MARTIN CURRIE
A Legg Mason Company

MARTIN CURRIE ASIA UNCONSTRAINED TRUST PLC

Half-yearly financial report – six months to 30 September 2018

Registered in Scotland, no SC092391

FINANCIAL HIGHLIGHTS

Key data

	As at 30 September 2018	As at 31 March 2018	% change
Net asset value per share (cum income)	**431.8p**	437.8p	(1.4)
Net asset value per share (ex income)	**424.9p**	431.9p	(1.6)
Share price	**372.0p**	384.0p	(3.1)
Discount*	**13.9%**	12.3%	

Total returns**

	Six months ended 30 September 2018	Six months ended 30 September 2017
Net asset value per share (cum income)	**1.8%**	3.6%
Share price	**0.3%**	6.8%

Income

	Six months ended 30 September 2018	Six months ended 30 September 2017	% change
Revenue return per share	6.98p	7.06p	(1.1)
Dividend per share	2.70p	2.70p	–

Ongoing charges***

	Six months ended 30 September 2018	Six months ended 30 September 2017
Ongoing charges	**1.1%**	1.0%

Source: Martin Currie Investment Management Limited (MCIM).

*Figures are inclusive of income in line with the Association of Investment Companies ('AIC') guidance. For details of all Alternative performance measures refer to pages 23 and 24.

**The combined effect of the rise or fall in the net asset value or share price, including dividends paid.

***Ongoing charges are calculated as a percentage of shareholders' funds using average net assets over the period and calculated in line with the 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 manages the Company's investments. He has 30 years' investment experience, joined Martin Currie in 2010 and leads an eight strong team of Asian investment specialists based in Edinburgh and Singapore.

Cost effective

The management fee is tiered and charged at 0.75% per annum on net assets and at 0.6% per annum on assets above £150 million.

The Company offers cost effective access to a portfolio of deeply researched quality companies that have been chosen to capture Asian growth.

Income

The historic dividend yield as at 30 September 2018 was 4.49%, calculated using dividends paid during the past 12 months and the period end share price.

Independent board

The Company is overseen by an experienced, independent Board of directors.

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Chairman's statement

Performance

The six-month period to 30 September 2018, saw the net asset value ('NAV') and share price rise marginally by 1.81% and 0.34% respectively, as measured by total return to shareholders including the payment of last year's final dividend of 14p per share during the period. The mandate is unconstrained by any benchmark index, but for reference the MSCI Asia ex Japan Index, expressed in sterling, returned only 0.39% for the six-month period reflecting the global challenges facing Asian regional markets this year.

The Asia Long-Term Unconstrained ('ALTU') strategy was implemented on 1 August 2014 and the cumulative total share price return to shareholders over the period to 30 September 2018 has achieved a 51.6% return against growth in Asian nominal GDP of 52.05%, as calculated in sterling. Over the 12 months to 30 September 2018, the NAV total return has been 4.44% while the share price has risen by 3.15% compared with a 6.85% increase in sterling- based Asian nominal GDP. The investment objective is to deliver returns to shareholders commensurate with Asian nominal GDP. Asia has a history of volatile markets and GDP is a more reliable indicator of investment returns.

Markets have been particularly skittish over the last 12 months. Asian markets peaked at the end of January 2018 and have been under pressure from many factors since then. The most important of these is deteriorating global liquidity. We have experienced an unprecedented period of monetary expansion since the Global Financial Crisis and as this stimulus has taken hold in the United States, supplemented by the expansionary policies and tax cuts of the Trump administration, the Federal Reserve has acted to withdraw monetary accommodation by raising interest rates and cutting back its balance sheet, in turn reducing US dollar liquidity to the markets. The outlook for global trade has been dominated again by President Trump's agenda to put "America first" and by imposing tariffs on imports to the United States, he is attacking not only China, but also the roots of global supply chains. This is disruptive to the structural benefits of globalisation at a time when corporates are also having to confront the effect of higher oil prices. Equally, geo-political uncertainties remain at the forefront of investors' concerns with US sanctions against Russia and Iran as well as Middle Eastern instability. Against this, a potential rapprochement with North Korea is a more positive development for Asia. Prospects for Asian corporate earnings have been revised downwards, but the correction in Asian stock markets has mainly been driven by sentiment rather than a fundamental reassessment of secular growth. Index heavyweights, particularly the Chinese internet stocks including Tencent, where we have a large, but now reduced, holding, have been volatile during the period, not only on the back of regulatory intervention but also because of the effect of index-tracking fund flows. Short-term volatility adversely affects performance numbers and, in cases where the investment managers have long-term conviction, wild swings are particularly frustrating in a concentrated portfolio. However, gyrations in prices do, as our portfolio manager states, provide exceptional entry levels for investment.

Revenue and dividends

Although the revenue account has declined by 1.1% compared to the same period in the previous year, recording EPS of 6.98p (7.06p); an interim dividend of 2.70p, unchanged from the previous year, will be paid on 21 December 2018 to shareholders on the register as at 30 November 2018.

