MARTIN CURRIE
A Legg Mason Company

Martin Currie
Asia Unconstrained Trust

Access to the investment potential of the Asian region

Annual report – year to 31 March 2017

Registered in Scotland, no SC092391

www.martincurrieasia.com

Financial Highlights

Key data

	As at 31 March 2017	As at 31 March 2016	% change
Net asset value per share (cum income)	427.0p	326.8p	30.7
Net asset value per share (ex income)	421.5p	322.5p	30.7
Share price	364.5p	280.0p	30.2
Discount[‡]	14.6%	14.3%	

Total returns[†] (including reinvested dividends)

	Year ended 31 March 2017	Year ended 31 March 2016
Net asset value per share[#]	33.5%	(7.9%)
Share price	33.5%	(10.3%)

Income

	Year ended 31 March 2017	Year ended 31 March 2016	% change
Revenue return per share	8.10p	6.68p	21.3
Dividend per share[*]	16.28p	7.75p	110.1
Gross income from investments	£3,927,000	£3,526,000	11.4
Yield[**]	4.47%	2.77%	

Ongoing charges[***]

	Year ended 31 March 2017	Year ended 31 March 2016
Ongoing charges	1.1%	1.2%

Source: Martin Currie Investment Management Limited ('Martin Currie', 'investment manager' or 'manager').

‡Figures are inclusive of income in line with the Association of Investment Companies ('AIC') guidance.

†The combined effect of the rise or fall in the net asset value or share price, together with any dividends paid.

#The net asset value is inclusive of income with dividends re-invested.

*The dividend per share for the year ended 31 March 2017 includes 8.43p to be paid from capital. See Chairman's statement on pages 2 to 4 for more information.

**The yield is calculated using the dividend per share divided by the year end share price.

***Ongoing charges are calculated as a percentage of shareholders' funds using average net assets over the year and calculated in line with AIC's recommended methodology. All expenses are included in the ongoing charges calculation.

About Martin Currie Asia Unconstrained Trust

Objective

Unconstrained by any benchmark, the company's objective is to achieve returns commensurate with Asia ex Japan nominal GDP growth.

Investment approach

The portfolio is actively managed with a disciplined approach that seeks to identify businesses across the Asian region that are capable of producing high and sustainable returns.

Experienced investment team

Andrew Graham ('portfolio manager') manages the company's investments. He has 29 years' investment experience and joined Martin Currie in 2010 and leads a seven strong team of Asian investment specialists. Andrew Graham is supported by Paul Danes who is based in Singapore and has 23 years' investment experience. The team travels extensively throughout Asia researching investments and engaging with companies. In addition they have full access to a separate 'forensic' accounting resource through a team of analysts based in the region.

Cost effective

With a management fee of 0.75% per annum (falling to 0.6% on assets above £150m), the company offers cost effective access to a portfolio of deeply researched quality companies that have been chosen to capture Asian growth.

Income

The current dividend yield is 4.47%*. On 4 April 2017, the board announced its intention to increase the company's dividend yield by introducing a distribution from capital. This is subject to shareholder approval at the company's annual general meeting ('AGM') in July 2017. Please see the chairman's statement on pages 2 to 4 for more details.

Independent board

The company is overseen by an experienced, independent board of directors.

*On the closing share price as at 31 March 2017.

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Performance

I am pleased to report a much stronger set of results for the year to 31 March 2017; the best annual return for five years. Over the year, the net asset value ('NAV') on a total-return basis increased by 33.5% while the share price kept pace by also rising 33.5%. Breaking this down, the capital return on net assets was 30.7%, while the revenue return grew by 21.3%. Admittedly some of these gains are attributable to the weakness of sterling, particularly after the UK's referendum vote on European Union membership in June 2016. Sterling fell by 13% against the US$ over the year and its depreciation against Asian currencies boosted performance.

The company implemented the Asia Long-Term Unconstrained, ('ALTU'), mandate in August 2014 as an investment strategy developed by our investment manager, Martin Currie, to capture capital growth commensurate with economic growth in Asia. Since then, a total return of 38.4% has been achieved, exceeding the Asian ex Japan nominal GDP growth rate of 33%. After a torrid 2015, in which we saw an indiscriminate sell-off in Asian markets, recent performance has been much better. We may have fractionally underperformed the MSCI Asia ex Japan Index over the last year, but index comparatives are not really pertinent in evaluating a long-term, value-driven, unconstrained approach. Asian markets particularly North Asia and India, have at last started to outperform developed markets reflecting improving world trade, economic recovery in China and reflationary promises in the USA.

Proposed new dividend policy

On 4 April 2017, the board announced important proposals to change the company's dividend policy, by making a payment from capital to be set at 2% of the company's year end ex-income NAV. This will have the effect of increasing the full-year yield to approximately 4.5% of the closing share price at the year end, 31 March 2017. It is the intention to repeat the capital distribution in future years, to be paid on an annual basis, along with the final dividend, and set by reference to 2% of the prior year-end ex-income NAV.

The change of policy and the resulting payment of dividends out of capital are conditional upon amendments of the company's Articles of Association being approved by shareholders by Special Resolution at the company's AGM on 5 July 2017.

The board expects this new dividend policy to endure, but it will remain subject to review in the event that there is a change in market conditions or shareholder expectations, and in the event that the company has incurred a capital loss in any financial year.

Rationale behind the new policy

I want to explain the rationale behind this proposal. The board has been continually frustrated by the discount hovering around 15% for an extended period of time. Clearly, the jury was out on performance, but there was still no sign of improvement – despite much better recent investment returns and a rapidly approaching continuation vote in July 2018. While we have not been buying back shares since June 2016, we were active when the market was depressed in the second half of 2015 with little effect on the discount. The board has concluded that buying back shares merely facilitates sellers, further erodes liquidity and shrinks the size of the company. The challenge was to find a way to narrow the discount, reward loyal shareholders for their patience and attract new, particularly retail, buyers to broaden the shareholder register. Since retail investors appear to have an insatiable appetite for premium income streams, we considered how we might further improve the dividend. It was clear there was little latitude to make increases from revenue, as reserves have been mostly utilised.

Feedback from our shareholders through our brokers, Peel Hunt, indicated broad support for more income and a higher yield. The law changed in 2012 to allow investment trusts to make payments out of capital and the board concluded that this was an attractive option for shareholders. The board and the manager considers that the capital element of the dividend has been set at a level at which the distribution is manageable from an investment perspective and allowing for continuing future capital growth.

"Shareholders should note the improved performance and recalibration of the dividend policy."

No change to investment policy

Of course, the change of dividend policy may have some effect on future investment returns but there are positive counter balances. The investment manager will have greater flexibility in executing the mandate, being released from any income considerations in stock selection. Furthermore, the capital drawdown will impose a more rigorous discipline of selling stocks that are not performing, as the manager will have to allocate capital more efficiently.

There is no change to investment policy. The portfolio will continue to be invested in high quality businesses characterised by sustainable growth. The ALTU strategy is an unconstrained and differentiated approach, relying on deep forensic research to identify companies whose franchises will grow and provide accretive returns to shareholders over the long term. The objective is to provide secular growth over time with low portfolio turnover. Given intrinsic stockmarket volatility in Asia, there are periods when the strategy will underperform but historically it has outperformed in down markets.

Discount control

The board's intention is that the new dividend policy should reduce and stabilise the level of discount. I am pleased to report that since the announcement of the new dividend policy, the discount has narrowed from 15% to fluctuating between 9.5%-13% since the date of the announcement.

Although no share buy backs have been undertaken by the company since June 2016, the board reserves the right to buy back shares to hold in Treasury and is asking shareholders to renew the power at this year's AGM.

Articles of Association

Following the change in law in 2012 which allows investment trusts to make payment of dividends out of capital, amendments were made to the company's Articles of Association ('Articles') to remove certain restrictions of this type. In consideration of the board's intention, with effect from August 2017, to commence the payment of dividends to include a capital element, it is proposed to make further changes to the Articles to facilitate the new policy. The change of policy and the resulting payment of dividends out of capital is conditional upon a revision of the Articles with appropriate provisions being approved by shareholders by Special Resolution at the company's AGM in July 2017.

Personal circumstances

The board acknowledge that there may be a small proportion of shareholders holding stock in their own name that may be disadvantaged by changes in dividend tax being implemented by HMRC from April 2018, but that most individual holders and new buyers prefer to hold shares in tax-free wrappers such as SIPPs and ISAs. We advise individual shareholders who hold shares in their own name outside tax wrappers to consult their stockbroker or financial adviser.

Dividend details

The board commends the new dividend policy and recommends shareholders to vote in favour of the Special Resolution which amends the Articles at the AGM. This will broadly benefit existing shareholders, while making the shares more attractive to new buyers and, in particular, retail investors, who will be able to participate in the potential for capital growth as well as receiving an attractive yield.

Subject to the amendments to the Articles being approved, the board intends to pay a final dividend of 13.68p, including 8.43p from capital, on 11 August 2017, which will be paid to shareholders on the register as at 21 July 2017. A final dividend of 13.68p would represent a 161% increase over last year's final dividend of 5.25p and a 110% increase in the full-year distribution of 16.28p (2016: 7.75p). If the amendments to the Articles are not approved, the company will not be able to pay part of the dividend from capital in which case the board intends to pay a final dividend of 5.25p per share.

Gearing

The company has recently extended its revolving bank facility with RBS from £10 million to £15 million, which is available to draw down in a variety of currencies. The structural gearing put in place in November 2015 remains at a level of approximately £5 million.

Regulation

The investment industry is grappling with the introduction of the largely unwelcome arrival of the European Union's MIFID II legislation due to be implemented in January 2018. The board is in the process of consultation with Martin Currie regarding the detail, including the cost of provision of sell-side research. Preparation for the implementation of Key Information Documents ('KIDs') is also already underway.

Outlook for markets

Markets have been spurred on since November by the Trump 'reflation trade' and perhaps by years of global quantitative easing finally having some effect. While global debt might remain as the great deflator, China's recovery appears broad based with nominal GDP growth rising from 7% per annum in the first quarter of 2016 to 11.8% per annum in the first quarter of 2017. While credit concerns seem more manageable, fears have recently resurfaced over the extent of lending in the shadow banking sector particularly on the back of tightening measures directed at the property market. Certainly the renminbi and capital outflows have stabilised and supply side reforms have cut bloated manufacturing capacity in the state owned enterprise sector. Industrial profits have rebounded with commodity prices and a much improved producer price index. ('PPI'). However, Chinese infrastructure investment is growing 18% year on year which raises familiar questions over renewed debt expansion and sustainability. Nevertheless, the likes of the One Belt One Road are huge initiatives and are redolent of the opportunities created by fiscal stimulus elsewhere in the region. World trade has picked up with recovery in Asian exports building on indigenous growth in Asian inter-regional flows.

All this is feeding through to consensus Asian earnings which are forecast to grow by around 12% in 2017. The region's markets command undemanding valuations, with evidence of better governance leading to improved capital management – to the benefit of minority shareholders. Indeed, Asian markets have started to outperform developed markets after a lengthy period in the doldrums with the MSCI Asia ex Japan rising 13% in the first quarter of 2017 (in US dollar terms), significantly outperforming the S&P500. While China takes the headlines, India may be the best structural growth story in Asia with Modi's strong BJP mandate enacting an unprecedented era of radical largely free market reforms including an important housing programme amidst an attractive demographic backdrop auguring well for real increases in disposable income.

Every silver lining has a dark cloud and Asia's growth trajectory depends very much on a stable political backdrop.

While one might have expected Kim Jong-un in North Korea to test an incoming US administration, his rhetoric and behaviour is increasingly volatile, while the new incumbent in the White House is clearly unpredictable. Still, it is positive that Trump is prepared to flex American muscle after years of retreat from foreign policy engagement proselytised by Obama. We must hope that this more robust approach does not unbalance the geopolitical landscape. Equally, Trump's economic policies could usher in a period of protectionism although the recent 10 point US-China 'meat' trade pact is indicative that common sense rather than election or negotiating rhetoric may prevail.

Summary

Since inception in its open ended form in 2012, ALTU has provided an annualised return of 14.9%. The board is confident that this record can be replicated within our closed end company over the long term where we will have a three year track record for ALTU in August 2017.

Shareholders should note the improved performance and recalibration of the dividend policy, allowing for a generous yield while having every expectation of future capital growth.

Keep in touch

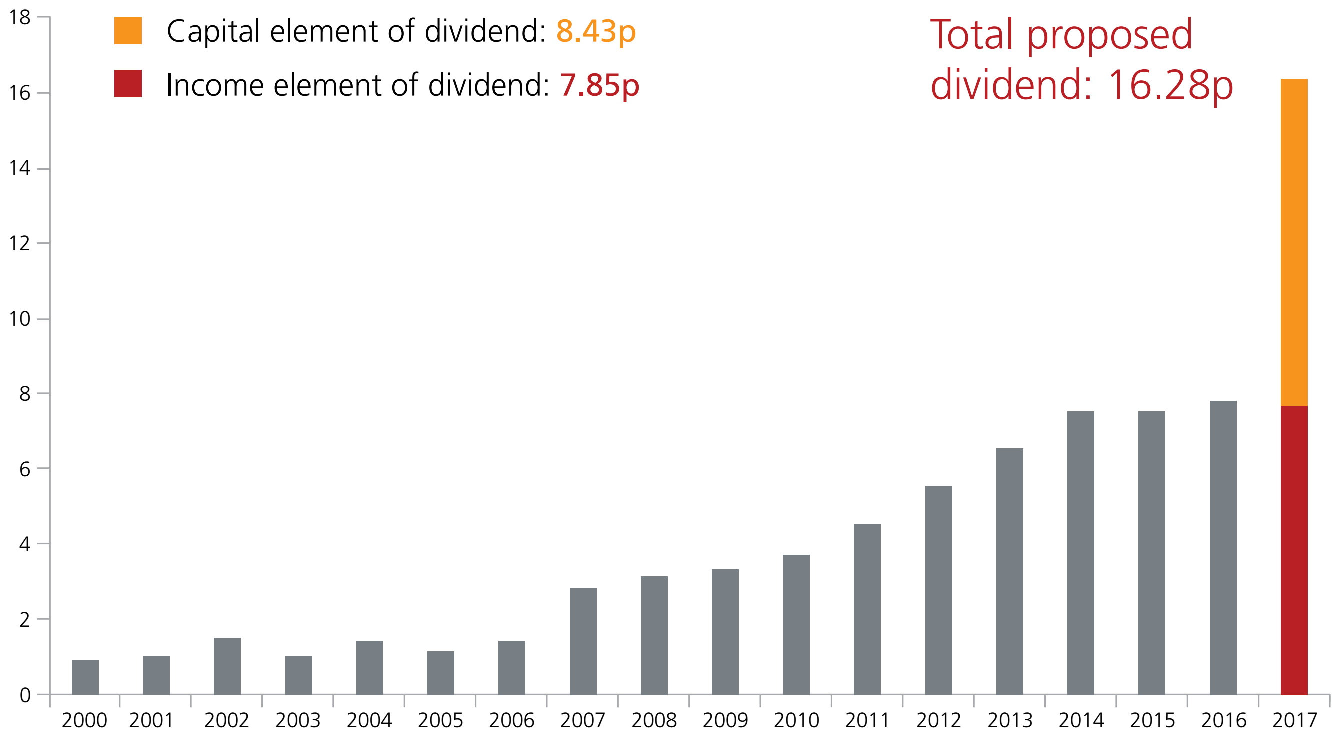
I encourage you to visit martincurrieasia.com and register for email updates that will keep you abreast of information relating to your company. You can also receive alerts to update you with announcements including interviews with the investment manager, articles and the monthly factsheet.

