Dollar strength. However, we believe this is more a shorter term "trade" than anything else and longer term we expect the other Asian markets to attract a deserved growth premium.

BDT Invest LLP
2nd February 2010

Update # 109

January 2010

Asian Focus Fund

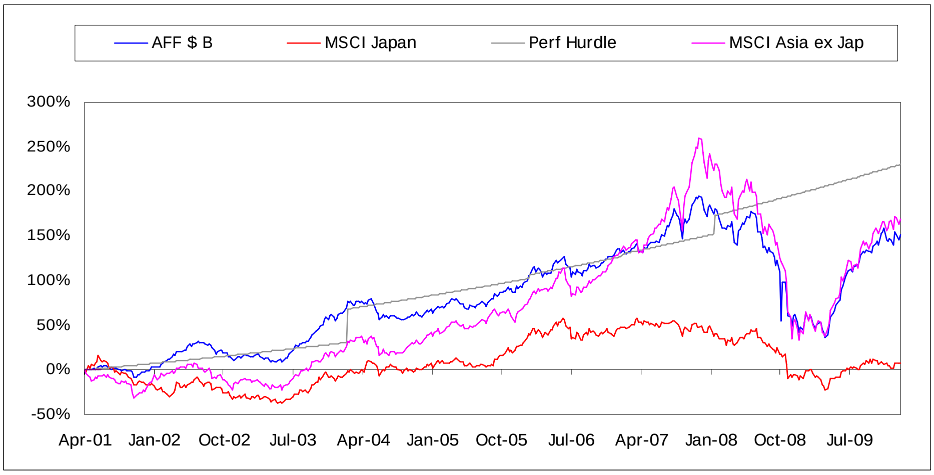
BDT INVEST

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 local currency accounts. 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 fell by 1.0% in January but the total return was only -0.1% after taking into account the $0.22 dividend paid in early January. Exposure to Japan continues to move higher. Elsewhere it is satisfying to note that while some key positions such as China Taiping and Minth have suffered sizeable corrections the overall asset value has held up well. Johnson Electric (+19%), Nintendo (+15%) and Top Glove (+11%) chipped in with useful advances while Minth (-14%), Yuanta (-13%) and Mermaid (-13%) proved to be last month's lemons. We met a number of portfolio holdings during a visit to the region in January. Johnson Electric, Ping An and REXLot stood out in particular. We expect markets to remain choppy, liquidity stands at 9%.



Top Twenty Holdings		Country Weights		Sector Weights	
Rexlot Holdings Ltd	7.8%	Japan	29.2%	Financials	26.9%
China Taiping Insurance	7.5%			Industrial	17.7%
Top Glove	3.6%	China	12.9%	Consumer Discretionary	15.6%
Minth Group	3.5%	Hong Kong	13.1%	Materials	7.8%
Johnson Electric Hldgs	3.3%	Indonesia	4.6%	Information Technology	7.7%
Nippon Electric Glass	3.2%	India	7.1%	Health Care	5.9%
ITC	3.0%	Korea	2.0%	Consumer Staple	4.2%
Tokyo Electron	2.8%	Malaysia	8.3%	Energy	2.8%
Mermaid Maritime	2.8%	Philippines	2.2%	Property	2.4%
First Ship Lease Trust	2.5%	Singapore	7.3%	Telecoms	0.0%
Mitsubishi UFJ Lease & Finance	2.4%	Thailand	0.0%	Utilities	0.0%
Jasa Marga	2.3%	Taiwan	4.2%	**Portfolio Concentration**	
Jupiter Telecoms	2.3%				
THK	2.3%				
Lafarge Cement	2.3%			Top Twenty	62.5%
Holcim Indonesia	2.2%				
Sumitomo Mitsui Fin	2.2%	% Invested	90.9%	"5 & 40 rule"	15.3%
Daiichi Sankyo	2.2%				
SMC Corp	2.2%	Cash	3.0%	Number of Holdings	37
Metro Pacific	2.2%	T-bills	6.1%		