Appointment of co-investment manager

I am pleased to report that Damian Taylor becomes Co-Manager of the Company with Andrew Graham with effect from 1 December 2018. Damian joined Martin Currie's Asia investment team in 2013 and has 18 years of investment experience not only as an active equity investor but also with a background in private equity and investment banking. The Board believes that Damian's appointment will be complementary to Andrew Graham's role and will strengthen the efforts of the investment manager in executing our mandate.

Regulation

The Company is fully compliant with the General Data Protection Regulations ('GDPR') and a GDPR policy has been published on our website. Other documentation, including the Key Information Document ('KID'), designed as a risk warning, which investors have to confirm reading before buying shares, is also available on the website. The Board would remind shareholders and investors that the methodology used to forecast future returns has been prescribed by the FCA and not chosen by the Board or our investment managers. I would draw your attention to the Association of Investment Companies ('AIC') paper on KIDS "Burn before reading" which will hopefully lead the FCA to withdraw the document in its present form.

I am not confident our withdrawal from the EU will result in any positive "bonfire of regulation". The investment trust industry and Boards, including this one, will therefore continue to ensure compliance while endeavouring to control costs.

Outlook

Since the end of September, there have been sharp falls in global markets, especially in Asia and emerging markets, on fears of slowing global growth and in particular, speculation of pronounced weakening in China's domestic economy. In response, the Chinese have reduced banking reserve requirements and they have the arsenal to implement domestic stimulus programmes, if they so wish. A weakening Renminbi may partially offset the cost of tariffs to American consumers. However, exports now represent only a fifth of China's GDP and growth in inter-regional trade is a sustainable trend. India has always been driven by the domestic economy and South Korea is heading that way, a far cry from the export model of 30 years ago. These "power houses" should continue to reap the benefits of the rise of aspiring middle-class consumption on the back of steadily increasing per capita income growth. Hopefully, this will translate into positive returns to shareholders and it is down to our portfolio managers to pick the right stocks.

Discount Management

The Board is well aware that the market rating of our shares to NAV reflects investment performance and investor sentiment towards Asia. Over the first half of the financial year, the discount has widened from 12.3% as at 31 March 2018 to 13.9% as at 30 September 2018. Although the Board has no hard discount management policy, we do have the authority to buy back shares to be held in Treasury.

I have said in previous reports that we are reluctant to engage in buying back shares except in disorderly markets. Subsequent to the reporting period, we have bought back 64,000 shares; the first time we have used this authority since June 2016.

Keeping in touch

Please visit our website at **martincurrieasia.com** which gives you all statutory announcements, performance information, interactive feature articles on Asian markets and the monthly factsheet. You can also register for the monthly email bulletin that will keep you abreast of the latest information relating to your Company.

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

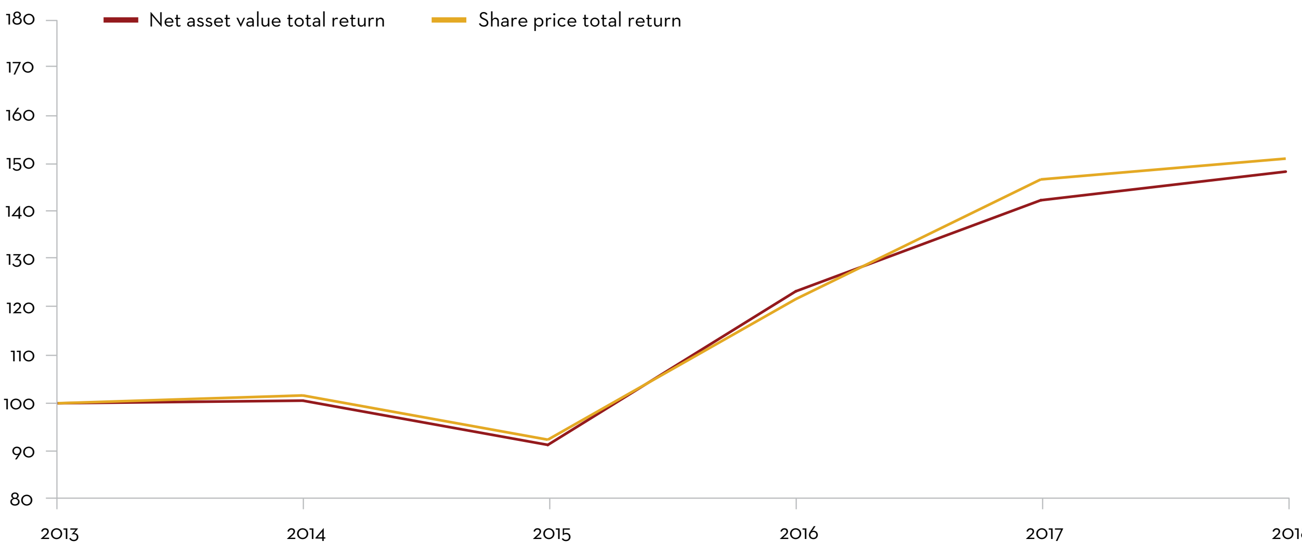
Harry Wells

Chairman,
Martin Currie Asia Unconstrained Trust plc

19 November 2018

Long-term performance

NAV and share price performance (% change over five years to 30 September 2018)



Source: Martin Currie Investment Management. Share price is on a mid price basis with dividends re-invested. Net asset value is inclusive of income with dividends re-invested.

