



Martin Currie Asia Unconstrained Trust



31 MARCH 2018

PROFILE

| | |
|-----------|---|
| Objective | To achieve returns commensurate to Asia ex Japan nominal GDP growth |
| Benchmark | Unconstrained |
| Sector | Asia Pacific - excluding Japan |
| Launch | 1985 |

PORTFOLIO

Country allocation

| | 28 Feb | 31 Mar |
|-------------|--------|--------|
| Hong Kong | 23.2% | 22.6% |
| India | 21.7% | 21.7% |
| China | 21.1% | 19.9% |
| South Korea | 11.0% | 12.2% |
| Singapore | 10.5% | 10.2% |
| Taiwan | 4.5% | 4.5% |
| Malaysia | 3.6% | 3.6% |
| Thailand | 3.2% | 3.1% |
| Indonesia | 2.0% | 2.0% |
| Cash | 2.2% | 3.1% |
| Gearing* | (3.0%) | (3.0%) |

Top 10 holdings (53.8% of total portfolio)

| | |
|---------------------------|------|
| AIA | 7.5% |
| Tencent Holdings | 7.4% |
| Samsung Electronics | 6.3% |
| HSBC | 4.9% |
| United Overseas Bank | 4.6% |
| Taiwan Semiconductor | 4.5% |
| Tata Consultancy Services | 4.4% |
| Infosys | 4.3% |
| Guangdong Investment | 4.1% |
| ENN Energy | 3.8% |
| Number of holdings | 31 |
| Number of countries | 9 |

Key facts

| | |
|---------------------------------|---------|
| Total net assets | £158.2m |
| Share price (p) | 384.0 |
| Net asset value per share (p) | 438.0 |
| Discount (premium) | 12.3% |
| Historic net yield [†] | 4.3% |

PERFORMANCE

Cumulative performance over periods to 31 March 2018

| | One month | Three months | Six months | One year | Three years | Five years |
|-------------|-----------|--------------|------------|----------|-------------|------------|
| Share price | (1.0%) | (4.9%) | 2.8% | 9.8% | 31.5% | 49.1% |
| NAV | (1.5%) | (4.5%) | 2.6% | 6.3% | 31.3% | 39.7% |

12-month performance

| | To end Q1 2018 | To end Q1 2017 | To end Q1 2016 | To end Q1 2015 | To end Q1 2014 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| Share price | 9.8% | 33.5% | (10.3%) | 24.8% | (9.1%) |
| NAV | 6.3% | 33.5% | (7.5%) | 17.9% | (9.7%) |

Past performance is not a guide to future returns.

Source: Martin Currie. The NAV basis used is cum-income in £. Please note prior to July 2017 the NAV basis used was ex-income NAV in £. Ex-income NAVs exclude current-year income, while cum-income NAVs include current-year income. These figures do not include the cost of buying and selling shares in an investment trust. If these were included, performance figures would be reduced.

On 11 July 2014 the investment policy changed from benchmark relative Asia Pacific including Japan to an unconstrained Asia ex Japan strategy.

MANAGER'S COMMENTARY

Asian equities fell in March, with the MSCI AC Asia ex Japan down 3.2% in sterling terms. At a country level, among the larger markets, Korea and Malaysia performed the best, while Indonesia and the Philippines fared the worst. Utilities was the only sector to post a positive return over the month, while consumer discretionary and materials fell the most.

Against this backdrop, the company's NAV fell 1.5%

Indian financial-inclusion services provider Vakrangee performed strongly during March, recovering a large part of the significant underperformance seen in February. In a month when technology stocks were generally under pressure, Korean IT giant Samsung Electronics performed well, possibly on expectations that the very profitable DRAM memory market will remain strong for longer. Meanwhile, Chinese gas distributor ENN Energy gained, initially on strong guidance from competitor Towngas China, but subsequently also supported by the utility's own results which showed good operating cost control to offset its spread decline.

On the other side, Chinese IT giant Tencent was the largest detractor, as investors reacted

to fourth-quarter results which were slightly weak on gaming revenue and showed continued spend on the newer content and pay businesses. The stock was put under further pressure when, following the result, Tencent's largest shareholder, Naspers, announced an offer to sell approximately US\$10 billion of shares. Multinational bank HSBC underperformed in February, with continued weakness following soft results in February. The stock is highly liquid and positively exposed to higher interest rates, so investor enthusiasm has been further dampened by 2018 interest rates not increasing as rapidly as some had hoped for. Indian IT services firm Tata Consultancy also fell, without any specific news driver.

In terms of portfolio activity, there were no new purchases or outright sales over the month.



Andrew Graham

*The risk outlined at the end of this document relating to gearing is particularly relevant to this company but should be read in conjunction with all warnings and comments given.

[†]Source for historic yield: Martin Currie as at 31 March 2018. The historic yield reflects dividends declared for the 12 months to 31 March 2017 as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their dividends.

The NAV stated in our reporting is inclusive of current year revenue. All sources (unless indicated): Martin Currie as at 31 March 2018.

