

## MARTIN CURRIE JAPAN FUND

### FUND INFORMATION

#### Fund manager



John Millar

#### Benchmark

Topix

#### Sector

IMA Japan

#### Launch date

14 September 1989

#### Morningstar Qualitative Rating



Superior



#### Ratings

Morningstar  
OBSR rating

Superior  
A

#### Fund size

£96m

#### Number of holdings

65

#### Historic yield

A shares 0.0%  
B shares 0.6%

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market unit price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

#### Annual management charge

A shares 1.50%  
B shares 0.75%

The annual management charge will be deducted from the subfund's income. If insufficient income is generated by the subfund to cover the manager's periodic charge, the balance will be deducted from the subfund's capital and to that extent will constrain capital growth.

### INVESTMENT APPROACH

Our approach combines top-down and bottom-up views, and recognises Japan's unique characteristics. We seek to buy high-quality companies at the right price, with a strategic focus on 'new Japan' and medium-sized firms.

Our approach is active, consistent and disciplined. We identify change as the central dynamic behind stock price movement. Our investment process allows us to identify, evaluate and exploit change as it occurs.

Primary research is fundamental to all our investment decisions. We believe that meeting the senior management of companies is the best form of research, and every year our Japan team visits more than 450 companies. Additionally, around 350 Japanese companies visit our Edinburgh office each year. Finally, and perhaps most importantly, we organise conference calls with company management whenever we think a stock looks interesting. These calls add a further 350 one-on-one meetings.

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. We are equally disciplined in selling stocks, looking for unusually high volumes, peaking profit margins at the operating level, and macro changes in the environment. In both buying and selling, we supplement our fundamental analysis by examining technical indicators.

The risks outlined overleaf relating to investment in overseas markets and smaller companies investment are particularly relevant to this fund and should be read in conjunction with all warnings and comments given in the full Prospectus.

### STANDARD PAST PERFORMANCE £

12 months to 30 June	2010	2009	2008	2007	2006
<b>Martin Currie (%)</b>	<b>11.2</b>	<b>(5.5)</b>	<b>(12.7)</b>	<b>(10.4)</b>	<b>30.2</b>
Sector average (%)	10.7	(5.1)	(14.2)	(8.2)	26.7
Benchmark (%)	10.5	(4.5)	(11.2)	(3.5)	28.0
Quartile	2nd	2nd	2nd	4th	2nd

### ADDITIONAL PAST PERFORMANCE £

Periods to 30 June 2010	One month	Three months	Year to date	Three years	Five years	Since launch
<b>Martin Currie (%)</b>	<b>(5.5)</b>	<b>(9.1)</b>	<b>7.4</b>	<b>(8.3)</b>	<b>7.1</b>	<b>41.2</b>
Sector average (%)	(5.2)	(9.0)	5.0	(9.8)	4.9	(9.3)
Benchmark (%)	(4.4)	(7.9)	6.3	(6.3)	15.8	(31.0)
Quartile	3rd	2nd	1st	2nd	2nd	1st

### CALENDAR YEAR PERFORMANCE £

Year to 31 December	2009	2008	2007	2006	2005
<b>Martin Currie (%)</b>	<b>(4.4)</b>	<b>(2.8)</b>	<b>(13.1)</b>	<b>(12.2)</b>	<b>43.5</b>
Sector average (%)	(3.4)	(2.6)	(11.0)	(14.5)	43.5
Topix (%)	(6.7)	1.3	(6.8)	(10.5)	41.0

Source for all performance: Lipper Hindsight. Bid to bid basis with net income reinvested over periods shown. These figures do not include initial charges. If these were included, performance figures would be reduced. Performance of 'A' shares (retail class) in sterling. Past performance is not a guide to future returns.

## TOP 10 HOLDINGS

(31.1% of total portfolio)	Fund	Benchmark*
Mitsubishi UFJ Financial	5.0%	2.7%
Toyota Motor	4.9%	3.8%
Sumitomo Mitsui	3.2%	1.7%
Nippon Telegraph & Telephone	2.8%	1.3%
East Japan Railway	2.8%	1.0%
Panasonic	2.6%	1.0%
Nomura	2.5%	0.9%
Sony	2.5%	1.1%
KDDI	2.4%	0.6%
Bridgestone	2.3%	0.4%

\*Topix.