I would like to thank you again for your continued support. Please contact me or the investment manager if you have any questions regarding the company.

Harry Wells
Chairman

25 May 2017

Growing dividend per share – **Total annual dividend**



Past performance is not a guide to future returns. Source: Martin Currie and AIC as at 31 March 2017. 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. 2017 reflects total annual dividend proposed. Investors may be subject to tax on their dividends.

Market review

The endeavour of investing has a habit of providing those thus engaged with plenty of opportunities to practice humility; not least through the writing of 'outlook statements'. Reviewing my own 'Outlook' from the previous Asia Unconstrained Trust annual report, it is interesting to reflect on what I had anticipated. My concerns were with the direction of US monetary policy, Chinese economic adjustment and the vulnerability of exchange rates. Donald Trump and 'Brexit' were not even mentioned. Within two months of that outlook being written, data would emerge pointing to a recovery in global growth that would ignite investor interest in shares of basic materials, energy and industrial cyclical stocks in Asia and most other markets. Most market analysts were bearish, whereas I was cautiously optimistic – given cheap Asian valuations and pessimistic expectations. I did not foresee that the UK referendum result would contribute to huge gains for UK-based investors in overseas equities. The MSCI Asia ex Japan index produced a total return of just over 35% for the period in sterling terms.

Why mention all of this? To make a point. On any particular day, we are besieged by headlines, opinions, facts (and 'alternative' facts), company results, economic statistics and reams of other data – some accurate and some less so. As investors, the temptation might be to respond to these by switching around exposures, or in some other way attempt to time or predict markets. But the truth is, it is very hard to predict the outcome of single events, and nigh on impossible to do this consistently over multiple events. When you are using much the same information as everyone else, the window of opportunity to arbitrage any information gaps, is very narrow indeed. I doubt if anyone in April 2016 would have guessed correctly the outcomes of these key events. And for any that did, would they have then gone on to predict how the markets would respond? Are there any implications here for how we should think about investment? More on this later.

In Asia, the Chinese economy began to stabilise and then show signs of improvement which gathered pace as the year progressed. This was largely the result of government efforts and a resurgent property market, but was accompanied by a further large accumulation of debt in the economy. More activity in China coincided with stabilisation and recovery in other economies throughout the region, although banking systems were generally still dealing with credit-quality problems. Growth was therefore more subdued than it might otherwise have been. However, this meant that pent-up demand is building and, as the various banking systems work through their credit quality issues, this will feed into economic activity in due course.

India surprised with a massive policy gamble in November, when the authorities withdrew the vast bulk of the cash currency from circulation (about 25% of notes by volume but over 85% by value) for replacement with new bank notes, in an apparent attempt to shrink the black economy. The lack of notice, combined with a shortage in the availability of new notes, created chaotic scenes across the country as well as severe short term disruption to the economy from which it is only now recovering. Incredibly, Prime Minister Narendra Modi and his party emerged essentially unscathed and have subsequently enjoyed significant electoral success.

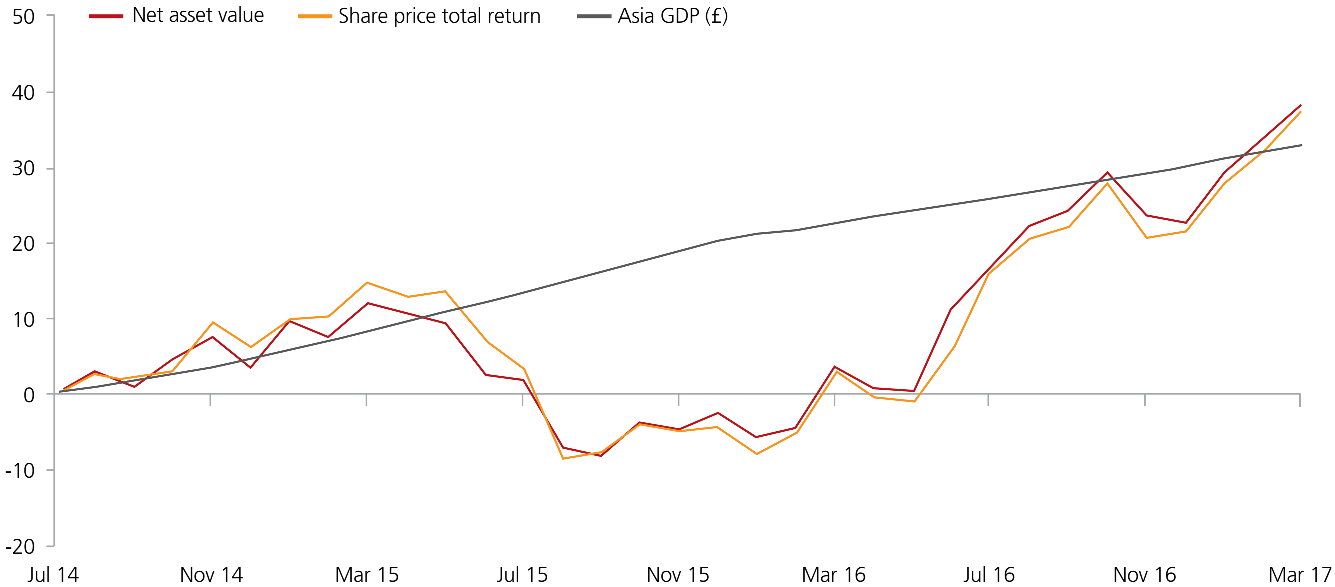
More positively, earnings expectations bottomed during the year with a rebound in the ratio of earnings upgrades to downgrades. Given that Asian valuations were already attractive, recovering earnings and earnings expectations certainly played a part in the better outcome for investors in Asian equities over the last financial year.

"Given that Asian valuations were already attractive, recovering earnings and earnings expectations certainly played a part in the better outcome for investors in Asian equities over the last financial year."

Performance

Net asset value expanded by 33.5% for the year; this takes total return since the company adopted Martin Currie's Asia Long Term Unconstrained strategy to 38.4%, compared with 33% Asia ex Japan nominal GDP growth over the same period (see chart on next page). This is in line with the goal to deliver a total return that exceeds the region's nominal GDP growth over the longer term. Of course, equity markets are more volatile than the GDP data series and we fully expect that in any given year portfolio returns can undershoot nominal growth. However, over longer periods, the goal is to accumulate superior performance, making us competitive versus conventional indices.

Asia Unconstrained Trust performance from 31 July 2014 to 31 March 2017



Past performance is not a guide to future returns. Source: Martin Currie Investment Management Ltd.

The company's investments in the technology sector were the largest contributor to returns, followed by those in the financials and consumer discretionary sectors. At the individual stock level, the three largest contributors were technology stocks – Samsung Electronics, Taiwan Semiconductor Manufacturing Company (TSMC) and Tencent. However, Indian auto manufacturer Maruti Suzuki and the two largest financial sector investments, HSBC Holdings and AIA Group, also generated good returns.

The share price of South Korean technology giant Samsung Electronics performed well, rising 84.6% (in sterling terms) over the year. Fourth quarter results demonstrated strength in its core businesses, particularly in semiconductors, leading to significant upward revisions of analysts' earnings estimates. The recently unveiled Galaxy S8 handset will be crucial, as it is the first major launch since the battery troubles of the Note 7. Quality and safety are paramount, as another mistake would cause great harm to the brand. Investors have also chosen to look through the arrest of Vice Chairman Lee Jae-yong (the de facto head of the Samsung Group) for involvement in the political bribery scandal which has brought down South Korea's president. Instead they are looking for improvements in corporate governance, a manifestation of which is better capital management – including the initiation of a treasury share cancellation scheme, improved dividend payouts and share buy back programmes.

Tencent, purchased in May 2016, has delivered good business results over the year with strong growth in advertising revenues, as well as in mobile gaming, online payments, video subscriptions and cloud services. The company has an attractive position as the leading online community in China, with its communication platforms, QQ and Weixin, increasingly able to cross-sell services and at the same time enhance the 'stickiness' of customers' business. For some time, Tencent's strategy has been to create the best user experience in the market, while becoming more involved in wider aspects of daily life. This will require further investment; payments and video content are two areas currently seeing rapid growth, but carry a cost in the early stages. This was evident in the latest business results, which revealed lower profit margins, but great underlying operations data. The stock market clearly regards this as an investment in the future of the business and the share price response has been positive. We will nonetheless monitor margins over the coming year, to gauge the extent to which margin compression is within management's control and offset by future potential from these new investments.

Five stocks generated negative returns for the company over the period. With the exception of Genting Berhad, these stocks accounted for a small percentage of the investment portfolio, so the damage to overall returns was very limited. Two of the stocks, M1 Limited and Tsingtao Brewery, were sold early in the period, due to deteriorating fundamentals. A third, British American Tobacco Malaysia, was sold early in the final quarter. The price of Matahari Department Stores, a new holding, also fell. This has provided us with an opportunity to increase our holding.

Genting Berhad shares disappointed during the year as the company's two largest casino and leisure complexes, one in Singapore and one in Malaysia, reported lacklustre operating results. The former was suffering from cyclically depressed activity, coupled with the final clean-up of losses on customer credit. The latter, meanwhile, was undergoing a major refurbishment and therefore operating at a much-reduced capacity. Singapore is already showing signs of recovery and the project in Malaysia completes in stages over the next 18 months. Earnings are set to recover and, in anticipation of this, the share price has rebounded recently.

The investment in Indian IT services firm Infosys also failed to generate a positive return. Results have been somewhat soft against a backdrop of cyclically depressed demand in the key US market. This was compounded by Brexit, as Infosys has exposure to the UK and Europe. Despite weaker demand we believe that the market is confusing cyclical factors with structural concerns and we are seeing some signs of improving demand. The picture has been complicated by the US government's plans to review its temporary work visa (H1-B) programme. This will place some cost on all Indian IT service firms but the sector and Infosys still represent an attractive growth opportunity at a very compelling valuation.

Activity

The company has sold out of three holdings and purchased three new ones, including the Tencent investment discussed above, as well as some additions to and trims of existing investments.

We had patiently followed the two other new purchases for some time until temporary business challenges pushed their share prices down to attractive levels. Matahari Department Store, a leading Indonesian retailer has been on the radar for almost two years. Disappointing third-quarter results provided an excellent entry point into a very profitable and cash-generative business. We expect it to be a beneficiary of growing wealth and consumption among Indonesians. The stores, which are focused on apparel, are already nationwide, but there is still ample room to grow their footprint over time.

An initial position was established in Coway, the Korean market leader in 'home-wellness' appliances, such as water and air purifiers, as well as related services. A highly cash-generative business and a strong balance sheet enables Coway to fund domestic growth, pay an attractive dividend and invest in business development in overseas markets. The latter do not yet contribute much to earnings but should do so in the future and the share price does not reflect that opportunity. The company should be able to generate steady growth over the next few years, underpinned by the still relatively low penetration levels of 'wellness' products in the region.

The holdings of M1 Limited, a Singapore mobile-telecom company, and Tsingtao Brewery, a Chinese brewer, were sold. In M1's case, the possibility of a new entrant into a previously rational oligopolistic market structure threatens to be highly disruptive. Much bigger competition was also a problem for Tsingtao with Anheuser-Busch InBev providing increased competition in China. We became increasingly concerned Tsingtao's business would remain depressed for longer than we had originally thought.

We sold British American Tobacco Malaysia as it has struggled to cope with the growth in market share of illegally imported cigarettes in it's home market, a trend exacerbated by large excise-duty hikes. The company is well run and has been very effective at managing capital but, in the absence of a sustained effort by the Malaysian government to shrink the size of the illegal market, we were left with a decent dividend yield but little growth.

We topped up holdings in Dairy Farm, Genting Berhad, Global Logistic Properties and LG Household & Health Care on share price weakness. We also trimmed positions in Samsonite, Television Broadcasts, Hong Kong & China Gas and TSMC on strength.

Outlook

We have seen good momentum in Asian markets. The regional index (the MSCI AC Asia Free ex Japan) rose 13.4% in US dollar terms during the March quarter, the best start to a calendar year since 1992. Foreign inflows, particularly into Emerging Asia, have been strong and earnings revisions turned positive at the start of the year. They continue to move higher at the time of writing. The regional index has re-rated but still trades at a discount to global developed markets. The resumption of earnings growth means that despite higher index levels, forward valuation multiples are not extended and, depending on the measure, are either a little above (e.g. price-to-earnings) or a little below (e.g. price-to-book value) long term averages.

