martin currie

MARTIN CURRIE
Global Portfolio Trust plc

Registered in Scotland, no 192761

ANNUAL REPORT
YEAR TO 31 JANUARY 2014

www.martincurrieglobal.com

ABOUT MARTIN CURRIE GLOBAL PORTFOLIO TRUST PLC

A global strategy for long-term growth

Martin Currie Global Portfolio Trust plc ('the Company') offers investors a core equity portfolio. It invests in global equities for long-term growth and is well diversified across around 60 individual holdings.

Managed discount

The Company manages its discount to ensure that the Company's share price trades at, or around, net asset value ('NAV') in normal market conditions.

Proven management team

Your board has appointed Edinburgh based Martin Currie Investment Management Limited ('Martin Currie' or the 'investment manager') to manage the portfolio. Tom Walker is a portfolio manager with over 25 years experience and is the Martin Currie director responsible for the Company, a role he has fulfilled since 2000. Tom is supported by Martin Currie's regional and global sector research teams.

Role of the board

Investment companies have a board of directors whose duty it is to govern the company to secure the best possible return for shareholders within the framework set out in the company's Articles of Association – in other words, to look after the interests of shareholders.

Your board of five experienced independent non-executive directors now meets five times a year on a formal basis and on an ad-hoc basis when required, to consider the Company's strategy and monitor the Company's performance. The directors are directly answerable to shareholders.

An investment trust board formally evaluates its investment manager every year, reporting to shareholders why it is appropriate for the investment manager to continue. Your board takes this job extremely seriously.

Your board also serves shareholders by ensuring that the interests of the investment manager are aligned as closely as possible with those of shareholders.

An investment trust board provides a very specific and proactive form of direct oversight.

Objective

Long-term capital growth in excess of the capital return of the FTSE World index

Benchmark

FTSE World index

Capital structure

104,293,171 ordinary shares of 5p, each entitled to one vote

Dividends paid

January, April, July and October

FIND OUT MORE

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FINANCIAL HIGHLIGHTS

Key data

	As at 31 January 2014	As at 31 January 2013	% change
Net asset value per share (cum income)	157.4p	152.6p	3.2
Net asset value per share (ex income)	156.4p	149.6p	4.5
FTSE World index (capital)	411.9	382.4	7.7
Share price	156.5p	147.4p	6.2
Discount*	0.6%	3.4%	

Total returns†

	Year ended 31 January 2014	Year ended 31 January 2013
Net asset value per share§	8.1%	13.0%
Benchmark	10.5%	15.3%
Share price	9.8%	17.8%

Income

	Year ended 31 January 2014	Year ended 31 January 2013	% change
Revenue return per share❖	3.76p	4.23p	(11.1)
Dividend per share	4.00p	3.90p	2.6

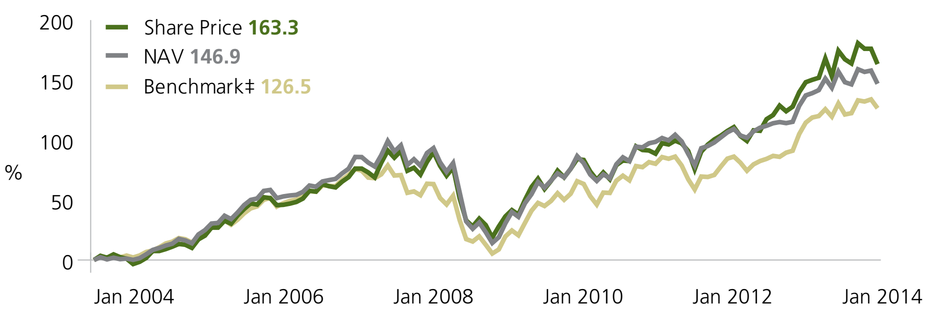
Ongoing charges**

	Year ended 31 January 2014	Year ended 31 January 2013
Ongoing charges	0.75%	0.84%
Performance fee	—	—
Ongoing charges plus performance fee	0.75%	0.84%

* Figures shown are inclusive of income as per AIC guidance. The premium calculated, exclusive of income, was 0.1% (31 January 2013: discount 1.5%). † The combined effect of the rise and fall in the net asset value ('NAV'), or share price, or benchmark, together with any dividends paid. § The NAV is exclusive of income with dividends reinvested.
❖ For details of calculation, refer to note 2 on page 32. ** Ongoing charges (as a percentage of shareholders' funds) are calculated using average net assets over the year. The ongoing charges figure has been calculated in accordance with the AIC's recommended methodology.

Long-term performance

NAV and share price performance (% change over ten years)



Source: FTSE International and Martin Currie Investment Management Limited. Share price is on a mid price basis with dividends reinvested. NAV is exclusive of income with dividends reinvested. Past performance is not a guide to future returns. ‡Prior to 1 June 2011, the benchmark was the FTSE All-Share index and the FTSE World index thereafter. Blended index returns are used for periods which include data prior to 1 June 2011.

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"It has been a year of steady progress for your Company, one highlight of which has been the virtual elimination of the share price discount"

Neil Gaskell
Chairman, Martin Currie Global Portfolio Trust plc

Welcome to your annual report, covering the 12 months to 31 January 2014. It has been a year of steady progress for your Company, one highlight of which has been the virtual elimination of the share price discount. The number of shares bought back by the Company has also reduced and most of the shares which were previously bought back by the Company and held in treasury were re-issued.

The global stockmarkets have had both ups and downs during the year, ending with a 10.5% total return in the FTSE World index. Against this backdrop, the Company's NAV per share total return was 8.1%, which fell short of the target and means no performance fee will be paid to the Company's investment manager. The share price returned 9.8%, thanks to the reduced discount over the year. The investment underperformance for the year should be seen in the context of the manager's longer-term results, which are significantly ahead over 10 years. In his manager's review on pages 4 and 5, Tom Walker describes in more detail the portfolio performance for the year against the background of a volatile investment environment.

The results against the other key performance indicators were good. The share price total return over three years was in the top quartile of the Company's peers and ongoing charges reduced from 0.84% last year to 0.75% and met the target for the year of less than 0.80%. The board has set a target for ongoing charges in the next year of less than 0.75%. Further details of key performance indicators are given on page 11.

Share issuances and buybacks

In July, the board announced that it would use its share buyback powers with the objective of ensuring that the Company's shares trade at, or around, NAV, in normal market conditions. This 'zero-discount' policy provides shareholders with effectively unlimited liquidity for the Company's shares, permitting anyone who wishes to buy or sell their shares to do so at or around NAV in normal market conditions. The zero-discount policy represents a significant advantage for your Company's shareholders and the board is committed to this policy and the benefits it brings, both for existing shareholders and for attracting new investors. Because the policy allows shareholders to sell their shares at or around NAV whenever they wish rather than only on a fixed date once every five years, the board proposed the removal of the redemption rights contained in article 47 with immediate effect. This was approved by shareholders by an overwhelming majority at a general meeting held on 17 February 2014, eliminating the need to organise the next fixed five year redemption due in June 2014.

Revenue and dividends

In May 2013, the Company's board announced that dividends would be paid to shareholders on a quarterly basis, rather than twice per year. An interim dividend of 0.90p was paid in July, October and January and the board has declared a fourth interim dividend of 1.30p which will be paid on 25 April 2014. This will bring total dividend payments for the period to 4.00p per share, a 2.6% increase from the previous year and slightly more than the net revenue return per share for the year which fell by 11.1%, impacted, in part, by the strengthening of sterling.

The board

In April 2013, Gillian Watson was appointed to the board as a non-executive director. Gillian is an experienced corporate director with diverse experience. Having begun her career at Morgan Stanley and then Standard Chartered Asia in Hong Kong, she held a variety of senior posts within the utilities industry across Europe.

Gill Nott will be retiring with effect from the annual general meeting ('AGM'), having served over 11 years on the board. Gill will not immediately be replaced and so the number of directors will be reduced to four. The board would like to thank Gill for her enormous contribution to the board. David Kidd will replace Gill as Senior independent director.

Regulatory changes

The directors' report on page 15 contains a statement of the regulatory changes which will affect the Company in the future, the most notable of which being the implementation of the European Alternative Investment Funds Managers Directive.

Looking ahead

The investment outlook for the year ahead is broadly a continuation of recent conditions in which market sentiment will be dominated by political and macroeconomic events. In his manager's report on pages 4 and 5, Tom Walker describes his views of the likely direction for markets and the opportunities for the Company's investments. The board believes that the manager's policy of a careful and balanced selection of the best growth stocks from the world's larger companies will provide a sound basis for the ongoing long-term outperformance of the Company.

I thank you for your continued support. Please contact me if you have any questions regarding your Company. Contact details can be found at the back of this report. I would also encourage you to visit the Company's website at www.martincurrieglobal.com, which is a comprehensive source of information. You can also register online to receive regular updates of the Company's performance, manager commentaries and associated news.

Neil Gaskell
3 April 2014

Ten year total returns (%)

with dividends reinvested

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Ten year
Share Price	11.1	32.4	9.8	8.0	(26.0)	30.9	13.5	6.3	17.8	9.8	163.3
NAV	14.3	31.6	11.1	7.6	(31.9)	37.1	14.8	4.3	13.0	8.1	146.9
Benchmark*	15.3	23.9	13.2	(3.6)	(27.8)	33.2	18.1	0.3	15.3	10.5	126.5

Source: FTSE International and Martin Currie Investment Management Limited. Share price is on a mid price basis with dividends reinvested. NAV is exclusive of income with dividends reinvested. Past performance is not a guide to future returns. ‡Prior to 1 June 2011, the benchmark was the FTSE All-Share index and the FTSE World index thereafter. Blended index returns are used for periods which include data prior to 1 June 2011.

"The FTSE World index rose 10.5% in the 12 months under review. After a strong first half it actually fell in the last 6 months."

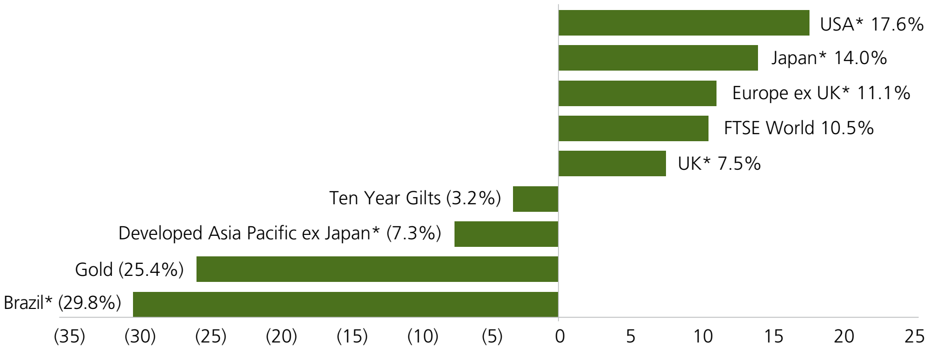
Tom Walker
Manager, Martin Currie Global Portfolio Trust plc

Market review

The FTSE World index rose 10.5% in the 12 months under review. After a strong first half it actually fell in the last 6 months. In an era of low interest rates, that level of return is respectable and compares favourably with bank deposits and other asset classes such as gold and fixed income.

The fortunes of world equity markets were divided over the year. The chart below shows total returns from different asset classes for the year. Developed market returns were strong, led by the USA, Japan and Continental Europe. The UK market rose less, held back by its large commodity and banking stocks, but it still appreciated by 7.5%. In stark contrast, there were significant declines in emerging markets. The MSCI Global Emerging Market Index fell 13.0% during the year, with particular weakness in South America, South Africa and a number of South East Asian markets. Speculation about the reduction of the US Federal Reserve's quantitative easing (QE) programme took a severe toll on emerging markets as capital flowed out of those areas – a process that appears to have accelerated in the early months of 2014.

Total returns in year to 31 January 2014



*FTSE World component returns
Source: Statpro and Bloomberg. As at 31 January 2014.

In fact, emerging markets have actually underperformed for a number of years. Corporate profits have struggled as cost inflation has coincided with revenue declines. Weak commodity prices and political unrest have impacted several developing countries, while concerns about the 'tapering' of QE have been more pronounced in countries with large current account deficits. To combat inflation and counter weakness in their currencies, a number of emerging countries have raised interest rates. As a result, it seems likely that growth is going to be quite challenged in many of these economies. China's economy grew 7.7% in 2013, but that growth comes off the back of an exponential credit expansion in the last ten years and the risks of a credit crisis are surely increasing.

The US – the world's largest economy – is improving, but is a long way from being described as robust. Weak emerging economies and a still fragile Europe mean that external opportunities are limited and the US must drive the recovery domestically. Companies in the US have, on average, seen only modest revenue growth in the past year and earnings growth has been considerably lower than share price gains.

