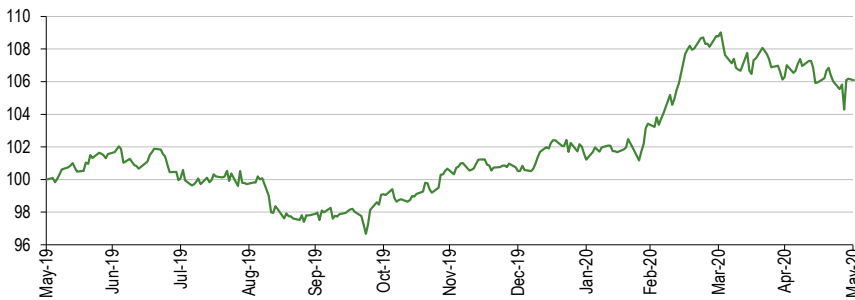


Martin Currie Global Portfolio Trust

Differentiated alpha generation

Martin Currie Global Portfolio Trust's (MNP's) performance has improved considerably following the appointment of manager Zehrid Osmani on 1 October 2018, since when he has refined the trust's investment process. MNP has now outperformed its benchmark over the last one, three, five and 10 years. The manager focuses on high-conviction positions and his long-term horizon helps navigate short-term market volatility. MNP has performed well despite a lack of exposure to the high-profile, large-cap US technology stocks that have led the market. Osmani has generated alpha by investing in some mid-cap stocks that are not particularly well followed, such as US company Masimo (non-invasive patient monitoring technologies), which is now the largest position in the portfolio.

NAV ahead of the global market over a volatile 12 months to 31 May 2020



Source: Refinitiv, Edison Investment Research

The market opportunity

We are living in uncertain times. The ultimate impacts of the coronavirus outbreak are unknown, while a market rally and depressed earnings estimates have left forward P/E valuation multiples looking unattractive. Against such a backdrop, investors may benefit from a focus on high-quality companies that can navigate the current economic uncertainty, and that are trading on reasonable valuations.

Why consider investing in MNP?

- Improved investment performance under new manager.
- Continued evolution of enhanced proprietary investment process.
- More concentrated portfolio and higher active share.
- Straightforward equity fund – no gearing, derivatives or unlisted stocks.
- Competitive fees and zero discount policy.

Back to trading close to NAV

MNP's discount increased to a five-year widest point of 10.7% during the coronavirus-led market sell-off, but the trust has now returned to trading close to NAV. Its share price is currently at a 0.4% discount to NAV, which compares to a 0.3% to 0.6% range of discounts over the last one, three and five years, illustrating the effectiveness of the board's zero discount policy. MNP's annual distribution has been maintained at 4.2p for the last four financial years and the trust offers a 1.3% dividend yield.

Investment trusts Global equities

29 June 2020

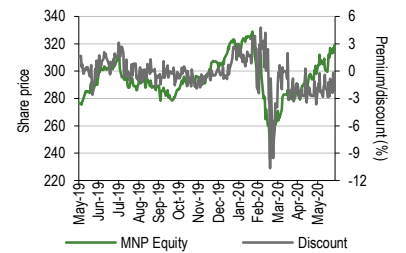
Price 319.0p
Market cap £262m
AUM £263m

NAV* 319.3p
Discount to NAV 0.1%
NAV** 320.4p
Discount to NAV 0.4%

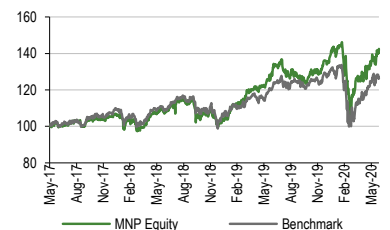
*Excluding income. **Including income. As at 25 June 2020.

Yield 1.3%
Ordinary shares in issue 82.1m
Code MNP
Primary exchange LSE
AIC sector Global
Benchmark MSCI AC World

Share price/discount performance



Three-year performance vs index



52-week high/low 329.0p 236.0p
NAV* high/low 323.2p 253.9p

*Including income.

Gearing

Gross* 0.0%
Net cash* 0.7%

*As at 31 May 2020.

Analysts

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[Edison profile page](#)

Martin Currie Global Portfolio Trust
is a research client of Edison
Investment Research Limited

Exhibit 1: Trust at a glance

Investment objective and fund background

Martin Currie Global Portfolio Trust's objective is to achieve a total return in excess of the total return of the benchmark MSCI AC World Index. Prior to 1 February 2020 the objective was to generate a capital return in excess of the capital return of a less broad global index.