Manager's review

Asian markets have made little headway over this interim review period as a combination of factors reined in investor sentiment, challenging the optimism on earnings growth that prevailed only six months ago.

US-Sino trade relations continued to worsen. The US side upped the tempo with a 10% tariff on US$200 billion of Chinese exports imposed from 24th September, with the rate on those goods set to rise to 25% from 2019. China responded with plans for retaliatory tariffs on US$60 billion of US products. Given that net exports have diminished in importance, in terms of their contribution to real GDP growth over the past several years, these tariffs alone are insufficient to derail China's economy even although they are clearly a negative. In recent months, economists have been trying to forecast exactly how negative this could be, with estimates tending to fall in the range of a 0.4-0.6 percentage point reduction in real GDP growth on an annualised basis. Given that real GDP growth is expected to be around 6% p.a. over the next two years, this would imply less than 10% reduction in economic growth. While this is not welcome, it is hardly disastrous. In mitigation, China has eased domestic policy although the emphasis of domestic economic policy until now has been to focus on the government's de-leveraging agenda. However, into mounting evidence of a slowdown, we should expect macro policies to become more pro-growth.

Several Asian currencies have continued to weaken versus the dollar, most notably those with twin fiscal and current account deficits - Indonesia and India, as well as the Philippines, where macro stability challenges have emerged with inflation running above the central bank's target range, while the current account has slipped into deficit largely as a result of high credit growth. Central banks have been forced to respond with higher interest rates and, in some cases, use of foreign exchange reserves. Bank Indonesia has undertaken a series of interest rate hikes from 4.25% earlier in the summer to 6.0% currently, while Bangko Sentral in the Philippines has raised its policy rate by 1.5% so far this year to 4.5%, with additional increases expected. Currency weakness has also exacerbated the impact of the sharp increase in the US Dollar price of oil for these economies.

Nevertheless, headline inflation rates remained largely benign across the region, apart from in India and the Philippines. The Indian Consumer Price Index ('CPI') eased off in August, but it had previously been tracking above the Reserve Bank of India ('RBI') medium-term target of 4%. Companies report that rising raw material, fuel and labour costs are impacting business, particularly in the auto parts and mining sectors. Signs of a pick-up in the rural economy, fuelled largely by the increases in Minimum Support Prices for summer crops, could also lead to more upward pressure on CPI. India 's 10-year bond yield rose to above 8% in September and with a depreciating rupee, there could be further interest rate hikes ahead.

In India, bank lending growth has been in the low double-digits, with mid-to-high teens growth in consumer, residential mortgages and the service sector. However, industrial lending has languished, reflecting macro data during the quarter, which continued to signal the lack of any pick-up in activity in the industrial sector. Meanwhile, the RBI has aggressively pursued the 'PCA' (prompt corrective action) plan which places various restrictions, including on capital distributions, at some of the weaker public-sector banks. More recently a large, highly indebted non-bank finance company Infrastructure Leasing & Financial Services Ltd defaulted on some debt obligations. With outstanding debts of INR910 billion (approx. US$12.5 billion), this is a sizeable event which disturbed the normal functioning of the Indian funding and commercial paper markets, requiring an intervention by the central bank to stabilise the situation, while involved parties work on restructuring. This episode served as a reminder that India's financial system has not cleared out all of its problem credits and the hangover from the lax credit underwriting standards of the previous cycle remains with us.

This interim period has seen some political events of historic significance. President Trump met North Korean Supreme Leader Kim Jong-un at an historic summit on 12 June in Singapore. This culminated in declarations of new friendship, and pledges around de-nuclearisation, but the next steps remain vague. Both nations remain deeply suspicious of each other and, befitting what appeared to be style over substance, the event left little lasting impression on equity markets. The South Korean government continues to work on its relationship with the North and it is to be hoped that this thaw in relations leads ultimately to more tangible results.

In Malaysia, for the first time in the country's 61-year history, a government has been elected which is not formed by the UMNO political party. The election result also marks a return to power of nonagenarian Dr Mahathir bin Mohamad. In the near term, this is being viewed as negative for infrastructure investment in the country with some large contracts already cancelled or delayed pending further review. The goods and services tax has been removed, while the investigation into the 1MDB scandal has been reopened and already there are announcements suggesting Malaysia's fiscal situation is worse than previously presented. Overall, there is a great deal of uncertainty and data shows that foreign investors withdrew a large amount of capital from Malaysia immediately after the election.

Underlining the point that politics and economics are inextricably intertwined in Asia, we have heard from several Indonesian companies that large-scale corporate investment is largely on hold in that country until after the presidential elections due in April 2019. Investors are hoping that President Joko Widodo's chances of being re-elected have been enhanced significantly with the nomination of Islamic scholar and politician Ma'ruf Amin as his vice-presidential candidate. He is a highly experienced running mate having served as an advisor to the previous government on the Presidential Advisory Council from 2007 to 2014 and should help the current President bridge a perceived divide with the more conservative elements of the Muslim population (he is also supreme leader of the country's largest Islamic organisation, Nahdlatul Ulama).