Investment performance and portfolio activity

The Company's investment performance has lagged the benchmark during the year, with the NAV total return up 8.1%. The substantial correction in emerging markets impacted performance. It hit the investment in Indonesian conglomerate PT Astra International especially hard, with much of the damage being to the Indonesian currency rather than the share price. I had reduced exposure earlier in the year, but feel the current share price has fallen too far, so I continue to hold the company. Asia ex-Japan has not performed well and Taiwan Semiconductor Manufacturing Company (TSMC), Samsung Electronics and a number of China-related holdings were among the weakest performers, generally driven down by macro concerns. Philip Morris International, the US-listed tobacco company suffered due to its exposure to the Philippines and Russia and this impacted its earnings and share price.

British oil and gas multinational BG Group has warned that production growth is going to be slower than expected and its share price tumbled late in the year. I have added to the holding in BG Group as I believe that its long-term outlook and asset growth remain attractive. More positively, the strong cashflow generated by US defence giant Lockheed Martin has been rewarded in share price performance and two UK holdings, Prudential and Johnson Matthey, were strong contributors, as were software manufacturer Check Point Software Technologies and US regional bank PNC Financial.

I have continued to increase the weighting to financials and we are now slightly overweight in that sector: Norwegian bank DNB and Japanese financial group Orix are new holdings this year. I reduced the position in Apple and sold out of IBM altogether as, in both cases, earnings growth is slowing. However, I added eBay, whose share price has lagged other high growth internet companies quite dramatically. Although stockpicking is the focus of the investment process, Japan is a market that is less correlated to others and I have increased exposure there. At the same time, I have marginally reduced emerging market exposure, but it is worth emphasising that many companies quoted in Europe or America earn a large and increasing portion of their revenues in emerging market countries. It would therefore be wise not to become too fixated by the geographic weightings of the portfolio shown on page 6.

Outlook

The US Federal Reserve has started to reduce monetary stimulus, but actual monetary tightening is, in my view, unlikely in the next 12 months. While monetary policy remains supportive, asset prices can keep rising. Compared with interest rates, developed market equities remain inexpensive, so the higher valuation over the last year is no bar to further gains. However, as equity valuations become more stretched relative to their own history, the risk that markets will suffer a set back when the interest rate cycle turns is enhanced.

The two charts to the right are based on the USA and illustrate these points. Although the earnings yield on equities has fallen, it continues to offer a higher yield than US Treasuries, albeit the gap is narrowing. The valuation of US equities (as captured by the ratio of earnings to share price, known as the price earnings ratio) has risen considerably but could rise higher, history would suggest.

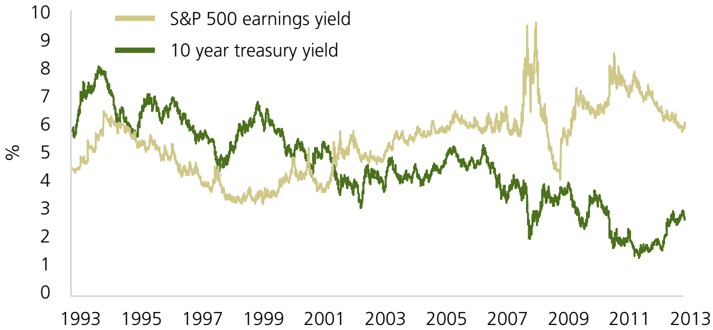
Emerging market equities, in contrast, appear inexpensive relative to their history and relative to developed markets. But we have seen the dramatic impact that money flows have had already on emerging markets. Until their economies are more robust, money flows – driven by the anticipation of less supportive US monetary policy – may continue to dictate market direction.

Over the last five years, equity markets have nearly doubled. It is hard to argue that this is solely based on the fundamentals of economic and corporate earnings growth. Instead, the world is awash with money thanks to the benevolence of central banks and their printing presses. Until this reverses, cash has to find a home and global equities are likely to continue to benefit.

Elevated economic uncertainty has been a fact of life for a number of years now. While not wishing to belittle it, the world often finds a way to muddle through. So I will endeavour to construct a portfolio of companies whose earnings, assets and share prices can best prosper through all the uncertainty.

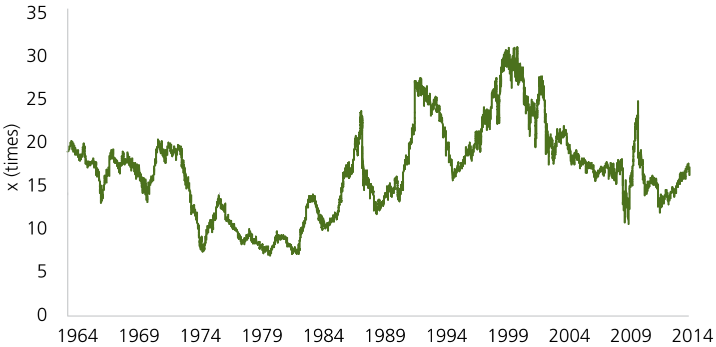
Since the year end, the situation in the Ukraine has deteriorated and Russia has annexed Crimea. Thus far, the ensuing war of words and visa travel bans has had limited impact on the major markets. However, the isolation of Russia has potentially alarming consequences given its importance as a supplier of energy and as a military superpower. We will continue to monitor the sitaution as it develops.

Valuation – still attractive relative to interest rates
S&P 500 vs 10 year treasury yield



Source: Bloomberg. As at February 2014.

Valuation – middle of historic range
S&P 500 price earnings ratio



Source: Bloomberg. As at February 2014.

Tom Walker
3 April 2014

Portfolio distribution by region

	31 January 2014 Company	31 January 2014 FTSE World index	31 January 2013 Company	31 January 2013 FTSE World index
North America	52.2%	53.8%	49.8%	50.9%
Developed Europe ex UK	15.3%	17.1%	11.9%	17.4%
United Kingdom	12.6%	8.6%	17.7%	8.8%
Developed Asia Pacific ex Japan	9.5%	6.7%	10.3%	8.7%
Japan	6.7%	8.8%	3.6%	7.4%
Global emerging markets	2.0%	4.8%	5.1%	6.6%
Middle East	1.7%	0.2%	1.6%	0.2%
	100.0%	100.0%	100.0%	100.0%

By sector (excluding cash)

	31 January 2014 Company	31 January 2014 FTSE World index	31 January 2013 Company	31 January 2013 FTSE World index
Financials	22.3%	21.8%	18.4%	21.6%
Industrials	14.0%	12.8%	16.6%	12.0%
Consumer services	12.8%	10.7%	10.6%	10.2%
Healthcare	10.4%	10.1%	7.0%	9.0%
Oil and gas	10.3%	8.5%	13.5%	9.7%
Technology	9.9%	10.0%	12.5%	9.5%
Basic materials	8.1%	5.9%	9.0%	7.0%
Consumer goods	6.4%	13.2%	6.3%	13.7%
Telecommunications	3.8%	3.7%	4.2%	3.9%
Utilities	2.0%	3.3%	1.9%	3.4%
	100.0%	100.0%	100.0%	100.0%

By asset class (including cash and borrowings)

	31 January 2014	31 January 2013
Equities	99.7%	99.9%
Cash	0.3%	0.1%
	100.0%	100.0%

Largest 10 holdings

	31 January 2014 Market value £000	31 January 2014 % of total portfolio	31 January 2013 Market value £000	31 January 2013 % of total portfolio
JP Morgan Chase	6,279	3.8	3,197	2.0
LyondellBasell Industries	5,543	3.4	3,981	2.5
United Technologies	5,042	3.1	3,973	2.5
Prudential	4,886	3.0	3,303	2.1
AbbVie	4,846	3.0	2,495	1.6
Apple	4,484	2.7	5,807	3.7
Pfizer	4,440	2.7	4,074	2.6
Roche	4,236	2.6	—	—
BG Group	4,212	2.6	3,288	2.1
Phillip Morris International	4,175	2.5	4,812	3.0

	Sector	Country	Market value £	% of total portfolio
North America			85,483,374	52.2
JP Morgan Chase	Financials		6,279,096	3.8
LyondellBasell Industries	Basic materials		5,543,349	3.4
United Technologies	Industrials		5,041,600	3.1
AbbVie	Healthcare		4,845,779	3.0
Apple	Technology		4,484,277	2.7
Pfizer	Healthcare		4,439,830	2.7
Phillip Morris International	Consumer goods		4,174,566	2.5
eBay	Consumer services		4,013,240	2.4
Lockheed Martin	Industrials		3,828,346	2.3
Microsoft	Technology		3,543,506	2.2
Sempra Energy	Utilities		3,270,826	2.0
American International Group	Financials		3,160,466	1.9
McDonalds	Consumer services		3,051,828	1.9
Bank of Montreal	Financials		2,969,278	1.8
PNC Financial	Financials		2,964,909	1.8
Pentair	Industrials		2,865,528	1.8
L Brands	Consumer services		2,554,180	1.6
AT&T	Telecommunications		2,442,334	1.5
Kinder Morgan	Oil and gas		2,441,336	1.5
Twenty First Century Fox	Consumer services		2,331,882	1.4
CVS Caremark	Consumer services		2,274,571	1.4
Chevron	Oil and gas		2,186,571	1.3
Wellpoint	Healthcare		1,769,488	1.1
Cognizant Technology Solutions	Technology		1,727,745	1.1
Praxair	Basic materials		1,661,972	1.0
Wal-Mart	Consumer services		1,616,871	1.0
Developed Europe ex UK			25,018,965	15.3
Roche	Healthcare	Switzerland	4,235,904	2.6
Schneider Electric	Industrials	France	3,246,341	2.0
Seadrill	Oil and gas	Norway	2,709,220	1.7
ProSiebenSat.1 Media	Consumer services	Germany	2,585,510	1.6
SCOR	Financials	France	1,838,123	1.1
Safran	Industrials	France	1,776,841	1.1
ENI	Oil and gas	Italy	1,767,173	1.1
DNB	Financials	Norway	1,752,367	1.1
Anheuser-Busch Inbev	Consumer goods	Belgium	1,725,866	1.0
Novartis	Healthcare	Switzerland	1,713,353	1.0
Total	Oil and gas	France	1,668,267	1.0

	Sector	Country	Market value £	% of total portfolio
United Kingdom			20,578,004	12.6
Prudential	Financials		4,886,429	3.0
BG Group	Oil and gas		4,211,621	2.6
HSBC Holdings	Financials		2,822,660	1.7
BHP Billiton	Basic materials		2,559,132	1.6
Rio Tinto	Basic materials		2,481,453	1.5
Royal Dutch Shell	Oil and gas		1,736,178	1.1
Candover Investments	Private equity		970,811	0.6
Johnson Matthey	Basic materials		909,720	0.5
Developed Asia Pacific ex Japan			15,615,120	9.5
M1	Telecommunications	Singapore	3,036,858	1.9
Jardine Matheson Holdings	Industrials	Singapore	2,399,951	1.5
Woolworths	Consumer services	Australia	2,393,506	1.4
Samsung Electronics	Technology	Korea	1,947,212	1.2
China Merchants Holdings	Industrials	Hong Kong	1,791,575	1.1
China Construction Bank	Financials	Hong Kong	1,715,470	1.0
United Overseas Bank	Financials	Singapore	1,646,279	1.0
China Mobile	Telecommunications	Hong Kong	684,269	0.4
Japan			11,053,085	6.7
Mitsubishi UFJ Financial Group	Financials		3,505,524	2.1
Toyota	Consumer goods		2,966,435	1.8
Orix	Financials		2,742,707	1.7
Mitsui & Company	Industrials		1,838,419	1.1
Global emerging markets			3,232,366	2.0
Taiwan Semiconductor Manufacturing Company	Technology	Taiwan	1,665,897	1.0
PT Astra International	Consumer goods	Indonesia	1,566,469	1.0
Middle East			2,774,089	1.7
Check Point Software Technologies	Technology	Israel	2,774,089	1.7
Total portfolio			163,755,003	100.0

Business model

The Company, as an investment trust, is a UK public limited company which invests in a diversified portfolio of assets meeting certain tax conditions. The Company seeks to deliver a competitive return to its shareholders through the investment of its funds with the primary objective of delivering long-term capital growth in excess of the FTSE World index, a policy approved by the Company's shareholders. The board appoints and oversees an independent investment manager to manage the investment portfolio, decides the appropriate financial policies to manage the assets and liabilities of the Company, ensures compliance with tax, legal and regulatory requirements and reports regularly to shareholders on the investments manager's performance. The directors do not envisage any change in this model in the foreseeable future.

For more information on investment trusts please visit www.theaic.co.uk.

Strategy

The board's principal strategies are:

Investment

The Company invests in predominantly large capitalisation blue chip equities; companies which are market leaders in their industries and have superior share price appreciation potential due to earnings, assets or valuation anomalies. The resulting diversified portfolio of international quoted companies is focused, containing only around 60 high conviction stocks selected on the basis of detailed research analysis. This active portfolio management policy will inevitably involve periods when the Company's portfolio both outperforms and also underperforms the market as a whole (as represented by the Company's reference benchmark, which is the FTSE World index).

