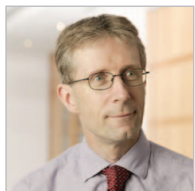


MARTIN CURRIE UK EQUITY INCOME FUND



Ross Watson,
Manager of the fund

WHY MARTIN CURRIE FOR UK EQUITY INCOME?

- A core UK equity income portfolio offering high yield and real dividend growth.
- Contrarian approach to stockpicking that focuses on high margins for error and, therefore, modest portfolio risk.
- Portfolio construction and stock selection driven by two key strategies – 'high yield' and 'superior dividend growth'.

THE PRODUCT

- Oeic investment fund ('A' and 'B' shares)
- Benchmark: FTSE All-Share index
- Multi-cap – allows flexibility to exploit large- mid- and small-cap opportunities
- Typically around 40-55 stocks
- Portfolio yield target – 120% of index
- £20 million strategy as at 31 March 2010
- XD dates 1 March and 1 September
- Distribution dates – 30 April and 31 October

PERFORMANCE

Below, we illustrate the fund's calendar year returns over the past seven years.

	12 months to 31 March						
	2010	2009	2008	2007	2006	2005	2004
Martin Currie UK Equity Income A	47.2	(35.9)	(17.1)	11.9	29.3	14.8	24.6
IMA UK Equity Income	45.6	(29.6)	(13.8)	10.9	26.4	17.2	31.0
FTSE All-Share	52.3	(29.3)	(7.7)	11.2	28.0	15.6	31.0

Lipper Hindsight, as at 31 March 2010. 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' income shares (retail class) in sterling.

Past performance is not a guide to future returns.

MANAGER AND TEAM

Ross Watson, who has 26 years' investment experience in managing UK growth and income products, is responsible for managing the Martin Currie UK Equity Income Fund. Ross is supported by Martin Currie's UK team.

The team also draws upon the work of our 14-strong sector research team, who research and recommend stocks for Martin Currie's portfolio managers. They are career analysts with a deep understanding of their individual sectors.

INVESTMENT PROCESS

Philosophy

We believe that a fund's total return should be the key driver of an equity income portfolio. The fund is structured to deliver a high income with good prospects for capital growth. In addition, the fund targets real growth in income distributions year-on-year. Both income and growth objectives are, therefore, embedded in our equity income process.

Style

- Contrarian approach – the portfolio will often appear ‘unloved’ and ‘unfashionable’.
- Bottom-up, stockpicking approach.
- Numerical framework and fundamental research - identifying stocks within our two key strategies.

Principles of stock selection

The Martin Currie UK Equity Income Fund invests in two types of UK stocks - high yielding companies and superior dividend growth stocks.

High yielding stocks

- Forecast yield in excess of UK 10-year gilts
- Secure dividend payments offered, ideally with some prospects for growth

Superior dividend growth stocks

- Potential to consistently grow dividends ahead of the growth rate for the benchmark
- Often lower yielding at the time of purchase - ‘the income stocks of tomorrow’

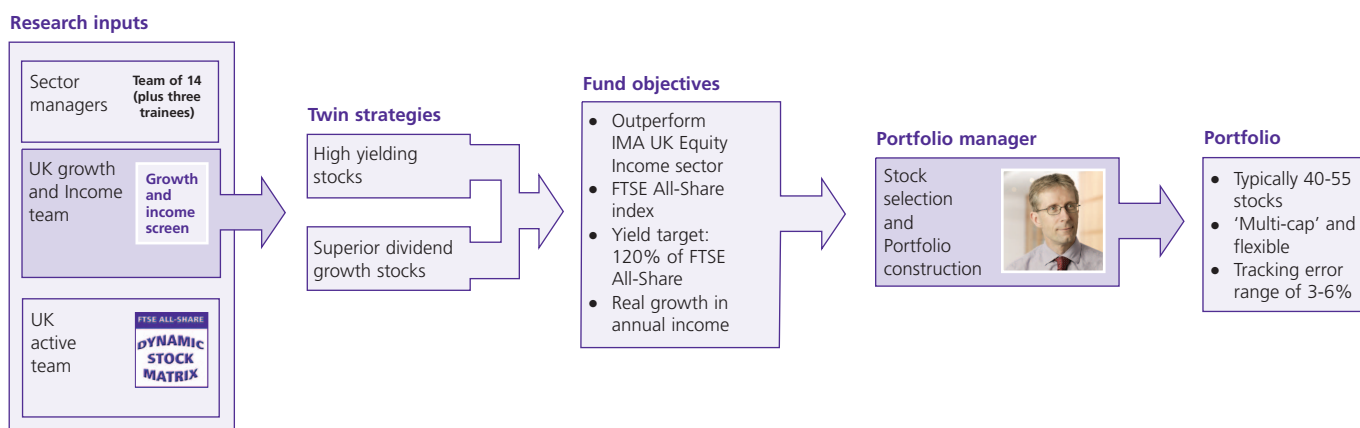
The emphasis between the high yielding and superior dividend growth strategies will vary according to the outlook for bonds/inflation and where we are in the stock market cycle. During periods of rising inflation and rising bond yields, the dividend growth strategy is the key focus. The high yielding strategy is more prevalent during periods of extreme market pessimism, where concern over dividend/earnings sustainability has led to underpricing of equities in general.