29th January 1010	1 month	3 month	6 month	1 year	3 years	5 years
Asian Focus Fund A $	-0.3%	2.8%	8.3%	66.1%	7.1%	42.4%
Asian Focus Fund B $	-0.2%	3.0%	8.7%	67.3%	9.2%	46.9%
Asian Focus Fund A £	-0.4%	5.2%	10.9%	46.3%	30.9%	74.4%
Asian Focus Fund B £	-0.4%	5.4%	11.2%	47.2%	33.1%	79.2%
Asian Focus Fund A €	2.8%	9.1%	9.4%	63.6%	0.2%	29.7%
Asian Focus Fund B €	2.9%	9.3%	9.7%	65.8%	1.3%	32.1%
MSCI Asia ex Japan	-6.0%	0.7%	5.4%	71.0%	9.1%	75.4%
MSCI Japan	1.9%	1.6%	1.2%	16.2%	-27.2%	0.2%

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

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

Compound Annual Growth Rate since Inception	
Class A$ Share	**10.4%**
Class B$ Share	**11.0%**

5th March 2001 - 29th January 2010

	A Class	B Class
Net Asset Value		
Dollar Class	$ 22.50	$ 23.59
Sterling Class	£ 24.67	£ 26.03
Euro Class	€ 17.74	€ 17.94
Fund Size (million)	$65.8	
Historic Yield	1.0%	0.9%

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

	A Class	B Class
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 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 109%.

Distributor Status

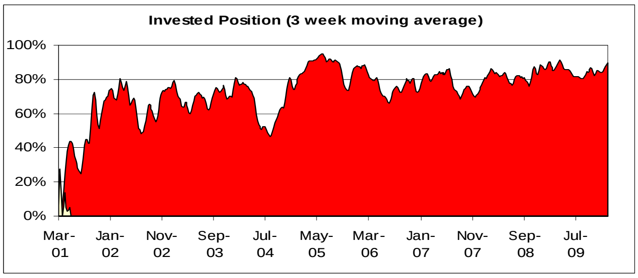
The Fund has received distributing fund status for the year ended Dec 31, 2008

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



Asian Focus Fund B $	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	**Year**
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%	1.6%	1.1%	2.0%	**60.1%**
2010	-0.2%												**-0.2%**