The investment objective of the Company is to achieve long-term capital growth in excess of the capital return of the FTSE World index. The board does not impose any limits on the manager's discretion to select stocks, except that: no individual shareholding can exceed its index weight by more than 5 percentage points; emerging market exposure must be less than 25% of the portfolio assets; and investments in a sector must not be 15 percentage points more or less than its share of the benchmark index. Beyond this, the manager analyses the overall shape of the portfolio to ensure that investment risk is dominated by the high conviction stocks in the portfolio and that the combination of stocks held does not lead to unintended reliance on a particular macroeconomic factor (for example, a higher oil price or lower interest rates).

Current asset allocation and actual holdings are discussed in the manager's review on pages 4 and 5 and details are contained in the portfolio summary and portfolio holdings on pages 6 and 7.

Risk management

Risk management is largely focused on managing investment risk in accordance with the investment policy guidelines set by the board. The board has established risk parameters with the investment manager within which the portfolio will be managed. The board reviews, at each board meeting, the relevant risk metrics presented by the manager to ensure there is sufficient but not excessive risk being taken within the portfolio.

The wider corporate risks relate mainly to the challenges of managing the Company in an increasingly regulated and competitive market place. These risks are each actively managed using the mitigation measures which the board has put in place and which are discussed on pages 10 and 11 of this report.

Marketing

The marketing strategy seeks to:

- Deepen demand for the Company's shares by meeting or exceeding expectations of existing shareholders and winning new shareholders;
- Grow the number of shares in issue and thereby reduce the costs per share and increase liquidity; and
- Deliver clear, transparent and regular communication with shareholders.

This is achieved primarily through the Company's website which contains information relating to performance, outlook and significant developments as they occur. In addition, the Company utilises best practice marketing tools such as advertising, direct mail, public relations and research. The manager, Tom Walker, also meets regularly with existing and potential institutional shareholders.

Financial

The main focus is: the management of shareholder capital; the use of gearing; and the management of the risks to asset and liabilities of the Company.

The board's principal goal for the management of shareholder capital is long-term growth. Growth should reflect both the manager's investment performance and the issuance of shares, when sufficient demand exists to do this without diluting the value of existing shareholder capital. However, the board also expects to pay dividends each year and the board remains committed to a progressive dividend policy over the longer term. This has resulted in maintained or increased dividends each year since the Company's launch in 1999.

As mentioned in the chairman's statement on pages 2 and 3, the board adopted a zero discount policy in July 2013 and this is operated by the investment manager and the Company's broker, using parameters clearly set out by the board. For further details on the zero discount policy, please refer to the chairman's statement.

Finance (continued)

The Company is not currently geared based on the manager's view of the outlook for the market. The board carefully considers the Company's gearing on a regular basis and the manager advises the board to employ gearing when he has high conviction that the market could rise significantly. The current parameters state that borrowing must not exceed 20% of net assets. If the board were to decide that the conditions had been met to employ gearing, the Company would need to appoint an external Alternative Investment Fund Manager ('AIFM'), under the new European AIFM Directive. Please refer to page 15 for further details.

The Company does not currently use derivatives for the purpose of mitigating investment risk, although the manager may hedge an excessive concentration of currency risk into sterling should this situation arise. The board manages risk to both assets and liabilities through its oversight of the investment manager's risk management systems and its active monitoring of both costs and the risks inherent in financial liabilities.

The board is committed to its policy of keeping shareholders regularly informed about the Company's performance and, in particular, giving an objective and transparent report on the underlying investment performance of the manager. The formal interim and annual financial statements provide a comprehensive review of the overall position, compliant with best practice as recommended by the Financial Reporting Council.

Principal risks and uncertainties

Risk and mitigation

The Company's business model is longstanding and resilient to most of the short term uncertainties that it faces, which the board believes are effectively mitigated by its internal controls and the oversight of the investment manager, as described in the table below. Its principal risks and uncertainties are therefore largely longer term and driven by the inherent uncertainties of investing in global equity markets. The board believes that it is able to respond to these longer term risks and uncertainties with effective mitigation so that both the potential impact and the likelihood of these seriously affecting shareholders' interests are materially reduced.

The one new short term uncertainty is the potential impact on the Company of Scottish independence which the board is closely monitoring. Contingency plans have been prepared and the board will act to protect shareholders' interests if necessary.

Risks are regularly monitored at board meetings and the board's planned mitigation measures are described in the table below. The board also carries out a risk workshop as part of its annual strategy meeting. The board has identified the following principal risks to the Company:

Risk	Mitigation
Loss of S1158-9 tax status	Loss of S1158-9 tax status would have serious consequences for the attractiveness of the Company's shares. The board considers that, given the regular oversight of this risk carried out by the investment manager and reviewed by them, the likelihood of this risk occurring is minimal.
Long-term investment underperformance	The board monitors the implementation and results of the investment process with the manager, who attends all board meetings and reviews data that show statistical measures of the Company's risk profile. Were long-term investment underperformance to emerge despite the mitigation measures taken by the investment manager, the board would be able to take appropriate action to manage this risk.
Decline in overall size of the Company	The board recognises that the zero discount policy allows shareholders to sell their stock in any volume at close to NAV. Although this improved liquidity encourages investment in the Company, it could also increase the risk of a significant decline in the size of the Company. The Company has a clear marketing strategy which is set by the board and delivered by a well-resourced marketing function within the investment manager. The board also regularly monitors key indicators for any change in the Company's reputational risk profile.

Risk	Description and mitigation
Failure to manage shareholder relations	The board recognises the importance of managing shareholder relations. At each meeting, the board reviews the list of key shareholders. The board also receives feedback from the investment manager based on the outcome of its meetings with shareholders. Shareholders are encouraged to give their views by using the email address noted on the back page of this annual report.
Discount management policy	The board adopted a zero discount policy in July 2013 which is operated by the investment manager and the broker, using parameters clearly set out by the board. There could be a serious impact on the reputation of the Company if the parameters were not followed, but the board believes that this will not happen in normal market conditions.
The investment manager ceases to effectively manage investment trusts or its reputation fails	The board reviews the performance and continued appointment of the investment manager on a regular basis, via the management engagement committee. The board is independent of the investment manager and so, if the continued appointment of Martin Currie was not in the best interest of shareholders, a new investment manager would be appointed.
Index liquidity test	The zero discount policy provides shareholders with increased liquidity, but also produces a lower level of turnover in the Company's shares. This could result in the Company failing to satisfy the measurement test of liquidity that the Company must meet in order to retain its place in the FTSE All-Share index. The liquidity of the Company is monitored by the board, the investment manager and the Company's broker with a report being reviewed at every board meeting. The board also regularly considers ways to improve the liquidity position of the Company were the likelihood of the risk to increase.

Key Performance Indicators and Performance

The board uses certain key performance indicators ('KPIs') to monitor and assess the performance of the investment manager in achieving the Company's objectives. The board reduced the KPI for on-going charges to a target of below 0.80% (previously 1%) and for next year has set a target of below 0.75%. The board has also amended the performance KPI to be measured over a rolling three years (previously one year). The discount management KPI has been removed as, following the adoption of a zero discount policy, it is no longer relevant.

1 Performance relative to the benchmark index

This is the most important KPI. It is measured on a financial year basis and assessed over a rolling three years. The chairman's statement on pages 2 and 3 and manager's review on pages 4 and 5 provide more information on the performance relative to the benchmark.

2. Performance against the Company's peers

The board monitors the share price performance relative to a range of 13 competitor funds within the AIC Global sector and 9 open-ended funds over a rolling three year period.

3. Ongoing charges

The board monitors ongoing charges which are the total of its expenses including both the investment management fee (excluding performance fees) and other costs expressed as a percentage of NAV, to ensure it stays below the target for the year.

Summary of KPIs*	Target	Actual	Achieved
1. Performance relative to benchmark	Outperform	(0.4%)	✗
2. Performance against Company's peers	Top third performance	5th out of 23	✓
3. Ongoing charges	0.80%	0.75%	✓

*for the period ended 31 January 2014.

Top: Mike Balfour, Victoria Timlin (Martin Currie Investment Management Limited – company secretary), David Kidd, Tom Walker (manager) **Bottom:** Gillian Watson, Neil Gaskell (chairman), Gill Nott

Neil Gaskell, Non-executive director Chairman

Neil was appointed as a non-executive director of the Company on 24 November 2011 and became chairman on 22 May 2012. Before this, he worked for 35 years with Shell and retired as group treasurer of the Royal Dutch Shell Group and director of Shell International. Neil is currently chairman of Aberdeen Japan Investment Trust plc and a non-executive director of Integra Group, an oilfield-services business operating largely in Russia and the former CIS countries. He retired as a non-executive director of Wellstream Group in February 2011 and as chairman of Hydrodec Group in October 2012. He is also a governor of the London School of Economics.

Mike Balfour, Non-executive director Chairman of the audit committee

Mike is a member of the Institute of Chartered Accountants of Scotland and chief executive at Thomas Miller Investment Ltd. Prior to this, Mike was chief executive at Glasgow Investment Managers and chief investment officer at Edinburgh Fund Managers Limited. Mike brings 29 years of investment management experience to the board, as well as knowledge of the investment trust industry. Mike was appointed to the board on 28 January 2010.

Gill Nott OBE, Non-executive director Senior independent director

Until March 1999, Gill was the chief executive of ProShare (UK) Limited, where she gained wide ranging knowledge of the needs and concerns of private investors. She served on the board of the Financial Services Authority from 1998 to 2004 and she now sits on the board of BlackRock Smaller Companies Trust plc and JPM Russian Securities plc. Gill is also chairman of Witan Pacific Investment Trust plc and sits on the board of Baronsmead VCT2 plc, VCT3 plc and VCT5 plc. Previously she worked for BP where she managed its venture capital portfolio. She thus brings to the board a broad background in investment matters. Gill was appointed to the board on 20 January 2003.

David Kidd, Non-executive director

David is a director of The Law Debenture Pension Trust Corporation P.L.C, which acts as independent trustee for over 200 pension schemes including many FTSE-100 companies. He has over 30 years' investment management experience, having been chief investment officer of the Royal Bank of Scotland's investment management arm, the charity specialists Chiswell Associates and the private bank Arbuthnot Latham. He is a non-executive director of The Salvation Army International Trustee Company and of Shires Income plc. David was appointed to the board on 1 October 2005.

Gillian Watson, Non-executive director

Gillian is currently senior managing director at ES Noble & Company Limited, the Edinburgh based boutique investment bank. She is also a non-executive director of Scottish Enterprise and The Royal Edinburgh Military Tattoo Limited. Gillian has worked in corporate finance, strategy and business development across various industry sectors and, until March 2013, was chief executive officer of Giltech Limited. Gillian sits on the Scottish Enterprise West Regional Advisory Board, The University of Strathclyde's Commercial and Innovation Advisory Board and is a Trustee of the Boswell Trust. Gillian was appointed to the board on 1 April 2013.

Business review

The investment manager
Martin Currie is an international equity specialist based in Edinburgh, managing money for a wide range of global clients. Its investment process is focused on selecting stocks through fundamental proprietary research and constructing well-balanced high conviction portfolios. The board closely monitors investment performance and Tom Walker, the manager, attends each board meeting to present a detailed update to the board. The board uses this opportunity to challenge the manager on any aspect of the portfolio's management.

Continued appointment of the manager
The board conducts an annual performance appraisal of the investment manager against a number of criteria, including operational performance, results and investment performance and other contractual considerations. Following the recent appraisal carried out by the management engagement committee on 17 January 2014, the board considers it is in the best interests of shareholders to continue with the appointment of Martin Currie as investment manager based on the good investment performance over the longer term.

Main features of the contractual arrangement with the investment manager
- Six month notice period.
- Immediate termination if Martin Currie ceases to be capable of carrying on investment business.
- In the event that the Company terminates the agreement otherwise than set out above, Martin Currie is entitled to receive compensation equivalent to four times the basic quarterly management fee payable.

Investment management fee
Martin Currie is paid an investment management fee of 0.5% of the NAV of the Company per annum, calculated quarterly. Martin Currie also provides secretarial and administration services to the Company; the annual secretarial fee for the year ended 31 January 2014 was £50,000 (2013: £73,924).

Performance fee
The investment manager is also entitled to a performance fee should certain criteria be met and the key terms and related definitions of the calculation of the performance fee are summarised below.

- If the cumulative performance over the relevant period is less than or equal to 1% then no performance fee is payable.
- If the cumulative performance over the relevant period is greater than 1%, a performance fee is payable. If the Company's NAV has risen over the final year of the relevant period, this fee is 15% of the cumulative performance over that year and 7.5% if the Company's NAV has fallen.
- The maximum performance fee that is payable is 1% of Company's NAV as at the last day of the relevant period.