This much is good. However, in my view many of the things that worried me this time last year still concern me today. And there are some new worries. In geopolitical terms, President Trump has already shown himself to be unpredictable and domestic policy fumbles call into question the extent to which his domestic growth agenda can be enacted. The global 'reflation trade' has also lost some of its momentum, as reflected in recent weakness across the commodities chain. If global growth expectations were to change seriously for the worse, this would have negative implications for the Asian region. The Chinese economy appears to be in decent health and depreciation pressure on the renminbi has abated, as controls on cross- border capital flows and other policy measures have taken effect. However, there is a tricky path to navigate; the People's Bank of China is moving away from its policy loosening bias and the country's debt challenges have not evaporated. Indeed, each incremental unit of GDP growth requires much more debt than in the past; interest rate cuts and debt restructuring may help to alleviate debt service costs in the short term, but ultimately a new growth model is needed.

Although the effect of demonetisation has largely dissipated, economic activity in India is still subdued, as illustrated by recent soft loan growth data. However, Prime Minister Modi's strengthening power base has instilled greater confidence that he can push through his reform agenda.

Elsewhere in the region, we see efforts to step up infrastructure investment, as well as more policies to ease the red tape that stifles business expansion. However, it is difficult to escape the sense that policy uncertainty, whether economic or political, appears elevated globally relative to recent years and I have been surprised by the lack of equity market volatility.

As I intimated at the beginning of this report, trying to predict the outcome of events and trying to construct a portfolio that is somehow positioned for them is a fruitless task. At the portfolio level, it is my strong conviction that we are best served by taking advantage of the unconstrained nature of our investment mandate and by focusing our lens on longer-term time horizons. By being unconstrained we can deploy funds to the businesses in which we see genuine opportunity, without reference to a backward-looking stockmarket index. By trying to be genuinely long-term in our thinking, at the price of some additional uncertainty, we can exploit less crowded investment opportunities where market pricing is less efficient. This helps us to find and invest in good businesses, at prices offering a reasonable-to-good risk/reward trade-off. There is no shortage of ideas for us to pursue, and thus we remain enthusiastic about the opportunities available in Asia.

Further to the chairman's comments regarding an annual distribution from capital, I would like to reiterate that this proposal does not affect the company's investment strategy. Indeed, it is the nature of this strategy and the 'opportunity set' in Asia that lends conviction to the board's decision. The company is investing in well-managed businesses that we anticipate will deliver an attractive blend of capital and income growth over time. What is changing is how some of this incremental capital will be deployed. It is our expectation that the underlying value creation of the firms in which the company is invested will deliver a total return sufficient to fund this new distribution from capital in addition to the regular dividend as well as to cover the company's ongoing expenses and charges. Indeed, while the value of shares can go up or down in any one year, we expect the long-term total return from investments to exceed outflows due to capital and income distribution, enabling shareholders to compound an attractive return, while enjoying enhanced income.

Andrew Graham
25 May 2017

Portfolio summary

Portfolio distribution as at 31 March 2017 (%)

	China & Hong Kong	India	Singapore	South Korea	Taiwan	Malaysia	Thailand	Indonesia	Total
Financials	11.9	—	8.1	—	—	—	3.5	—	23.5
Consumer goods	3.9	6.7	—	9.4	—	—	—	—	20.0
Technology	5.7	9.5	—	—	5.7	—	—	—	20.9
Consumer services	9.0	—	—	—	—	3.6	—	1.6	14.2
Telecommunications	5.0	—	3.9	—	—	—	—	—	8.9
Industrials	3.5	—	3.4	—	—	—	—	—	6.9
Utilities	5.6	—	—	—	—	—	—	—	5.6
Total portfolio	44.6	16.2	15.4	9.4	5.7	3.6	3.5	1.6	100.0
Total portfolio (31.03.16)	40.0	19.6	17.5	6.6	6.9	5.9	3.5	—	100.0

By asset class

	31 March 2017 %	31 March 2016 %
Equities	102.1	103.0
Cash	2.3	1.2
Borrowings	(4.4)	(4.2)
	100.0	100.0

Top ten holdings

	31 March 2017 Market value £000	31 March 2017 % of total portfolio	31 March 2016 Market value £000	31 March 2016 % of total portfolio
AIA Group	11,079	7.0	9,249	7.5
Samsung Electronics	10,665	6.8	5,996	4.9
Tencent Holdings	9,026	5.7	—	—
Taiwan Semiconductor Manufacturing Company	8,948	5.7	8,511	6.9
China Mobile	7,955	5.0	7,049	5.7
HSBC Holdings	7,682	4.9	5,114	4.1
Tata Consultancy Services	7,581	4.8	6,749	5.5
Infosys	7,447	4.7	8,082	6.5
Global Logistic Properties	6,721	4.3	3,958	3.2
Singapore Telecommunications	6,156	3.9	5,415	4.4
Total	83,260	52.8	60,123	48.7

Portfolio Holdings

	Sector	Market value £000	% of total portfolio
China & Hong Kong		70,229	44.6
AIA Group	Financials	11,079	7.0
Tencent Holdings	Technology	9,026	5.7
China Mobile	Telecommunications	7,955	5.0
HSBC Holdings	Financials	7,682	4.9
Samsonite International	Consumer Goods	6,121	3.9
ENN Energy	Utilities	5,610	3.6
Johnson Electric Holdings	Industrials	5,574	3.5
Television Broadcasts	Consumer Services	4,816	3.1
Dairy Farm International Holdings	Consumer Services	3,997	2.5
Cafe De Coral Holdings	Consumer Services	3,084	2.0
Hong Kong & China Gas	Utilities	3,078	2.0
SJM Holdings	Consumer Services	2,207	1.4
India		25,634	16.2
Tata Consultancy Services	Technology	7,581	4.8
Infosys	Technology	7,447	4.7
Hero Motocorp	Consumer Goods	6,145	3.9
Maruti Suzuki India	Consumer Goods	4,461	2.8
Singapore		24,192	15.4
Global Logistic Properties	Financials	6,721	4.3
Singapore Telecommunications	Telecommunications	6,156	3.9
United Overseas Bank	Financials	5,980	3.8
Jardine Matheson Holdings	Industrials	5,335	3.4
Taiwan		8,948	5.7
Taiwan Semiconductor Manufacturing Company	Technology	8,948	5.7
South Korea		14,773	9.4
Samsung Electronics	Consumer Goods	10,665	6.8
LG Household & Health Care	Consumer Goods	2,975	1.9
Coway	Consumer Goods	1,133	0.7
Malaysia		5,731	3.6
Genting Berhad	Consumer Services	5,731	3.6
Thailand		5,435	3.5
Siam Commercial Bank	Financials	5,435	3.5
Indonesia		2,595	1.6
Matahari Department Store	Consumer Services	2,595	1.6
Total portfolio		157,537	100.0

Business model

The company, as an investment trust, is a UK closed end public limited company which invests in a diversified portfolio of assets.

Unconstrained by any benchmark, the company's objective is to achieve returns commensurate with Asia ex Japan nominal GDP growth.

The company has no employees, and the board outsources its entire operational infrastructure to third party providers. In particular, 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 investment manager's performance. The directors do not envisage any change to this model in the foreseeable future.

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

The disclosures on board diversity and environmental matters and social/community issues are on page 15.

Strategy

The company's principal strategies are:

Investment policy and objective

Following the adoption of the ALTU mandate in July 2014, the company invests in equities in which the portfolio manager has high conviction which results in the construction of a focused portfolio, typically 20-30 stocks. Portfolio turnover is low with a long-term buy and hold approach. The investment objective is designed to capture returns commensurate with Asia ex Japan nominal GDP growth. Nominal GDP growth rates are high in Asia. The company has an absolute rather than relative investment objective and the manager is unconstrained by any benchmark.

The board has set investment guidelines and imposes the following limits on the investment manager's discretion to select stocks:

- no more than 10% of the company's total asset value to be invested in any one company or group at the time of purchase;
- no more than 10% of the issued shares of any class of equity security of an issuer to be held;
- no more than 15% of the company's assets in the shares and securities of any one company at any time; and
- no more than 5% of the company's NAV to be invested in Martin Currie associated funds, at time of purchase.

Furthermore, the investment manager analyses the overall shape of the portfolio to ensure that investment risk is dominated by 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 5 to 8 and details are contained in the portfolio summary and portfolio holdings on pages 9 and 10.

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 for the investment manager within which the portfolio will be managed. The board reviews, at each board meeting, the relevant risk metrics presented by the investment 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 through mitigation measures which the board has put in place and are discussed on pages 12 and 13 of this report.

Financial

The main focus is on the management of shareholder capital; the use of gearing; and the management of the risks to assets and liabilities of the company.

The board's principal goal for the management of shareholder capital is to achieve returns commensurate with Asia ex Japan nominal GDP growth. The company's net gearing is restricted to 20% of net assets.

During the financial year, the company increased its loan facility from £10,000,000 to £15,000,000. As at 31 March 2017, £6,825,000 was drawn down – split between sterling, Hong Kong dollars and Singapore dollars and invested into the portfolio on a pro rata basis. £5,000,000 of the draw down is strategic and the remaining £1,825,000 is tactical and at the discretion of the investment manager. The balance of the facility will be drawn down and invested at the discretion of the investment manager.

Whilst providing income for shareholders is not a central objective of the company, the manager's focus on free cash flow, higher quality companies and total return has enabled the board to increase the level of dividend paid substantially in recent years, as well as to increase the frequency of payments to twice yearly. As set out in the chairman's statement, the board intends to increase the company's dividend yield further by introducing a distribution from capital, subject to shareholder approval at the AGM.

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. The principal risks and uncertainties are therefore largely longer term and driven by the inherent uncertainties of investing in 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.

Risks are regularly monitored at board meetings and the board's planned mitigation measures are described in the table below.

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 it, the likelihood of this risk occurring is minimal.
Long term investment underperformance	The board manages the risk of investment underperformance by relying on the integrity of the investment manager's investment process. The board monitors the implementation and results of the investment process with the portfolio manager, who attends all board meetings, and reviews data that shows statistical measures of the company's risk profile. Please see the chairman's statement and manager's review on pages 2 to 8 for further details on investment performance and outlook.
Gearing risk	From time to time the company finances its operations through bank borrowings. The board monitors such borrowings (gearing) closely. Details of the current gearing are provided in notes 11, 13 and 14 to the financial statements. There were no debt securities held at 31 March 2017 and the company's investment portfolio is only indirectly exposed to interest rate risk.
Market, financial and interest rate risk	Although the company is based in the UK, its portfolio of investments principally consists of overseas stocks. In addition to the overseas investments, during the year the company also had non-sterling cash deposits and a multi-currency loan facility. At 31 March 2017 the company held a balance of £39,000 in Malaysian Ringgit (31 March 2016: £4,000 in Taiwanese dollars). As at 31 March 2017 the company had borrowings in Hong Kong dollars and Singapore dollars. Details are given in note 14 on pages 43 to 46. As a result, the company's sterling statement of financial position and statement of comprehensive income can be significantly affected by movements in the local currencies of these stocks. Currency risk is inherent in all investment decisions and the portfolio manager applies his skills and experience to mitigate this risk within tolerances.
Outsourcing risk	The company has outsourced its entire operational infrastructure to third party providers. Please see page 48 for a list of the company's advisers. Contracts and service level agreements have been defined to ensure that the service provided by each third party provider is of a sufficiently professional and technically high standard. The board receives and reviews control reports from all service providers. The board carries out an annual evaluation of the investment manager and gives feedback to the investment manager through the management engagement committee. Periodically the board requests that representatives from other third party service providers also attend board meetings to give the board the opportunity to examine the controls that are in place so that service should be delivered to a standard to meet the company's requirements.

Risk	Mitigation
Counterparty risk	Most transactions are made delivery versus payment on recognised exchanges. The risk to the company of default is therefore minimised. Investment transactions are only carried out with approved brokers. Counterparty risk indicators are regularly reviewed by the investment manager and appropriate action taken, including, if necessary, removing brokers from the approved list. Cash is held only with approved counterparties.
Failure to manage shareholder relations	The board recognises the importance of managing shareholder relations. The board reviews feedback from the investment manager and the company's brokers based on meetings and interaction with shareholders. Where appropriate the chairman or other director is available to address shareholder questions. At each meeting the board monitors the constituency and changes to the shareholder register. Shareholders are encouraged to give their views by using the email address noted on the back page of this annual report.
Major external marketwide disruption	There is a risk that a major external marketwide disruption, war event, natural disaster or cyber attack could impact the company's business and underlying portfolio. Board members keep abreast of political, market and industry issues, meet regularly and have the ability to call ad hoc meetings to discuss and take appropriate action should such disruption arise. Martin Currie has a dedicated cyber security defence programme.

Key performance indicators ('KPIs') and measuring performance

The board uses a number of financial KPIs to monitor and assess the performance of the investment manager in achieving the company's objectives. The principal KPIs are:

1. Net asset value performance:

Since 1 August 2014 the company is unconstrained by any benchmark. The company's objective is to achieve returns commensurate with Asia ex Japan nominal GDP growth measured on a three-year rolling basis.

The total return of the NAV for the year ended 31 March 2017 was 33.5%.

The chart on page 6 shows the performance of the company since 1 August 2014.

2. Long-term share price appreciation:

Over the year ended 31 March 2017 the total return of the company's share price was 33.5%.

The cumulative total return of the share price over the last five financial periods was 53.9%.

3. Ongoing charges:

The board monitors the ongoing charges of the company. In the year ended 31 March 2017 ongoing charges were 1.1% (1.2% for the year end 31 March 2016) of shareholder funds, as shown in the financial highlights.

Harry Wells
25 May 2017

Board of Directors

Harry Wells, chairman

Harry has over 40 years' experience of investment markets, primarily as an institutional stockbroker specialising in Asia, based in London and Hong Kong, retiring as a Managing Director of Salomon Smith Barney. He is also Chairman of CC Japan Income & Growth Trust plc and the Establishment Investment Trust plc.

Harry holds an MA from Cambridge University and is a Fellow of the Chartered Institute for Securities and Investment and a Member of the Royal Institution of Chartered Surveyors. He was appointed to the board of Martin Currie Asia Unconstrained Trust in 2003, and became Chairman in July 2014.