CAPITAL STRUCTURE

Ordinary shares 36,124,496

BOARD OF DIRECTORS

Harry Wells (chairman) Anja Balfour
Peter Edwards Martin Shenfield
Gregory Shenkman

KEY INFORMATION

Year end 31 March
Annual general meeting July
Dividend paid August and December
Investment management fee as at 31 March 2017[^] 0.75%
(0.75% on net assets up to £150m
0.60% on net assets over £150m)
Ongoing charge – 31 March 2017[§] 1.1%
TIDM code MCP
Reuters code MCP.L
Sedol code 0569512

[^]Percentage of net assets, calculated quarterly.

[§]Percentage of shareholders' funds. Includes annual management fee.

Net asset value and dividend history

| Year end | Share price | NAV per share | Discount/ (premium) | Dividend per share |
|-------------------|-------------|---------------|---------------------|--------------------|
| 2000 | 178.8p | 210.9p* | 15.2% | 0.90p |
| 2001 | 133.8p | 161.0p | 16.9% | 1.00p |
| 2002 | 112.0p | 140.6p | 20.3% | 1.50p |
| 2003 | 87.5p | 105.1p | 16.7% | 1.00p |
| 2004 | 145.0p | 155.6p | 6.8% | 1.40p |
| 2005 | 165.5p | 175.1p | 5.5% | 1.10p |
| 2006 | 244.3p | 239.5p | (2.0%) | 1.40p |
| 2007 | 246.0p | 265.6p | 7.4% | 2.80p |
| 2008 | 271.3p | 300.8p | 9.8% | 3.10p |
| 2009 | 169.5p | 209.3p | 19.0% | 3.30p |
| 2010 | 236.5p | 291.1p | 18.8% | 3.70p |
| 2011 | 274.3p | 320.7p | 14.5% | 4.50p |
| 2012 | 276.5p | 330.0p | 16.2% | 5.50p |
| 2013 | 298.5p | 359.4p | 17.0% | 6.50p |
| 2014 [†] | 263.8p | 313.4p | 15.8% | 7.50p |
| 2015 | 320.8p | 361.2p | 11.2% | 7.50p |
| 2016 | 280.0p | 327.2p | 14.4% | 7.75p |
| 2017 [‡] | 364.5p | 427.3p | 14.7% | 16.28p |

Past performance is not a guide to future returns.

*This is the diluted net asset value until 30 June 2000 when the warrants expired. From 2001 the net asset value is represented.

[†]From 2014 the company year end changed to 31 March.

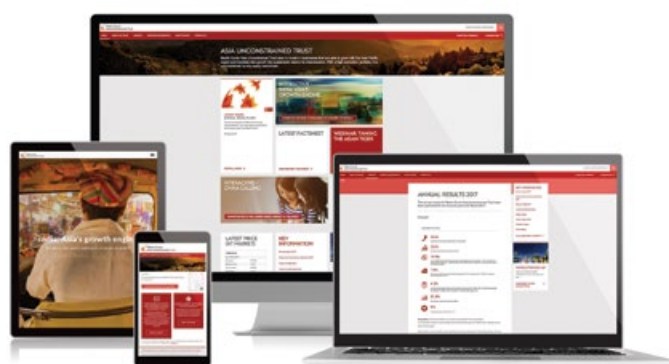
[‡]2017 final dividend will be paid in August 2017.

MANAGER'S BIOGRAPHY

Andrew joined Martin Currie in 2010 and heads our Asia team. Alongside the Martin Currie Asia Unconstrained Trust he is lead manager on the Martin Currie Asia Pacific and Asia Long-Term Unconstrained strategies. He joined us from Sofaer Global Research, bringing with him over 20 years' experience of managing Asia-Pacific equities. At Sofaer, where he was a partner, Andrew managed the company's Japan absolute return fund and co-managed its Pacific-region absolute return fund. Prior to this he spent five years as senior vice president at Putnam Investments, where he co-managed its International Capital Opportunities Fund, focusing particularly on the Asia-Pacific region. Earlier in his career Andrew held portfolio management roles at both Scottish Widows Investment Partnership and Kemper Investment Management.

WEBSITE

The company has its own website at www.martincurrieasia.com. There you will find further details about the company, information on Martin Currie and daily share prices (and associated risks).



www.martincurrieasia.com



IMPORTANT INFORMATION

This information is issued and approved by Martin Currie Investment Management Limited. It does not constitute investment advice. Market and currency movements may cause the capital value of shares, and the income from them, to fall as well as rise and you may get back less than you invested. Please note that, as the shares in investment trusts are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the value of underlying net asset value of the shares.

Depending on market conditions and market sentiment, the spread between purchase and sale price can be wide. As with all stock exchange investments the value of investment trust share purchases will immediately fall by the difference between the buying and selling prices, the bid-offer spread. The value of investments and the income from them may go down as well as up and is not guaranteed. An investor may not get back the amount originally invested. Investment trusts may borrow money in order to make further investments. This is known as 'gearing' and can enhance shareholder returns in rising markets but, conversely, can reduce them in falling markets.

The majority of charges will be deducted from the capital of the company. This will constrain capital growth of the company in order to maintain the income streams.

Martin Currie Investment Management Limited, registered in Scotland (no SC066107) Martin Currie Fund Management Limited, registered in Scotland (no SC0104896). Registered office: Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES.

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