Definitions:
Relevant period: the relevant period is from the 1 February following the last financial year in which a performance fee was paid, to the end of the current financial year. The relevant period for the year end 31 January 2014 is 1 February 2012 to 31 January 2014. The Company's NAV is the ex-income NAV before any accrual for performance fee and adjusted for the impact of share buybacks. For the year end 31 January 2014 the performance of the Company's NAV over the relevant period is 14.7%.

The Company's benchmark is the FTSE World Index. For the year end 31 January 2014 the capital performance of the benchmark over the relevant period was 20.6%.

Cumulative performance is the percentage change of the Company's NAV per share less the percentage change in the capital performance of the Company's benchmark. For the year end 31 January 2014 the cumulative performance for the relevant period is (5.9%), therefore no performance fee is payable for the year end 31 January 2014 (2013: £nil).

Further contractual arrangements

The Company has outsourced its operational infrastructure to third party organisations. Contracts and service level agreements have been defined to ensure that the service provided by each of the third party organisations is of a sufficiently professional and technically high standard. The board actively monitors performance against these criteria.

Counterparty risk on each service provider is analysed with the board monitoring any identified risks. Further details of the Company's service providers can be found in the investor information section on page 41.

Performance and outlook of the Company

Please refer to the chairman's statement on pages 2 and 3 and the manager's review on pages 4 and 5 for an update on the performance of the Company over the year and outlook for 2014.

Board Diversity

The nominations committee considers diversity, including the balance of skills, knowledge, gender and experience, amongst other factors when reviewing the composition of the board. It does not consider that it is appropriate to establish targets or quotas in this regard. The board comprises five non-executive directors of whom two are women, thereby constituting 40% female representation. Following the AGM, with the retirement of Gill Nott, the number of directors will reduce to four and the female representation will reduce to 25%. The Company has no employees as its investments are managed by Martin Currie, the appointed investment manager.

Environmental matters and social/community issues

As an externally managed investment company with no employees, the Company has no policies in place in relation to environmental, social or community issues. The Company's greenhouse gas emissions are therefore negligible.

Statement regarding annual report and accounts

Following a detailed review of the financial statements by the audit committee, the directors consider that taken as a whole they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The directors present their report and the audited financial statements of the Company for the year ended 31 January 2014.

Share capital

The Company repurchased 1,613,000 shares to be held in treasury at a cost of £2,538,212 during the year. This represented 1.5% of the called up share capital and had a nominal value of £80,650. During the year, the Company cancelled 60,000 shares and reissued 1,466,623 shares from treasury. As at 31 January 2014 the issued share capital of the Company was 104,293,171 shares (excluding shares held in treasury). The issued share capital as at 31 January 2013 was 104,439,548 (excluding shares held in treasury).

Shareholders analysis as at 31 January 2014	% of shareholders	% of equity capital
Individuals & trustees	74.4%	17.7%
Banks & nominee companies	23.2%	80.9%
Insurance & investment companies	0.3%	0.0%
Other holders	2.1%	1.4%
	100.0%	100.0%

Voting rights

The Company is aware of the following interest in its ordinary share capital.

As at 31 January	2014	2013
DC Thomson & Company Limited	7.8%	7.7%

Related party transactions

With the exception of the management and secretarial fees (disclosed on pages 27 and 33), directors' fees (disclosed on page 23) and directors' shareholdings (disclosed on page 22) there were no related party transactions through the financial year.

Corporate governance statement

The Company's corporate governance statement is set out on pages 19 to 21 and forms part of this report of the directors.

Revenue and dividends

The net revenue return for the year after expenses, interest and taxation was £3,910,000 (2013: £4,422,000), equivalent to a return of 3.8 pence per share (2013: 4.2 pence). Interim dividends totalling 2.7 pence have been paid during the year. The directors recommend a fourth interim dividend of 1.3 pence per share be payable on 25 April 2014 to holders on the register at the close of business on 4 April 2014, making a total for the year of 4.0 pence (2013: 3.9 pence). The revenue reserves as at 31 January 2014 are £5,707,000 and £1,356,000 of this will be used to fund the fourth interim dividend.

Trends likely to affect future performance

Please refer to the chairman's statement on pages 2 and 3 and the manager's review on pages 4 to 5 for information on the trends likely to affect the future performance of the Company.

Regulatory

The European AIFM Directive

The board works closely with its advisers and the investment trust industry as appropriate to ensure it is aware of any regulatory changes.

During the year, the government finalised the regulations for implementing the European AIFM Directive. The AIFM Directive introduces additional regulatory oversight of the investment fund industry and is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the European Union. Because of the Company's size and relatively straightforward financing arrangements (which currently do not include the use of derivatives or debt) it qualifies for the least onerous and lowest cost level of regulation, allowing the Company to register itself as an AIFM. The Company has applied for and expects to obtain approval of this status before the regulator's deadline of 22 July 2014.

Should the board determine in the future that it is in the Company's interest to introduce some borrowing, it would be necessary under the regulations to appoint an external depositary and AIFM who would also be supervised by the Financial Conduct Authority. The board is confident that this could be rapidly implemented if required, without affecting the investment management of the portfolio.

Voting policy and the UK Stewardship Code

The Company has delegated responsibility for voting at investee company shareholder meetings to Martin Currie, who votes in accordance with its corporate governance and responsible investing policy. The board has noted Martin Currie's adoption of the UK Stewardship Code and a copy of the policies and voting records can be found at www.martincurrie.com/home/about_us/our_policies.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, the directors' remuneration report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the directors' remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

As set out in the board of directors on page 12, each of Neil Gaskell, Mike Balfour, Gill Nott, David Kidd and Gillian Watson are directors of the Company. Ben Thomson was also a director of the Company during the reporting period but retired on 21 May 2013.

The financial statements are published on the Company's website (www.martincurrieglobal.com) which is maintained by the investment manager. The directors are responsible for the maintenance and integrity of the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed in the board of directors on page 12 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the report of the directors and manager's review include a fair, balanced and understandable review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Audit committee report

The audit committee is chaired by Mike Balfour and comprises all of the directors except the chairman of the board, Neil Gaskell.

The audit committee reviews the scope and results of the audit and, during the year, considered and approved the external auditors' plan for the audit of the financial statements for the year ended 31 January 2014. A full list of the responsibilities of the committee is on page 20.

At the conclusion of the audit, PricewaterhouseCoopers LLP did not highlight any issues to the audit committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. PricewaterhouseCoopers LLP issued an unqualified audit report which is included on pages 24 to 26.

The audit committee takes account of the most significant issues and risks, both operational and financial, likely to impact the Company's financial statements. The following significant issues were considered by the audit committee in relation to the financial statements:

Matter	Action
Accuracy of portfolio valuation	Actively traded listed investments are valued using stock exchange prices provided by third party service providers. The audit committee reviewed the investment manager's annual internal control report, which is reported on by independent external accountants and which details the systems, processes and controls around the daily pricing of equity and fixed interest securities, including the application of exchange rate movements.
Allocation of expenses between revenue and capital	The allocation is reviewed by the audit committee annually taking into account the long-term split of returns from the portfolio, both historic and projected; the objectives of the Company and current, historical and prospective yields.
Revenue recognition	The audit committee reviewed the investment manager's internal control reports for the year, as referred to above, which details the systems, processes and controls around the recording of investment income.
Strength of processes and internal controls at outsourced providers	The investment administration function is outsourced by Martin Currie to State Street Bank and Trust Company ('State Street'). Custodial services are also outsourced by the Company to State Street. The directors, having carried out due diligence at the time of appointment and subsequently with State Street are satisfied that State Street are acceptable outsource providers. The audit committee receive regular reports from Martin Currie on the effectiveness of these arrangements, which Martin Currie have themselves reviewed and checked State Street's processes, procedures and internal controls. The external auditors also review State Streets internal controls as part of their audit and reported to the audit committee that these were satisfactory. Further details can be found on pages 24 to 26.

Auditors' independence

The Company has in place a policy governing and controlling the provision of non-audit services by the external auditors, so as to safeguard their independence and objectivity. This is achieved by prohibiting non-audit work where independence may be compromised or conflicts arise. Any non-audit work other than tax advice requires specific approval of the audit committee in each case.

The audit fees amounted to £22,100 for the year ended 31 January 2014 (2013: £21,500). Non-audit fees amounted to £nil for the year ended 31 January 2014 (2013: £nil).

Following review, the audit committee concludes that the Company's auditors, PricewaterhouseCoopers LLP, remains independent.

Auditors' rotation

A competitive tender for the audit of the Company was last held in October 2010, following which the current auditors, PricewaterhouseCoopers LLP were selected. There is currently no intention to put the audit out to tender.

Disclosure of information to the auditors

In the case of each of the persons who are directors of the Company at the time when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

Going concern status

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the chairman's statement, manager's review, strategic report and the report of the directors.

The financial position of the Company as at 31 January 2014 is shown on the balance sheet on page 28. The cash flows of the Company are set out on page 30.

Note 15 on pages 37 to 39 sets out the Company's risk management policies, including those covering market risk, liquidity risk and credit risk.

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk issued in October 2009, the directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale. The directors are mindful of the principal risks and uncertainties disclosed on pages 10 and 11 and have reviewed revenue forecasts and they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and for at least one year from the date of signing of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Annual general meeting

The annual general meeting ('AGM') of the Company will be held at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2ES at 12.30pm on 18 June 2014.

Special resolutions

Purchase of own shares and treasury shares

Each year the directors seek authority from shareholders to purchase the Company's own shares. The directors recommend that shareholders renew this authority detailed in resolution 8. Any shares purchased pursuant to the authority will be held in treasury or cancelled. The authority would lapse at the earlier of the Company's next AGM or 15 months after the date of the resolution.

The purpose of holding shares in treasury is to allow the Company to reissue those shares quickly and cost effectively in accordance with the parameters set out in resolution 10.

Disapplication of statutory pre-emption rights

Resolution 9 proposed as a special resolution would, if passed, give the directors authority under s571 of the Companies Act 2006, to allot shares for cash in certain circumstances as if s561 of the Companies Act 2006 did not apply. (s561 requires, when shares are to be allotted for cash, such new shares first be offered to existing shareholders in proportion to their existing holdings of shares). This authority would enable the directors to issue shares for cash to take advantage of changes in market conditions that may arise in order to increase the amount of the Company's issued share capital. The purpose of such an increase would be to improve the liquidity of the market in the Company's shares and to spread the fixed cost of administering the Company over a wider base. The directors believe that this would increase the investment attractions of the Company to the benefit of existing shareholders.

The resolution, if passed, will give the directors power to allot for cash equity securities of the Company up to a maximum of £517,376 (being an amount equal to 10% of the issued share capital of the Company as at 1 April 2014, the latest practicable date before printing) without the application of pre-emption rights described above. The authority contained in Resolution 9 will continue until the AGM of the Company in 2015.

Re-issue of treasury shares

Resolution 10, proposed as a special resolution, would give the directors authority to re-issue shares from treasury within the following parameters:

- the discount level at which shares are reissued will be narrower than the average discount at which the shares in treasury were acquired and will not be wider than an absolute level of 5%;
- a cap will be set on the dilutive impact of reissuing out of treasury at a maximum of 0.5% per year; and
- shares will be held in treasury for a maximum period of 12 months, after which they will be cancelled.

The board intends to use share issuance powers in the same way that buyback powers are used to enhance shareholder value and improve the liquidity of our shares.

Recommendation

The directors believe all the resolutions proposed are in the best interests of the Company and shareholders as a whole and recommend all shareholders to vote in favour of all the resolutions. The results of the votes on the resolutions at the AGM will be published on the Company's website (www.martincurrieglobal.com).

Neil Gaskell
Chairman
3 April 2014

Compliance

The board of the Company has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC code) by reference to the AIC Corporate Governance Guide for investment companies (AIC guide). The AIC code, as explained by the AIC guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The board considers that reporting against the principles and recommendations of the AIC code and by reference to the AIC guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company has complied with all of the recommendations of the AIC code and, except as set out below, relevant provisions of the UK Corporate Governance Code:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC guide and as explained in the UK Corporate Governance Code, the board considers these provisions not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The principles of the AIC code

The AIC code is made up of 21 principles and the Company has complied with all such principles with the exception of principle 11 which is not applicable. Details of the AIC principles and how the Company complies with them can be found on the Company's website at www.martincurrieglobal.com.

Board committees

Management engagement committee
The management engagement committee's responsibilities include:

- reviewing the continuing appointment of the investment manager;
- reviewing the performance of the investment manager in terms of investment performance and the company secretarial and administration services provided;
- reviewing the performance of the personnel employed by the investment manager in relation to the provision of such services; and
- reviewing the terms of the investment management agreement, to ensure that it remains competitive and in the best interests of shareholders.

The committee met once during the year.