Recent developments

- 24 June 2020: Announcement of 0.9p first interim dividend for FY21 (flat year-on-year).
- 9 April 2020: Annual report to 31 January 2020. NAV TR +24.6% versus benchmark TR +17.1%. Share price TR +30.4%.
- 2 April 2020: Announcement of 1.5p fourth interim dividend for FY20 (flat year-on-year).
- 1 February 2020: Benchmark changed to MSCI AC World Index.

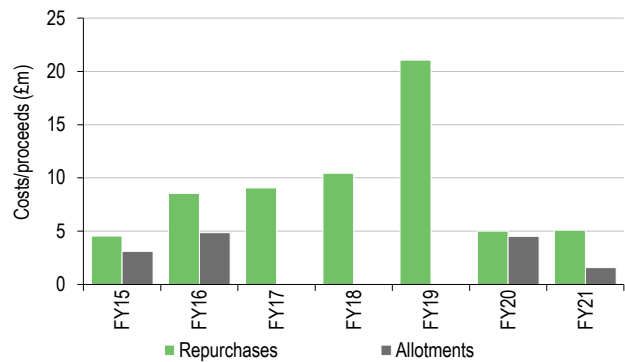
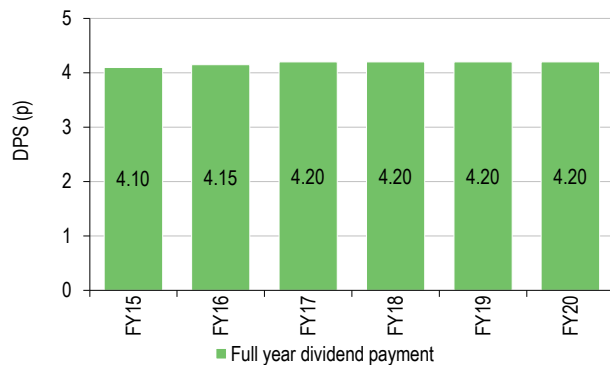
Forthcoming		Capital structure		Fund details	
AGM	July 2020	Ongoing charges	0.61% (FY20)	Group	Martin Currie Investment Mgmt (UK)
Interim results	September 2020	Net cash	0.7%	Manager	Zehrid Osmani
Year end	31 January	Annual mgmt fee	0.4%	Address	Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES
Dividend paid	Jul, Oct, Jan, Apr	Performance fee	See page 9	Phone	+44 (0)131 229 5252
Launch date	March 1999	Trust life	Indefinite	Website	www.martincurriegllobal.com
Continuation vote	None	Loan facilities	None		

Dividend policy and history (financial years)

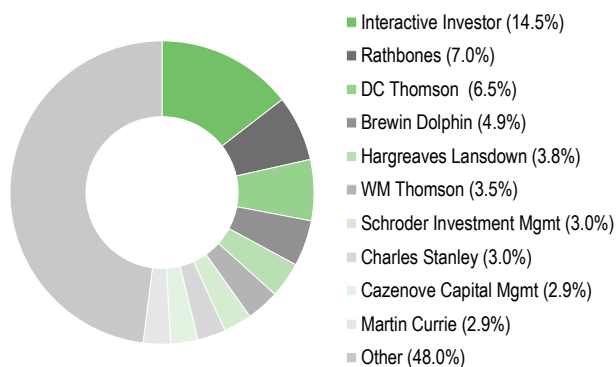
MNP moved to paying quarterly dividends from FY14 (previously semi-annual). Dividends are paid in July, October, January and April. The board is committed to a progressive dividend policy over the longer term.

Share buyback policy and history (financial years)

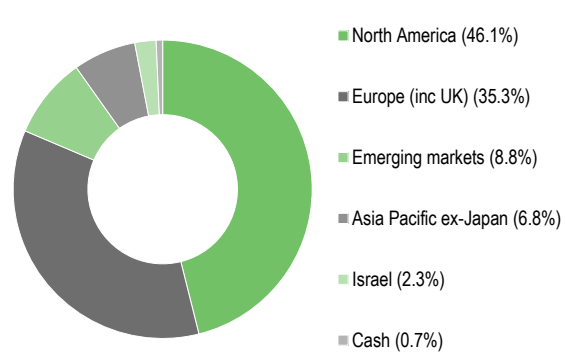
The board employs a zero discount policy. Renewed annually, the trust has authority to purchase up to 14.99%, and allot up to 10% of issued share capital.



