



Martin Currie Asia Unconstrained Trust



MARTIN CURRIE
A Legg Mason Company

31 JANUARY 2019

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

	31 Dec	31 Jan
China	25.7%	27.2%
India	22.2%	20.8%
Hong Kong	17.0%	16.2%
Singapore	13.7%	13.5%
South Korea	10.5%	11.2%
Thailand	3.6%	3.6%
Malaysia	3.0%	3.3%
Taiwan	2.5%	2.4%
Indonesia	1.2%	1.5%
Cash	4.0%	3.7%
Gearing*	(3.5%)	(3.3%)

Top 10 holdings

(54.6% of total portfolio)

Tencent Holdings	7.8%
AIA	7.2%
HSBC	5.7%
HDFC Bank	5.2%
Infosys	5.1%
Guangdong Investment	4.9%
Coway	4.7%
China Mobile	4.7%
Singapore Technologies Engineering	4.7%
United Overseas Bank	4.6%
Number of holdings	28
Number of countries	9

Key facts

Total net assets	£150.8m
Share price (p)	366.0
Net asset value per share (p)	418.9
Discount (premium)	12.6%
Historic net yield [†]	4.6%



PERFORMANCE

Cumulative performance over periods to 31 January 2019

	One month	Three months	Six months	One year	Three years	Five years
Share price	2.2%	8.1%	(6.2%)	(7.5%)	63.3%	56.8%
NAV	1.5%	7.2%	(4.9%)	(4.9%)	54.9%	54.7%

12-month performance

	To end Q4 2018	To end Q4 2017	To end Q4 2016	To end Q4 2015	To end Q4 2014
Share price	(7.5%)	30.7%	26.8%	(9.7%)	9.4%
NAV	(6.6%)	25.6%	25.9%	(6.0%)	4.4%

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.

MANAGERS' COMMENTARY

Asian equities rose during January and against this backdrop the company's NAV gained 1.5%. China was among the best-performing countries over the period, while India was notably the worst. At a sector level, consumer discretionary led the field, while utilities was the main laggard.

At a stock level, Chinese internet and media giant Tencent was the top performer, as investors took a more positive stance towards growth stocks. In company-specific news, the regulator resumed approvals for new computer-game titles, including some of Tencent's, having not approved any new launches since early 2018. However, a clamp-down on news sites from the government has added another regulatory concern for the company. Korean tech firm Samsung Electronics also fared well, rebounding despite a weak preliminary earnings report. The company has spoken positively about a second-half recovery. Korean lifestyle-product manufacturer Coway also fared well. Woonjin Group (which leads a consortium buying a stake in the firm), reassured investors the dividend will not be cut and Coway's CEO will not be replaced – at least not in the short term. Investors also appear to be encouraged that STIC, the private equity group in the consortium, will be involved in setting the

strategic direction for the business.

On the other side, Indian auto names Hero MotoCorp and Maruti Suzuki were both among the worst performers. At Hero, inventory levels are slightly elevated after weaker-than-expected festive season sales, which has resulted in higher discounting activity. In addition, ongoing concerns about higher ownership costs due to new insurance rules are also a headwind. Maruti, meanwhile, was hit by a perfect storm of factors including inventory adjustment, currency headwinds, high raw-material costs, a vehicle import ban in Indonesia and a one-off settlement related to employee benefits. HDFC Bank was another poor performer, despite solid results. In terms of portfolio activity, we bought Ping An Insurance, there were no outright sales.



Andrew Graham



Damian Taylor

*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 January 2019. The historic yield reflects dividends declared for the 12 months to 31 March 2018 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 January 2019.

CAPITAL STRUCTURE

Ordinary shares 36,006,859

BOARD OF DIRECTORS

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

KEY INFORMATION

Year end 31 March
Annual general meeting July
Dividend paid August and December
Investment management fee as at 31 March 2018[†] 0.75%
(0.75% on net assets up to £150m
0.60% on net assets over £150m)
Ongoing charge – 30 September 2018[‡] 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 – 10-year history

Year end	Share price	NAV per share	Discount/ (premium)	Dividend per share
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
2018	384.0p	438.0p	12.3%	16.70p

Past performance is not a guide to future returns.

^{*}From 2014 the company year end changed to 31 March.

MANAGERS' BIOGRAPHY

Andrew Graham

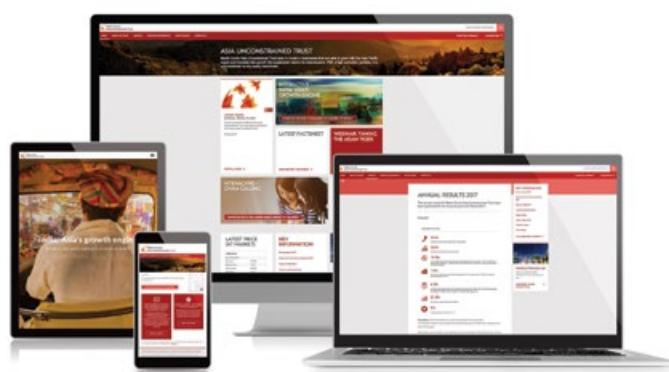
Andrew joined Martin Currie in 2010 and heads our Asia team. Alongside Martin Currie Asia Unconstrained Trust he is lead manager on the Martin Currie Asia Pacific and Asia Long-Term Unconstrained strategies. He joined us from Sofaer Global Research, bringing with him over 20 years' experience of managing 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.

Damian Taylor

Damian is a portfolio manager in our Asia team and is co-manager of some of the long-term unconstrained funds and Asia Unconstrained Trust alongside Andrew Graham. Before joining Martin Currie in July 2013, he was the chief financial officer for the digital media agency Rocketeer. Prior to that, Damian was Investment Director at the private equity business Boundary Capital. He began his investment career at Goldman Sachs, before moving to Morgan Stanley as Executive Director, Institutional Sales. Damian is a CFA[®] charterholder and gained his MBA at INSEAD in 1999. He also has a BEng (Hons) in Mechanical Engineering from the University of Melbourne.

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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Both companies are authorised and regulated by the Financial Conduct Authority. Please note that calls to the above number may be recorded.