Composition – all directors and chaired by Neil Gaskell.

Nominations committee
The nominations committee's responsibilities include:

- assessing the skills, knowledge, experience and diversity required on the board and the extent to which each are represented;
- establishing processes for the review of the performance of the board committees and the board as a whole;
- establishing processes for the identification of suitable candidates for appointment to the board;
- overseeing succession planning for the board;
- in relation to any director retiring by rotation who is proposing to stand for re-election, the committee will review the retiring director's performance during the period in which they have been a member of the board; and
- to consider the directors' remuneration policy and approve any changes to directors' remuneration arising as a result of such policy.

The nominations committee met once during the year.

Composition – all directors and chaired by Neil Gaskell.

Marketing and communications committee
The marketing and communications committee's responsibilities include:

- considering the marketing strategy for the Company;
- reviewing the Company's communications with its shareholders;
- reviewing the Company's marketing budget; and
- reviewing the design and contents of the Company's financial statements.

The marketing and communications committee met twice during the year.

Composition – all directors and chaired by Gill Nott.

Audit committee
The audit committee's responsibilities include:

- monitoring and reviewing the integrity of financial statements;
- internal financial controls;
- the independence, objectivity and effectiveness of the external auditors;
- making recommendations to the board in relation to the appointment, evaluation and dismissal of the external auditors, their remuneration, terms of their engagement and reviewing their independence and objectivity;
- developing and implementing policy on the engagement of the external auditors to supply non-audit services; and
- reporting to the board, identifying any matter in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

The audit committee met twice during the year. In addition the audit committee chairman had two further sessions with the investment manager.

Composition – Mike Balfour (chair), David Kidd, Gill Nott and Gillian Watson.

Directors' meetings
The following table shows the number of formal board and board committee meetings held during the year and the number attended by each director or committee member.

	Formal board meetings (6 meetings)	Management engagement committee (1 meeting)	Audit committee (2 meetings)	Nominations committee (1 meeting)	Marketing and communications committee (2 meetings)
Mike Balfour	6	1	2	1	2
Neil Gaskell	6	1	n/a	1	2
David Kidd	6	1	2	1	2
Gill Nott	5	1	1	1	2
Ben Thomson*	2	0	1	0	0
Gillian Watson**	5	1	1	1	2

*Retired on 21 May 2013. **Appointed on 1 April 2013.

Internal control

The AIC Code and the Disclosure and Transparency Rules require directors, at least annually, to review the effectiveness of the Company's system of internal control and include a description of the main features relating to the financial reporting process.

Since investment management and all administrative services are provided to the Company by Martin Currie, the Company's system of internal control mainly comprises monitoring the services provided by Martin Currie, including the operating controls established by them, to ensure that they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the risk and compliance department of Martin Currie. This arrangement is kept under review. The audit committee also carries out a review of the activities carried out by State Street Bank and Trust Company who are contracted by the Company.

The board, either directly or through committees, reviews the effectiveness of the Company's system of internal control by monitoring the operation of the key controls of Martin Currie as follows:

- reviews an internal control report as provided to the board twice yearly by the investment manager. This report details significant risks, regulatory issues, error management and complaint handling;
- reviews the terms of the investment management agreement;
- reviews reports on the internal controls and the operations of the investment manager and of the custodian; and
- reviews the risk profile of the Company and considers investment risk at every board meeting.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company as outlined on pages 10 and 11. This process accords with the Financial Reporting Council's paper entitled 'Internal Control: Guidance for Directors on the Combined Code'.

During the course of its review of internal controls, the board has not identified or been advised of any failings or weaknesses which it has determined to be significant and is content with the arrangements.

Internal control and risk management systems in relation to the financial reporting process

The directors are responsible for the Company's system of internal control, designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable.

Martin Currie has in place stringent controls that monitor the following activities of the financial reporting process:

- investment and related cash transactions are completely and accurately recorded and settled in a timely manner;
- corporate actions and proxy voting instructions are identified and generated respectively and then processed and recorded accurately and in a timely manner;
- investment income is accurately recorded in the proper period;
- investments are valued using current prices obtained from independent external pricing sources;
- cash and securities positions are completely and accurately recorded and reconciled to third party data; and
- investment management fees are accurately calculated and recorded.

The system of internal control can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

By the means of the procedures set out above, the board confirms that it has reviewed the effectiveness of the Company's systems of internal control for the year ended 31 January 2014 and to the date of approval of these financial statements.

Neil Gaskell
Chairman
3 April 2014

Remuneration statement

The board has prepared this report in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution to approve this report will be put to the members at the AGM.

Company law requires the Company's auditors to audit certain of the disclosures provided in this report. Where disclosures have been audited they are indicated as such. The auditors’ opinion is included in their report on pages 24 to 26.

Directors' remuneration policy

As the board is composed wholly of non-executive directors, the nominations committee considers directors’ remuneration in addition to its nominations function.

The board's policy is that the remuneration of non-executive directors should reflect the experience of the board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have similar investment objectives (principally global growth). It is intended that this policy will continue for the year ended 31 January 2015 and subsequent years. The fees for the non-executive directors are determined within the limits set out in the Company's Articles of Association. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors do not have service contracts but are provided with letters of appointment.

All directors are appointed for an initial term covering the period from the date of that appointment until the first AGM at which they are requested to stand for election in accordance the Company’s Articles of Association. Thereafter the directors retire by rotation at least every three years. There is no notice period and no provision for compensation upon early termination of appointment. The directors’ remuneration policy will be put to shareholders’ vote at least once every three years.

Annual report on remuneration

For the year to 31 January 2014, the non-executive directors received a fee of £21,750 per annum, the audit committee chairman received a fee of £24,250 and the chairman a fee of £35,000 per annum. Directors’ fees will be increased by £250 per annum for the financial year to 31 January 2015. There will be no increase in the chairman’s fee. No additional discretionary payments were made in the year, or in the previous year.

The graph on page 23 compares, for the ten financial years ended 31 January 2014, the total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total return of the benchmark.

Directors’ shareholdings (audited)

As at 31 January	2014	2013
Mike Balfour	10,000	10,000
Neil Gaskell	12,000	12,000
David Kidd	10,000	10,000
Gill Nott	45,000	45,000
Ben Thomson*	—	23,600
Gillian Watson**	—	—

*Retired on 21 May 2013. **Appointed on 1 April 2013.

The totals detailed have not changed between 31 January 2014 and 3 April 2014, the date of signing the accounts.

Approval

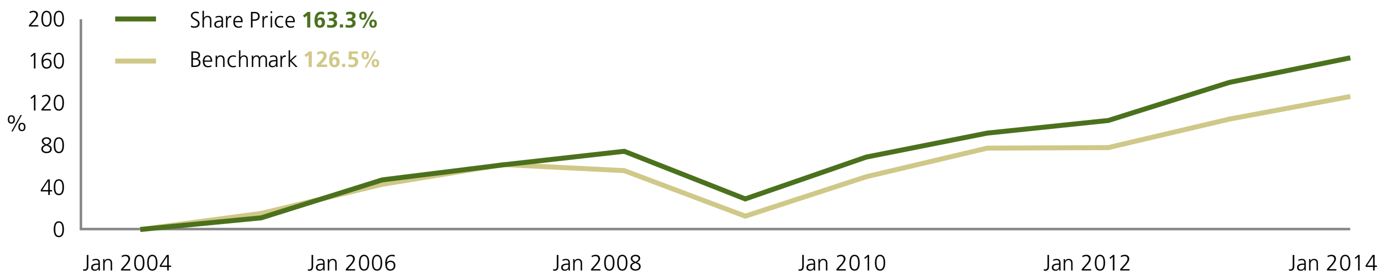
An ordinary resolution for the approval of the directors’ remuneration policy report and annual report on remuneration will be put to shareholders at the forthcoming annual general meeting.

On behalf of the board

Neil Gaskell
Chairman

3 April 2014

Benchmark and share price total return comparison (% change over 10 years)



Source: FTSE International Limited and Martin Currie Investment Management Limited. Past performance is not a guide to future returns.
On 1 June 2011, the fund's benchmark changed from FTSE All-Share Index to FTSE World Index. Blended index returns are used for periods which include data prior to 1 June 2011. Prior to 1 June 2011, the benchmark was the FTSE All-Share index and the FTSE World index thereafter.

Directors' emoluments for the year (audited)

	2013/2014 £	2012/2013 £
Mike Balfour (chairman of the audit committee)	24, 250	23,750
Peter Berry*	0	10,748
Neil Gaskell (chairman of the board)**	35,000	30,471
David Kidd	21,750	21,250
Gill Nott	21,750	21,250
Ben Thomson***	6,692	21,250
Gillian Watson****	18,125	0
	127,567	128,719

* Retired on 22 May 2012.
** Appointed as chairman on 22 May 2012.
*** Retired on 21 May 2013.
****Appointed on 1 April 2013.

Independent auditors' report to the members of Martin Currie Global Portfolio Trust plc ('the Company')

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2014 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by the Company, comprise:

- the balance sheet as at 31 January 2014;
- the income statement for the year then ended;
- the reconciliation of movements in shareholders' funds and the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined an overall materiality for the financial statements as a whole of £1.6m which is approximately 1% of net assets.

We agreed with the audit committee that we would report to them misstatements identified during our audit above £80,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Company is a standalone Investment Trust Company which has appointed an independent investment manager, Martin Currie Investment Management Limited (the 'investment manager') and an independent custodian, State Street Bank and Trust Company.

The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the investment manager. The investment manager has, with the consent of the directors, delegated the provision of certain administrative functions to State Street Bank and Trust Company (the 'company administrator').

In establishing the overall approach to our audit we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the investment manager and company administrator and we assessed the control environment in place at both organisations to the extent relevant to our audit of the Company.

Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Areas of particular audit focus

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of audit focus identified by our audit. We discussed these areas of focus with the audit committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on page 17.

Area of focus	How the scope of our audit addressed the area of focus
Valuation and existence of investments We focused on this area because investments represent the principal element of the financial statements.	The investment portfolio comprises listed equity investments. We tested the valuation of the investment portfolio by agreeing the valuation of investments to independent third party sources. We tested the existence of the investment portfolio by agreeing the holdings to an independent custodian confirmation.
Risk of management override of internal controls ISAs (UK & Ireland) require that we consider the risk of management override of controls.	We tested journal entries to determine whether adjustments were supported by evidence and appropriately authorised. We built an element of 'unpredictability' into our detailed testing by testing a sample of immaterial and unusual items.

Going Concern

Under the Listing Rules we are required to review the directors' statement, set out on page 17, in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Company has adequate resources to remain in operation and that the directors intend it to do so for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Remuneration Statement to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Corporate Governance Statement set out on pages 19 to 21 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Statement to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from these responsibilities.

Corporate Governance Statement

Under the Companies Act 2006, we are required to report to you if, in our opinion a corporate governance statement has not been prepared by the Company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code'). We have nothing to report having performed our review.

On page 14, as required by the Code Provision C.1.1, the directors state that they consider the financial statements taken as a whole to be fair, balanced and understandable and provide the information necessary for members to assess the Company's performance, business model and strategy. On page 17, as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit; or
- the section of the financial statements describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

3 April 2014

Notes:

- The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

	Note	Year to 31 January 2014 Revenue £000	Capital £000	Total £000	Year to 31 January 2013 Revenue £000	Capital £000	Total £000
Net gains on investments	7	—	7,193	7,193	—	14,232	14,232
Net currency losses	12	—	(14)	(14)	—	(70)	(70)
Income	3	5,108	—	5,108	5,674	—	5,674
Investment management fee		(279)	(558)	(837)	(247)	(493)	(740)
Other expenses	5	(429)	—	(429)	(513)	—	(513)
Net return on ordinary activities before taxation		4,400	6,621	11,021	4,914	13,669	18,583
Taxation on ordinary activities	6	(490)	—	(490)	(492)	—	(492)
Net return attributable to shareholders		3,910	6,621	10,531	4,422	13,669	18,091
Net returns per ordinary share	2	3.76p	6.37p	10.13p	4.23p	13.08p	17.31p

The total columns of the above statement are the profit and loss accounts of the Company.
The revenue and capital items are presented in accordance with the Association of Investment Companies (AIC) Statement of Recommended Practice.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued in the year.
The notes on pages 31 to 40 form part of these financial statements.

A statement of total recognised gains and losses is not required as all gains and losses of the Company have been reflected in the above statement.

There is no material difference between the net return on ordinary activities before taxation and the net return attributable to shareholders stated above and their historical cost equivalents.