Shareholder base (as at 31 May 2020)



Portfolio exposure by geography (as at 31 May 2020)



Top 10 holdings (as at 31 May 2020)

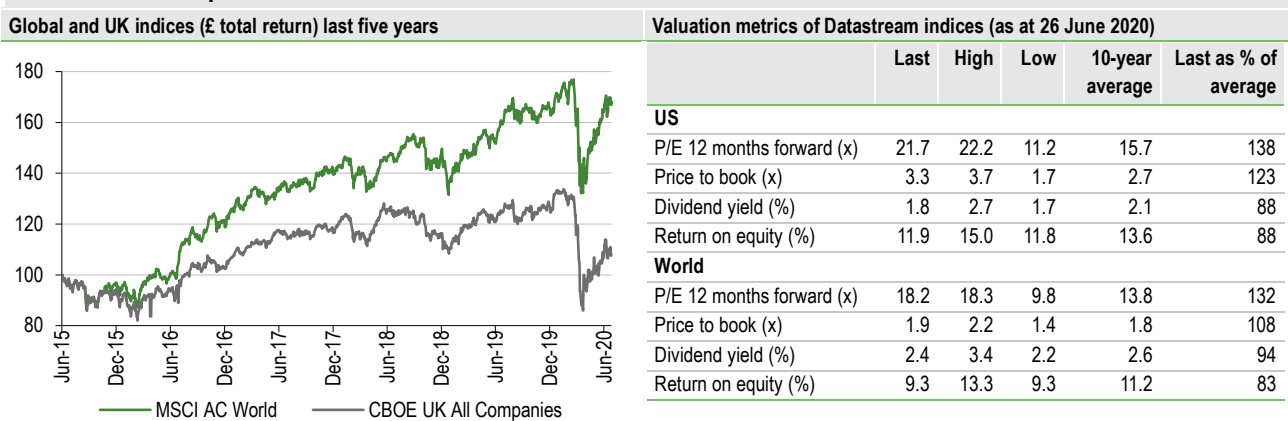
Company	Country	Sector	Portfolio weight %	
			31 May 2020	31 May 2019*
Masimo	US	Healthcare	5.8	N/A
Microsoft	US	Technology	4.7	3.8
Coloplast	Denmark	Healthcare	4.4	N/A
Visa	US	Technology	4.4	4.3
ResMed	US	Healthcare	4.2	3.5
Straumann	Switzerland	Healthcare	3.9	4.1
Linde	US	Basic materials	3.8	4.0
Mettler Toledo	US	Healthcare	3.8	N/A
CSL	Australia	Healthcare	3.8	3.4
Ansys	US	Technology	3.6	N/A
Top 10 (% of portfolio)			42.4	38.9

Source: MNP, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-May 2019 top 10.

Market outlook: Selectivity required

As shown in Exhibit 2 (LHS), global stocks in particular have recovered a large part of their coronavirus-led declines. However, investors should not be complacent, as the ultimate impacts of the pandemic are uncertain and there are risks of a second wave of infections. There is also potential for an increase in political tensions, particularly in the run-up to the US presidential election in November. Looking at valuations, on a forward P/E multiple basis both US and global shares are trading towards the high end of their 10-year range, although this may be a function of depressed earnings as a result of COVID-19. With a particularly uncertain backdrop, investors may be better served by focusing on high-quality, well capitalised companies with competent management teams, that are trading on reasonable valuations.

Exhibit 2: Market performance and valuation



Source: Refinitiv, Edison Investment Research

Fund profile: High-conviction, concentrated portfolio

MNP was launched in March 1999 and is listed on the Main Market of the London Stock Exchange. The trust's performance has been reinvigorated following the appointment of Zehrid Osmani as lead manager on 1 October 2018. He was formerly a senior portfolio manager and head of European equities research at BlackRock, with a proven track record in fundamental research and unconstrained investment, and is now head of Martin Currie's global long-term unconstrained (GLTU) team. MNP is a concentrated, high-conviction portfolio of global equities (30 holdings at end-May 2020). While there are no limits on portfolio construction, the combination of stocks must not lead to an unintended reliance on a particular macroeconomic factor such as the oil price or interest rates. Gearing of up to 20% of NAV is permitted but has not been employed since 2008; at end-May 2020, MNP had a net cash position of 0.7%. Since 1 February 2020, MNP's objective has been to generate a total return in excess of the total return of the MSCI AC World Index (previously a capital return in excess of a less broad global index). Data from MNP show that from launch to end-April 2020, the trust's NAV and share price total returns of 354.6% and 462.8%, respectively, are ahead of the blended benchmark's 281.2% total return.