Performance

The Company's NAV return was +1.8% for the reporting period, with positive returns from investments in China, Hong Kong, Taiwan, Singapore and Thailand more than offsetting negative returns from Indonesian, Indian and Malaysian investments. From a sector perspective, negative returns were largely from your Company's investments in the consumer discretionary sector. Investments in the technology sector overall made a positive contribution, however the strongest sectoral contributions came from investments in the financial, utilities, telecoms and consumer staples sectors.

At the stock level, good performance came through from Indian IT service companies Tata Consultancy Services and Infosys, as well as from pan-Asia life insurer AIA, leading Asian water utility company Guangdong Investment and China's largest mobile telecom operator, China Mobile. We saw negative contributions from Vakrangee in India as well as Indian vehicle manufacturers, Hero Motocorp (motor cycles) and Maruti Suzuki (automobiles) and in Indonesia from PT Matahari Department Store.

Performance Contributors

Tata Consultancy Services (TCS) and Infosys. Recent results for both companies confirmed healthy revenue growth momentum and strong profit margins. Positive management commentaries report improved end-user demand in key market segments such as the US financial services sector where demand has been backed up by new business wins. These firms are enjoying very strong growth (30%+ year-on-year) rates for their products and services geared toward assisting customers with digital transformations. In their most recent results"digital" now comprises 28% and 31% of revenues for TCS and Infosys respectively and we expect "digital" growth to expand significantly over the next few years. These are highly cash generative companies and improved business performance has been accompanied by an increase in the amount of cash returned to shareholders. The shares of both companies have benefitted from the weak Indian rupee as they both enjoy large dollar revenue flows but have a greater proportion of their costs in rupees.

AIA Group. Release of first half results confirmed that this large insurance company continues to perform well operationally. The value of new business* grew 17% year-on-year ('yoy') at constant exchange rates thanks to expanded new business margins and positive volume growth with good increases being achieved across all key markets. Operating profits after tax grew 14% yoy and return on equity improved to 14.2%. Management raised the interim dividend by 14%, underlining the company's commitment to a progressive dividend policy. The firm enjoys a very strong capital position, which was further bolstered during the interim period and remains well above regulatory required levels. This is reflected in strong credit ratings that AIA receives from the major ratings agencies, with a financial strength rating from Moody's of Aa2 (Very Low Credit Risk) and a AA (Very Strong) rating from Fitch.

Guangdong Investment (GDI). The defensive characteristics of GDI's water utility business, the principal contributor to business profits, became better appreciated by the market. Results for the first half of the year demonstrate the resilience of the business, with GDI delivering 9% operating profit growth and a 10% increase in the dividend. While we expect low growth in revenues from the Hong Kong water supply contract, the mainland China water business, although much smaller, is delivering good growth which enabled the overall water business to produce 4% operating profit growth as a whole. The company's property business saw better growth with 11% operating profit growth thanks to a pick-up in occupancy and rent increases at a key office block, Teem Tower, located in a prime area of Guangzhou. Toll road operations also saw operating profit rise by 29% due to strong traffic growth on the Xingliu Expressway in Guangdong.

China Mobile. Against a backdrop of negative earnings estimate revisions for the broader market, a solid, if unexciting set of interim results from China Mobile has endorsed its defensive qualities. Operating profit growth was +3% and net profit was +4.8%, however China Mobile also increased its dividend pay-out ratio by 200 basis points to 48% and the dividend by 12.5% yoy. The company's mobile service growth is muted despite strong data traffic revenues growing 15% yoy and now representing 56% of total mobile revenue but this was offset by declining revenue from voice and SMS services. However, strong growth is being generated in the provision of broadband internet services to households (revenue +26% yoy) and services to the corporate market (revenue +22%, driven by rapid growth of 'Internet of Things' or IoT smart connection to the firm's high quality narrow-band IoT network).

*This is a key metric followed by investors which measures the present value of after tax statutory profits resulting from new business (i.e. new policies) sold in the period after deducting the cost of holding the required capital in excess of regulatory reserves to support the business.

Performance Detractors

Vakrangee. We drew shareholders' attention to the disappointing turn of events at Vakrangee in some detail in our most recent annual report. In late April, the Indian financial inclusion services provider revealed that its auditor, PwC, had tendered its resignation. In their letter of resignation, PwC cited inadequate detail and insufficient explanation on certain matters that prevented them from completing the audit to their satisfaction. The company announced the appointment of a replacement auditor a week later, but the stock was extremely weak on the back of this news. The company has gone on to produce full year results and an annual report; the results were reasonable from an operating perspective and crucially contained an unqualified audit opinion. However, the results contained a write-off of receivables in the company's legacy business. While this may partly alleviate some fears about the integrity of the financial statements, major audit firms do not resign lightly and this is doubly the case for a resignation mid-audit. It should also be noted that the Indian Ministry of Corporate Affairs has launched an investigation into the company, covering many of the matters that caused the original share price collapse earlier this year, specifically looking into historic accounts, tax assessments/reports and operational data points. This should result in a formal report that hopefully draws conclusions on these issues. Given the very poor performance of the shares over the review period, the stock now represents less than a 0.5% position in the portfolio. Consequently, any volatility resulting from the investigation or associated news flow is unlikely to have a material impact on overall portfolio performance unless there is a significant write back. We continue to engage with the company.