	Note	As at 31 January 2014 £000	As at 31 January 2014 £000	As at 31 January 2013 £000	As at 31 January 2013 £000
Fixed assets					
Investments at fair value through profit or loss					
Listed on the London Stock Exchange			20,578		28,117
Listed on exchanges abroad			143,177		130,777
	7		163,755		158,894
Current assets					
Debtors	8	271		4,425	
Cash at bank and in hand	9	458		63	
		729		4,488	
Creditors					
Amounts falling due within one year	10	(283)		(3,983)	
Net current assets			446		505
Total assets less current liabilities			164,201		159,399
Capital and reserves					
Called-up share capital	11	5,224		5,227	
Capital redemption reserve		10,793		10,790	
Special distributable reserve		116,249		116,378	
Capital reserve	11	26,228		19,607	
Revenue reserve		5,707		7,397	
Total shareholders' funds			164,201		159,399
Net asset value per ordinary share of 5p	2		157.4p		152.6p

The notes on pages 31 to 40 form part of these financial statements.
Martin Currie Global Portfolio Trust plc is registered in Scotland, company number 192761.

The financial statements on pages 27 to 40 were approved by the board of directors on 3 April 2014 and signed on its behalf by

Neil Gaskell, Chairman

	Note	Called-up share capital £000	Capital redemption reserve £000	Special distributable reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
Reconciliation of movements in shareholders' funds for the year to 31 January 2014							
At 1 February 2013		5,227	10,790	116,378	19,607	7,397	159,399
Ordinary shares bought back during the year		—	—	(2,538)	—	—	(2,538)
Ordinary shares issued during the year		—	—	2,409	—	—	2,409
Ordinary shares cancelled during the year		(3)	3	—	—	—	—
Gains on realisation of investments at fair value	7	—	—-	—	8,964	—	8,964
Movement in currency gains/(losses)		—	—	—	(14)	—	(14)
Movement in fair value gains/(losses)	7	—	—	—	(2,094)	—	(2,094)
Capitalised expenses		—	—	—	(558)	—	(558)
Capital dividends received	3	—	—	—	323	—	323
Net revenue		—	—	—	—	3,910	3,910
Dividends paid	4	—	—	—	—	(5,600)	(5,600)
At 31 January 2014		5,224	10,793	116,249	26,228	5,707	164,201
Reconciliation of movements in shareholders' funds for the year to 31 January 2013							
At 1 February 2012		5,227	10,790	116,530	5,938	7,052	145,537
Ordinary shares bought back during the year		—	—	(152)	—	—	(152)
Gains on realisation of investments at fair value	7	—	—	—	424	—	424
Movement in currency gains/(losses)		—	—	—	(70)	—	(70)
Movement in fair value gains/(losses)	7	—	—	—	13,753	—	13,753
Capitalised expenses		—	—	—	(493)	—	(493)
Capital dividends received	3	—	—	—	55	—	55
Net revenue		—	—	—	—	4,422	4,422
Dividends paid	4	—	—	—	—	(4,077)	(4,077)
At 31 January 2013		5,227	10,790	116,378	19,607	7,397	159,399

The notes on pages 31 to 40 form part of these financial statements.

	Note	Year ended 31 January 2014 £000	£000	Year ended 31 January 2013 £000	£000
Net cash inflow from operating activities	12		3,297		2,912
Taxation					
Taxation recovered			—		7
Capital expenditure and financial investment					
Capital distributions	3	323		55	
Payment to acquire investments		(44,012)		(39,022)	
Proceeds from sales of investments		46,530		36,682	
Net cash inflow / (outflow) from capital expenditure and financial investment			2,841		(2,285)
Equity dividends paid	4		(5,600)		(4,077)
Net cash inflow / (outflow) before financing			538		(3,443)
Financing					
Repurchase of ordinary share capital		(2,538)		(152)	
Shares issued for cash		2,409		—	
Net cash (outflow) / inflow from financing	11		(129)		(152)
Increase / (decrease) in cash	13		409		(3,595)

The notes on pages 31 to 40 form part of these financial statements.

1 Accounting policies

a) Basis of preparation – the financial statements have been prepared under the historical cost convention (modified to include investments at fair value through profit or loss) on a going concern basis and in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Company is a UK listed company with a predominantly UK shareholder base. The results and the financial position of the Company are expressed in sterling, which is the functional and presentational currency of the Company. The accounting policies have been disclosed consistently and in line with Companies Act 2006.

b) Income from investments (other than capital dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. UK investment income is stated net of the relevant tax credit. Overseas dividends include any taxes deducted at source. Special dividends are credited to capital or revenue, according to the circumstances. Scrip dividends are treated as unfranked investment income; any excess in value of the shares received over the amount of the cash dividend is recognised as a capital item in the income statement. Income from underwriting commission is recognised as earned.

c) Interest receivable and payable, management fees, performance fees and other expenses are treated on an accruals basis.

d) The management fee and finance costs in relation to debt are recognised two-thirds as a capital item and one-third as a revenue item in the income statement in accordance with the board's expected long-term split of returns in the form of capital gains and income, respectively. The performance fee is recognised 100% as a capital item in the income statement as it relates entirely to the capital performance of the Company. All expenses are charged to revenue except where they directly relate to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds.

e) Investments – investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned and are initially measured as fair value. Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market prices. Gains and losses arising from changes in fair value are included in net profit or loss for the year as a capital item in the income statement and are ultimately recognised in the capital reserve.

In accordance with FRS29, all investments have been categorised as Level 1 - quoted in an active market.

f) Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the income statements.

g) Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the related forward contract rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates and included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

h) Cash at bank comprises cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Other debtors and creditors (excluding borrowings) do not carry any interest, are short-term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

i) Dividend payable – under FRS21 fourth interim dividends should not be accrued in the financial statements unless they have been approved by shareholders before the Balance Sheet date. First, second and third interim dividends are only recognised when they have been paid. Dividends payable to equity shareholders are recognised in the Reconciliation of Movements in Shareholders' Funds when they have been approved by shareholders in the case of a fourth interim dividend, or paid in the case of the first, second and third interim dividend and become a liability of the Company.

j) Capital reserve – gains or losses on realisation of investments and changes in fair values of investments are transferred to the capital reserve. Any changes in fair values of investments that are not readily convertible to cash are treated as unrealised gains or losses within the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve.

The cost of share buybacks include the amount of consideration paid, including directly attributable costs and are deducted from the special distributable reserve until the shares are cancelled.

The special distributable reserve was created through the cancellation and reclassification of the share premium account in 1999 and 2004 and thereafter the cost of share buybacks are deducted from this reserve.

k) The charge for taxation is based upon the revenue for the year and is allocated according to the marginal basis between revenue and capital using the Company's effective tax rate of corporation tax for the accounting period.

l) Deferred taxation – deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the balance sheet date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying temporary differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

m) The Company can use derivative financial instruments to manage risk associated with foreign currency fluctuations arising on the investments in currencies other than sterling. This is achieved by the use of forward foreign currency contracts. Derivative financial instruments are recognised initially at fair value on the contract date and subsequently remeasured to the fair value at each reporting date. The fair values of the derivative financial instruments are included within non-current assets or within current assets or current liabilities depending on the nature and motive of each derivative transaction.

Note 2

	Year ended 31 January 2014	Year ended 31 January 2013
Returns and net asset value		
The return and net asset value per ordinary share are calculated with reference to the following figures:		
Revenue return		
Revenue return attributable to ordinary shareholders	£3,910,000	£4,422,000
Weighted average number of shares in issue during year	103,917,881	104,508,168
Return per ordinary share	3.76p	4.23p
Capital return		
Capital return attributable to ordinary shareholders	£6,621,000	£13,669,000
Weighted average number of shares in issue during year	103,917,881	104,508,168
Return per ordinary share	6.37p	13.08p
Total return		
Total return per ordinary share	10.13p	17.31p

There are no dilutive or potentially dilutive shares in issue.

	As at 31 January 2014	As at 31 January 2013
Net asset value per share		
Net assets attributable to shareholders	£164,201,000	£159,399,000
Number of shares in issue at the year end	104,293,171	104,439,548
Net asset value per share	157.4p	152.6p

Between 1 February and 1 April 2014, 818,000 ordinary shares of 5p were bought back to treasury.

Note 3

	Year ended 31 January 2014 £000	Year ended 31 January 2013 £000
Income from investments		
From listed investments		
UK equities	792	1,302
International equities	4,312	4,366
Other income		
Interest on deposits	4	6
	5,108	5,674

During the year ended 31 January 2014, the Company received a capital dividend of £323,000 from ProSiebenSat.1 Media, as shown in note 7. During the year ended 31 January 2013, the Company received capital dividends of £55,000 (£8,000, £15,000 and £32,000 from GlaxoSmithKline, Seadrill and F&C Private Equity Trust respectively.)

Note 4	Year ended 31 January 2014			Year ended 31 January 2013		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Dividends						
Year ended 31 January 2012 - final dividend of 2.70p	—	—	—	2,823	—	2,823
Year ended 31 January 2013 - interim dividend of 1.20p	—	—	—	1,254	—	1,254
Year ended 31 January 2013 - final dividend of 2.70p	2,801	—	2,801	—	—	—
Year ended 31 January 2014 - first interim dividend of 0.90p	932	—	932	—	—	—
Year ended 31 January 2014 - second interim dividend of 0.90p	928	—	928	—	—	—
Year ended 31 January 2014 - third interim dividend of 0.90p	939	—	939	—	—	—
	5,600	—	5,600	4,077	—	4,077

Set out below are the total dividends payable in respect of the financial year which forms the basis on which the requirements of s1158-9 of the Corporation Taxes Act 2010 are considered.

	Year ended 31 January 2014 £000	Year ended 31 January 2013 £000
First interim dividend of 0.90p for the year ended 31 January 2014 (2013: nil)*	932	—
Second interim dividend of 0.90p for the year ended 31 January 2014 (2013 interim: 1.20p)	928	1,254
Third interim dividend of 0.90p for the year ended 31 January 2014 (2013: nil)*	939	—
Fourth interim dividend of 1.30p for the year ended 31 January 2014 (2013 final: 2.70p)	1,356	2,820
	4,155	4,074

* On 21 May 2013 the Company announced that dividends will now be paid to shareholders on a quarterly basis rather than twice per year.

Note 5	Year ended 31 January 2014 £000	Year ended 31 January 2013 £000
Other expenses		
Advertising and public relations	31	51
Bank charges (including custody fees)	18	14
Directors' fees	128	129
Directors’ and officers’ liability insurance	15	16
Irrecoverable VAT	11	43
Legal fees	7	3
Marketing	22	21
Printing and postage	26	16
Registration fees	49	38
Retainer paid to Company broker	—	18
Secretarial fee	50	74
Other	50	68
	407	491
Auditors’ remuneration		
Payable to PricewaterhouseCoopers LLP for the audit of the Company’s annual financial statements	22	22
	429	513

Performance fee

The performance fee for the year ended 31 January 2014 was £nil (2013: £nil). Details of the management and secretarial agreements are provided on page 13.

Note 6	Year ended 31 January 2014 Revenue £000	Capital £000	Total £000	Year ended 31 January 2013 Revenue £000	Capital £000	Total £000
Taxation on ordinary activities						
Foreign tax	490	—	490	492	—	492

The effective corporation tax rate was 23.16% (2013: 24.33%). The tax charge for the year differs from the charge resulting from applying the standard rate of corporation tax in the UK for an investment trust company. The differences are explained below.

	Year ended 31 January 2014 £000	Year ended 31 January 2013 £000
Net return before taxation	11,021	18,583
Corporation tax at effective rate of 23.16% (2013: 24.33%)	2,552	4,521
Effects of:		
Non taxable UK dividend income	(183)	(317)
Currency losses not taxable	3	17
Gains on investments not taxable	(1,666)	(3,462)
Overseas dividends not taxable	(999)	(1,062)
Overseas tax suffered	490	492
Increase in excess management and loan expenses	293	303
Total current year tax charge for the year	490	492

As of 1 April 2013, the UK Corporation tax rate fell from 24% to 23%.

As at 31 January 2014, the Company had unutilised management expenses of £22.8 million (2013: £21.6 million) and non-trading loan relationship deficit of £4.7 million (2013: £4.8 million) carried forward. A deferred tax asset in respect of this has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. Due to the Company's status as an investment trust and the intention to continue to meet the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

During the year, as a result of the change in UK corporation tax from 23% to 21% and subsequent provisions in the Finance Act 2013 to reduce the main rate of corporation tax to 20% for the financial year 2015, which was substantively enacted on 2 July 2013 and will be effective from 1 April 2015, the unrecognised deferred tax asset has been remeasured to 20%.

Further reductions to the main rate are proposed to reduce the rate by 1% to 20% by 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Note 7	As at 31 January 2014 £000	As at 31 January 2013 £000
Investments at fair value through profit or loss		
Opening valuation	158,894	142,886
Opening unrealised investment holding gains	(27,398)	(13,645)
Opening cost	131,496	129,241
Purchases at cost	40,340	42,694
Disposal proceeds	(42,349)	(40,863)
Net profit on disposal of investments	8,964	424
Disposal at cost	(33,385)	(40,439)
Closing cost	138,451	131,496
Closing unrealised investment holding gains	25,304	27,398
Valuation as at 31 January	163,755	158,894

	As at 31 January 2014 £000	As at 31 January 2013 £000
Gains on investments		
Net profit on disposal of investments	8,964	424
Net (loss) / gain revaluation of investments	(2,094)	13,753
Capital distributions	323	55
	7,193	14,232

The transaction cost in acquiring investments during the year was £85,000 (2013: £110,000). For disposals, transaction costs were £67,000 (2013: £68,000).