Please see final page for important risk statements and disclaimers

Update # 64

January 2010

Oriental Focus Fund

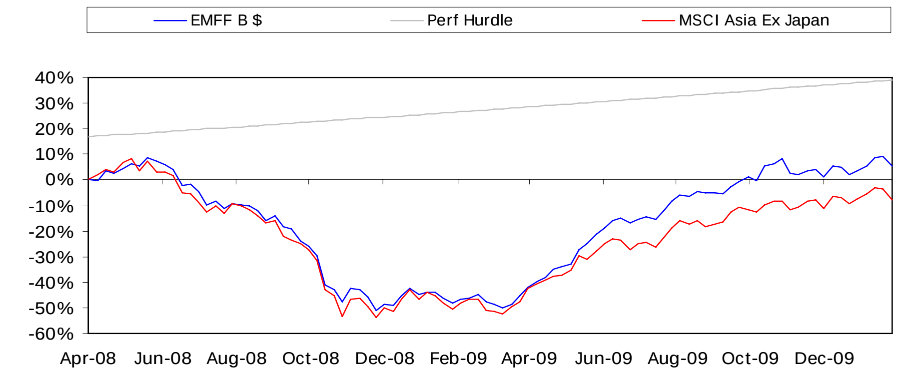
BDT INVEST

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

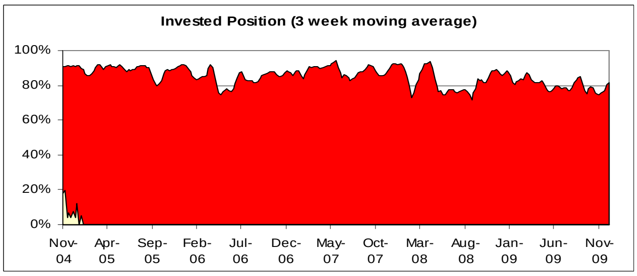
The Net Asset Value of the US Dollar B shares fell 3.1% in January but the total return was -2.2% after taking into account the $0.20 dividend paid in early January. The monthly decline, the first since last February, compares favourably to the 6% decline in the region index. Chinese residential property developers were extremely weak reflecting tightening concerns. The portfolio's current exposure is zero but one of these days we will have to try to catch this falling knife! We met a number of portfolio holdings during a visit to the region in January. Johnson Electric, Ping An and REXLot stood out in particular. China Taiping, the second largest position in the portfolio, is looking very attractive after a 20% correction from last year's peak. We expect markets to remain choppy, liquidity stood at 19% at month end.



Top Twenty Holdings		Country Weights		Sector Weights	
Rexlot Holdings Ltd	8.7%	China	17.7%	Financials	21.6%
China Taiping Insurance	8.4%	Hong Kong	19.7%	Consumer Discretionary	17.8%
Mermaid Maritime Pcl	7.6%	Indonesia	4.0%	Industrial	13.8%
Top Glove Corp	3.6%	India	7.1%	Energy	7.6%
Johnson Electric Holdings	3.6%	Korea	4.3%	Materials	5.7%
Minth Group	3.5%	Malaysia	7.3%	Consumer Staple	4.8%
ITC Ltd	3.0%	Philippines	3.9%	Health Care	4.1%
Hong Kong Aircraft	2.7%	Singapore	12.2%	Property	3.7%
Jardine Matheson	2.4%	Thailand	0.0%	Information Technology	2.2%
First Ship Lease	2.2%	Taiwan	5.1%	Telecoms	0.0%
Lenovo Group	2.2%			Utilities	0.0%
Jasa Marga	2.1%			Portfolio Concentration	
HDFC	2.1%				
Bharat Heavy Electricals	2.0%				
Metro Pacific	2.0%			Top Twenty	65.7%
Lafarge Cement	2.0%				
Techtronic Industries	2.0%	% Invested	81.3%	"5 & 40 rule"	24.8%
Ayala Land Inc	2.0%				
Samsung F & M Ins	1.9%	Cash	10.8%	Number of Holdings	31
Holcim Indonesia	1.9%	T-bills	7.9%		

29th January 1010	1 month	3 month	6 month	1 year	2 years	3 years
EM Focus Fund A $	-2.3%	0.2%	9.2%	91.8%	2.3%	22.2%
EM Focus Fund B $	-2.2%	0.4%	9.5%	93.2%	3.6%	24.8%
EM Focus Fund A £	-2.4%	2.6%	11.8%	69.0%	26.0%	48.9%
EM Focus Fund B £	-2.3%	2.8%	12.1%	70.0%	27.5%	51.7%
EM Focus Fund A €	0.9%	6.4%	10.3%	87.3%	-5.5%	10.1%
EM Focus Fund B €	0.9%	6.6%	10.6%	90.5%	-2.9%	13.8%
MSCI Asia ex Japan	-6.0%	0.7%	5.4%	71.0%	-10.6%	9.1%
MSCI EMF Asia	-6.0%	1.3%	6.5%	74.4%	-10.3%	10.7%

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%	2.5%	1.2%	1.4%	**90.2%**
2010	-2.2%												**-2.2%**

Compound Annual Growth Rate since Inception

Class A$ Share	**14.5%**
Class B$ Share	**15.4%**

11th Oct 2004 - 29th January 2010

	A Class	B Class
Net Asset Value		
Dollar Class	$ 19.27	$ 20.06
Sterling Class	£ 23.68	£ 24.53
Euro Class	€ 16.87	€ 17.65
Fund Size (million)	$25.5	
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

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 116%.

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

Update # 57

January 2010

Japanese Focus Fund

BDT INVEST

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 1.8% in January, marginally outperforming the TOPIX rise of 1.5% in US Dollar terms. In local currency terms, the TOPIX fell 0.7% after a promising start to the month was overwhelmed by weak stock prices overseas and a strong currency resulting from the Yen's curious status in the global FX market as a 'safe haven'. If Japan is to escape from the debilitating effects of a decade of deflation, a weak currency is essential so the stockmarket tends to get nervous when the currency threatens to break through Y90:$.