The fund manager: Zehrid Osmani

The manager's view: Expecting a gradual economic recovery

Commenting on the current macro backdrop, Osmani suggests 'it is very uncertain to say the least', with an 'almost global synchronised exogenous shock in terms of supply and demand'. He expects

some normalisation in the economy, but anticipates a severe recession despite significant stimulus measures – amounting to more than 10% of GDP in some countries – aiming to mitigate the negative effects of the pandemic. The manager notes the extreme volatility in global markets this year, with the ‘fastest bear market since World War II, followed by the fastest bull run since 1974’. He says that in an environment such as this, it is very easy for active managers to get ‘whipsawed’, underlining the importance of maintaining a long-term perspective.

Osmani says that investors are trying to determine the shape of the economic recovery once lockdowns are eased. He suggests that as purchasing manager indices and other leading indicators improve, it will feel like a V shape, and stock markets could go into a state of euphoria. However, the manager cautions there are underlying economic pressures to be considered, including a deterioration in the labour market. He believes that levels of supply and demand will not return to the same level as before the COVID-19 outbreak for a considerable amount of time, as social distancing rules will negatively affect economic momentum, while there is a risk of a second wave in virus cases leading to further lockdowns. Osmani also questions how quickly the supportive government fiscal policies will feed into the real economy. His view is that the economic recovery will be gradual rather than V shaped. The manager says that monetary policy has been supportive as authorities seek to avoid a liquidity crunch and a credit crisis; he believes that interest rates will be ‘lower for longer’, as a result of the underlying deflationary pressures still present in the economy. Osmani highlights that the negative demand impacts have been particularly hard for certain industries such as physical retail, travel and leisure and the hospitality sectors in general, while other areas have benefited, particularly those companies with successful online operations. The manager expects increased infrastructure spending in high-speed railways and telecoms, including the roll-out of 5G networks, which he believes will provide a higher and quicker multiplier effect on economic activity than some other policies. Osmani also anticipates increased healthcare spending both to prepare for the risk of another pandemic, and also on hospitals and home care. He believes there will be an acceleration in the trend towards greater use of robotics and automation, an increase in spending on cyber security, and a higher focus on hygiene both with regard to food, and also in terms of general household and professional premises. The manager says that while it is uncertain how governments will finance their fiscal stimulus plans, he expects corporate tax rates to rise over the medium term; Osmani has modelled a 2pp increase for portfolio companies’ tax rates, but notes this has not had a material effect on their valuations.

The manager explains that during the coronavirus-led market weakness, value stocks sold off more than growth and high-quality stocks, as investors headed to companies with strong balance sheets in response to an environment of increased credit risk. He says that MNP performed relatively well in the downturn due to its long-standing focus on well financed quality companies that can weather a recessionary environment. Osmani highlights that the valuation gap between growth and value stocks was already unusually wide before the market weakness, and during the sell-off the disparity increased. The initial bounce in the stock market from the low point on 23 March was also led by quality growth stocks, but the manager notes that in recent weeks value stocks have performed relatively better.

In terms of consensus earnings estimate downgrades, Osmani says these have been sizeable, with reductions of 25–30% for 2020, a little below the manager’s forecast of earnings falling by a third. He believes that with the bulk of estimate reductions already made, the market could be supported by a ‘second derivative’ effect of slowing negative revisions, as well as the potential for selected earnings upgrades.

Osmani says that his team’s discussions with companies tend to centre around the anticipated shape of an economic recovery. He believes that for consumer stocks there should be pent-up demand due to the general lack of spending in recent months. The manager comments that prior to the lockdown, the economic environment was benign, with stable growth, high levels of household

confidence and satisfactory levels of corporate leverage. He says there is evidence from China that consumers are willing to spend more – including on luxury goods and sports apparel – due to increased confidence, while online demand remains strong across geographies.

Asset allocation

Investment process: Proprietary, bottom-up approach

Osmani and the eight other members of the GLTU team aim to generate a total return above that of the benchmark MSCI AC World Index by focusing on undervalued, high-quality growth stocks with potential to outperform consistently. The manager has an unconstrained approach and invests with a long-term, five- to 10-year horizon. Stocks are identified via a proprietary research platform, which utilises a fundamental and systematic approach. MNP's resulting portfolio is a concentrated, high-conviction selection. There are three stages to the investment process:

- **Idea generation** – a universe of c 2,800 stocks is screened down to an investible universe of c 500 companies and then to a research pipeline of 90+ names, to identify companies with a combination of quality, sustainable growth and an attractive valuation. The GLTU team believes that companies with a high and sustainable return on invested cash, above their weighted average cost of capital, can generate above-average total returns over the long term.
- **Fundamental analysis** – as part of the process there is a systematic risk assessment focusing on industry risks, company risks, governance and sustainability, and portfolio risks. Companies considered for inclusion in the portfolio are likely to have a dominant position and pricing power in a market with high barriers to entry and low disruption risk. The manager seeks companies with structural growth prospects, high returns on invested capital, strong cash flow generation and a strong management team. A proprietary research template is compiled for each company reviewed, to ensure a consistent approach.
- **Portfolio construction** – MNP is a high-conviction, concentrated fund. Osmani and his team use analytics to break down the portfolio by geographic revenue and profit rather than where a company is listed, to understand the fund's geographic exposure by economic value; it is overweight developed and underweight emerging markets. The portfolio is also assessed in terms of end-user exposure at a tier one level – the consumer, business and government – and then at a more detailed tier two level focusing on individual sectors and industries. The manager says that this analysis was particularly useful recently to ascertain how exposed MNP was to a falling oil price, even though it has no direct exposure to the energy sector. Osmani comments that 'the fundamental work undertaken before buying a position makes the team crisis-ready'.

Further portfolio analytics focus on three overarching themes, which the manager believes will span multiple decades: the future of technology, demographic change and resource scarcity. Within these there are areas with higher prominence currently, such as cyber security, and robotics/automation as social distancing is introduced into production lines. The manager highlights other growth areas including telemedicine and home care, infrastructure spending, electric vehicles and an increased focus on hygiene and wellness.

An analysis of a company's environmental, social and governance (ESG) factors is an integral part of the research process; Osmani believes that this approach delivers improved returns for MNP's shareholders. Businesses are assessed in a range of 1 (lowest risk) to 5 (highest risk) across a wide range of measures. The GLTU team has recently engaged with Kering representatives to assess the steps taken to appoint new directors and to gauge their level of independence as part of their new roles.

MNP's portfolio has a high active share (91.7% at end-May 2020); this is a measure of how a fund differs from its benchmark, with 0% representing full index replication, and 100% showing no

commonality. Compared with the MSCI AC World Index, the trust's holdings have higher forecast earnings and dividend growth, and a higher valuation in terms of P/E and price-to-book multiples. The portfolio has a higher return on equity and return on invested capital, and a stronger balance sheet compared with the index. These differences reflect MNP's biases towards growth and high-quality companies. Annualised portfolio turnover is running at c 20% pa, implying a holding period of around five years.

Current portfolio positioning

At end-May 2020, MNP's top 10 positions made up 42.4% of the portfolio, which was a modest increase in concentration compared with 38.9% a year earlier; six positions were common to both periods. Looking at the trust's geographic exposure in Exhibit 3, over the 12 months to the end of May, the largest changes were a higher weighting to North America (+7.6pp) and a lower weighting to Europe and the UK (-7.3pp), although this remains the largest variation versus the benchmark (+18.6pp). There is also a notable underweight exposure to North America (-14.5pp).

Exhibit 3: Portfolio geographic exposure vs benchmark (% unless stated)

	Portfolio end-May 2020	Portfolio end-May 2019	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
North America	46.4	38.8	7.6	60.9	(14.5)	0.8
Europe (inc UK)	35.5	42.8	(7.3)	17.0	18.6	2.1
Emerging markets	8.9	7.6	1.2	11.5	(2.6)	0.8
Asia Pacific ex-Japan	6.8	7.8	(1.0)	3.1	3.8	2.2
Israel	2.3	2.9	(0.6)	0.2	2.1	11.6
Japan	0.0	0.0	0.0	7.3	(7.3)	0.0
Total	100.0	100.0		100.0		

Source: Martin Currie Global Portfolio Trust, Edison Investment Research. Note: Adjusted for cash. Numbers subject to rounding.

In terms of MNP's sector exposure (Exhibit 4), a year-on-year comparison is not available as the old and new benchmarks use different industry classifications. Versus the MSCI AC World Index, the manager particularly favours healthcare (+15.5pp), technology (+10.7pp) and consumer discretionary (+5.5pp). There are meaningful underweight exposures to financials (-10.6pp) and communication services (-6.2pp), while there are no holdings in three sectors – energy, real estate and utilities – which together make up 10.2% of the benchmark.

Exhibit 4: Portfolio sector exposure vs benchmark (% unless stated)

	Portfolio end-May 2020	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Information technology	30.4	19.7	10.7	1.5
Healthcare	28.7	13.2	15.5	2.2
Consumer discretionary	17.0	11.5	5.5	1.5
Industrials	7.9	9.6	(1.7)	0.8
Consumer staples	5.9	8.3	(2.4)	0.7
Materials	3.8	4.6	(0.8)	0.8
Communication services	3.2	9.4	(6.2)	0.3
Financials	3.0	13.6	(10.6)	0.2
Real estate	0.0	3.0	(3.0)	0.0
Utilities	0.0	3.4	(3.4)	0.0
Energy	0.0	3.8	(3.8)	0.0
Total	100.0	100.0		

Source: Martin Currie Global Portfolio Trust, Edison Investment Research. Note: Adjusted for cash. Numbers subject to rounding.

