



MARTIN CURRIE'S CORE JAPAN EQUITY FUNDS



John Millar
Manager of the funds

A WINNING COMBINATION

- Actively managed Oeic and Sicav funds investing in Japanese equities
- Long-term record of outperformance with a low level of risk
- Experienced and highly-respected team - total of 74 years' covering Japan; continuity of management
- Martin Currie is a leading investor in Japan, managing £558 million (US\$901 million) in Japanese equities
- Yen-hedged share class available from 14 December 2009*

THE PRODUCT

Primary capitalisation	Large-cap and mid-cap
Primary style emphasis	Core
Benchmark index	Topix
Performance target	Index +3% per annum
Forecast tracking error range	4-6% per annum
Assumed information ratio	0.5
Number of stocks	60-80
Stock conviction ranges	Index +/-3%

Oeic fund codes	A shares	B shares	H shares
Bloomberg equity ticker	MTCJPNA LN	MTCJPNB LN	MTCJPNH LN
MexID	SUPJ	SUBPJ	SUMCJN
Sedol	573319	573320	B5BG443
ISIN number	GB0005733190	GB0005733208	GB00B5BG4436

Sicav fund codes	US\$ share class	¥ share class
Bloomberg equity ticker	MARGJFA LX	MARGJFJ LX
Valoren	431832	1687115
WKN	930637	914342
MexID	SUJF	SUJP
Sedol	5615487	7679867
ISIN number	LU0094044905	LU0176321320

	Fund type	Fund size*	OBSR rating
Martin Currie Japan Fund	Oeic	£81m	A
Martin Currie GF - Japan Fund	Sicav	US\$51m	A

*Source: Martin Currie Investment Management Ltd as at 31 December 2009.

PERFORMANCE OF JAPAN OEIC FUND SINCE LAUNCH*

The table below shows the long-term performance of the Oeic, the Topix and sector average since launch in 1989.

	Year to date (%)	Three years (%)	Five years (%)	Since inception (%)*
Martin Currie Japan A	(4.4)	(19.2)	1.8	31.5
Sector average	(3.4)	(16.3)	2.7	(13.7)
TOPIX	(6.7)	(11.9)	11.2	(35.1)
Quartile	2	3	3	1

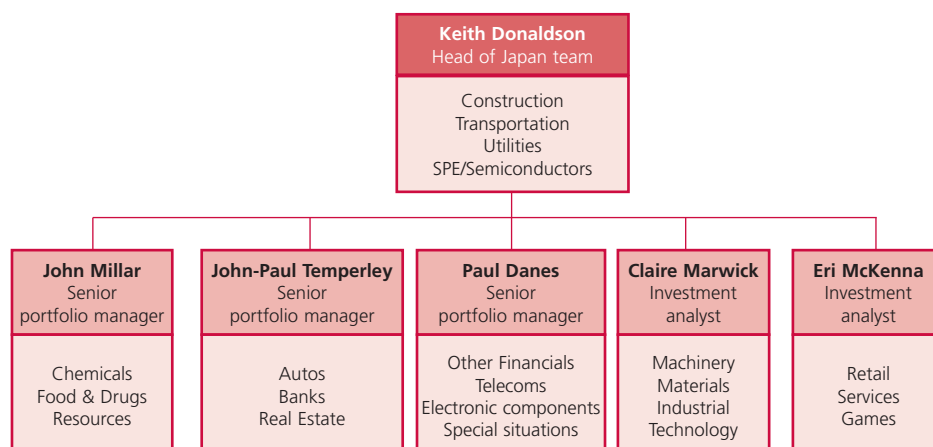
Source: Lipper Hindsight. Bid to bid basis with net income reinvested. Performance of the Martin Currie Japan Fund versus the Topix and IMA Japan sector to 31 December 2009, sterling, net of fees. *From 14 September 1989. Past performance is not a guide to future returns.

* The minimum investment for this share class is £1 million.

MANAGER AND TEAM

John Millar is lead manager of our core Japan portfolios. He has 17 years' investment experience, 16 in Japanese equities. John is supported by colleagues Keith Donaldson, John-Paul Temperley, Paul Danes, Claire Marwick and Eri McKenna. Together the team have 74 years' combined experience of investing in Japan and have built a strong performance record.

The team roles and sector research responsibilities are shown below.