Gregory Shenkman, senior independent director

Greg sits on the boards of a number of other companies, including The Establishment Investment Trust. He has over 40 years' experience in investment banking. Until July 2007, he was a Global Partner and Managing Director at the Rothschild Investment Banking Group. From 2000 to mid 2004, he was the head of Rothschild's Asian investment banking and other businesses, which he substantially restructured. He also established, and was the head of, the investment banking business in Japan of the Swiss Bank Corporation (now UBS) and was later also head of Kleinwort Benson in Japan. He also served as the global head of privatisation at Kleinwort Benson. He was appointed to the board of Martin Currie Asia Unconstrained Trust in 2007.

Anja Balfour, chairman of the audit committee

Anja has extensive knowledge and experience of Asian equity portfolios having spent 22 years as a fund manager running Japanese and International Equity portfolios for Stewart Ivory, Baillie Gifford and latterly, Axa Framlington. She is a non-executive director of Schroder Japan Growth Fund and F&C Global Smaller Companies plc. She is a member of Archangel Informal Investment, a business angel syndicate and sits on the board of trustees of Venture Scotland, a charity specialising in personal development for young people. She is a Member of the CFA Society of the UK. She was appointed to the board of Martin Currie Asia Unconstrained Trust in 2012.

Peter Edwards

Peter practised law with Johnson, Stokes and Master in Hong Kong from 1975 to 1996, where he was partner and, latterly, senior partner. He has chaired various bodies, including the Hong Kong branch of the International Fiscal Association, the Inter-Pacific Bar Association's taxation committee and the Hong Kong Law Society's revenue law committee. He is a non-executive director of Johnson Electric Holdings, the Zuellig Group and various private investment and holding companies. He was appointed to the board of Martin Currie Asia Unconstrained Trust in 2007.

Martin Shenfield

Martin has 35 years' experience in the asset management industry which includes managing both institutional and retail funds and overseeing global asset allocation, as well as holding several senior management positions. He is currently a senior macro strategist at Lombard Street Research as well as acting as a general adviser to various family offices and funds. Martin has extensive experience in Asian markets, having helped establish Fidelity International's first Asian (ex Japan) office in the 1980s. A specialist in Asian macroeconomics, Martin is also well versed in bottom-up analysis of Asian companies. Martin holds an MA in Classics and History from Cambridge University. He was appointed to the board of Martin Currie Asia Unconstrained Trust in November 2015.

Business review

The investment manager

Martin Currie Investment Management ('Martin Currie', 'investment manager' or 'manager') 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 Andrew Graham, who manages the company's investments, attends each board meeting to present a detailed update to the board. The board uses this opportunity to challenge the investment manager on any aspect of the portfolio's management.

Continued appointment of the investment manager

The board conducts an annual performance appraisal of the investment manager against a number of criteria, including operational performance and investment performance and other contractual considerations.

Following the implementation of the new investment policy and objective in July 2014, and the recent appraisal of the investment manager, the board considers it is in the best interests of shareholders to continue with the appointment of Martin Currie as investment manager.

The directors remain satisfied with the performance of the company secretarial, administration, marketing and accounting functions provided by Martin Currie.

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; and
- In the event that the company terminates the agreement otherwise than as set out above, Martin Currie is entitled to receive compensation equivalent to twice the basic quarterly management fee payable.

Investment management fee

Martin Currie is paid a management fee which is calculated quarterly at an annual rate of 0.75% of net assets up to £150 million and an annual rate of 0.60% of net assets above £150 million.

Any investments in 'in-house' funds managed by Martin Currie would be excluded when calculating the management fee charged to the company. As at 31 March 2017 there are no in-house fund holdings. In addition, Martin Currie is currently entitled to a quarterly secretarial fee of £20,257 which increases annually in line with CPI.

The management fee payable to Martin Currie – which, for the period under review, amounted to £1,044,000 (2016: £886,000) – has been allocated one-third to revenue and two-thirds to capital.

The allocation is based on the board's expected long-term split of returns in the form of income and capital gains.

Further contractual arrangements essential to the business of the company

The operational infrastructure of the company has been outsourced to third party providers. Contracts and service level agreements ensure that the service provided by each of the third party providers is of a sufficiently professional and technically high standard. The audit and management engagement committees review all third party service providers on an annual basis.

Performance and outlook of the company

Please refer to the chairman's statement on pages 2 to 4 and the manager's review on pages 5 to 8 for an update on the performance and outlook of the company.

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 one is a woman, thereby constituting a fifth female representation. 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 negligible.

Statement regarding annual report and accounts

Following a detailed review of the financial statements by the audit committee and reported to the board, 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.

Report of the Directors

The directors present their report and the audited financial statements of the company for the year ended 31 March 2017.

Share capital

The company bought back 519,683 ordinary shares of 50p each during the financial year to be held in treasury at a cost of £1,433,000. This represented 1.3% of the called up share capital and had a nominal value of £259,842. As at 31 March 2017 the share capital (including shares held in treasury) of the company was 39,505,872 ordinary shares of 50p each (36,124,496 shares in issue and a further 3,381,376 shares held in treasury). Please refer to note 12 on page 43 for more details of shareholders' rights.

Shareholder analysis as at 31 March 2017	% of shareholders	% of equity capital
Banks and nominee companies	45.9	88.0
Individuals and trustees	50.2	2.8
Investment companies	0.2	0.1
Other holders	3.7	9.1
	100.0	100.0

Voting rights

As at 31 March 2017 the company was notified of the following interests in 3% or more of the voting rights attaching to the company's issued share capital:

	% of issued share capital
Wells Capital Management	21.54
1607 Capital Partners	8.88
Charles Stanley Group	7.68

Related party transactions

With the exception of transactions with directors, notably the directors' fees (disclosed on page 26) and directors' shareholdings (disclosed on page 25), and transactions with the manager, notably management and secretarial fees (disclosed on page 15), there were no related party transactions to report throughout the financial year.

Directors' indemnity

The company provides a Deed of Indemnity to each director, to the extent permitted by United Kingdom law. In accordance with the terms of the Deed of Indemnity, the company will indemnify a director against all liabilities, costs, charges and expenses incurred by the director, as a result of proceedings brought against that director, arising as a result of the actual or purported discharge of their directors duties. The company also has in place a Director and Officer Liability Insurance Policy that is renewed annually.

Corporate governance statement

The company's corporate governance statement is set out on pages 21 and 22 and forms part of this report of the directors.

Revenue and dividends

The gross revenue return for the year after expenses, interest and taxation was £2,933,000 (2016: £2,520,000), equivalent to a return of 8.10p per share (2016: 6.68p). An interim dividend of 2.6p has been paid during the year. The directors recommend the payment of a final dividend of 13.68p per share be payable on 11 August 2017 to holders on the register at the close of business on 21 July 2017, making a total for the year of 16.28p (2016: 7.75p). The revenue reserves as at 31 March 2017 were £2,460,000. As explained in the Chairman's statement 8.43p of the final dividend will be paid from capital reserves. The capital reserve as at 31 March 2017 were £122,538,000 and £3,045,000 of this will be used to the fund the final dividend.

Trends likely to affect future performance

Please refer to the chairman's statement on pages 2 to 4 and the manager's review on pages 5 to 8 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.

Under AIFMD the company was required by 22 July 2014 to appoint an external depositary and an Alternative Investment Fund Manager ('AIFM') to be supervised by the Financial Conduct Authority. Accordingly, a tripartite agreement to novate the Investment Management Agreement was executed to appoint Martin Currie Fund Management Limited ('MCFM') as the company's AIFM, with State Street Bank Trustees Limited as depositary.

Voting policy and the UK Stewardship Code

The company has given discretionary voting powers to Martin Currie in respect of its shareholdings. With respect to voting on behalf of clients, Martin Currie's policy is to:

- vote at all general meetings of companies in which its clients are invested;
- vote in favour of proposals which Martin Currie expects to enhance shareholder value; on routine issues Martin Currie is generally supportive of management;
- vote against proposals which it believes may damage shareholders' rights or economic interests;
- abstain on proposals which it feels unable to support, but where Martin Currie believes that it could be against its clients' interests to oppose publicly;
- ensure in all situations that the economic interests of its clients are paramount; and
- vote consistently on behalf of all clients who are invested in the particular company.

The directors are aware that Martin Currie gives consideration to operational performance, corporate social responsibility and corporate governance issues, among many other factors, when investment decisions are taken.

The board has noted Martin Currie's adoption of the FRC Stewardship Code, and a copy of the policies and voting records can be found at www.martincurrie.com/corporate/about-us/governance-and-sustainability.

Financial Instruments

Details of the financial risk management policies and objectives relative to the use of financial instruments by the company are set out in note 14 to the financial statements.

Disclosure of information to the auditor

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 auditor is 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 auditor is aware of that information.

Statement of directors' responsibilities

The directors of the company are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. 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 assets, liabilities, financial position and performance of the company for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; 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 proper 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 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.

The financial statements are published on the website, www.martincurrieasia.com. The maintenance and integrity of the website is, so far as it relates to the company, the responsibility of Martin Currie, as delegated by the board of directors.

Each of the directors, whose names and functions are listed in the board of directors on page 14 confirms that, to the best of his or her knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and performance of the company; and
- the strategic review, the report of the directors and manager's review include a fair 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.

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 March 2017 is shown on the statement of financial position on page 34. The statement of cashflow of the company is set out on page 36, and the statement of comprehensive income on page 33.

Note 14 on pages 43 to 46 sets out the company's risk management policies, including those covering market risk, liquidity risk and credit risk.

During the financial year, the company increased its loan facility from £10,000,000 to £15,000,000 of which £6,825,000 was drawn down at the year-end date. The facility expires on 31 August 2018. The purpose of the facility is to enable the manager to enhance the return for shareholders by borrowing and investing where the return is expected to exceed the cost of borrowing. The company has adequate financial resources in the form of readily realisable listed securities and as a result the directors assess that the company is able to continue in operational existence without the facility.

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 diversified 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 12 and 13 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 this annual report. As required by the company's Articles, an ordinary resolution will be proposed at the AGM in 2018 and every third year thereafter for the continuation of the company. Accordingly, the directors continue to use the going concern basis in the preparation of the accounts.

Viability Statement

The company's business model is designed to achieve returns commensurate with Asia ex Japan nominal GDP growth through investing in companies across the Asian region that are capable of producing high and sustainable returns. In accordance with the company's Articles, a continuation resolution is proposed to shareholders every three years, with the next vote due to take place in 2018 and successive votes at three year intervals.

The board has assessed its viability in accordance with provision C.2.2 of the 2014 UK Corporate Governance Code. The board considers that five years is the period which should be considered in the context of its long term objective but which is limited by the inherent and increasing uncertainties involved in assessment over a longer period. This longer-term viability statement is contingent upon shareholders voting to support the continuation vote in 2018 and thereafter.

In making this assessment the directors have considered the following risks to its ongoing viability:

- The principal risks and uncertainties and the mitigating actions set out on pages 12 and 13;
- The ongoing relevance of the company's investment objective in the current environment;
- The level of income forecast to be generated by the company and the liquidity of the company's portfolio;
- The level of fixed costs and limited debt relative to its liquid assets;
- The current loan facility is due to expire on 31 August 2018. The board is not aware of any reason why it would not be able to renew the loan facility at that date or indeed repay the loan if preferred; and
- The expectation is that the current portfolio could be liquidated to the extent of 96% within 7 days.

Based on the results of their analysis and the company's processes for monitoring each of the factors set out above, the directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities over the next five years.

Directors

As set out in the board of directors on page 14, each of Harry Wells, Gregory Shenkman, Martin Shenfield, Anja Balfour and Peter Edwards are directors of the company. In accordance with best practice and the company's Articles, all directors will stand for re-election at the AGM. The board believes that the performance of each of the directors continues to be effective and that none of any director's other commitments interfere with the discharge of that directors' responsibilities to the company, and is satisfied that each director makes sufficient time available to serve the company effectively.

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 Guidance for investment companies ('AIC guide'). The AIC code, as explained by the AIC guide, addresses all of 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 along the lines of 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 the relevant provisions of the UK Corporate Governance Code except in:

- 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 applicable principles. Details of the AIC principles and how the company complies with them can be found on the company's website at www.martincurrieasia.com.

Relations with shareholders

The company places great importance on communication with shareholders. It aims to provide shareholders with a full understanding of the company's activities and performance and reports formally to shareholders twice a year by way of the annual report and the half-yearly report. The net asset value of the company's shares and monthly updates are also available through the London Stock Exchange and on the company's website. The board monitors the shareholder profile of the company at every board meeting. All shareholders have the opportunity, and are encouraged, to attend the company's AGM at which the directors and representatives of the investment manager are available to meet shareholders and answer questions. Andrew Graham of Martin Currie also presents a review of the company's performance and invites questions from shareholders.

The investment manager provides a dedicated client services team which maintains regular contact with the company's shareholders and reports regularly to the board. Shareholders can also contact the directors throughout the year, through the company secretary.

Annual general meeting

The AGM of the company will be held at 12.30pm on Wednesday 5 July 2017, at 1 Bartholomew Lane, London EC2N 2AX.

Articles of Association - special resolution

Resolution 14 proposes changes to the company's Articles of Association ('Articles'). Following the change in law in 2012 which allows investment trusts to make payment of dividends out of capital, amendments were made to the company's Articles to remove certain restrictions of this type. In consideration of the board's intention, with effect from August 2017, to commence the payment of dividends which include a capital element, it is proposed to make further changes to the Articles to facilitate the new policy. The change of policy and the resulting payment of dividends out of capital is conditional upon the amendments to the Articles with appropriate provisions, being approved by shareholders.

Disapplication of pre-emption rights – special resolution

Resolution 12 proposes as a special resolution to continue the directors' authority under s570 and s573 of the Companies Act 2006 to allot shares for cash in certain circumstances otherwise than pro rata to all the shareholders up to an aggregate nominal amount of £903,112 (representing 5% of the company's issued share capital as at 22 May 2017, the latest practicable date before publication of the accounts) and to modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. Any issue of shares would be made in accordance with the company's Articles. 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 costs of administering the company over a wider base. For the purposes of this resolution, allotment of shares includes the sale of treasury shares.