Tencent. The Chinese IT giant's second-quarter results were a little weaker than forecasts with a slowing of online game revenues and a weaker margin reflecting a change in the revenue mix as new businesses have grown. The slowdown in games reflects regulatory issues that are impacting the Chinese online game market in the short term. Firstly, there was a delay in the approval of the monetisation aspects of some games due to a reorganisation of the government body that oversees this aspect of the regulatory process. We consider this to be a timing issue rather than anything more structural. Tencent has a pipeline of games that should be released later this year as the oversight issues are resolved. The second change was with regards to playing time restrictions for minors in China to limit addiction risk. Tencent has been proactive in managing the access of younger players to its games and since the summer of 2017, has restricted their playing time. It has also introduced cutting edge identity verification linked to China's public security database, which is the first of its kind in the Chinese gaming industry, and has launched a 'game guardian platform', another first in China, for parents to monitor their children's game accounts and manage their on-line game behaviour. We believe these steps may reduce regulatory risk to future growth. However, this is a reminder that a company as influential as Tencent in the daily lives of Chinese citizens will always face regulatory issues. As the scale and reach of Tencent grows, so too will the regulatory oversight. The shares have been weak and valuations are now getting close to levels which reflect market concerns.

Hero Motocorp. While anecdotal evidence is pointing to a pick-up in rural demand for motorcycles in India, which favours Hero, concerns continue to linger about a competitor's discounting strategy and how it may lead to a price war. This has negatively affected the share price in the short term. We have detected little evidence of a price war but we continue to monitor the situation closely. Indeed, previous discounting strategies in the Indian motorcycle industry have generally proved to be unsuccessful in delivering market share gains for any sustained period. With the weakness of the Indian rupee, shares have also been weak on concerns that margins will be under pressure from higher raw material prices. As new insurance rules are coming into force that will raise the initial cost of purchase for motorcycles, the concern is that the company will absorb higher material costs rather than passing them on to customers. The shares have declined to what we believe are attractive levels.

Maruti Suzuki. In recent quarters, the company has delivered double-digit sales growth, with strong demand for key models. With a new assembly line coming on stream by January 2019, Maruti will have the capacity to support further sales expansion. The shares have been affected by the same concerns that have hurt Hero Motocorp, namely the impact of the weak rupee on margins and the possible impact of increased competition. Good internal cost control has offset higher raw material prices so far but the ability to maintain margins in a year of higher material costs and a weak currency could be more of a challenge. The company has a market share of 50%, a well-respected brand and an extensive sales and service network, which for any competitor will be difficult to copy. Nonetheless we do expect more competition – South Korea's Kia Motors is currently building a plant that will produce vehicles (compact sedans and SUVs) in 2019 in direct competition. In our view, the Indian market can absorb new entrants, some of whom may succeed given that current car penetration stands at roughly 15 cars per 1000 people. Historically, this has been an inflection point from where, for instance, in South Korea and China, vehicle demand has experienced high levels of growth for a prolonged period. As we believe that India can sustain a mid-to-high single digit rate of GDP growth, Maruti Suzuki looks well positioned to benefit from continued high demand for passenger vehicles.

PT Matahari Department Stores. Matahari is the leading Indonesian department-store operator, with a dominant position in the middle-income bracket and has a nationwide network of stores. Although the company believes there is ample scope for further expansion, it is currently undertaking some rationalisation of its network which may mean there is no overall expansion this year. Consumption spending has been at a low ebb in Indonesia for over 18 months and unfortunately rising interest rates have not been conducive to more robust retail spending. While there is evidence of improving store level performance with same store sales turning positive this year, this has not helped the stock as foreign investors have reduced exposure to Indonesia. Currently a less than 1.5% position in the portfolio, we intend to retain this investment. Not only is the valuation compelling but strong cash generation supports a 7% dividend yield and a recently announced share buyback programme for 7% of the outstanding shares.

Activity

Two new stocks were added to the portfolio during the review period, while one stock was sold.

Singapore Technologies Engineering ('STE'). STE is a new holding for the portfolio. It is a leading Asian technology, defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. After a 5-year period of virtually no growth, we now believe that the Aerospace, Electronics and Land Systems divisions are now in the early stages of what could be an extended growth cycle. Within the Aerospace division, STE has a very strong position in the aircraft maintenance and modification industry and is today the world's largest airframe maintenance, repair and overhaul (MRO) service provider. We believe the MRO business is entering a new growth phase driven by conversion of older passenger aircraft to freight carriers due to the large number of aircraft which should be due for extensive MRO over the next 2-3 years.

Minth Group. We have bought a position in this Chinese auto-parts producer which we intend to increase. The long-term business prospects are favourable as the company's products continue to be designed into a wider range of vehicle models for existing customers, while at the same time, new customers are being added. Recent concerns regarding the US/China trade war, coupled with weaker market conditions in some key geographic markets, most notably China, have depressed the share price, which has created a buying opportunity. We think this well-managed company has several years of great growth prospects ahead.

Singapore Telecommunications. We have sold the stock after a period of poor investment performance. The most recent set of results confirmed that earnings growth remains a challenge.