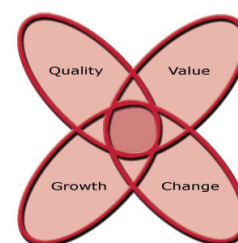


INVESTMENT STYLE AND PROCESS

Our style

Our style is growth-orientated. We invest in companies:

- With high quality business models;
- At the right price;
- Displaying good growth prospects; and
- Undergoing positive change.



Our disciplined approach blends detailed company analysis with top-down analysis, as we seek to exploit the significant opportunities that we believe exist for active managers of Japanese equities.

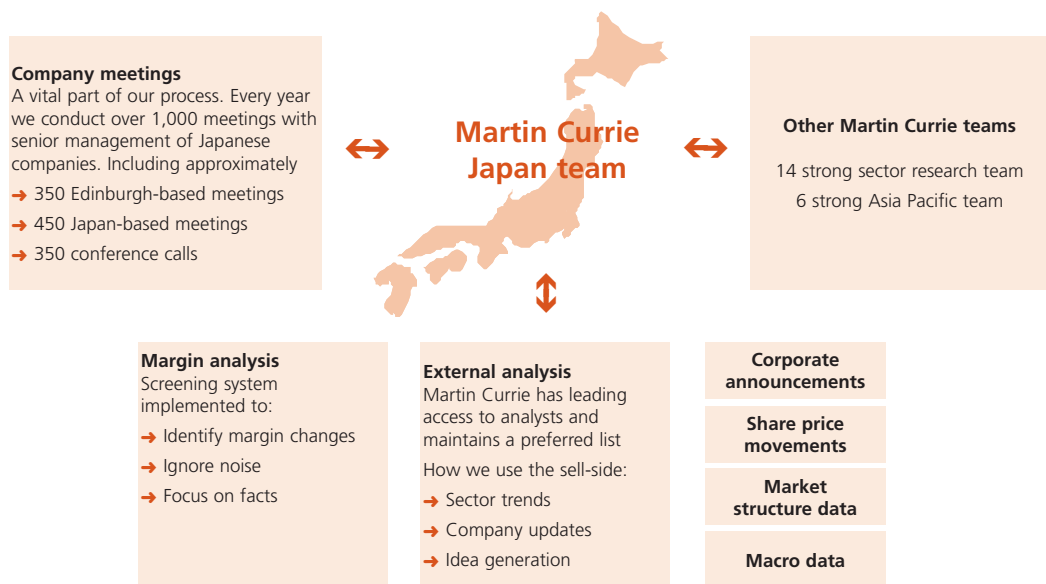
Process

We believe that the Japanese market offers superior opportunities for active portfolio management. Our proven investment process has been specifically designed to exploit these opportunities. Our Japan portfolios are actively managed, maintaining relatively tight stock lists of around 60-80 of the best Japanese stock ideas. They also include substantial exposure to mid-caps, giving access to opportunities that are under researched and under owned.

The bedrock of our process is our fundamental research, collegiate approach to decision-making and focus on price sensitivity. We are focused on capturing alpha by exploiting the following inefficiencies:

- Market structure in Japan is inefficient;
- Shareholders are not always the top priority, although this is changing;
- Significant 'herding' of analysts, who over-value the consensus and underestimate the extent by which things can change;
- Domestic buyers are highly thematic;
- Technical overlay can add value by enabling us to capture optimum price points;
- M&A in early stages, but offers huge scope for active managers; and
- Private equity beginning to exploit inefficiencies.

We have a process in place that capitalises on the structural changes taking place in Japan. This process allows an efficient flow of investment ideas and a disciplined way of evaluating ideas as illustrated in the diagram overleaf.



Company contact

Meetings with company management are crucial to our process. In order to achieve this we ensure that each team member travels to Japan twice a year, where they visit at least four companies per day. This approach results in our team holding approximately 450 one-on-one meetings within Japan each year. We see the senior management of around 350 Japanese companies in our offices each year, typically the CEOs on overseas trips. Finally, and perhaps most importantly, we organise numerous conference calls with company management whenever we think a stock looks interesting. These calls take place once a day on average and add a further 350 one-on-one meetings. In total, we have one-on-one meetings with over 1,000 companies each year.