Portfolio activity in recent months has been modest. Osmani explains that he and his team have been diligently reassessing every position in the portfolio following the COVID-19 outbreak, focusing on areas such as liquidity, dislocations in supply chains, whether customers will be able to pay their bills, as well as how the portfolio was exposed to certain areas such as the slowdown in the travel industry and the collapse in the price of oil. The manager added to some of the positions in the portfolio where share prices had pulled back significantly, such as industrial company Atlas Copco and consumer luxury goods stocks.

In November 2019, Osmani initiated a position in CyberArk Software. It is a leader in cyber security, which is an area where corporates are increasing their spending. Discussions on this topic are being undertaken at a board level, and from an ESG perspective there is pressure on companies to allocate sufficient resources to cyber security. The manager explains that demand for cyber security solutions is growing at 10% pa, which is double the rate of overall technology spending growth. When geopolitical tensions flare up there is increased risk of corporate cyber security attacks. Osmani expects CyberArk to perform well on a two- to five-year view, with robust revenue and income growth and a rising return on invested capital.

A lower-conviction position in Unilever was sold in February 2020; the manager has concerns about a lack of innovation at the company and therefore its ability to keep up with its peers. He says that Unilever is exposed to some product categories and geographies that are experiencing higher competition from local players.

Performance: Long-term record of outperformance

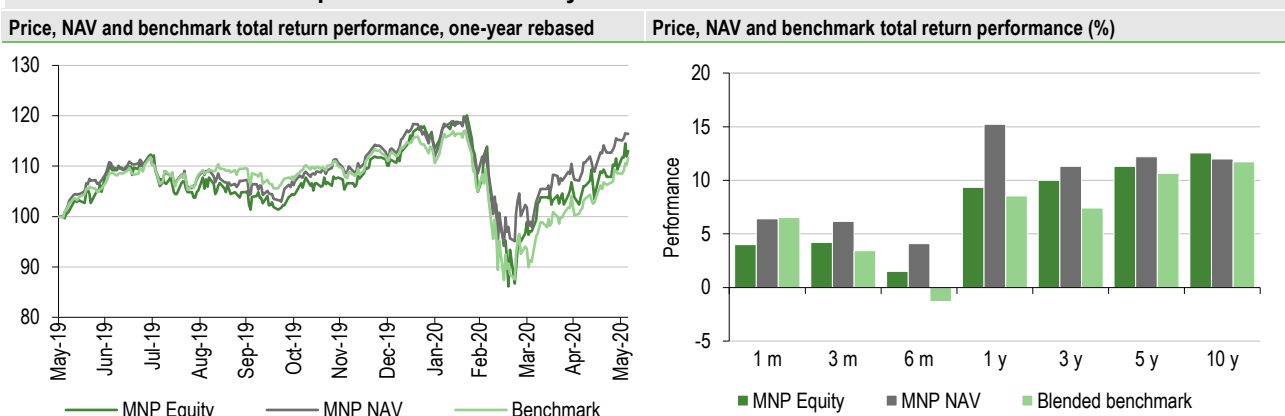
Exhibit 5: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	Benchmark* (%)	MSCI AC World (%)	CBOE UK All Companies (%)
31/05/16	(3.5)	(2.2)	0.6	(0.3)	(5.8)
31/05/17	32.9	31.8	33.0	33.2	24.4
31/05/18	7.0	7.8	8.7	9.1	6.6
31/05/19	13.8	11.0	5.1	4.8	(3.4)
31/05/20	9.3	15.2	8.5	8.0	(12.0)

Source: Refinitiv. Note: All % on a total return basis in pounds sterling. Note: *MSCI AC World since 1 February 2020, previously a less broad global index.

In FY20 (ending 31 January), MNP's NAV and share price total returns of +24.6% and +30.4% were meaningfully ahead of the benchmark's +17.1% total return. Positive contributors to relative returns included healthcare stocks ResMed (medical devices treating sleep apnoea) and CSL (blood plasma-derived therapeutics) and financial services company Visa. Detractors included insurers Prudential and Beazley. As shown in Exhibit 6 (RHS), in absolute terms MNP has generated double-digit annualised NAV and share price total returns over the last three, five and 10 years.