Share buy backs – special resolution

Each year the directors seek authority from shareholders to purchase the company's own shares. The directors recommend that shareholders renew this authority as proposed by resolution 13. Resolution 13 specifies the maximum number of shares that may be acquired being 14.99% of the issued share capital of the company as at 22 May 2017, being the last practicable date before the date of this report, and the maximum and minimum prices at which they may be bought and, if passed, would lapse at the company's AGM in 2018.

The main effect of any share buy backs (whether for cancellation or to be held in treasury) will be to enhance the net asset value of the remaining ordinary shares, as the shares will only be acquired at a cost which is less than their net asset value. Purchases should also provide liquidity for shareholders wishing to sell their ordinary shares. The purpose of holding some shares in treasury is to allow the company to re-issue those shares to satisfy shareholder demand. Shares held in treasury carry no voting rights or rights to dividends.

Purchase by the company of its own shares will be funded either by using available cash resources, by selling investments in the portfolio or through borrowings. During the year ended 31 March 2017, 519,683 ordinary shares were bought back to be held in treasury. Total shares held in treasury as at 31 March 2017 were 3,381,376 (2016: 2,861,693) representing 8.56% of the called up issued share capital of the company. The company has not purchased any of its own shares since 31 March 2017.

Recommendation

The directors believe all the resolutions proposed are in the best interests of the company and the 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.martincurrieasia.com).

Harry Wells

On behalf of the board

Harry Wells
Chairman

25 May 2017

Corporate governance statement

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 administrative services provided;
- reviewing the performance of the personnel employed by the investment manager in relation to the provision of such services;
- reviewing the terms of the investment management agreement, to ensure that it remains competitive and in the best interests of shareholders; and
- reviewing the appointment, contractual terms and service of other third party providers to ensure that they remain competitive and of a high standard.

The management engagement committee met once during the year.

Composition – all directors and chaired by Harry Wells.

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; and
- in relation to any director retiring by rotation, and 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.

The nominations committee met once during the year.

Composition – all directors and chaired by Harry Wells.

Audit committee

The audit committee's responsibilities include:

- monitoring and reviewing the integrity of the financial statements and considering in particular that, taken as a whole, they are fair, balanced and understandable;
- monitoring and reviewing internal financial controls;
- the independence, objectivity and effectiveness of the external auditor;
- making recommendations to the board in relation to the appointment, evaluation or dismissal of the external auditor, their remuneration, terms of their engagement and reviewing their independence and objectivity;
- developing and implementing the policy on the engagement of the external auditor 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.

Composition – all directors and chaired by Anja Balfour.

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. In addition to the formal quarterly board meetings, there were 6 ad hoc meetings of the board and a strategy meeting held during the financial year.

	Formal board meetings (4 meetings)	Management engagement committee (1 meeting)	Audit committee (2 meetings)	Nominations committee (1 meeting)
Harry Wells (chairman)	4	1	2	1
Anja Balfour (audit committee chairman)	3*	1	1	1
Peter Edwards	4	1	2	1
Martin Shenfield	4	1	2	1
Gregory Shenkman	4	1	2	1

*Due to unavoidable circumstances, Anja Balfour was unable to attend the audit committee or board meetings held in November 2016. Anja attended the pre-audit committee meeting with Ernst & Young, received and reviewed the audit committee and board papers in advance of the meeting and provided feedback to Mr Wells, who acted as chairman of the audit committee.

Evaluation

The board undertakes an evaluation annually. Board evaluation questionnaires are drawn up by the company secretary, and completed by each director. The responses are collated and discussed. The chairman leads the evaluation of the board and individual directors while the senior independent director leads the evaluation of the chairman's performance.

The board also regularly reviews the performance of the investment manager. The management engagement committee meets to review the continuing appointment of the investment manager and reviews the terms of the investment management and secretarial agreement, to ensure that it remains competitive and in the best interest of shareholders. The audit committee also reviews the continuing appointment of other key service providers.

Internal controls

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 controls 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 controls 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. Martin Currie also carries out a review of the custodial and administration activities carried out by State Street.

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

- reviews an internal controls 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 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 12 and 13. This process accords with the Turnbull guidance on internal controls.

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 satisfied with the existing arrangements.

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

The directors are responsible for the company's system of internal controls, 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 within 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 controls 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 means of the procedures set out above, the board confirms that it has reviewed the effectiveness of the company's systems of internal controls for the year ended 31 March 2017, and to the date of approval of this annual report.

On behalf of the board

Harry Wells
Chairman

25 May 2017

Audit committee report

The audit committee is chaired by Anja Balfour and comprises all of the directors.

The audit committee reviews the scope and results of the audit and, during the year, considered and approved the external auditor's plan for the audit of the financial statements for the year ended 31 March 2017. A full list of the responsibilities of the committee is set out on page 21.

At the conclusion of the audit, Ernst & Young 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 controls weaknesses. Ernst & Young LLP issued an unqualified audit report which is included on pages 27 to 32.

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 at bid prices provided by third party service providers in accordance with the price source agreement in place. The investment manager reviews and summarises the SOC 1 report, prepared annually by State Street covering Global Fund Accounting and Custody and the audit committee reviews this summarised report annually.
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 provided to the company by State Street as appointed by the depositary. 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 receives regular reports from Martin Currie on the effectiveness of these arrangements. Martin Currie has reviewed and checked State Street's processes, procedures and internal controls. The external auditor also reviewed State Street's internal controls as part of their audit and has not reported any significant matters to the audit committee.
Mis-statement of revenue returns	The board reviews income forecasts (including special dividends) and receives explanations from the investment manager for any variations or significant movements from previous forecasts and prior year figures. The allocation of expenses between revenue and capital 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. The management fee is calculated in accordance with the contractual terms in the investment management agreement by State Street and is reviewed in detail by the investment manager and is subject to analytical review by the board. The investment manager reviews and summarises the SOC 1 report, prepared annually by State Street covering Global Fund Accounting and Custody and the audit committee reviews this summarised report annually. The SOC 1 report details the systems, processes and controls around the recording of investment income.
Going concern	The audit committee has reviewed the revenue forecasts, the statement of financial position and the liquidity of the portfolio and believes that the company has adequate financial resources to continue its operational existence for the foreseeable future and at least one year from the date of the annual report.

Auditor's independence

The company has in place a policy governing and controlling the provision of non-audit services by the external auditor, 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 requires specific approval of the audit committee in each case.

The audit fees amount to £19,900 for the year ended 31 March 2017 (2016: £19,500). Non-audit fees amounted to £1,500 for the year ended 31 March 2017 (2016: £1,500).

Auditor's rotation

Following the introduction of the EU Audit Regulations, which came into force in 2016, it is mandatory for audit firms to rotate at least every 10 years, which can be extended to 20 years where a public tender has been conducted after 10 years.

Ernst & Young LLP has acted as the company's auditor since inception and, following the introduction of the EU Audit Regulations, are required to step down following conclusion of the AGM in 2017. As reported in the annual report to 31 March 2016, a competitive tender for the audit of the company was carried out on 6 February 2017. Following conclusion of the audit tender process, it is the board's intention for KPMG LLP to be appointed as the company's auditor with effect from the conclusion of the 2017 AGM.

A resolution to appoint KPMG LLP as the company's auditor will be proposed at the AGM.

Effectiveness of the external audit process

The audit committee evaluated the effectiveness of the external auditor and the external audit they undertook. This evaluation involved an assessment of the effectiveness of the auditor's performance against criteria including qualification, expertise and resources, independence and effectiveness of the audit process. Having reviewed the performance of the external auditor as described above, the audit committee is satisfied with the external audit process undertaken in relation to this annual report and its financial statements. However, in accordance with the EU Audit Regulations and as noted above, Ernst & Young will retire as the company's auditor at the 2017 AGM.

Conclusions in respect of the annual report

The production and audit of the company's annual report is a comprehensive process which requires input from a number of different contributors. One of the key governance requirements in respect of the company's annual report and financial statements is that it is fair, balanced and understandable. The board has requested that the audit committee consider whether the annual report, when taken as a whole, fulfils this requirement. In doing so, the audit committee has given consideration to the following:

- the comprehensive reviews that are undertaken at different levels in the production process of the annual report by the investment manager, the third party service providers and the audit committee that aim to ensure consistency and overall balance; and
- the controls that are in place at the investment manager and third party service providers ensure the completeness and accuracy of the company's financial records and the security of the company's assets.

As a result of the work performed, the audit committee has concluded that the annual report for the year ended 31 March 2017, is fair, balanced and understandable, when taken as a whole, and provides the information necessary for shareholders to assess the company's performance, business model and strategy, and has reported on these findings to the board. The board's conclusion in this respect is set out on page 17.

Anja Balfour

Chairman of the audit committee

25 May 2017

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 auditor to audit certain disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 27 to 32.

AIFM remuneration policy

Under AIFMD, Martin Currie Fund Management ('MCFM') is required to adopt a remuneration policy that complies with the FCA's AIFM Remuneration Code.

The Martin Currie group remuneration and reward policy was signed off by the Remuneration Committee of Martin Currie (Holdings) Limited and is confirmed as AIFMD compliant. This policy applies to the whole group of Martin Currie companies including MCFM.

Directors' remuneration policy

The nominations committee fulfils the function of a remuneration committee in addition to its nominations function. The board has appointed the company secretary, Martin Currie, to provide information when the nominations committee considers the level of directors' fees. All directors are members of the nominations committee.

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 (ordinary shares and borrowings), and with broadly similar investment objectives. It is intended that this policy will continue for the year ending 31 March 2018 and subsequent periods. The fees for the non-executive directors are determined within the limits set out in the company's Articles. The aggregate ordinary remuneration of the directors shall not exceed £150,000 per annum. 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 a service contract but are provided with letters of appointment.

All directors are appointed for an initial term covering the period from the date of appointment until the first AGM at which they are required to stand for election in accordance with the company's Articles and industry best practice. Thereafter the directors are re-elected in accordance with the company's Articles. The directors are appointed for fixed terms of office.

There is no notice period and no provision for compensation upon early termination of appointment. The directors' remuneration policy is put to shareholders annually.

Annual report on remuneration

The non-executive directors received a fee of £20,000 per annum (with an additional £500 per annum paid to the senior independent director), the audit committee chairman received a fee of £24,000 per annum and the chairman a fee of £30,000 per annum during the year end 31 March 2017.

No discretionary payments were made in the year, or in the previous year.

Director's fees were last increased on 1 April 2014 (with the exception of audit chairman fees which increased on 1 April 2015). During the year the nominations committee considered the directors' fees in the context of the benchmark data from its peer group, and taking into account the increased regulatory and compliance burden upon the board, it was agreed that the non-executive directors' fee, senior independent director's fee and chairman's fee should be increased to £22,000, £22,550 and £33,000 respectively. It was also agreed that the fee payable to the chairman of the audit committee be increased to £27,500. All fee increases were effective from 1 April 2017.

The graph on page 26 compares, for the ten financial periods ended 31 March 2017, the total return (assuming all dividends are reinvested) to ordinary shareholders compared with the total return of the market. The MSCI Asia Pacific ex Japan index is used as a proxy for the market.

Directors' shareholdings (audited)

Directors' shareholdings	2017	2016
Anja Balfour	5,030	3,000
Peter Edwards	5,000	5,000
Martin Shenfield*	5,052	—
Gregory Shenkman	5,072	5,072
Harry Wells	20,000	20,000

*Appointed on 1 November 2015.

Directors who held office at the end of the year and their shareholdings are shown above. Harry Wells' holding of 20,000, shares includes a family interest in 5,000 shares. Peter Edwards' holding of 5,000 shares are held by a private trust, of which he is a beneficiary. Since the year end, Anja Balfour has purchased an additional 1,000 shares, taking her total holding to 6,030.

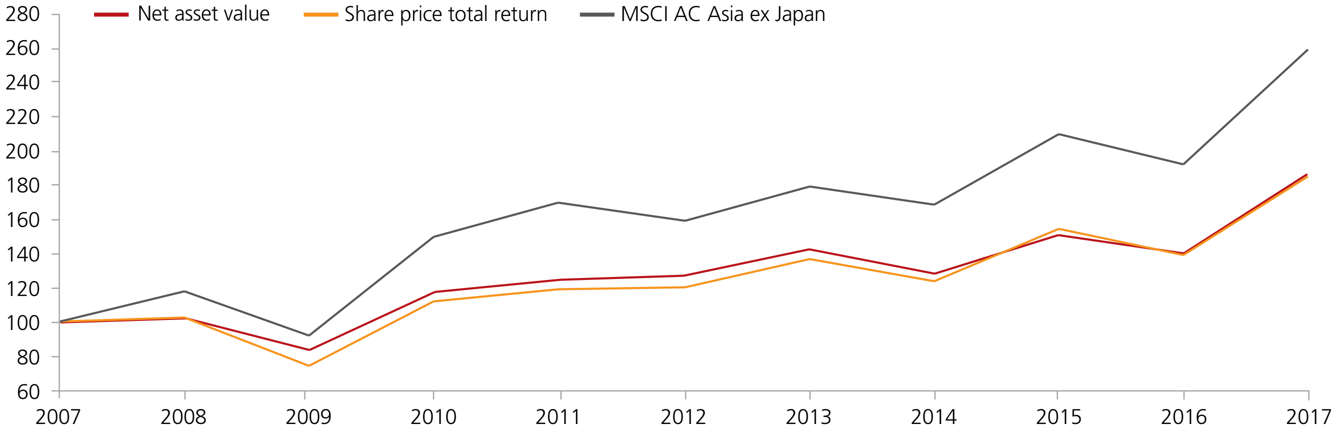
Approval

An ordinary resolution for the approval of the directors' report on remuneration, and the company's remuneration policy, is put to shareholders at the AGM.

At the AGM on 6 July 2016, the shareholders voted in favour of the directors' remuneration report for the period ended 31 March 2016. Of the proxy votes received, 98.13% of the votes were cast in favour of the directors' remuneration report.

The shareholders also voted in favour of the directors' remuneration policy. Of the proxy votes received, 98.29% of the votes were cast in favour of the directors' remuneration policy.