Research

Each member of the team has responsibility for coverage of individual sectors. This encompasses analysis of broad industry trends and the generation of stock recommendations. We believe this approach enhances our longstanding collegiate structure, whereby experienced 'generalist' managers challenge each other through rigorous debate. This disciplined approach provides us with the key forum for driving the research agenda and gives us a structured approach to idea generation within the team as follows:

- Weekly team meeting chaired by John Millar;
- Team members report on weekly activity - company visits, internal meetings, important data;
- Review ongoing projects and allocate research work;
- Roles include monitoring 'watch-list' and 'analyst review';
- Emphasis on sharing information and rigorous debate; and
- Always 'double-up' on major company visits to provide different perspectives.

Margin analysis and sector screening tool (MASS)

Margin cycle analysis has always been at the heart of our investment process, and is particularly important in Japan for a number of reasons:

- The high proportion of manufacturing earnings within the stockmarket or listed company universe;
- The sensitivity of earnings to changes in capacity utilisation; and
- The market consistently underestimating operational leverage.

The margin analysis element of the tool looks at historic operating profit margin data across the market and compares recent margin trends with those in previous periods. This shows whether margins are improving or deteriorating and can be a good early indicator of positive or negative change within business models. The benefits are as follows:

- It is an objective measure based on historic (i.e. actual) data;
- It enhances our ability as a team to recognise positive and negative change in business models; and
- It allows our analysts to determine possible cross over implications for sub sectors based on a small sample of recent announcements.

The sector screening element of the MASS tool is based on our 15 super sector split. This pulls down consensus estimates, price changes, earnings upgrades and downgrades as well as a number of valuation measures that are deemed important for the sector itself. This allows analysts to cover their sector universe in a more focused way and stimulates debate on which companies look interesting.

The tool is very much a starting point for our research efforts, rather than a quantitative stockpicking tool. It helps us to generate new ideas and highlight areas of potential concern in existing holdings.

What we look for in a stock

- Quality, value, growth and change
- Price focus - to ensure we buy at the right time

Six key questions we always ask:

- 1 Can the top-line keep growing?
- 2 Can margins rise?
- 3 What does the balance sheet look like?
- 4 How do management use cash?
- 5 Do shareholders matter?
- 6 Have the analysts got it wrong?

We like to find:

- ✓ Good prospects for top-line growth
- ✓ Attractive stage in the margin cycle
- ✓ Focus on free cashflow
- ✓ Improving capital efficiency
- ✓ Management focus on shareholder value
- ✓ Attractive valuations (mis-priced growth)

Ultimately we only buy stocks where we are happy with the quality of the management, the calibre of its thinking, and the company's balance sheet.

Buy disciplines

- We try to purchase when market volumes are low
- We look for high rates of change of earnings and strong cashflow
- We calculate price/earnings ratios at previous peak margins to assess the upside potential in share prices
- We look to buy when the shares have underperformed the benchmark by a significant margin over the past 3 to 6 months

Sell disciplines

The selling of stocks can be even more critical than buying. We adopt a disciplined approach to selling stocks based on an analysis of specific criteria:

- We try to sell when volumes are unusually high and the shares are towards the high end of their valuation range
- We look for peaking profit margins at the operating level as an indicator of slowing earnings momentum
- We always keep in mind macro changes to the environment and their possible impact on our positions.

CONTACTS

		Telephone	Email
Andy Sowerby	Managing director, sales, marketing & client service	44 (0) 131 479 5955	asowerby@martincurrie.com
Allan MacLeod	Managing director, sales, marketing & client service	44 (0) 131 479 4615	amacleod@martincurrie.com
Jamie Skinner	Director, head of client service	44 (0) 131 479 5854	jskinner@martincurrie.com
Eric Bateman	Director, head of European sales	44 (0) 131 479 5963	ebateman@martincurrie.com
Simon Barrett	Sales director (Germany and Nordic region)	44 (0) 131 479 4639	sbarrett@martincurrie.com
Dominik Issler	Country head – Switzerland	(41) 44 214 6680	dissler@martincurrie.com
David Robertson	Sales and client service director	44 (0) 131 479 5930	drobertson@martincurrie.com
David Townsend	Director, head of UK institutional & global consultant relations	44 (0) 20 7907 1665	dtownsend@martincurrie.com
James Elks	UK institutional and consultant relations	44 (0) 20 7907 1660	jelks@martincurrie.com
Keith Burdon	Client service director	44 (0) 131 479 5954	kburdon@martincurrie.com
Alan Burnett	Director, head of UK intermediary sales	44 (0) 20 7907 1666	aburnett@martincurrie.com
Magnus Graham	Sales manager – West and Central England	44 (0) 20 7907 1660	mgraham@martincurrie.com
David Chambers	Sales manager – Scotland, Ireland and the Channel Islands	44 (0) 131 479 4837	dchambers@martincurrie.com
Nick White	Sales manager – London	44 (0) 20 7907 1669	nwhite@martincurrie.com
Fergus McCarthy	Sales manager – South Central	44 (0) 20 7907 1667	fmccarthy@martincurrie.com
Andrew Surrey	Sales manager – London and the South East	44 (0) 20 7907 1663	asurrey@martincurrie.com
Kimon Kouryialas	Country head – Australia	(61) 3 9653 7314	kkouryialas@martincurrie.com
Ee Fang Chen	Business development director, Asia	(65) 6829 7165	efchen@martincurrie.com