Exhibit 6: Investment trust performance to 31 May 2020



Source: Refinitiv, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised. Note: Benchmark is MSCI AC World since 1 February 2020, previously a less broad global index since 1 June 2011 (prior to this a broad UK index).

MNP's relative performance is shown in Exhibit 7. It has outperformed its blended and new benchmarks over one, three, five and 10 years in both NAV and share price terms. The trust has also significantly outperformed the broad UK market over all periods shown. Osmani explains that outperformance over the last six months has been helped by sector allocation, such as the underweight in financials and having no energy exposure. In terms of stocks, positive contributors

include Masimo, Coloplast, Adobe, Tencent and ResMed. Detractors include Beazley and not owning Amazon and Apple.

Exhibit 7: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to benchmark	(2.4)	0.8	2.9	0.7	7.4	2.9	7.7
NAV relative to benchmark	(0.1)	2.7	5.5	6.2	11.3	7.2	2.5
Price relative to MSCI AC World	(2.4)	0.8	2.9	1.2	7.8	4.1	16.6
NAV relative to MSCI AC World	(0.1)	2.7	5.5	6.7	11.7	8.4	11.0
Price relative to CBOE UK All Companies	1.0	13.5	22.2	24.3	47.0	60.8	81.4
NAV relative to CBOE UK All Companies	3.3	15.7	25.4	31.0	52.3	67.5	72.7

Source: Refinitiv, Edison Investment Research. Note: Data to end-May 2020. Geometric calculation. Note: Benchmark is MSCI AC World since 1 February 2020, previously a less broad global index since 1 June 2011 (prior to this a broad UK index).

Exhibit 8: NAV total return performance relative to benchmark over three years



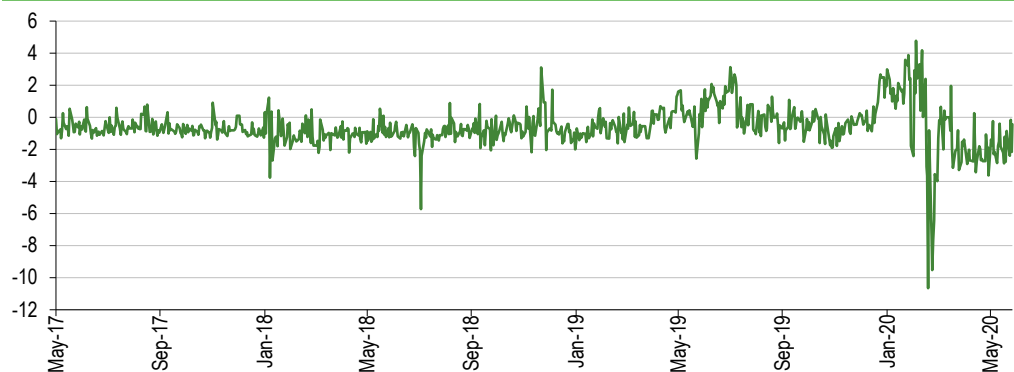
Source: Refinitiv, Edison Investment Research. Note: Osmani was appointed as manager on 1 October 2018.

Valuation: Zero discount policy

MNP's board has employed a zero discount policy since July 2013, aiming to ensure that, in normal market conditions, the trust's shares trade close to NAV. It is currently trading at a 0.4% share price discount to cum-income NAV, which compares to a 12-month range of a 4.8% premium to a five-year widest, coronavirus-led 10.7% discount. MNP has traded at average discounts of 0.3%, 0.6%, 0.6% and 2.6% over the last one, three, five and 10 years respectively.

Renewed annually, the trust has authority to repurchase up to 14.99% of its shares and allot up to 10% of its issued share capital in order to manage a discount or premium. In FY20, c 1.8m shares were repurchased (c 2.2% of the share base), while c 1.5m shares were reissued from treasury (c 1.8% of the share base).

Exhibit 9: Share price premium/discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

MNP is a conventional investment trust with one class of share. There are currently 82.1m ordinary shares in issue. Although gearing of up to 20% of NAV is permitted, this has not been employed since 2008. At end-May 2020, MNP had a net cash position of 0.7%.

The management fee is 0.4% pa of MNP's ex-income NAV, calculated and payable quarterly. A performance fee of 12.5% of outperformance of the benchmark above 1% pa is payable, capped at 1% of net assets and paid 12 months in arrears. In FY20, ongoing charges were 0.61%, 2bp lower than 0.63% in FY19, and below the board's target maximum of 0.70%. Including performance fees, ongoing charges were 1.51%, 69bp higher than 0.82% in FY19.