Total return (ten financial years)



Past performance is not a guide to future returns. Source: Martin Currie Investment Management Ltd. The MSCI Asia Pacific ex Japan index is used as a proxy for the market.

Directors' emoluments for the year (audited)

	2016/2017 £	2015/2016 £
Harry Wells (chairman)	30,000	30,000
Anja Balfour (audit committee chairman)*	24,000	22,942
Peter Edwards	20,000	20,000
John Scott**	n/a	6,369
Martin Shenfield***	20,000	7,744
Gregory Shenkman	20,500	20,500
	114,500	107,555

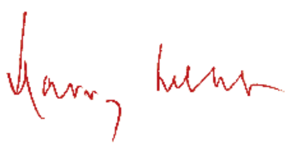
*Appointed audit committee chairman on 6 July 2015. **Retired on 6 July 2015. ***Appointed on 1 November 2015.

Relative importance of remuneration costs

As the company has no employees, the table above also comprises the total remuneration costs paid by the company. To enable shareholders to assess the relative importance of remuneration costs, this has been shown in a table below compared with the company's dividend distributions and share buy backs.

Relative importance of spend on directors' remuneration

	2016/2017 £000	2015/2016 £000	Change £000
Directors' total remuneration	115	108	7
Dividends paid and payable	5,881	2,856	3,049
Buy back of ordinary shares	1,433	3,725	(2,292)



On behalf of the board

Harry Wells
Chairman

25 May 2017

Independent auditor's report to the members of Martin Currie Asia Unconstrained Trust plc

Our opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2017 and of the company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements of Martin Currie Asia Unconstrained Trust plc comprise:

- Statement of Comprehensive Income for the year ended 31 March 2017
- Statement of Financial Position as at 31 March 2017
- Statement of Changes in Equity for the year ended 31 March 2017
- Statement of Cash Flows for the year ended 31 March 2017
- Related notes 1 to 18 to the financial statements

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Overview of our audit approach

Risks of material misstatement	■ Incomplete or inaccurate revenue recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment. ■ Incorrect valuation and ownership of the investment portfolio.
Audit scope	■ All audit work has been performed directly by the audit engagement team
Materiality	■ Materiality of £1.54m which represents 1% of equity shareholder's funds (2016: £1.20m)

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment (as described on page 23 in the Report of the Audit Committee). The investment income receivable by the company during the year directly affects the company's ability to make a dividend payment to shareholders. The income receivable for the year to 31 March 2017 was £3.92m (2016: £3.53m), with the majority being dividend payments from equity investments. Special dividends by their nature require the exercise of judgement as to whether the income receivable should be classified as 'revenue' or 'capital'. During the year, the company received two special dividends with an aggregate value of £80k. Both special dividends were treated as revenue.	We have performed the following procedures: We agree a sample of dividend receipts to the corresponding announcement made by the investee company, recalculated the dividend amount received and agreed cash received to bank statements. We agreed a sample of investee company dividend announcements from an independent source to the income recorded by the company. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 31 March 2017. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and agreed cash received to post year end bank statements, where possible. We reviewed the income report for all material dividends and checked these against an independent source to determine if any were special. We also reviewed the acquisitions and disposals report for any potential special dividends treated as capital to assess if any should be treated as revenue. We reviewed the company's accounting policies with respect to revenue recognition including special dividends to ensure that these have been applied as stated throughout the year and are in line with FRS 102 and the AIC SORP.	The results of our procedures are: We noted no issues in agreeing the sample of dividend receipts to an independent source, recalculating these amounts and agreeing them to the bank statements. We noted no issues in agreeing the sample of investee company announcements to the income entitlements recorded by the company. We noted no issues in recalculating the accrued dividends, agreeing, where possible, to post year end bank statements, and confirming that the income obligation arose prior to 31 March 2017. We noted no issues with the application of the company's accounting policies with respect to revenue recognition including special dividends, or in compliance with FRS 102 and the AIC SORP.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The incorrect valuation and ownership of the investment portfolio (as described on page 23 in the Report of the Audit Committee). The valuation of the assets held in the investment portfolio is the key driver of the company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders. The valuation of the portfolio at 31 March 2017 was £157.54m (2016: £123.60m), consisting of listed equities.	We performed the following procedures: For all investments in the portfolio, we compared the market values and exchange rates applied to an independent source. We agreed the company's investment portfolio to the independent confirmations received from the company's Custodian as at 31 March 2017. We reviewed the company's investment portfolio to confirm the correct application of the company's accounting policy, FRS102 and the AIC SORP with respect to valuation.	The results of our procedures are: For all investments, we noted no material differences in market value or exchange rates when compared to an independent source. We noted no differences between the Custodian confirmation and the company's underlying financial records. We noted no issues with the application of the company's accounting policy with respect to valuation, or compliance with FRS 102 and the AIC SORP.

There has been no change to the areas of key focus raised in the above risk table from the prior year.

The scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £1.54m (2016: £1.20m), which is 1% (2016: 1%) of equity shareholders' funds. We derived our materiality calculation from a proportion of total equity as we consider that to be the most important financial metric on which shareholders judge the performance of the company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the company should be 75% of planning materiality, being £1.16m (2016: £0.90m). Our objective in adopting this approach was to ensure that total undetected and uncorrected audit differences in all accounts did not exceed our planning materiality level. We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the company we also applied a separate testing threshold of £0.15m (2016: £0.13m) for the revenue column of the Statement of Comprehensive Income, being 5% of the revenue return on ordinary activities before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.07m (2016: £0.06m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Scope of the audit of the financial statements

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 Annual Report 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- based on the work undertaken in the course of the audit:
  - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

ISAs (UK and Ireland) reporting	We are required to report to you if, in our opinion, financial and non-financial 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 ■ otherwise misleading. In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed.	We have no exceptions to report.
Companies Act 2006 reporting	In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report. We are required to report to you if, in our opinion: ■ adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or ■ the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or ■ certain disclosures of directors' remuneration specified by law are not made; or ■ we have not received all the information and explanations we require for our audit.	We have no exceptions to report.
Listing Rules review requirements	We are required to review: ■ the Directors' statement in relation to going concern, set out on page 18, and longer-term viability, set out on page 18; and ■ the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review	We have no exceptions to report.

Statement on the Directors’ Assessment of the Principal Risks that Would Threaten the Solvency or Liquidity of the Entity

ISAs (UK and Ireland) reporting	We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to: ■ the Directors’ confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity; ■ the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated; ■ the Directors’ statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity’s ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and ■ the Directors’ explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Susan Dawe

(Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor

Edinburgh

24 May 2017

Notes:

1. The maintenance and integrity of the website is, so far as it relates to the company, the responsibility of Martin Currie, as delegated by the board of directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income

		Year ended 31 March 2017			Year ended 31 March 2016		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Dividend Income	2	3,927	—	3,927	3,526	—	3,526
Interest on deposits	2	—	—	—	7	—	7
Net gains/(losses) on investments	8	—	37,301	37,301	—	(12,624)	(12,624)
Net currency losses		31	(684)	(653)	(19)	(249)	(268)
		3,958	36,617	40,575	3,514	(12,873)	(9,359)
Investment management fee		(348)	(696)	(1,044)	(295)	(591)	(886)
Other expenses	4	(506)	(5)	(511)	(557)	3	(554)
Net return on ordinary activities before finance costs and taxation		3,104	35,916	39,020	2,662	(13,461)	(10,799)
Interest payable and similar charges	3	(37)	(75)	(112)	(42)	(84)	(126)
Net return on ordinary activities before taxation		3,067	35,841	38,908	2,620	(13,545)	(10,925)
Taxation on ordinary activities	5	(134)	—	(134)	(100)	—	(100)
Net return attributable to shareholders		2,933	35,841	38,774	2,520	(13,545)	(11,025)
Net return per ordinary share	7	8.10p	99.03p	107.13p	6.68p	(35.93p)	(29.25p)

The total columns of this 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 Statement of Recommended Practice ('SORP') 2014.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year ended 31 March 2017.

The net return attributable to shareholders is the profit/(loss) for the financial period and there was no other comprehensive income.

The notes on pages 37 to 47 form part of these financial statements.

Statement of Financial Position

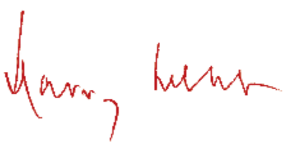
		As at 31 March 2017		As at 31 March 2016	
	Note	£000	£000	£000	£000
Fixed assets					
Investments at fair value through profit or loss	8		157,537		123,602
Current assets					
Receivables	9	509		427	
Cash at bank	10	3,575		1,479	
		4,084		1,906	
Current liabilities					
Payables	11	(7,358)		(5,750)	
Net current liabilities			(3,274)		(3,844)
Total assets less current liabilities			154,263		119,758
Share capital and reserves					
Called-up share capital	12	19,753		19,753	
Share premium reserve		6,084		6,084	
Capital redemption reserve		3,428		3,428	
Capital reserve*		122,538		88,130	
Revenue reserve*		2,460		2,363	
Total shareholders' funds			154,263		119,758
Net asset value per ordinary share of 50p	7		427.0p		326.8p

*These reserves are distributable.

The notes on pages 37 to 47 form part of these financial statements.

Martin Currie Asia Unconstrained Trust PLC is registered in Scotland, company number SC092391.

The financial statements on pages 33 to 47 were approved by the board of directors on 25 May 2017 and signed on its behalf by



Harry Wells
Chairman

Statement of Changes in Equity

Year ended 31 March 2017	Note	Called up share capital £000	Share premium reserve £000	Capital redemption reserve £000	Capital reserve* £000	Revenue reserve* £000	Total £000
At 1 April 2016		19,753	6,084	3,428	88,130	2,363	119,758
Net return attributable to shareholders**	7	—	—	—	35,841	2,933	38,774
Ordinary shares bought back into treasury	12	—	—	—	(1,433)	—	(1,433)
Dividends paid	6	—	—	—	—	(2,836)	(2,836)
At 31 March 2017		**19,753**	**6,084**	**3,428**	**122,538**	**2,460**	**154,263**

Year ended 31 March 2016	Note	Called up share capital £000	Share premium reserve £000	Capital redemption reserve £000	Capital reserve* £000	Revenue reserve* £000	Total £000
At 1 April 2015		19,753	6,084	3,428	105,400	2,675	137,340
Net return attributable to shareholders**	7	—	—	—	(13,545)	2,520	(11,025)
Ordinary shares bought back into treasury	12	—	—	—	(3,725)	—	(3,725)
Dividends paid	6	—	—	—	—	(2,832)	(2,832)
At 31 March 2016		19,753	6,084	3,428	88,130	2,363	119,758

*These reserves are distributable.

**The company does not have any other income or expenses that are not included in the 'Net return attributable to shareholders' as disclosed in the Statement of Comprehensive Income on page 33, and therefore is also the 'Total comprehensive income for the year'.

The notes on pages 37 to 47 form part of these financial statements.

Statement of Cashflow

		Year ended 31 March 2017		Year ended 31 March 2016	
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Profit/(loss) before tax			38,908		(10,925)
Adjustments for:					
(Gains)/losses on investments	8	(37,301)		12,624	
Purchases of investments*		(11,143)		(11,987)	
Sales of investments*		14,636		4,855	
Finance costs		112		126	
Dividend revenue	2	(3,927)		(3,526)	
Interest revenue	2	—		(7)	
Dividend received		3,817		3,479	
Interest received		—		7	
Decrease/(increase) in other receivables		28		(9)	
Increase/(decrease) in other payables		47		(40)	
Overseas withholding tax suffered	5	(134)		(100)	
			(33,865)		5,422
Net cash flows from operating activities			5,043		(5,503)
Cash flows from financing activities					
Repurchase of ordinary share capital		(1,699)		(3,459)	
Net movement in short term borrowing	13	1,923		5,014	
Exchange movement on short term borrowing	13	(217)		105	
Movement in interest expense and similar charges		(118)		(124)	
Equity dividends paid	6	(2,836)		(2,832)	
Net cash flows from financing activities			(2,947)		(1,296)
Net increase/(decrease) in cash and cash equivalents			2,096		(6,799)
Cash and cash equivalents at the start of the year			1,479		8,278
Closing cash and cash equivalents			3,575		1,479

*Receipts from the sale of and payments to acquire investment securities have been classified as components of cash flows from operating activities because they form part of the company's investing activities.

The notes on pages 37 to 47 form part of these financial statements.

Note 1: Accounting policies

(a) Basis of preparation - For the year ended 31 March 2017, the company is applying FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland respectively, which forms part of the revised Generally Accepted Accounting Practice ('UK GAAP') issued by the Financial Reporting Council (FRC) in 2015.

These financial statements have been presented on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, FRS 102 issued by the FRC in 2015 and the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ('SORP') issued by the AIC in November 2014.

Functional currency – the company is required to nominate a functional currency, being the currency in which the company predominately operates. The board has determined that £ sterling is the company's functional currency, which is also the currency in which these financial statements are presented.

Statement of estimation uncertainty – in the application of the company's accounting policies, the board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates. There have been no significant judgements, estimates or assumptions for the year.

(b) Income from investments (other than special 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. Franked investment income is stated net of the relevant tax credit. Other income includes 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 Statement of Comprehensive Income.

(c) 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 Statement of Comprehensive Income in accordance with the board's expected long-term split of returns in the form of capital gains and income, respectively. Interest receivable and payable, and management expenses are treated on an accruals basis. All other expenses are charged to revenue except where they directly relate to the acquisition or disposal of an investment, in which case, they are treated as described in note 1(e).

(d) Investments – Investments have been designated upon initial recognition as at 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 at fair value. Subsequent to initial recognition, investments are valued at fair value. Movements in the fair value of investments and gains/losses on the sale of investments are taken to the Statement of Comprehensive Income as a capital item.

The company's listed investments are valued at bid price. Further details on investments are disclosed in note 8.

(e) Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income.

(f) Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the statement of financial position. Non-monetary items expressed in foreign currencies held at fair value are translated into sterling at rates of exchange ruling at the date the fair value is measured. Transactions in foreign currencies are converted to sterling at the rate ruling at the date of transaction. Exchange gains and losses are taken to the income statement as a capital or revenue item depending on the nature of the underlying item.