WEBSITE

Investors can access regular monthly performance on the funds at www.martincurrie.com.

REGULATORY INFORMATION

Martin Currie Global Funds is currently authorised for distribution in Finland, Germany, Ireland, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and Hong Kong. Applicants in the countries listed below should note the following:

Investors in the Netherlands

Investors in the Netherlands should note the following:

- Martin Currie Global Funds is a UCITS collective investment scheme registered in the Netherlands with the Netherlands Authority for Financial Markets in Amsterdam.
- The value of your investments may fluctuate as a result of the investment policy.
- The Prospectus of Martin Currie Global Funds is available from www.martincurrie.com;
- Please also see the Simplified Prospectuses of Martin Currie Global Funds.

Investors in Norway

Investors in Norway should note that the Prospectus of Martin Currie Global Funds is available from www.martincurrie.com.

Investors in Sweden

Investors in Sweden should note the following:

- The Prospectus of Martin Currie Global Funds is available from Skandinaviska Enskilda Banken AB, Sergels Torg 2, SE-106 40 Stockholm, Sweden;
- Past performance is no guarantee of a particular return in the future. The money invested in a fund can increase or decrease in value, and it is not certain that the whole of your invested capital will be repaid.

Investors in Switzerland

Investors in Switzerland should note the following:

The funds are available for distribution in Switzerland and are registered with the Swiss Federal Banking Commission.

Investors in Ireland

Investors in Ireland should note the following:

- The value of investments can go down as well as up. Any return on investments will necessarily be variable.
- Neither past experience nor the current situation are necessarily accurate guides to the future.
- Certain returns printed herein may be based upon assumptions relating to tax. Tax rates may be revised from time to time which will in turn cause returns to change.
- The Prospectus of Martin Currie Global Funds is available from www.martincurrie.com and also from Dolmen Butler Briscoe of 4 Earlsfort Terrace, Dublin 2, Ireland.

Investors in Germany

Investors in Germany should note the following:

The Prospectus of Martin Currie Global Funds is available free of costs at the German Paying and Information Agent, Joh. Berenberg, Gossler & Co. KG, Neur Jungfernstieg 20, 20354 Hamburg.

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Investors in Hong Kong should note the following:

This document has not been reviewed by any regulatory authority in Hong Kong and must not be passed on to any person other than to whom the document is addressed. This document is for private circulation only.

Important information

The information has been issued and approved by Martin Currie Investment Management Ltd, the investment manager for the funds, and does not in any way constitute investment advice. Investments can only be made in accordance with the terms and conditions outlined in the Simplified Prospectus or if appropriate the Key Features document available at the time of investing. You should remember that past performance is not a guide to future returns. Market and currency movements may cause the capital value of shares, and the income from them, to fall as well as rise and you may get back less than you invested when you decide to sell your shares.

This information is not aimed at and is not intended to be read by investors in any country in which Martin Currie Global Funds is not authorised for investment.

Martin Currie Investment Management Ltd, registered in Scotland (no 66107) **Martin Currie Unit Trusts Ltd**, registered in Scotland (no 104896)

Registered office: Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES Tel: 44 (0) 131 229 5252 Fax: 44 (0) 131 228 5959 www.martincurrie.com

Both companies are authorised and regulated by the Financial Services Authority and are members of the Investment Management Association.

Martin Currie Unit Trusts Ltd is the Authorised Corporate Director of an open-ended investment company (Oeic).

Please note that calls to the above number may be recorded.