In light of the Yen strength, it was not surprising to see that the better performing sectors were banks, utilities, telecom and railways whilst autos and commodity cyclicals underperformed. The fact that the Fund managed to outperform slightly despite these sectoral moves was due to the performance of a handful of stocks. Fuji Machine rose over 20% as the recovery in electronics sector capex became clearer. Murata also gained from the strength of electronics demand. Hitachi rose another 14% as the negative effects of its equity issuance waned and Mitsubishi UFJ Lease gained ahead of its third quarter results. On the negative side, Fast Retailing had a correction after its strong rally in the fourth quarter and Nissha Printing fell after the company revised down its earnings estimates. The problem at Nissha has been pricing as Nokia in particular negotiated hard with its component suppliers, but we believe that Nissha's expertise in touch panels and In Mold Design mean that it has a bright future in a growing sector of the electronics industry.

The DPJ Government appointed a new Finance Minister in early January. The new man, Naoto Kan, immediately reversed previous Government policy by announcing support for an exchange rate "in the mid 90s." The Government has also called for the BoJ to do more in the fight against deflation. What the market wants to see is more evidence of a concrete policy response from the BoJ. Export growth was firm in December, thanks once again to strong growth in Chinese demand and this helped industrial production show a 5.3% YoY gain, the first positive YoY number since the Lehman shock. If the Yen weakens even modestly, the combination of these trends will produce a sharp and welcome recovery in profitability amongst Japanese manufacturers.

Top Twenty Holdings		Sector Weights	
Nippon Electric Glass	5.1%	Information Technology	24.4%
Murata Manufacturing	4.8%	Industrials	20.2%
Nikon	4.5%	Consumer Discretionary	19.7%
Tokyo Electron	4.0%	Financials	17.1%
Toyota Motor	3.9%	Health Care	5.7%
Jupiter Telecommunications	3.6%	Materials	5.7%
SMC	3.5%	Consumer Staple	3.2%
Sumco	3.5%	Property	1.9%
Fuji Machine	3.3%	Utilities	0.0%
Sumitomo Mitsui Financial	3.3%	Energy	0.0%
Japan Tobacco	3.2%	Telecoms	0.0%
JSR	3.2%	Liquidity	2.3%
Shionogi	3.0%	Portfolio Concentration	
THK	2.9%		
Stanley Electric	2.8%		
Daiichi Sankyo	2.7%	Top Twenty	67.4%
Fuyo General Lease	2.6%		
Kuraray	2.5%	"5 & 40 rule"	5.1%
Hitachi Ltd	2.5%		
Mitsubishi UFJ Lease & Finance	2.5%	Number of Holdings	35

Compound Annual Growth Rate since Inception

Class A$ Share -4.5%

Class B$ Share -4.0%

3rd June 2005 - 29th January 2010

		A Class		B Class
Net Asset Value				
Dollar Class	$	8.07	$	8.27
Sterling Class	£	7.07	£	7.08
Euro Class	€	6.73	€	6.76
Fund Size (million)		$6.9		
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
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 129%

Distributor Status

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Investment Manager (for enquiries)

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London — Telephone
SW1Y 6LX — +44 (020) 7659 1300

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Dublin 2 — Telephone
Ireland — +353 (01) 635 6000

