



Member of Cat Group

Cat's View

Zurich, 22<sup>nd</sup> March 2007

**Japanese Land Prices rise for the first time in 16 years**

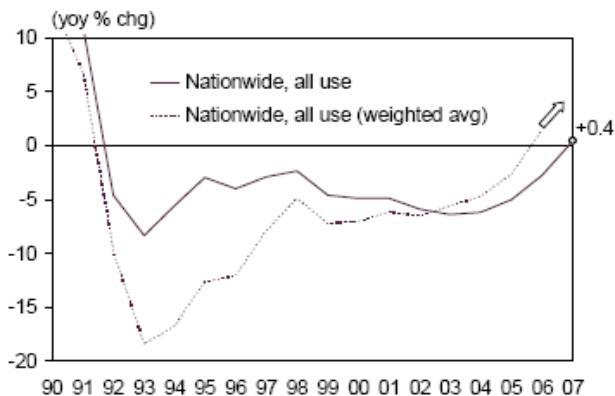
Dear investor

Today saw the release of the Land Price Survey. Official land prices were up +0.4% (national average) compared with a decline of -2.8% in 2006. This is the first time official land prices have increased since 1991.

Big 3 urban areas (Tokyo, Osaka, Nagoya) were up +3.8% and all 23 Tokyo wards showed a positive increase in both residential (+11.4%) and commercial property (+15.9%). In central Tokyo, commercial land prices rose by +18.3% and residential by +18.0%.

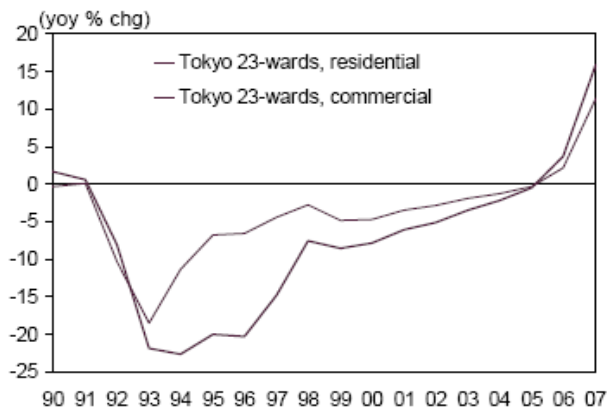
Increase in urban land prices is now gradually spreading, causing land prices in surrounding and regional areas to rise. The upturn in land prices, after 16 years of land-price deflation, should provide a significant boost to the Japanese economic recovery over the long term. Expectations were already quite high, but these numbers were even a bit better than expected.

**Ex 1: Nationwide Land Prices Rising Steadily**



Source: Goldman Sachs

**Ex 2: Tokyo Land Prices Surging**



The **Cat Nippon Convert Fund** has an exposure of 35.19% to the Real Estate and Land sector. This is in companies that will profit directly and indirectly to any land price increase such as Real Estate companies, Real Estate Investment Managers and Railways. The average premium stands at 16.51%, the average delta is 0.62. We have as well a Japanese equity fund invested with 19% in the land related theme.

Please call us for more information.

Kind regards

Your Cat team

The information about funds provided does not constitute an offer. It is for informational purposes only. Past performance is no guarantee for future trends.