Note 8	As at 31 January 2014 £000	As at 31 January 2013 £000
Debtors		
Dividends receivable	160	159
Amount due from brokers	—	4,181
Taxation recoverable	106	70
Other debtors	5	15
	271	4,425

Note 9	As at 31 January 2014 £000	As at 31 January 2013 £000
Cash at bank and in hand		
Sterling bank account	421	42
Non-sterling bank account	37	21
	458	63

Note 10	As at 31 January 2014 £000	As at 31 January 2013 £000
Creditors: amounts falling due within one year		
Amount due to brokers	—	3,672
Due to Martin Currie	204	195
Other creditors	79	116
	283	3,983

With the exception of management and secretarial fees (as disclosed on pages 27 and 33), directors' fees (disclosed on page 23) and directors' shareholding (disclosed on page 22) there were no related party transactions through the year, or in the prior year.

Note 11	Number of shares	As at 31 January 2014 £000	Number of shares	As at 31 January 2013 £000
Called-up share capital and analysis of capital reserve				
Called-up share capital:				
Ordinary shares 5p				
Ordinary shares in issue at the beginning of the year	104,439,548	5,222	104,553,171	5,227
Ordinary shares issued from treasury during the year	1,466,623	73	—	—
Ordinary shares bought back to treasury during the year	(1,613,000)	(81)	(113,623)	(5)
Ordinary shares in issue at end of the year	104,293,171	5,214	104,439,548	5,222

	Number of shares	As at 31 January 2014 £000	Number of shares	As at 31 January 2013 £000
Treasury shares (Ordinary shares 5p)				
Treasury shares in issue at the beginning of the year	113,623	6	—	—
Ordinary shares issued from treasury during the year	(1,466,623)	(73)	—	—
Ordinary shares cancelled from treasury during the year*	(60,000)	(3)	—	—
Ordinary shares bought back to treasury during the year	1,613,000	81	113,623	5
Treasury shares in issue at end of the year	200,000	10	113,623	5
Total ordinary shares in issue and in treasury at the end of the year	104,493,171	5,224	104,553,171	5,227

The net cost of share issues from and buybacks to treasury for the year to 31 January 2014 was £129,000 (2013: shares bought back to treasury £152,000).
* In the year to 31 January 2014 60,000 shares, with a nominal value of 5p each, were cancelled from treasury. This had the effect of reducing the Company's share capital by £3,000.

The analysis of the capital reserve is as follows:

	Realised capital reserve £000	Unrealised investment holding gains £000	Total capital reserve £000
At 1 February 2013	(7,791)	27,398	19,607
Gains on realisation of investments at fair value	8,964	—	8,964
Movement in fair value losses of investments	—	(2,094)	(2,094)
Movement in currency losses	(14)	—	(14)
Capitalised expenses	(558)	—	(558)
Capital distributions	323	—	323
At 31 January 2014	924	25,304	26,228

The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

Note 12	Year ended 31 January 2014 £000	Year ended 31 January 2013 £000
Reconciliation of net return on ordinary activities before taxation to net cash inflow from operating activities		
Return on ordinary activities before taxation	11,021	18,583
Adjustments for:		
Net gains on investments	(7,193)	(14,232)
Effect of foreign exchange rates	14	70
Decrease / (increase) in dividends receivable and other debtors	9	(29)
Decrease in other creditors and amounts due to Martin Currie	(28)	(948)
Overseas withholding tax suffered	(526)	(532)
Net cash inflow from operating activities	3,297	2,912

Note 13	As at 31 January 2013 £000	Cash flow £000	Exchange movement £000	As at 31 January 2014 £000	As at 31 January 2012 £000	Cash flow £000	Exchange movement £000	As at 31 January 2013 £000
Analysis of changes in net funds								
Cash at bank and in hand	63	409	(14)	458	3,728	(3,595)	(70)	63

Note 14 Related party transactions

With the exception of the management and secretarial fees (as disclosed on pages 27 and 33), directors' fees (disclosed on page 23) and directors' shareholdings (disclosed on page 22) there were no related party transactions through the year, or during the prior year.

Note 15 Derivatives and other financial instruments

The Company's financial instruments comprise securities, cash balances, debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement and debtors for accrued income.

The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, for the purpose of managing currency and market risks arising from the Company's activities.

The main risks the Company faces from its financial instruments are (i) market price risk (comprising interest rate risk, currency risk and other price risk), (ii) liquidity risk and (iii) credit risk.

The board regularly reviews and agrees policies for managing each of these risks. The investment manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors, other than for currency disclosures.

(i) Market price risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements - interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities; and
- the level of income receivable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

The board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings may comprise fixed rate, revolving and uncommitted facilities. Current guidelines state that the total borrowings will not exceed 20% of the total assets of the Company. The Company does not currently have any gearing.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets (comprising cash balances only) at the balance sheet date was as follows:

As at 31 January 2014	Rate %	Local currency '000	Foreign exchange rate	Sterling equivalent £000
Assets				
Sterling	—	421	1.000	421
US dollar	—	61	1.643	37
				458

As at 31 January 2013	Rate %	Local currency '000	Foreign exchange rate	Sterling equivalent £000
Assets				
Sterling	—	42	1.000	42
US dollar	—	33	1.585	21
				63

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended 31 January 2014 would increase/decrease by £2,000 (2013: increase/decrease by £nil). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances.

As at 31 January 2014 a decrease in interest rates of 0.5% is the maximum possible, given the prevailing base rate of 0.5%. This level is considered possible based on observations of market conditions and historic trends.

Foreign currency risk

A significant proportion of the Company's investment portfolio is invested in overseas securities and the balance sheet can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

The revenue account is subject to currency fluctuation arising on overseas income.

Foreign currency risk exposure by currency of denomination:

	As at 31 January 2014			As at 31 January 2013		
	Non monetary exposure £000	Monetary exposure £000	Total currency exposure £000	Non monetary exposure £000	Monetary exposure £000	Total currency exposure £000
US dollar	91,301	161	91,462	86,313	(865)	85,448
Euro	14,608	65	14,673	12,420	2,178	14,598
Japanese yen	11,053	—	11,053	5,753	—	5,753
Swiss franc	5,949	36	5,985	2,526	18	2,544
Singapore dollar	4,683	—	4,683	4,932	—	4,932
Norwegian krone	4,462	—	4,462	3,832	—	3,832
Hong Kong dollar	4,191	—	4,191	4,878	—	4,878
Canadian dollar	2,969	28	2,997	3,138	30	3,168
Australian dollar	2,394	—	2,394	3,491	—	3,491
Indonesian rupiah	1,567	(1)	1,566	3,494	2	3,496
Total overseas investments	143,177	289	143,466	130,777	1,363	132,140
Sterling	20,578	157	20,735	28,117	(858)	27,259
Total	163,755	446	164,201	158,894	505	159,399

The asset allocation between specific markets can vary from time to time based on the manager's opinion of the attractiveness of the individual markets.

Foreign currency sensitivity
There were minimal foreign currency denominated monetary items at the year end.

Other price risk
Other price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets as detailed on page 6 and the stock selection process both act to reduce market risk. The manager actively monitors market prices throughout the year and reports to the board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Other price risk sensitivity
If market prices at the balance sheet date had been 15% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders at the year ended 31 January 2014 would have increased/decreased by £24,563,000 (2013: increase/decrease of £23,834,000) and equity reserves would have increased/decreased by the same amount. This level of change is considered to be reasonably possible based on observation of market conditions and historic trends.

(ii) Liquidity risk
This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not considered to be significant as the Company's assets consist of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale and therefore can be sold to meet funding commitments if necessary.

(iii) Credit risk
This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit rating is reviewed periodically by the manager and limits are set on the amount that may be due from any one broker; and
- cash is held only with reputable banks with high quality external credit ratings.

None of the Company's financial assets are secured by collateral.

Fair values of financial assets and financial liabilities
All financial assets and liabilities of the Company are included in the balance sheet at fair value or a reasonable approximation of fair value with no material difference in the carrying amount.

Note 16 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern;
- to maximise the return to its equity shareholders through an appropriate balance of equity capital and debt; and
- to limit gearing to 20% of total assets.

The board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the manager's views on the market and the extent to which revenue in excess of that which is required to be distributed under the investment trust rules should be retained.

The analysis of shareholders' funds is as follows:

	As at 31 January 2014 £000	As at 31 January 2013 £000
Called-up ordinary share capital	5,224	5,227
Capital redemption reserve	10,793	10,790
Special distributable reserve	116,249	116,378
Capital reserve	26,228	19,607
Revenue reserve	5,707	7,397
Total shareholders' funds	164,201	159,399

Note 17 Fair value hierarchy

Under FRS 29 'Financial Instruments: Disclosures' an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 January 2014 financial assets in the form of quoted equities held at fair value through profit or loss to the value of £163,755,000 were classified as Level 1 in the fair value hierarchy (31 January 2013: quoted equities to the value of £158,894,000 classified as Level 1) with no assets classified as Level 2 or 3 (31 January 2013: no assets classified as Level 2 or 3).

Quoted equities

The fair value of the Company's investments in quoted equities have been determined by reference to their quoted bid prices at the reporting date.

Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

Note 18 Post balance sheet events

Between 1 February and 1 April 2014 818,000 shares of 5p each have been bought back to treasury for a consideration of £1,318,104.

Directors and Advisers

Directors
Neil Gaskell (chairman)
Mike Balfour
David Kidd
Gill Nott
Gillian Watson

Investment manager and company secretary
Martin Currie Investment Management Limited
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
Telephone 0131 229 5252
Fax 0131 228 5959
www.martincurrie.com

Martin Currie Investment Management Limited is authorised and regulated by the Financial Conduct Authority and a member of the Investment Management Association.

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Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
Registered in Scotland, registered number 192761

Independent auditors
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Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh EH3 8EX

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34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone 0871 664 0300
www.capitaassetservices.com

Bankers
Lloyds Banking Group plc
10 Gresham Street
London EC2V 7AE

State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

Custodians
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

Brokers
JPMorgan Cazenove Limited
25 Bank Street
Canary Wharf
London E14 5SP

Association of Investment Companies (AIC)
9th Floor
24 Chiswell Street
London EC1Y 4YY
Telephone 020 7282 5555
www.theaic.co.uk

The Company is a member of the AIC (the trade body of the investment company industry).

Financial calendar – key dates 2014/2015

April
Half-yearly results announced
Fourth interim dividend payment date

June
Interim management statement
Annual general meeting

July
First interim dividend payment date

September
Half-yearly results announced

October
Second interim dividend payment date

December
Interim management statement

January
Third interim dividend payment date

Glossary of terms

Assets
Anything owned or controlled that has value. For investment companies, this might include shares and securities, property, cash, etc.

Benchmark
An index or other measure against which the performance of an investment company is compared or its objectives are set.

The financial statements will include an explanation of how the company has performed against its benchmark over the year and the reasons for any under or over performance.

Bid price
The price at which you sell your shares when two prices are quoted. This is sometimes shown as the 'sell' price and will be the lower of the two prices shown.

Discount
The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Dividend
Income from an investment in shares. Dividends are usually paid twice a year but can also be paid quarterly or monthly. Dividend income is not guaranteed and may fall as well as rise.

Ex income
Also shown as 'ex div' or 'xd', this means that, if you buy the shares today, you won't receive the most recently declared dividend.

Shares are being traded all the time on stockmarkets, so for administrative reasons there needs to be a point when buyers and sellers agree whether they will receive the most recently declared dividend. The point when the shares purchased will no longer receive the dividend is known as the 'ex dividend date' and the shares are said to have 'gone ex dividend'. The share price will normally fall by the amount of the dividend to reflect this.

If you buy the shares when you're still entitled to the most recently declared dividend, this is known as the shares being cum dividend.

Gearing
At its simplest, gearing means borrowing money to buy more assets in the hope the company makes enough profit to pay back the debt and interest and leave something extra for shareholders. If the investment portfolio doesn't perform well, gearing can increase losses and vice versa. The more an investment company borrows, the higher the risk of increased share prices changes.