We have added to or trimmed some existing portfolio holdings. Having reduced the portfolio's exposure to Tencent substantially at the beginning of 2018, and subsequently further on valuation grounds, we have repurchased some shares recently following its significant price fall. We have continued to build up the TravelSky Technology holding from a low base and have added to HDFC Bank, Hero MotoCorp, Coway and Jardine Matheson. Our top-up of Vakrangee at the start of this period, now looks particularly ill-timed given subsequent events. We trimmed the portfolio's holdings in Johnson Electric where we have concerns about long term growth prospects and booked some gains by reducing the AIA and ENN Energy holdings.

Outlook

If we consider the main factors that have created positive sentiment towards equity markets over the past few years namely liquidity, earnings momentum, bond yields, and oil prices, these have all deteriorated this year. Quantitative easing ('QE') is being reversed, tapered or stalled depending on which major monetary authority you look at. While earnings growth is expected to be positive again this year, estimate revisions have moved sharply negative. In terms of bond yields, US 10-year treasury yields have pushed above 3% to hit levels last seen in the first half of 2011. At the time of writing oil prices are 45% higher than a year ago in US dollar terms. The burgeoning trade war grabs the headlines and may have serious longer term implications for global growth, but the greatest immediate concern is liquidity and how the unwinding QE plays out in asset markets.

In Asia, regulatory and monetary authorities now have a tightening bias, notwithstanding China's recent reductions in their banking sector reserve requirement ratios releasing funds back to the banking system. Apart from interest rate rises, we have seen tightening measures aimed at residential real estate markets not only in China but also in Thailand, Singapore and the Philippines through the introduction of additional buyer's stamp duty or cuts in allowable loan-to-value ratios on new mortgages.

Reflecting this generally tighter, more challenging environment, there has been a marked change in earnings expectations as analysts have cut forecasts to reflect the impact of currency weakness and other more growth-related factors. At the same time, the ratio of earnings upgrades compared with downgrades has dipped below its long-term average: an additional signal that confidence in the earnings outlook has eroded.

The stock market is in the throes of adjusting to the current environment. If there is good news, it is that valuations are at levels from which positive absolute returns can typically be generated, although in the absence of reasons to become more optimistic about earnings growth, we don't think current valuations are a sufficient catalyst in their own right. Market multiples are only slightly below long-term averages rather than at bargain-basement levels. Sentiment is obviously strained at present and as investors, we must not only be prepared to look through the volatility but must also be prepared to invest in good businesses when they become available to us at attractive prices in conditions of great uncertainty. While declines in share prices are uncomfortable, acquiring high return companies cheaply sows the seeds for future positive returns. Our mindset is firmly in the camp of looking for opportunities to buy. If portfolio valuations fall to a level that represent a bargain by historical standards, we have the flexibility to further exploit investment opportunities by deploying our tactical gearing facility.

In recent years, we have struggled to find stocks in the health care sector that are sufficiently attractively valued, given potential risks on drug pricing, distribution and regulation. After recent falls, health sector share prices are now at interesting levels and do not reflect the huge potential growth in Asia, which accounts for over half of the world's population, but less than 25% of its healthcare spending. Diseases synonymous with increasing affluence, for instance, diabetes and heart disease, are on the rise. Increased participation in private health insurance schemes and medical tourism are firmly established trends in the region, with large numbers of people travelling to medical centres of excellence in Singapore, Thailand and Malaysia. At the same time, digital technologies are being used to widen access to health care services more competitively than traditional models, while improving efficiency and reducing the cost of R&D.

The healthcare story is illustrative of situations where there is the potential for secular indigenous regional growth and where we can look through the current global uncertainty and stock market volatility to continue to find opportunities for significant returns.

Andrew Graham

19 November 2018

Risk and mitigation

The Company's business model is longstanding and tested to be resilient to most short term uncertainties. The risks are also mitigated by internal controls and the oversight of the Board and investment manager, as described in the latest annual report. 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 latest annual report. The Board has identified the following principal risks to the Company:

- Loss of investment trust status (s1158-9)
- Long term investment underperformance
- Gearing risk
- Market, financial and interest rate risk
- Outsourcing risk
- Counterparty risk
- Failure to manage shareholder relations
- Major external marketwide disruption
- Strategic planning: impacts on discount and liquidity
- Failure to meet Company dividend policy

Further details of these risks and how the Board manages them can be found in the 2018 annual report and on the Company's website www.martincurrieasia.com.

Directors' responsibility

In accordance with Chapter 4 of the Disclosure and Transparency Rules, and to the best of their knowledge, each director of the Company confirms that the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014. The directors are satisfied that the financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Company. Furthermore, each director certifies that the interim management report includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the financial statements, together with a description of the principal risks and uncertainties that the Company faces. In addition, each director of the Company confirms that with the exception of management fees, directors' fees, director's shareholdings and secretarial fees there have been no related party transactions during the first six months of the financial year.

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 and manager's review. The financial position of the Company as at 30 September 2018 is shown in the unaudited condensed statement of financial position on page 13. The unaudited condensed statement of cash flow of the Company is set out on page 15.