We target a portfolio yield of 120% minimum relative to the FTSE All-Share index. This is designed to offer clients a meaningful extra income compared to a general UK equity portfolio. An understanding of dividends due and their timing is, therefore, a key part of portfolio construction, consistent with the two key strategies detailed previously.

We will generally avoid stocks paying no dividends, unless there are specific individual circumstances which support exceptions to this policy.

Process

Our analysis of individual stocks, beyond the initial screening process described above, focuses on four key drivers - quality, value, growth and change.



Behavioural disciplines - Martin Currie UK Equity Income Fund

The table below describes the main variables we assess in finding stocks.

Factors	Key variables	Assessment
→ Quality	▪ Net debt: EBITDA	▪ Balance sheet capacity
→ Value	▪ Dividend yield	▪ Dividend potential
	▪ Dividend cover	▪ Relative value/margin for errors
	▪ Free cashflow yield	▪ Cash available to shareholders
→ Growth	▪ Dividend growth	▪ Measure of underlying growth prospects
→ Change	▪ Trend in forecast DPS estimates	▪ Indication of business momentum

By their nature, contrarian approaches challenge market momentum and prevailing trends or themes. While they offer the potential for significant outperformance, the assumption that they might possess superior knowledge to the market can be a dangerous one.

To mitigate the risks of running a contrarian approach, we implemented a series of behavioural disciplines:

Core discipline for UK equity income investing	Rationale
1. Ensure a minimum cash earnings cover for the portfolio of 1.5x at any given time	This minimises the risk of dividend cuts, which could be damaging for both income and capital performance.
2. Don't double up on losing stocks without very sound reason or invent a new reason to hold an investment	Underperforming companies can go through long cycles of decline and often let you down more than once. Mean reversion studies suggest patterns of corporate performance can last for up to five years.
3. Valuation support is rarely enough in isolation	Market forecasts can often prove to be inaccurate. Long-term forecasts and extrapolations are very hazardous for investors.
4. Take heed of price charts and earnings momentum in the timing of decisions	Price momentum and earnings momentum are different things and dislocations between the two should be investigated. One can often be a lead indicator for the other.
5. Be wary of set holding periods and absolute price targets	Assess every investment on its own merits. Investors cannot accurately control set holding periods and price targets often encourage investors to sell winners too early.
6. Establish high margins for error wherever possible in stocks held	Sustainable high dividend yields, stable ROIC and asset backing can pay you whilst waiting for improving fundamentals. Avoiding the stocks without such margins of error can be an equally important source of performance.
7. Opportunity cost is likely to be a key factor in portfolio decisions	We 'top and tail' investments so that the good drives out the bad. Active stock positions will be determined by the scale of the opportunity, the confidence in the view and the timing of dividends due.
8. Be wary of overconfidence - respect the market	Spread active positions across the portfolio rather than in a few high-risk positions. It is easy to make consistently big mistakes. Don't take increasing risks with your 'winnings' after a good run.
9. Take emotion out of the process	Market sentiment can and does swing markedly away from long-term fair values for periods of time. Investors tend to be seduced by presentational skills and often mistake personality for management.

Sell disciplines

The approach to stock disposals will also encompass the above principles, particularly points five and seven.

More specifically, we will sell a stock when this no longer conforms to either of the two core stock selection strategies - high yield or superior dividend growth.

In addition, due to our contrarian investment philosophy, the fund will typically sell a holding when this becomes 'fashionable' in the eyes of the broader market.

FURTHER INFORMATION

Conference calls

Details of the conference calls we hold for our Oeic and Sicav funds can be found via www.martincurrie.com. During these calls the managers discuss their funds' recent activity and performance, and share their views on the outlook for the market.

Website

Additional information on our funds and products, including more details on the team and their investment process, is available via our website www.martincurrie.com or your Martin Currie representative.

HOW TO INVEST

FUND CODES		
Income	A shares	B shares
Bloomberg equity ticker	MTCINCI LN	MTCINCB LN
MexID	SUIA	SUIB
Sedol	3156030	3156041
ISIN number	GB0031560302	GB0031560419
Accumulation	A shares	B shares
Bloomberg equity ticker	MTCINAA LN	MTCINBA LN
MexID	SUBEIA	SUBEBA
Sedol	B0VYF05	B0VYGB3
ISIN number	GB00B0VYF057	GB00B0VYGB36

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IMPORTANT INFORMATION

The source for all information is Martin Currie Investment Management Ltd as at 31 March 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 Simplified Prospectus. Past performance is not a guide to future returns.

All references to the UK Equity Income Fund relate to the Martin Currie Investment Funds - UK Equity Income Fund, a subfund of an Oeic. Martin Currie Investment Management Ltd is the investment manager of the Oeic.

Martin Currie Investment Management Ltd, registered in Scotland (no 66107) **Martin Currie Unit Trusts Ltd**, registered in Scotland (no 104896)
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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: calls to the above numbers will be recorded.