

MARTIN CURRIE UK EQUITY INCOME FUND

FUND INFORMATION

Fund manager



Ross Watson

Benchmark

FTSE All-Share index

Sector

IMA UK Equity Income

Launch date

1 September 1983 (income shares)
16 January 2006 (accumulation shares)

Morningstar Qualitative Rating



Ratings

Morningstar Standard

Fund size £17m

Number of holdings 40

Historic yield 4.9%

Forecast net yield 4.9%

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.

Forecast net yield is shown as it represents what new investors should hope to achieve over the next 12 months. This is estimated by taking the existing portfolio and forecasting forward to bring in anticipated dividend income, less expenses, based on the TER of the fund. Source for historic yield: JPMorgan as at 28 February 2010. Source for forecast yield: JPMorgan as at 30 June 2010.

Payment dates 30 Apr, 31 Oct

Annual management charge

A shares 1.50%
B shares 0.75%

The annual management charge will be deducted from the capital of the subfund which will constrain capital growth.

INVESTMENT APPROACH

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

Our approach is contrarian. Therefore, the portfolio often appears 'unloved' and 'unfashionable'. We are bottom-up stockpickers, and rarely take top-down views. We employ quantitative screening and fundamental research to identify stocks within our two key income strategies - high-yielding companies and superior-dividend growth stocks. The balance between these strategies varies according to the outlook for bonds/inflation and the stockmarket cycle. During periods of rising inflation and bond yields, dividend growth is the key focus. The high-yielding strategy prevails during periods of extreme market pessimism where concern over dividend/earnings sustainability leads to underpricing of equities.

We target a portfolio yield of 120% of 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 our two key strategies.

The risks outlined overleaf relating to investment in overseas markets, smaller companies investment and funds where charges are deducted from capital 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
Martin Currie (%)	18.2	(23.3)	(23.4)	17.0	20.2
Sector average (%)	18.6	(17.0)	(19.1)	16.2	17.3
Benchmark (%)	21.1	(20.5)	(13.0)	18.4	19.7
Quartile	3rd	4th	4th	2nd	1st

ADDITIONAL PAST PERFORMANCE £

Periods to 30 June 2010	One month	Three months	Year to date	Three years	Five years	Since launch
Martin Currie (%)	(3.9)	(10.0)	(5.6)	(30.7)	(2.5)	822.9
Sector average (%)	(2.9)	(8.4)	(3.9)	(20.4)	8.6	1528.8
Benchmark (%)	(4.6)	(11.8)	(6.2)	(16.2)	18.7	—
Quartile	3rd	4th	4th	4th	4th	4th

CALENDAR YEAR PERFORMANCE £

Year to 31 December	2009	2008	2007	2006	2005
Martin Currie (%)	26.2	(35.6)	(6.7)	20.4	20.5
Sector average (%)	23.4	(29.3)	(1.7)	18.1	20.6
Benchmark (%)	30.1	(29.9)	5.3	16.8	22.0

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

(51.6% of total portfolio)	Fund	Benchmark*
Royal Dutch Shell	7.7%	7.0%
HSBC	6.5%	7.1%
AstraZeneca	6.3%	3.0%
BHP Billiton	5.6%	2.6%
GlaxoSmithKline	5.3%	4.0%
British American Tobacco	5.1%	2.8%
National Grid	4.3%	1.1%
Vodafone	4.1%	4.9%
BP	3.9%	4.0%
Melrose	2.7%	0.1%

*FTSE All-Share index.

SECTOR ALLOCATION

	Fund	Benchmark*
Financials	28.5%	23.4%
Consumer services	11.9%	10.2%
Healthcare	11.6%	8.2%
Oil & gas	11.6%	15.4%
Consumer goods	9.5%	12.0%
Utilities	8.1%	3.9%
Industrials	7.2%	7.7%
Basic materials	6.6%	11.5%
Telecommunications	4.1%	6.1%
Technology	1.1%	1.7%
Cash	(0.2%)	—

*FTSE All-Share index.

ACTIVE POSITIONS

10 largest positive positions versus index*	Active
AstraZeneca	3.3%
National Grid	3.2%
BHP Billiton	3.0%
Melrose	2.6%
iShares GBP Corporate Bond	2.6%
WPP 6%	2.4%
British American Tobacco	2.2%
Halfords	2.1%
Millennium & Copthorne Hotels	2.0%
Resolution	2.0%

*FTSE All-Share index.

MARKET CAPITALISATION

	Fund	Benchmark*
FTSE 100	70.8%	84.3%
FTSE 250	23.9%	13.3%
FTSE Small Cap	0.5%	2.5%
Others	5.0%	—
Cash	(0.2%)	—

*FTSE All-Share index.

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 - Income	A shares
Bloomberg equity ticker	MTCINCI LN
MexID	SUIA
Sedol	3156030
ISIN number	GB0031560302

Fund codes - Income	B shares
Bloomberg equity ticker	MTCINCB LN
MexID	SUIB
Sedol	3156041
ISIN number	GB0031560419

Fund codes - Accumulation	A shares
Bloomberg equity ticker	MTCINAA LN
MexID	SUBEIA
Sedol	B0VYF05
ISIN number	GB00B0VYF057

Fund codes - Accumulation	B shares
Bloomberg equity ticker	MTCINBA LN
MexID	SUBEBA
Sedol	B0VYGB3
ISIN number	GB00B0VYGB36

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 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. 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 UK Equity Income 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.

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.

Funds where charges are deducted from capital

Income from this fund is increased by taking the annual management charge from capital. Because of this, the level of income may be higher but the growth potential of the capital value of the investment may be reduced.