In accordance with the Financial Reporting Council's guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014 and C.1.3. of the 2016 UK Corporate Governance Code, the directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a short timescale. The directors are mindful of the principal risks disclosed above and have reviewed the revenue forecasts. They believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and for at least one year from the date of signing of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

By order of the Board

Harry Wells

Chairman

19 November 2018

Top ten holdings

	(Unaudited) 30 September 2018 Market value £000	(Unaudited) 30 September 2018 % of total portfolio	(Audited) 31 March 2018 Market value £000	(Audited) 31 March 2018 % of total portfolio
AIA Group	10,973	6.9	11,936	7.5
Tencent Holdings	10,481	6.5	11,838	7.5
Samsung Electronics	9,720	6.1	9,928	6.3
Infosys	8,400	5.2	6,770	4.3
Tata Consultancy Services	8,234	5.1	7,076	4.5
Guangdong Investment	7,993	5.0	6,586	4.2
HSBC Holdings	7,854	4.9	7,784	4.9
Taiwan Semiconductor Manufacturing Company	7,761	4.8	7,036	4.4
United Overseas Bank	7,455	4.7	7,347	4.6
China Mobile	6,721	4.2	5,809	3.7
Total	85,592	53.4	82,110	51.9

Portfolio distribution as at 30 September 2018 (%)

	China & Hong Kong	India	South Korea	Singapore	Taiwan	Malaysia	Thailand	Indonesia	Total
Technology	8.8	10.6	–	–	4.8	–	–	–	24.2
Financials	11.8	3.8	–	4.7	–	–	3.3	–	23.6
Consumer goods	3.0	6.0	13.1	–	–	–	–	–	22.1
Consumer services	4.7	–	–	–	–	3.5	–	1.3	9.5
Utilities	8.2	–	–	–	–	–	–	–	8.2
Industrials	0.7	–	–	7.5	–	–	–	–	8.2
Telecommunications	4.2	–	–	–	–	–	–	–	4.2
Total portfolio	41.4	20.4	13.1	12.2	4.8	3.5	3.3	1.3	100.0
Total portfolio (31.03.18)	42.7	21.9	12.1	10.2	4.4	3.6	3.1	2.0	100.0

Stock selection is determined by company analysis and portfolio construction is not determined by geographical asset allocation.

By asset class (%)

	(Unaudited) 30 September 2018 %	(Audited) 31 March 2018 %
Equities	102.5	100.5
Options	–	(0.1)
Cash	0.7	2.6
Borrowings	(3.2)	(3.0)
	100.0	100.0

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited) Six months to 30 September 2018			(Unaudited) Six months to 30 September 2017			(Audited) Year ended 31 March 2018		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Dividend income	2	3,217	–	3,217	3,218	–	3,218	4,305	–	4,305
Net gains on investments	4	–	1,089	1,089	–	3,358	3,358	–	7,207	7,207
Net currency (losses)/gains		26	(253)	(227)	(10)	276	266	(15)	364	349
		3,243	836	4,079	3,208	3,634	6,842	4,290	7,571	11,861
Investment management fee		(197)	(394)	(591)	(196)	(392)	(588)	(395)	(790)	(1,185)
Other expenses		(331)	–	(331)	(279)	–	(279)	(557)	–	(557)
Net return on ordinary activities before finance costs and taxation		2,715	442	3,157	2,733	3,242	5,975	3,338	6,781	10,119
Interest payable and similar charges		(28)	(57)	(85)	(18)	(36)	(54)	(40)	(76)	(116)
Net return on ordinary activities before taxation		2,687	385	3,072	2,715	3,206	5,921	3,298	6,705	10,003
Taxation on ordinary activities	3	(166)	(5)	(171)	(166)	–	(166)	(198)	–	(198)
Net return attributable to shareholders		2,521	380	2,901	2,549	3,206	5,755	3,100	6,705	9,805
Net return per ordinary share	8	6.98p	1.05p	8.03p	7.06p	8.87p	15.93p	8.58p	18.56p	27.14p

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 (AIC) 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 six months to 30 September 2018.

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 16 to 21 form part of these condensed financial statements.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at 30 September 2018		(Unaudited) As at 30 September 2017		(Audited) As at 31 March 2018	
	Note	£000	£000	£000	£000	£000	£000
Fixed assets							
Investments at fair value through profit or loss	4		**160,118**		157,072		158,466
Current assets							
Receivables	5	**255**		161		1,083	
Cash at bank	6	**1,124**		3,333		4,053	
		1,379		3,494		5,136	
Current liabilities							
Derivative investments at fair value through profit or loss		**–**		–		(232)	
Payables	7	**(5,502)**		(5,490)		(5,219)	
Net current liabilities			**(4,123)**		(1,996)		(315)
Total assets less current liabilities			**155,995**		155,076		158,151
Share capital and reserves							
Called-up share capital	9	**19,753**		19,753		19,753	
Share premium account		**6,084**		6,084		6,084	
Capital redemption reserve		**3,428**		3,428		3,428	
Capital reserve*		**123,457**		122,699		126,198	
Revenue reserve*		**3,273**		3,112		2,688	
Total shareholders' funds			**155,995**		155,076		158,151
Net asset value per ordinary share of 50p	8		**431.8p**		429.3p		437.8p

*These reserves are distributable.

The notes on pages 16 to 21 form part of these condensed financial statements.