Dividend policy and record

MNP pays quarterly dividends in July, October, January and April. Since the trust was launched in March 1999, the annual distribution has compounded at a rate of 5.3% pa. In FY20, MNP's total dividend of 4.2p per share (0.6x covered) was in line with the prior three financial years. Income reduced from 3.5p to 2.5p per share largely due to the completion of the portfolio move towards a greater focus on capital growth. At the end of FY20, the trust had revenue reserves of £3.2m along with a special distributable reserve of £70.1m; together these are equivalent to more than 20 times the last annual dividend. Based on its current share price, MNP offers a 1.3% dividend yield.

Peer group comparison

Exhibit 10: AIC Global sector at 26 June 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
Martin Currie Global Portfolio	262.0	12.4	40.6	92.1	235.6	(0.4)	0.6	Yes	100	1.3
Alliance Trust	2,550.3	2.8	16.7	65.6	167.9	(5.5)	0.6	No	103	1.8
AVI Global Trust	734.1	(4.3)	5.7	48.7	106.5	(10.3)	0.9	No	110	2.4
Bankers	1,270.6	6.7	24.7	67.9	206.2	1.0	0.5	No	100	2.1
Brunner	343.2	2.7	15.9	50.4	162.3	(8.8)	0.7	No	105	2.5
EP Global Opportunities	105.8	(5.1)	(2.6)	29.9	108.6	(10.6)	0.9	No	100	2.3
F&C Investment Trust	3,706.8	4.4	20.5	68.8	196.0	(5.9)	0.5	No	108	1.7
JPMorgan Elect Managed Growth	236.7	(3.0)	11.8	40.6	163.8	(3.9)	0.6	No	100	2.0
Lindsell Train	240.0	8.5	75.5	198.4	546.7	8.6	0.8	Yes	101	3.4
Majedie Investments	104.2	(19.1)	(19.8)	(2.1)	52.7	(16.3)	1.0	Yes	107	5.8
Manchester & London	216.7	24.1	59.3	140.5	144.6	1.4	0.8	No	100	2.3
Mid Wynd International Inv Trust	308.4	12.2	38.3	95.6	231.5	1.7	0.5	No	102	1.0
Monks	2,360.6	18.2	44.1	118.5	216.7	4.1	0.5	No	104	0.2
Scottish Investment Trust	549.6	(3.6)	2.0	36.0	124.1	(10.1)	0.6	No	100	3.1
Scottish Mortgage	11,942.0	54.4	98.5	210.8	573.0	4.1	0.4	No	107	0.4
Witan	1,565.3	(7.3)	0.9	37.5	150.1	(4.8)	0.8	Yes	105	2.9
Average (16 trusts)	1,656.0	6.5	27.0	81.2	211.7	(3.5)	0.7		103	2.2
MNP rank in peer group	11	4	5	6	3	7	9		11=	13

Source: Morningstar, Edison Investment Research. Note: *Performance data to 25 June 2020 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

In Exhibit 10, we show the 16 members of the AIC Global sector; the funds follow varied investment mandates. MNP's NAV total returns are above average over all periods shown, ranking fourth, fifth, sixth and third over one, three, five and 10 years respectively, and have been achieved without any gearing. (It should be noted that the medium- and longer-term averages are skewed by a small number of funds with outsized returns.) Osmani is encouraged by MNP's relative performance as the trust has much less exposure to FAANG stocks (Facebook, Amazon, Apple, Netflix and Google's parent Alphabet) compared with some of its larger peers. These large-cap US technology stocks have been particularly strong performers in both up and down markets in recent years. The

manager notes MNP's concentrated portfolio (30 names at the end of May 2020), with more of a focus on small- and mid-cap exposure versus some of its peers, aiming to identify future quality growth companies. The trust also has no exposure to unlisted companies, whose valuations held firm during the coronavirus-led market weakness as they were not marked-to-market. Osmani suggests that in terms of style, MNP offers a good balance between quality and growth with 'potential to outperform in both rising and declining markets'. MNP's discount is below the mean, and its ongoing charge is below average, although the trust is one of four funds eligible for a performance fee. Given its focus on capital growth, MNP's dividend yield is below the mean.

The board

MNP's board has five directors, all of whom are non-executive and independent of the manager. Chairman Neil Gaskell joined the board on 24 November 2011 and assumed his current role on 22 May 2012. The four other board members are Gillian Watson (appointed on 1 April 2013, senior independent director since 11 June 2019), Marian Glen and Gary Le Sueur (both appointed on 1 December 2016), and Christopher Metcalfe (appointed on 19 September 2019).

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