Regulatory Status

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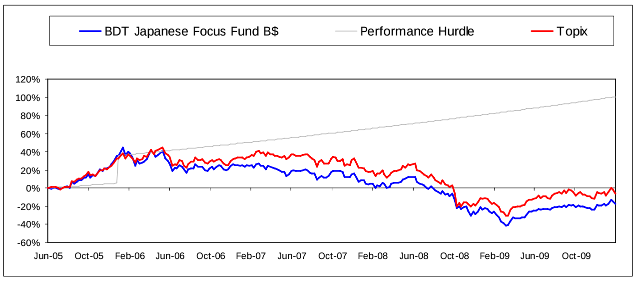
29th January 1010	1 month	3 month	6 month	1 year	2 years	3 years
Japan Focus Fund A $	1.9%	4.1%	4.4%	11.3%	-22.1%	-34.3%
Japan Focus Fund B $	1.8%	4.3%	4.7%	11.9%	-21.2%	-33.2%
Japan Focus Fund A £	-0.3%	4.0%	-0.8%	11.5%	-36.2%	-51.3%
Japan Focus Fund B £	-0.3%	4.0%	-0.3%	12.6%	-37.3%	-51.5%
Japan Focus Fund A €	-0.4%	4.2%	-0.3%	12.5%	-36.7%	-52.0%
Japan Focus Fund B €	-0.4%	3.8%	-1.0%	11.7%	-37.0%	-52.0%
Japan TPX	1.5%	1.5%	0.5%	12.4%	-20.9%	-29.6%
MSCI Japan	1.9%	1.6%	1.2%	16.2%	-19.7%	-27.2%

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 B$	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
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%	-2.3%	-0.6%	3.0%	**3.2%**
2010	1.8%												**1.8%**

Update # 73

January 2010

Japanese Smaller Companies Fund

BDT INVEST

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 0.2% in January, underperforming the 1.3% rise in the TSE 2nd Section Index and the 6.5% rise in the JASDAQ Index. The Fund's large exposure to stocks benefitting from strength in 'global growth' contributed to the underperformance this month. The underperformance relative to the JASDAQ Index was especially marked as this index is dominated by two e-commerce behemoths Yahoo! Japan and Rakuten. It was a good month for the internet stocks in Japan and these two were up 23% and 5% respectively.

Stock Highlights:

Koito Manufacturing (2.5 % of NAV, TSE-1):

The world's largest maker of automotive lamps with 50% of sales going to the Toyota group. LED lamps for the Prius, the best-selling hybrid model, have added extra momentum to its recent recovery in part thanks to eco-car incentives from governments. The shift in lighting technology from gas discharge to LED will cause profit margins to improve and Toyota plans to launch many hybrid models over next few years. Any impact from Toyota's recent product recall is only likely to be temporary. The share sells at a P/E of 13x for FY3/'11.

Ushio Electric (2.4% of NAV, TSE-1):

The largest manufacturer of industrial-use lamps and related optical equipment including halogen and xenon lamps with 50% global market share. Lamps for OA equipment and LCD and semiconductor production are starting a modest recovery which should accelerate as historically the company's business cycle lags a few quarters behind the capex cycle in the electronics sector. However its digital cinema projectors are already seeing buoyant demand thanks to the hit 3D movie 'Avatar'. The share sells at a P/E of 17x for FY3/'11.

Thine Electronics (1.7% of NAV, Jasdaq):

An innovative maker of application specific ICs, mainly for flat screen TVs. Its core product, Low Voltage Digital Signal Chips (LVDS) process high-definition images in TV screens and are used in high-end TV sets. LVDS are likely to see solid demand once 3D-TV sets are launched this spring. Another new product, "V by One", enables the use of lower cost cables and connectors in the next generation of TVs and autos. The share sells at a P/E of 13x for FY3/'11.

Compound Annual Growth Rate since Inception

Class A$ Share	**-0.5%**
Class B$ Share	**0.1%**

9th Feb 2004 - 29th January 2010

		A Class		B Class
Net Asset Value				
Dollar Class	$	9.72	$	10.04
Sterling Class	£	9.99	£	10.23
Euro Class	€	9.36	€	9.54
Yen Class	JPY	831	JPY	858
Fund Size (million)		$31.2		
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

Fee and Charges

	A Class	B Class
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 196%.