Internal and external AIFM
Under the AIFM Directive, the AIFM of a company may be either (a) another person appointed by or on behalf the company and which, through that appointment, is responsible for managing the company (an 'external AIFM'); or (b) where the legal form of the company permits internal management and the board chooses not to appoint an external AIFM, the company itself (an 'internal AIFM'). An AIFM will be able to take advantage of lighter touch regulation where the total assets of the companies it manages do not exceed: (a) €500 million (in cases where no leverage is used); or (b) €100 million (where leverage is used). This regime will also apply to small companies which are internal AIFMs. The advantage of falling under these thresholds is that not all of the requirements of the AIFM Directive will apply and thus compliance obligations can be reduced. However, sub-threshold firms will not benefit from any rights granted under the AIFM Directive.

Investment company
A closed-ended fund which invests in a diversified portfolio of assets. Investors buy and sell their shares in the investment company on a stock exchange.

Investment trust
An investment company which is based in the UK and which meets certain tax conditions so that it doesn't pay tax on gains made within the portfolio.

Net assets
A measure of the size of an investment company. The total value of all assets held, less liabilities and prior charges, including income for the current year.

NAV per share
A very common measure of the underlying value of a share in an investment company.

In basic terms, the net asset value ('NAV') is the value of the investment company's assets, less any liabilities it has. The NAV per share is the NAV divided by the number of shares in issue. This will very often be different to the share price. The difference is known as the discount or premium.

NAV total return performance
A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders.

The AIC shows NAV total return based on a hypothetical investment of £100. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

NAV total return shows performance which isn't affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.

Premium
The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

Share buybacks
Describes an investment company buying its own shares and reducing the number of shares in existence.

Share buybacks can be used to return money to shareholders, but are also used to manage the company's share price discount. Discounts may reflect an imbalance between the demand for shares and the number of shares in existence. The hope is that, by reducing the number of shares in existence, the buyback will help to prevent the discount widening or even reduce it.

Share price
The price of a share as determined by the stockmarket.

If you see a single share price shown, it's likely that this is the mid-market price. This is different to the price at which you buy and sell the shares, which are known as the bid price (sell) and offer price (buy).

Treasury shares
Shares in a company's own share capital which the company itself owns and which can be sold to investors to raise new funds.

Treasury shares only come into existence when a company buys back shares. Instead of cancelling the shares (i.e. they cease to exist) they are held 'in treasury' by the company and can be sold at a later date to raise new funds.

How to invest

Shareholder services

The registrars of the Company are Capita Asset Services. You can buy and sell shares directly by calling the Capita Dealing team on 0870 664 0311. For other services you can contact Capita by telephone or online:

	Online	Telephone
Contact Details	www.capitashareportal.com	0871 664 0300 (calls cost 10p per min plus network extras)
Opening times	24 hour	8:30am – 5:30pm Monday to Friday
Change your address	✓	✓
Request tax vouchers	—	✓
Valuation	✓	✓
Online proxy voting	✓	—
Dividend payment records	✓	✓
Register and change bank mandate instructions for receipt of dividends	✓	✓
Elect to receive shareholder communication electronically	✓	✓
Request/download shareholder forms	✓	✓

Ways to invest in the Company

However you chose to invest, please ensure you are aware of any charges associated with receiving advice or investing through any of the third-party providers listed below.

Independent financial advisers

An increasing number of independent financial advisers are including investment trusts within their investment recommendation for clients. To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

Private client stockbrokers

If you have a large sum to invest, you may want to contact a private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbrocker visit the Wealth Management Association: www.thewma.co.uk.

Alliance Trust Savings (ATS)

ATS provides products to UK private investors, including Stocks and Share ISA and SIPPs. Their website also has a research centre where you can compare different options before making investment decisions. Their trading system i.nvest allows you to invest online, by phone or by mail.

UK residents can invest in the Company's shares in the following ATS products:

- Select SIPP
- Select Stocks and Share ISA
- Child SIPP
- First Steps account
- Investment Dealing Account
- Junior ISA

For more information:
www.alliancetrustsavings.com

Other online platforms and stockbroking services

A number of real-time execution-only stockbroking services and platforms allow you to trade online, manage your portfolio and buy UK listed shares.These sites do not give you advice, they simply allow you to trade. Many of these sites also offer 'wrapper' products such as ISAs, SIPPs and savings plans.

Sites include:

- Youinvest (part of AJ Bell) www.youinvest.co.uk
- Barclays Stockbrokers www.barclaysstockbrokers.co.uk
- Charles Stanley Direct www.charles-stanley-direct.co.uk
- Hargreave Hale www.hargreave-hale.co.uk
- HSDL www.halifax.co.uk/sharedealing
- Idealing www.idealing.com
- Jarvis www.jarvisim.co.uk
- Selftrade www.selftrade.co.uk
- Sharecentre www.share.com
- Stocktrade www.stocktrade.co.uk
- TD Waterhouse www.tdwaterhouse.co.uk

Capita Asset Services

You can also buy and sell shares directly by calling the Capita dealing team on 0871 664 0311.

To change your address, request tax vouchers or obtain an up-to-date valuation of your share holding please contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri).

Alternatively log on to www.capitaassetservices.com and register on the share portal to access full information on your holding.

Trading codes

(You may be asked for these when investing)
TDIM code: MNP
Reuters code: MNP.L

Checking the share price

We want to make it easy for you to follow your investment and ensure that you can check the share price in the way that suits you best:

Publications	Financial Times, The Herald and The Scotsman.
Telephone	FT Cityline on 09058 171 690 simply say 'Martin Currie Global Portfolio' when prompted.
Online	www.martincurrieglobal.com www.trustnet.com

The Company has its own dedicated website at www.martincurrieglobal.com.

This offers shareholders, prospective investors and their advisers a wealth of information about the Company. Updated daily, it includes the following:

- daily prices
- performance data
- portfolio information
- the manager's latest views
- monthly update
- research
- press releases and articles
- annual and half yearly reports

Enquiries

If you have an enquiry about the Company, please get in touch.

0131 229 5252 ▌chairman@martincurrieglobal.com.

Mail: please refer to our address on the back page of this report

Notice is hereby given that the fourteenth annual general meeting of Martin Currie Global Portfolio Trust plc (the 'Company') will be held at Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES, on 18 June 2014 at 12.30 pm, to transact the following business:

Ordinary resolutions

To consider and, if thought fit, pass the following resolutions. Resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 to 10 will be proposed as special resolutions.

1. To receive the report of the directors and auditors and the financial statements for the year ended 31 January 2014;

2. To approve the directors' annual remuneration report for the year ended 31 January 2014;

3. To receive and approve the directors' remuneration policy;

4. To re-elect David Kidd as a director;

5. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid;

6. To authorise the directors to fix the remuneration of the auditors for the year ending 31 January 2015; and

7. In substitution of any existing authority of the directors, the directors of the Company be and are hereby generally and unconditionally authorised pursuant to s551 of the Companies Act 2006 ('the Act') to allot equity securities (as defined in s560 of the Act) up to a maximum nominal amount of £1,724,586 (being one third of the issued share capital of the Company as at 1 April 2014, being the latest practicable date before the date of this notice) provided that the authority hereby given shall expire on the conclusion of the annual general meeting of the Company in 2015 save that the Company may, at any time before the expiry of such authority, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such authority and the directors may allot equity securities in pursuance of such an offer or agreement as if such authority had not expired.

Special resolutions

8. That, pursuant to Article 12 of the Articles of Association of the Company and in accordance with s701 of the Companies Act 2006 (the 'Act') and in substitution for any existing authority the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s693(4) of the Act) of ordinary shares of 5p each in the capital of the Company provided that:

   (a) the maximum number of ordinary shares hereby authorised to be purchased is 15,510,928 (or, if less, 14.99% of the number of ordinary shares in issue (excluding treasury shares) immediately prior to the passing of this resolution):

   (b) the minimum price which may be paid for an ordinary share is 5 pence, which amount shall be exclusive of expenses;

   (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be not more than the higher of (i) 5% above the average of the mid-market quotations for an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange;

   (d) the authority hereby conferred shall expire 15 months after the date of passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever first occurs, unless such authority is renewed, issued or revoked prior to such time; and

   (e) the Company may conclude a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby confirmed had not expired.

9. That the directors be and they are hereby empowered in accordance with s571 of the Companies Act 2006 to allot equity securities (as defined in s560 of the Act) where they are generally authorised pursuant to the authority to allot equity securities conferred upon them by resolution 7 and/or to sell ordinary shares held by the Company as treasury shares for cash as if s561 of the Act did not apply provided that the power conferred by this resolution shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £517,376 (being an amount equal to 10% of issued equity share capital as at 1 April 2014; being the latest practicable date before the date of this notice) and to the sale of any ordinary shares held in the treasury. Unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company in 2015, save that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the director may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

10. That the directors be authorised for the purpose of paragraph 15.4.11 of the Listing Rules of the United Kingdom Listing Authority to sell or transfer out of treasury equity securities for cash at a price below the net asset value per share of the existing ordinary shares in issue (excluding treasury shares) pursuant to the authority conferred by this resolution provided that:

    (a) the discount at which such equity securities are sold or transferred out of treasury is always less than the average discount at which the equity securities held in treasury have been purchased;

    (b) equity securities are sold or transferred out of treasury at no greater than an absolute discount of 5%;

    (c) a cap of 0.5% per year be set on the dilutive impact of re-issuing shares out of treasury; and

    (d) shares will be held in treasury for a maximum period of 12 months, after which they will be cancelled.

By order of the board
Martin Currie Investment Management Limited
Secretary

3 April 2014

Registered office: Saltire Court, 20 Castle Terrace, Edinburgh

Notes

The report and financial statements are circulated to ordinary shareholders and ordinary shareholders only are entitled to attend or vote at the meeting.

The Company has specified that to be entitled to attend and vote at the meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the register of members 48 hours before the time fixed for the meeting.

A member entitled to attend, speak and vote may appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To be valid, proxies must be lodged at the office of the registrars of the Company not less than 48 hours (excluding non-working days) before the time of the meeting. A form of proxy is enclosed. Appointment of a proxy will not preclude a member from attending and voting in person.

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Any person to whom this notice is sent who is a person nominated under s146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

There are no contracts between the Company and the directors. A copy of the management and secretarial contracts with Martin Currie Investment Management Limited, which are referred to in the Report of the directors will be available for inspection at the meeting as will the register of directors' interests in the ordinary shares of the Company.

As at 1 April 2014 (being the last business day prior to the publication of this Notice) the Company's issued voting share capital consists of 103,475,171 Ordinary shares (carrying one vote each). Therefore, the total voting rights in the Company as at 1 April 2014 are 103,475,171 votes, in respect of the Ordinary shares only.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Asset Services (CREST Participant ID: RA10), no later than 48 hours (excluding non-working days) before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) form which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Pursuant to 319A of the Companies Act 2006, the Company must provide an answer to any question which is put by a member attending the annual general meeting relating to the business being considered, except if a response would not be in the interest of the Company or for the good order of the meeting or if to do so would involve the disclosure of confidential information.

Members may require the Company to place on its website a statement, made available also to the Company's auditors, setting out any matter relating to the audit of the Company's financial statements, including the independent auditors' report and the conduct of the audit, which members intend to raise at the annual general meeting. The Company becomes required to place such a statement on the website once a) members with at least 5% of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid have submitted such a request to the Company. Members seeking to do this should write to the Company providing their full name and address or email the Company at enquiries@martincurrie.com, providing their full name and address, stating 'AGM' in the subject line of the email.

In accordance with s338 of the Companies Act 2006, shareholders may require the Company to give members notice of a resolution which may properly be moved and is intended to be moved at the annual general meeting. The request must be received by the Company not later than 7 May 2014. The resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise). The resolution must not be defamatory of any person, frivolous or vexatious. The request must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported. The Company becomes required to give members notice of a resolution to be moved at the annual general meeting once a) members with at least 5% of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid have submitted a request to the Company in accordance with the provisions of this paragraph. Members seeking to do this should write to the Company providing their full name and address or email the Company at chairman@martincurrieglobal.com providing their full name and address, stating 'AGM' in the subject line of the email.

In accordance with s338A of the Companies Act 2006, shareholders may require the Company to include in the business to be dealt with at the annual general meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The request must be received by the Company not later than 7 May 2014. The matter of business must not be defamatory of any person, frivolous or vexatious. The request must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported. The request must be accompanied by a statement setting out the grounds for the request. The Company becomes required to give members notice of a resolution to be moved at the annual general meeting once a) members with at least 5% of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid have submitted such a request to the Company in accordance with the provisions of this paragraph. Members seeking to do this should write to the Company providing their full name and address or email the Company at enquiries@martincurrie.com providing their full name and address, stating 'AGM' in the subject line of the email.

Information regarding the annual general meeting, including the information required by s311A of the Companies Act 2006, is available from www.martincurrieglobal.com.

How to contact us

0131 229 5252

0131 228 5959

chairman@martincurrieglobal.com

www.martincurrieglobal.com

The Chairman
c/o company secretary
Martin Currie Global Portfolio
Trust plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ES

Calls to the above may be recorded