(g) All financial assets and liabilities are recognised in the financial statements at fair value, with the exception of short-term assets and liabilities, which are held at nominal value that approximates to fair value, and loans that are initially recognised at the fair value of the consideration received, less directly attributable costs, and subsequently recognised at amortised cost.

(h) Dividends payable – Interim dividends are recognised once the directors are obligated to pay the dividend. Final dividends are recognised in the period which they are declared/approved as disclosed in note 6.

(i) Capital reserve – capital expenses, gains or losses on realisation of investments and changes in fair values of investments which are readily convertible to cash, without accepting adverse terms, are transferred to the capital reserve. Share buybacks are funded through the capital reserve, with details of buybacks disclosed in note 12. The capital reserve is distributable. It is proposed that an element of the dividend will be deducted from capital reserve.

Revenue reserve – the net revenue for the year is transferred to the revenue reserve and dividends paid are deducted from the revenue reserve.

Capital redemption reserve – the nominal value of the shares bought back for cancellation are transferred to the capital redemption reserve.

Share premium reserve - this represents the surplus of subscription monies after expenses over the nominal value of the issued share capital.

(j) Taxation – the tax effect of different items of income/gains and expenditure/losses is allocated between revenue and capital on the same basis as the particular item to which it relates, under the marginal method, using the company's effective rate of tax. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions of events that result in an obligation to pay more or a right to pay less tax in future have occurred at the reporting 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 timing 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 of more subsequent periods.

Note 2: Revenue from investments

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Revenue from listed investments		
Overseas equities	3,927	3,526
Other revenue		
Interest on deposits	—	7
	3,927	3,533
Total revenue comprises:		
Dividends	3,927	3,526
Interest	—	7
	3,927	3,533

The company received no capital dividends during the year ended 31 March 2017 (31.03.16: £289,000).

Note 3: Interest payable and similar charges

	Year ended 31 March 2017			Year ended 31 March 2016		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Interest expense on bank loans and overdrafts	37	75	112	42	84	126

Note 4: Other expenses

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
AIFMD Depositary fees	35	38
Bank charges	9	2
Custody fee	79	66
Directors' fees	115	108
Legal and professional fees	28	25
Printing and postage	14	17
Public relations	55	75
Registration fees	28	21
Secretarial fee	81	91
Miscellaneous revenue expenses	41	93
	485	536
Auditor's remuneration		
Payable to Ernst & Young LLP for the audit of the company's annual financial statements	19	19
Payable to Ernst & Young LLP for non-audit services	2	2
	21	21
Miscellaneous capital expenses*	5	(3)
	511	554

*The expense for 31 March 2017 relates to project costs (31.03.16 prior year tender offer expense accrual write-off).

Details of the contract between the company and Martin Currie for provision of investment management and secretarial services are given in the report of the directors on page 15.

The non-audit services relate to the assessment of 'ready to tag' accounts and design process for iXBRL purposes.

Note 5: Taxation on ordinary activities

	Year ended 31 March 2017 Revenue £000	Year ended 31 March 2017 Capital £000	Year ended 31 March 2017 Total £000	Year ended 31 March 2016 Revenue £000	Year ended 31 March 2016 Capital £000	Year ended 31 March 2016 Total £000
Overseas tax suffered	134	—	134	100	—	100

The effective UK corporation tax rate was 20% (31.03.16: 20%). 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 March 2017 £000	Year ended 31 March 2016 £000
Net return before taxation	38,908	(10,925)
UK Corporation tax at effective rate of 20% (31.03.16: 20%)	7,782	(2,185)
Adjustments:		
Franked investment income	—	(1)
Currency gains not taxable	137	54
(Gains)/losses on investments not taxable	(7,460)	2,525
Non taxable overseas dividends	(792)	(706)
Overseas tax suffered	134	100
Excess management expenses not utilised	333	313
Total tax charge	134	100

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £2,102,000 (31.03.16: £2,031,000) in relation to surplus tax reliefs. It is unlikely that, due to excess management expenses brought forward, the company will utilise these amounts and therefore no deferred tax asset has been recognised.

Due to the company's status as an investment trust and the intention to continue to meet the conditions required to maintain investment trust status in the foreseeable future, the company has not provided deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

Note 6: Equity dividends

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Year ended 31 March 2017 – interim dividend of 2.60p	939	—
Year ended 31 March 2016 – final dividend of 5.25p	1,897	—
Year ended 31 March 2016 – interim dividend of 2.50p	—	943
Year ended 31 March 2015 – final dividend of 5.00p	—	1,889
	2,836	2,832

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

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Proposed final dividend from revenue of 7.85p for the year ended 31 March 2017	1,897	—
Proposed final dividend from capital of 8.43p for the year ended 31 March 2017	3,045	—
Interim dividend of 2.60p for the year ended 31 March 2017	939	—
Final dividend of 5.25p for the year ended 31 March 2016	—	1,889
Interim dividend of 2.50p for the year ended 31 March 2016	—	943
	5,881	2,832

The company has not bought back any shares between 1 April 2017 and 22 May 2017; therefore the final dividend for 2017 is based on 36,124,496 ordinary shares in issue.

Note 7: Returns and net asset value

	Year ended 31 March 2017	Year ended 31 March 2016
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	£2,933,000	£2,520,000
Weighted average number of shares in issue during year*	36,191,490	37,703,265
Return per ordinary share	8.10p	6.68p
Capital return		
Capital return attributable to ordinary shareholders	£35,841,000	(£13,545,000)
Weighted average number of shares in issue during year*	36,191,490	37,703,265
Return per ordinary share	99.03p	(35.93p)
Total return		
Total return per ordinary share	107.13p	(29.25p)

	As at 31 March 2017	As at 31 March 2016
Net asset value per share		
Net assets attributable to shareholders	£154,263,000	£119,758,000
Number of shares in issue at the year end*	36,124,496	36,644,179
Net asset value per share	427.0p	326.8p

*Calculated excluding shares held in treasury.

Note 8: Investments at fair value through profit and loss

	As at 31 March 2017 £000	As at 31 March 2016 £000
Opening valuation	123,602	129,094
Opening unrealised fair value gains on investments	(10,740)	(23,492)
Opening cost	112,862	105,602
Add: additions at cost	11,270	11,987
	124,132	117,589
Less: disposals at cost	(12,523)	(4,727)
Closing cost	111,609	112,862
Closing unrealised fair value gains on investments	45,928	10,740
Closing valuation	157,537	123,602

Gains/(losses) on investments	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Realised gains for the current period	2,113	128
Movement in unrealised gains/(losses) on investments	35,188	(12,752)
Gains/(losses) on investments	37,301	(12,624)

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are within net gains/(losses) on investments in the Statement of Comprehensive Income. The total costs were as follows:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Purchases	31	22
Sales	48	8
	79	30

Note 9: Receivables: amounts falling due within one year

	As at 31 March 2017 £000	As at 31 March 2016 £000
Dividends receivable	497	387
Other receivables	12	40
	509	427

None of the company's trade receivables are past due or impaired.

Note 10: Cash at bank

	As at 31 March 2017 £000	As at 31 March 2016 £000
Sterling	3,536	1,475
Malaysian Ringgit	39	—
Taiwanese Dollar	—	4
	3,575	1,479

Note 11: Payables – amounts falling due within one year

	As at 31 March 2017 £000	As at 31 March 2016 £000
Interest expense and similar charges	10	16
Due to brokers for repurchase of ordinary shares	—	266
Due to brokers for open trades	127	—
Due to Martin Currie Investment Management Ltd	284	224
Revolving bank loan	6,825	5,119
Other payables	112	125
	7,358	5,750

For interest rate risk analysis in respect of receivables and payables refer to note 14.

The company has a £15,000,000 (31.03.16: £10,000,000) loan facility with the Royal Bank of Scotland, which expires on 31 August 2018.

As at 31 March 2017 and 31 March 2016, the drawdowns were as shown below, with a maturity date of 7 June 2017 (31.03.16: 5 May 2016).

As at 31 March 2017

Currency	Interest rate
£1,400,000	1.11%
HKD 25,657,070 (£2,640,000)	1.69%
SGD 4,864,800 (£2,785,000)	1.69%

As at 31 March 2016

Currency	Interest rate
£1,400,000	1.34%
HKD 23,618,070 (£2,100,000)	1.42%
SGD 3,096,900 (£1,600,000)	1.99%

All payables are due within three months.

Note 12: Called up share capital

	As at 31 March 2017 £000	As at 31 March 2016 £000
Authorised:		
66,000,000 (31.03.16 - 66,000,000) Ordinary shares of 50p each - equity	33,000	33,000
Allotted, called up and fully paid:		
36,124,496 (31.03.16 - 36,644,179) Ordinary shares of 50p each - equity	18,062	18,322
Treasury shares:		
3,381,376 (2016 - 2,861,693) Ordinary shares of 50p each - equity	1,691	1,431
Total	19,753	19,753

The company bought back 519,683 shares of 50p each during the year to 31 March 2017 (31.03.16: 1,380,908) at a cost of £1,433,000 (31.03.16: £3,725,000) to be held in treasury.

The company has an authorised share capital of 66,000,000 ordinary shares of 50p each, which rank equally. Shareholders are entitled to dividends, which are paid bi-annually, and to attend and vote at all general meetings of the company. On a winding-up, and after satisfying all liabilities of the company, shareholders will be entitled to all the remaining assets of the company.

Note 13: Analysis of net debt

	As at 1 April 2016 £000	Cash flows £000	Exchange movements £000	As at 31 March 2017 £000
Analysis of net debt				
Cash at bank	1,479	2,749	(653)	3,575
Revolving bank loan	(5,119)	(1,923)	217	(6,825)
	(3,640)	826	(436)	(3,250)

For interest rate risk and currency risk analyses refer to note 14.

Note 14: Financial instruments

The company's financial instruments comprise securities and other investments, cash balances, loans and receivables and payables that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and receivables 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. No derivative transactions were undertaken during the year. As at the year end, the company held no derivatives (31.03.16: None held).

The main risks the company faces from its financial instruments are (a) market price risk (comprising of (i) interest rate risk, (ii) currency risk and (iii) other price risk), (b) liquidity risk and (c) 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 receivables and payables, other than for currency disclosures, as they are deemed immaterial.

(a) Market price risk

The fair value of 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.

(i) Market risk arising from interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits/payable on short term borrowings.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the statement of financial position date was as follows:

As at 31 March 2017	Interest rate %	Local currency '000	Foreign exchange rate	Sterling equivalent £000
Assets				
Sterling	0.01	3,536	1.000	3,536
Malaysian Ringgit	n/a	215	5.534	39
Total				3,575
Liabilities				
Loan – GBP Sterling	1.11	1,400	1.000	1,400
Loan – Hong Kong Dollar	1.69	25,657	9.718	2,640
Loan – Singapore Dollar	1.69	4,865	1.747	2,785
Total				6,825

As at 31 March 2016	Interest rate %	Local currency '000	Foreign exchange rate	Sterling equivalent £000
Assets				
Sterling	0.25	1,475	1.000	1,475
Taiwanese Dollar	n/a	192	46.258	4
Total				1,479
Liabilities				
Loan – GBP Sterling	1.34	1,400	1.000	1,400
Loan – Hong Kong Dollar	1.99	23,618	11.148	2,119
Loan – Singapore Dollar	1.42	3,097	1.935	1,600
Total				5,119

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the reporting 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 25 basis points (31.03.16: 100 basis points) higher or lower and all other variables were held constant, the company's profit for the year to 31 March 2017 would increase/decrease by £9,000 (31.03.16: increase/decrease by £15,000). This is mainly attributable to the company's exposure to interest rates on its floating rate cash balances.

As at 31 March 2017 an interest rate of 0.25% is used, given the prevailing Bank of England base rate is 0.25%. This level is considered possible based on observations of market conditions and historic trends.

(ii) Market risk arising from foreign currency risk

The company's investment portfolio is invested mainly in foreign securities and the Statement of Financial Position 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 Statement of Comprehensive Income is subject to currency fluctuation arising on overseas income.

Foreign currency risk profile

Foreign currency risk exposure by currency of denomination:

	Year ended 31 March 2017			Year ended 31 March 2016		
	Investment exposure £000	Net monetary exposure £000	Total currency exposure £000	Investment exposure £000	Net monetary exposure £000	Total currency exposure £000
Hong Kong Dollar	66,233	(2,644)	63,589	49,571	(2,122)	47,449
Indian Rupee	25,633	—	25,633	24,241	—	24,241
Indonesian Rupiah	2,595	—	2,595	—	—	—
Korean Won	14,773	143	14,916	8,038	88	8,126
Malaysian Ringgit	5,731	40	5,771	7,233	—	7,233
Singaporean Dollar	18,857	(2,787)	16,070	15,393	(1,605)	13,788
Taiwanese Dollar	8,948	—	8,948	8,511	4	8,515
Thai Baht	5,435	—	5,435	4,287	—	4,287
US Dollar	9,332	354	9,686	6,328	299	6,627
Total	157,537	(4,894)	152,643	123,602	(3,336)	120,266

The asset allocation between specific markets will vary from time to time based on cumulative invested positions of the portfolio of equity holdings listed in special stock markets.

Foreign currency sensitivity

The following table details the company's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies and the resultant impact that any such increase or decrease would have on net return before tax and equity shareholders' funds. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	31 March 2017 £000	31 March 2016 £000
Malaysian Ringgit	4	—
Total	4	—

(iii) Market risk arising from 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. Both the allocation of assets to international markets as detailed on page 9, and the stock selection process 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 reporting date had been 15% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders at the year to 31 March 2017 would have increased/decreased by £23,631,000 (31.03.16: increase/decrease of £18,540,000) and capital reserves would have increased/decreased by the same amount. The calculations are based on the portfolio valuations, as at the respective reporting dates, and are not representative of the year as a whole.

(b) Liquidity risk

This is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. All payables are due within three months.

Liquidity risk is not considered to be significant as the company's assets mainly comprise readily realisable securities, which can be sold to meet funding commitments if necessary.