## SECTOR ALLOCATION

	Fund	Benchmark*
Manufacturing	37.6%	54.1%
Finance & insurance	22.5%	14.4%
Transport & communications	16.4%	11.1%
Commerce	6.4%	8.6%
Electric power & gas	4.5%	5.5%
Real estate	4.3%	2.2%
Services	2.3%	1.7%
Construction	2.0%	2.0%
Mining	1.6%	0.3%
Fishery agriculture & forestry	—	0.1%
Other	1.2%	—
Cash	1.3%	—

\*Topix.

## MANUFACTURING SECTOR ALLOCATION

	Fund	Benchmark*
Electric appliances	8.9%	14.5%
Transport equipment	7.7%	9.6%
Chemicals	5.2%	5.9%
Pharmaceuticals & biotechnology	4.4%	4.3%
Iron & steel	2.3%	2.4%
Rubber products	2.3%	0.6%
Foods	2.0%	3.3%
Machinery	1.6%	4.6%
Precision instruments	1.0%	1.4%
Glass & ceramics products	0.9%	1.2%
Nonferrous metals	0.6%	1.2%
Other products	0.5%	2.4%
Textiles & apparel	—	0.9%
Oil & coal products	—	0.7%
Metal products	—	0.7%
Pulp & paper	—	0.4%

\*Topix.

## ACTIVE POSITIONS

Five largest positive positions versus index*	Active	Five largest negative positions versus index*	Active
Mitsubishi UFJ Financial	2.3%	Tokyo Electric Power	(1.3%)
Secom	1.9%	Takeda Pharmaceutical	(1.3%)
Bridgestone	1.9%	Fanuc	(0.9%)
East Japan Railway	1.8%	Softbank	(0.9%)
KDDI	1.8%	Toshiba	(0.9%)

\*Topix.

## MARKET CAPITALISATION

	Fund	Benchmark*
Large cap > US\$8bn	66.6%	55.6%
Mid cap US\$1-8bn	29.9%	33.4%
Small cap < US\$1bn	2.2%	11.0%
Cash	1.3%	—

\*Topix.

## DEALING

You can deal in shares from 9.00am to 5.00pm on each dealing day. The fund is valued at 12 noon. Orders received before 12 noon will be based on the price calculated at that day's valuation point. Orders received after 12 noon will be based on the price calculated at the next valuation point.

### Dealing

Tel: 0845 602 5016

Fax: 0870 888 3035

### Fund codes

Bloomberg equity ticker

MexID

Sedol

ISIN number

### A shares

MTCJPNA LN

SUPJ

573319

GB0005733190

### Fund codes

Bloomberg equity ticker

MexID

Sedol

ISIN number

### B shares

MTCJPNB LN

SUBPJ

573320

GB0005733208

## IMPORTANT INFORMATION

The source for all information is Martin Currie Investment Management Ltd as at 30 June 2010 unless otherwise stated.

This information is issued and approved by Martin Currie Investment Management Ltd in its capacity as investment manager. It does not in any way constitute investment advice or an invitation or inducement to invest. Investments can only be made in accordance with the terms and conditions outlined in the Prospectus and the Simplified Prospectus. This document is for the recipient only and should not be given or sent to other parties.

All references to the Japan Fund relate to the Martin Currie Investment Funds - Japan Fund, a subfund of an Oeic. Martin Currie Investment Management Ltd is the investment manager of the Oeic. Oeics are corporate vehicles. An Oeic may have many 'subfunds'. You should be aware of the potential for cross-liability risk with Oeic investment. A creditor of the Japan Fund may look to all the assets of the Oeic for payment, regardless of the subfund in respect of which that creditor's debt has arisen. Assets may be re-allocated to and from any other subfunds if it is necessary to do so to satisfy any creditor proceeding against the Oeic.

### RISK FACTORS

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.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily or solely invested in that asset class or region.

Some funds have the ability to invest in unquoted companies and due to the nature of these investments the fund might not get back the full amount originally invested.

### Overseas markets

Funds investing in overseas securities are exposed to and can hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to decrease or increase.

### Smaller companies

Smaller companies may be riskier and their shares may be less liquid than larger companies, meaning that their share price may be more volatile.