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

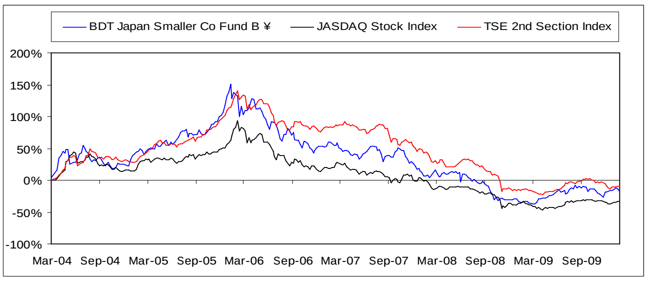
Regulatory Status

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

Top Twenty Holdings		Portfolio Emphasis		Sector Weights	
Toyo Tanso	3.2%	Internet Services	1.5%	Information Technology	29.6%
Funai Electric	2.9%	Discount Retailing	2.7%	Industrial	24.6%
Micronics Japan	2.8%	Environmental care	5.3%	Consumer Discretionary	16.2%
Disco	2.8%	Finance	7.2%	Materials	11.2%
K' S Holdings	2.7%	Asset reflation	5.4%	Financials	8.5%
Daiseki	2.7%	Demographic Change	0.0%	Consumer Staple	5.4%
Matsuda Sangyo	2.6%	Other	2.5%	Property	3.5%
Fancl	2.5%	Domestic growth	24.6%	Energy	0.0%
THK	2.5%	Climate change	7.8%	Health Care	0.0%
Koito Manufacturing	2.5%	Silicon Cycle	8.3%	Telecoms	0.0%
Mitsumi Electric	2.5%	Other Electronics	35.4%	Utilities	0.0%
Sumitomo Real Estate	2.5%	Autos	13.6%	**Portfolio Concentration**	
Takata	2.5%	Machinery	6.0%		
Mabuchi Motor	2.4%	Materials	3.2%		
Stanley Electric	2.4%	Global growth	74.3%	Top Twenty	51.7%
Ushio Inc	2.4%				
Nissha Printing	2.4%	% Invested	98.9%	"5 & 40 rule"	0.0%
Taiyo Ink	2.4%	Cash	1.1%		
Ferrotec	2.4%	T-bills	0.0%	Number of Holdings	46
NPC	2.4%				

29th January 1010	1 month	3 month	6 month	1 year	3 years	5 years
Japanese SC Fund A $	2.0%	0.1%	-0.3%	22.9%	-29.0%	-35.4%
Japanese SC Fund B $	2.0%	0.2%	-0.1%	23.5%	-27.6%	-33.6%
Japanese SC Fund A £	-0.2%	0.2%	-5.0%	23.5%	-44.2%	-36.3%
Japanese SC Fund B £	-0.2%	0.4%	-4.6%	24.0%	-43.7%	-35.1%
Japanese SC Fund A €	0.3%	0.3%	-4.8%	23.8%	-45.6%	-39.8%
Japanese SC Fund B €	0.1%	0.1%	-4.6%	24.2%	-45.0%	-38.3%
Japanese SC Fund A ¥	-0.3%	-0.7%	-5.9%	24.1%	-46.9%	-43.7%
Japanese SC Fund B ¥	-0.2%	-0.5%	-5.7%	24.7%	-46.1%	-42.2%
Japan TPX 2nd Section	1.3%	-3.6%	-6.7%	10.7%	-50.0%	-35.6%
Japan JASDAQ	6.5%	6.0%	4.2%	17.2%	-44.0%	-46.2%

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
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%	-3.8%	-9.6%	10.3%	**18.6%**
2010	-0.2%												**-0.2%**

Please see final page for important risk statements and disclaimers

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There can be no assurance that the Fund’s investment objective will be achieved and investment results may vary substantially over time. The yield from and capital value of an investment in the Fund may fluctuate and investors may get back less than their investment. Investment in emerging markets involves risks which may not be typically associated with investing in more developed markets. The fees of the Investment Manager and Administrator in respect of the Fund will be charged to its capital. Thus shareholders may get back less than they invested. Changes in rates of exchange may cause the value of an investment in the Fund to fluctuate. A comprehensive list of risk factors appear in the Prospectus.

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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BDT Invest LLP
52 Jermyn Street
London
SW1Y 6LX

Telephone - 020 7659 1300
Fax - 020 7659 1399
www.bdtinvest.com

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