(c) 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 ratings are reviewed periodically by the portfolio manager. Limits are set on the exposure to any one broker. The risk to the company of default is therefore minimised.
- Most transactions are made delivery versus payment on recognised exchanges.
- Cash is held only with reputable banks.

None of the company's financial assets are secured by collateral or other credit enhancements.

The maximum credit risk exposure as at 31 March 2017 was £4,084,000 (31.03.16: £1,906,000). This was due to debtors and cash as per notes 9 and 10.

Fair values of financial assets and financial liabilities

All financial assets and liabilities are recognised in the financial statements at fair value, with the exception of short-term assets and liabilities, which are held at nominal value that approximates to fair value, and loans that are initially recognised at the fair value of the consideration received, less directly attributable costs, and subsequently recognised at amortised cost.

Note 15:
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; and
- to maximise the revenue and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The company's capital as at 31 March 2017 comprised:

	31 March 2017 £000	31 March 2016 £000
Equity share capital	19,753	19,753
Retained earnings and other reserves	134,510	100,005
Total	154,263	119,758

The board, with the assistance of the investment manager and the AIFM, monitors and reviews the broad structure of the company's capital on an ongoing basis. These reviews include:

- the planned level of gearing, which takes account of the manager's views on the market;
- the need to buy back equity shares for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The company had 102% net gearing at the year end (31.03.16: 103%).

Note 16:
Fair value hierarchy

The company has early adopted the amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' where 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:The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The financial assets measured at fair value through profit and loss in the financial statements are grouped into the fair value hierarchy as follows:

	As at 31 March 2017			
	Level 1 £000	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets at fair value through profit or loss				
Quoted equities	**157,537**	—	—	**157,537**
Net fair value	**157,537**	—	—	**157,537**

	As at 31 March 2016			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	123,602	—	—	123,602
Net fair value	123,602	—	—	123,602

Note 17:
Alternative Investment Fund Managers ('AIFM') Directive

In accordance with the AIFM Directive, information in relation to the company's leverage and the remuneration of the company's AIFM, Martin Currie Fund Management ('MCFM'), is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy is available from MCFM on request (see contact details on the back cover).

The company's maximum and actual leverage levels at 31 March 2017 are shown below:

Leverage Exposure	Gross method	Commitment method
Maximum permitted limit	275%	175%
Actual	102%	105%

The leverage limits are set by the AIFM and approved by the board and are in line with the maximum leverage levels permitted in the company's articles of association. The AIFM is also required to comply with the gearing parameters set by the board in relation to borrowings.

Note 18:
Related party transactions

With the exception of management fees, directors' fees (disclosed on page 26), director's shareholdings (disclosed on page 25) and secretarial fees (disclosed on page 15), there were no related party transactions to report throughout the financial year.

Corporate Information

Directors and Advisers

Directors

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

AIFM

Martin Currie Fund Management Limited
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES

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.

Registered office

Martin Currie Asia Unconstrained Trust plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
Registered in Scotland, registered number SC092391

Independent auditor

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Brokers

Peel Hunt LLP
Moor House
120 London Wall
EC2Y 5ET

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone 0871 664 0300
www.capitaassetservices.com

Bankers

The Royal Bank of Scotland plc
24-25 St Andrew Square
Edinburgh
EH2 1AF

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

Depositary

State Street Bank Trustees Limited
525 Ferry Road
Edinburgh EH5 2AW

Custodians

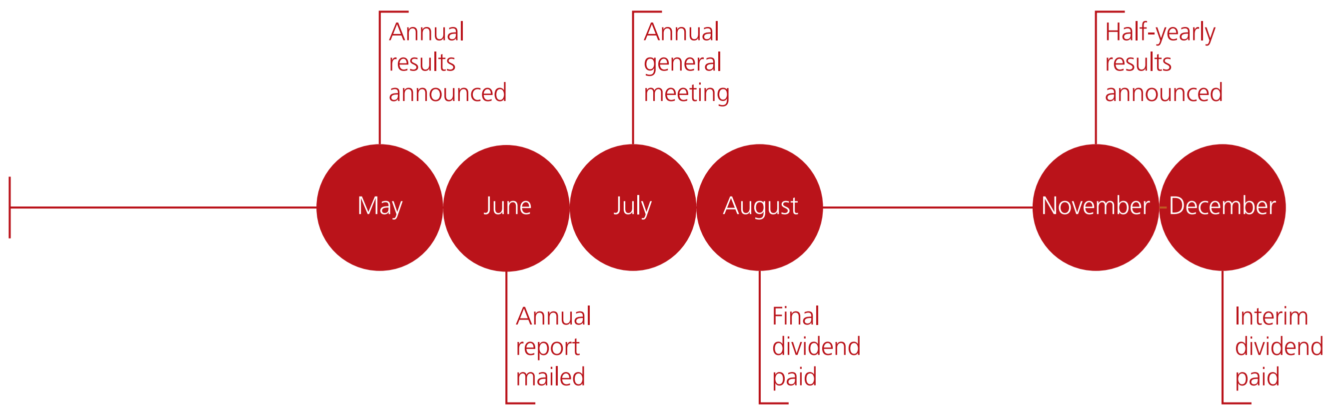
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

Association of Investment Companies

9th Floor
24 Chiswell Street
London EC1Y 4YY
Telephone 020 7282 5555
www.theaic.co.uk

Martin Currie Asia Unconstrained Trust is a member of the AIC (the trade body of the investment company industry).

Financial calendar – key dates 2017



AIFM Directive

The Alternative Investment Fund Managers Directive ('AIFMD') is a European Union ('EU') directive governing the regulation of alternative investment fund managers ('AIFMs') operating in the EU. AIFMs are responsible for managing investment products that fall within the category of alternative investment funds and investment trusts, including the company, are included in this.

Assets

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

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.

Compounding

The ability of an asset to generate earnings, which are then reinvested in order to generate their own earnings.

Corporate governance

Corporate governance is the system by which companies are directed and controlled. At a minimum governance systems include a board of directors and external auditor. The concept encompasses a variety of issues, including disclosure of information to shareholders and board members, remuneration of senior executives, potential conflicts of interest among managers and directors, supervisory structures and treatment of shareholders.

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. Not all investment companies pay dividends. Dividend income is not guaranteed and may fall as well as rise.

Dividend yield

The annual dividends expressed as a percentage of the current share price.

Ex and cum dividend

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

Shares are being traded all the time on stock markets, 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 are still entitled to the most recently declared dividend, this is known as the shares being cum dividend.

Forensic accounting

Forensic accounting is a detailed analysis of financial statements to determine the quality of a company's earnings and the true health of its balance sheet.

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. However, if the investment portfolio does not perform well, gearing can increase losses. The more an investment company gears, the higher the risk.

Investment trust

An investment company which is based in the UK and which meets certain tax conditions so that it does not pay capital gains tax on capital gains made within the portfolio.

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.

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

The 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 net asset value ('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.

Offer price

The price at which you can buy shares when two prices are quoted. This is also shown as the 'buy' price and will be the higher of the two prices.

Premium

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

Share buy backs

Describes an investment company buying its own shares and reducing the number of shares in issue.

Share buy backs can be used to return money to shareholders, but are also often used to manage the company's discount. Discounts may reflect an imbalance between the demand for shares and the number of shares in existence. The objective is that, by intervening to buy shares in the market, the buy back will help to prevent the discount widening or even reduce it.

Share price

The price of a share as determined by the stock market.

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 has repurchased 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.

Treasury shares are not eligible to receive dividends.

Unconstrained

Unconstrained strategies are not measured or built with any reference to traditional market indices.

Ten year record

As at year end*	Revenue return per share	Dividend per share	Net asset value per share	Share price	(Discount)/ premium %	Investments £000	Net assets £000
2008	3.13p	3.10p	300.8p	271.3p	(9.8)	153,339	130,804
2009	3.29p	3.30p	209.3p	169.5p	(19.0)	90,022	89,486
2010	4.29p	3.70p	291.1p	236.5p	(18.8)	122,341	124,428
2011	3.87p	4.50p	320.7p	274.3p	(14.5)	136,635	136,815
2012	4.18p	5.50p	330.0p	276.5p	(16.2)	136,619	140,040
2013	5.59p	6.50p	359.4p	298.5p	(17.0)	149,993	151,999
2014	8.31p	7.50p	313.4p	263.8p	(15.8)	135,617	132,421
2015	4.82p	7.50p	361.2p	320.8p	(11.2)	129,094	137,340
2016	6.68p	7.75p	326.8p	280.0p	(14.3)	123,602	119,758
2017	8.10p	16.28p**	427.0p	364.5p	(14.6)	157,537	154,263

*As at 28/29 February until 2013 and 31 March thereafter. **8.43p paid from capital and 7.85p from revenue.

However you choose 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 recommendations 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 stockbroker visit the Wealth Management Association: www.thewma.co.uk.

Alliance Trust Savings ('ATS')

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

UK residents can invest in Martin Currie Asia Unconstrained Trust shares in the following ATS products:

- Select SIPP
- Select Stocks & Shares ISA
- Child SIPP
- First Steps account
- Investment Dealing Account
- Junior ISA

For more information:
www.alliancetrustsavings.co.uk

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
- Hargreaves Lansdown www.hl.co.uk
- HSDL www.halifax.co.uk/sharedealing
- idealing www.idealing.com
- Jarvis Investment Management www.jarvisim.co.uk
- Selftrade www.selftrade.co.uk
- Sharecentre www.share.com
- Stocktrade www.stocktrade.co.uk
- TD Waterhouse www.tddirectinvesting.co.uk
- Trustnet www.trustnet.com

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 12p per minute plus network extras, lines are open 9:00am-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)

TIDM code: MCP	Sedol: 0569512
Reuters code: MCP.L	ISIN: GB0005695126

Shareholder services

The registrars of the company are Capita Asset Services ('Capita'). You can buy and sell shares directly by calling the Capita Dealing team on 0371 664 0445.

For other services you can contact Capita by telephone or online:

Contact details	www.capitaassetservices.com	0871 664 0300*
Opening times	24 hour	9:00am – 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	✓	✓

*calls cost 12p per minute plus network extras.

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:

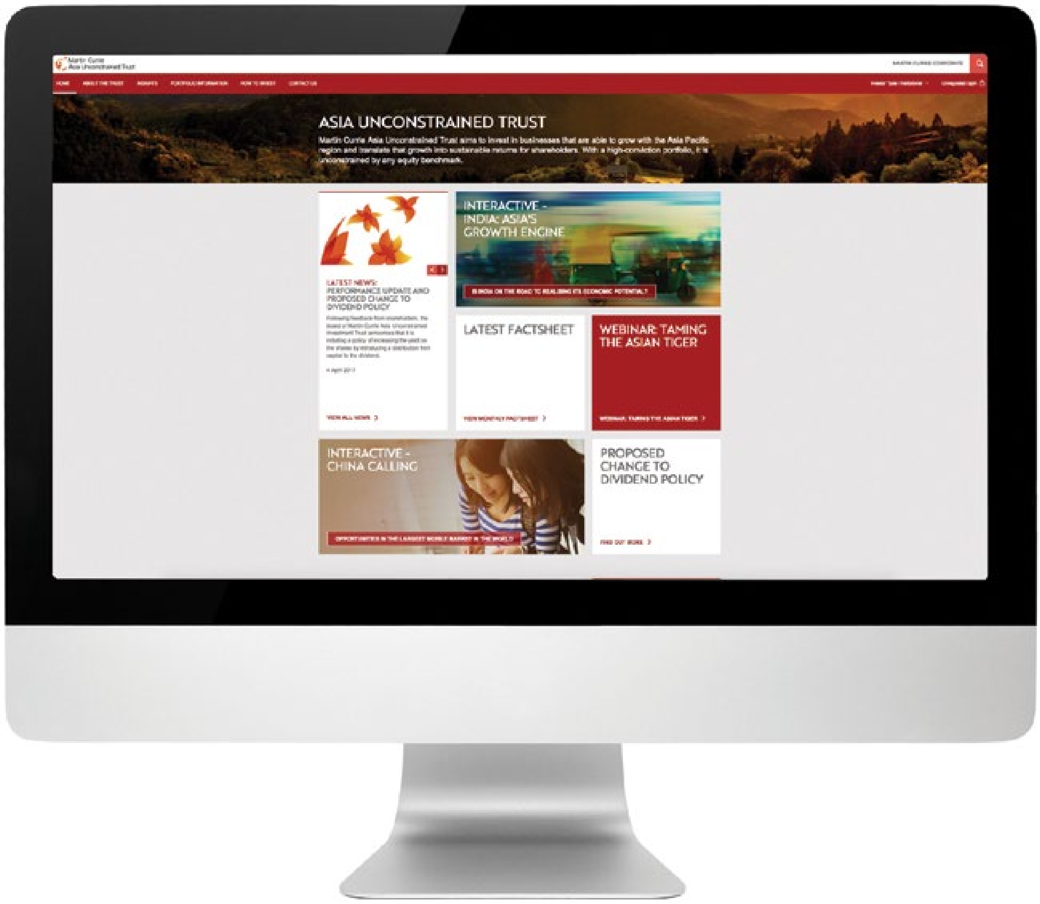
Online www.martincurrieasia.com
www.londonstockexchange.com

www.martincurrieasia.com

Martin Currie Asia Unconstrained Trust has its own dedicated website at www.martincurrieasia.com.

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

- latest prices
- manager videos
- performance data
- portfolio information
- latest monthly update
- research
- press releases and articles
- annual and half yearly reports



This part of the report has been approved by Martin Currie Investment Management Limited ('MCIM'), the investment manager of Martin Currie Asia Unconstrained Trust. MCIM is authorised and regulated by the Financial Conduct Authority. The value of shares and the income from them may go down as well as up as a result of market and currency movements. Investors may not get back the amount invested. MCIM is not authorised to give advice and generally provides information on its own services and products. This information is provided for information only and is not an invitation to acquire Martin Currie Asia Unconstrained Trust shares nor is this a personal recommendation to use any source described above. Calls may be recorded.

Martin Currie
Asia Unconstrained Trust

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Email: enquiries@martincurrie.com

www.martincurrieasia.com

Calls to the above may be recorded.

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