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

The condensed financial statements on pages 12 to 21 were approved by the Board of directors on 19 November 2018 and signed on its behalf by

Harry Wells
Chairman

19 November 2018

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

Six months to 30 September 2018 (Unaudited)	Called up share capital £000	Share premium reserve £000	Capital redemption reserve £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 1 April 2018	19,753	6,084	3,428	126,198	2,688	158,151
Net return attributable to shareholders**	–	–	–	380	2,521	2,901
Dividends paid from revenue	–	–	–	–	(1,936)	(1,936)
Dividends paid from capital***	–	–	–	(3,121)	–	(3,121)
At 30 September 2018	**19,753**	**6,084**	**3,428**	**123,457**	**3,273**	**155,995**

Six months to 30 September 2017 (Unaudited)	Called up share capital £000	Share premium reserve £000	Capital redemption reserve £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 1 April 2017	19,753	6,084	3,428	122,538	2,460	154,263
Net return attributable to shareholders**	–	–	–	3,206	2,549	5,755
Dividends paid from revenue	–	–	–	–	(1,897)	(1,897)
Dividends paid from capital	–	–	–	(3,045)	–	(3,045)
At 30 September 2017	19,753	6,084	3,428	122,699	3,112	155,076

Year ended 31 March 2018 (Audited)	Called up share capital £000	Share premium reserve £000	Capital redemption reserve £000	Capital reserve* £000	Revenue reserve* £000	Total £000
As at 1 April 2017	19,753	6,084	3,428	122,538	2,460	154,263
Net return attributable to shareholders**	–	–	–	6,705	3,100	9,805
Dividends paid from revenue	–	–	–	–	(2,872)	(2,872)
Dividends paid from capital	–	–	–	(3,045)	–	(3,045)
At 31 March 2018	19,753	6,084	3,428	126,198	2,688	158,151

*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 12, and therefore this is also the 'Total comprehensive income for the period'.

***The dividend per share for the year ended 31 March 2018 was 14.00p per ordinary share including 8.64p which was paid from capital. The dividend was paid during the period ended 30 September 2018.

The notes on pages 16 to 21 form part of these condensed financial statements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOW

	Note	(Unaudited) Six months to 30 September 2018 £000	(Unaudited) Six months to 30 September 2018 £000	(Unaudited) Six months to 30 September 2017 £000	(Unaudited) Six months to 30 September 2017 £000	(Audited) Year ended 31 March 2018 £000	(Audited) Year ended 31 March 2018 £000
Cash flows from operating activities							
Profit before tax			3,072		5,921		10,003
Adjustments for:							
Gains on investments*	4	(972)		(3,358)		(7,166)	
Capital distribution*		(117)		–		(41)	
Purchases of investments**		(19,215)		(11,281)		(28,255)	
Sales of investments**		18,420		15,132		34,638	
Finance costs		85		54		116	
Dividend revenue	2	(3,217)		(3,218)		(4,305)	
Dividend received		3,450		3,571		4,321	
Decrease/(increase) in receivables		595		(5)		(590)	
Increase in other payables		7		2		25	
Overseas withholding tax suffered	3	(171)		(166)		(198)	
			(1,135)		731		(1,455)
Net cash flows from operating activities			1,937		6,652		8,548
Cash flows from financing activities							
Net movement in short-term borrowings		–		(1,862)		(1,593)	
Exchange movement in short-term borrowings	10	264		(34)		(444)	
Interest paid and similar charges		(73)		(56)		(116)	
Equity dividends paid from revenue		(1,936)		(1,897)		(2,872)	
Equity dividends paid from capital		(3,121)		(3,045)		(3,045)	
Net cash flows from financing activities			(4,866)		(6,894)		(8,070)
Net (decrease)/increase in cash and cash equivalents			(2,929)		(242)		478
Cash and cash equivalents at the start of the period			4,053		3,575		3,575
Cash and cash equivalents at the end of the period			1,124		3,333		4,053

*Prior year balances have been restated to separately disclose the capital distribution.

**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 dealing operations.

The notes on pages 16 to 21 form part of these condensed financial statements.

Note 1: Accounting policies

Basis of preparation – For the period ended 30 September 2017 and 2018 (and the year ended 31 March 2018), the Company is applying FRS 104 - Interim Financial Reporting and FRS 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland, which forms part of the revised Generally Accepted Accounting Practice ('UK GAAP') issued by the Financial Reporting Council (FRC).

These condensed financial statements have been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, FRS102 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 and updated in January 2017.

The accounting policies applied for the condensed set of financial statements are set out in the Company's annual report for the year ended 31 March 2018.

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 period.

Note 2: Revenue from investments

	(Unaudited) Six months to 30 September 2018 £000	(Unaudited) Six months to 30 September 2017 £000	(Audited) Year ended 31 March 2018 £000
From listed investments			
Overseas equities	**3,217**	3,218	4,305
Total	**3,217**	3,218	4,305
Total revenue comprises:			
Dividends	**3,217**	3,218	4,305
Total	**3,217**	3,218	4,305

The Company received capital dividends of £77,779 from Television Broadcasts and £39,312 from Cafe De Coral Holdings during the six months period ended 30 September 2018 (30.09.17: £Nil and 31.03.18: capital dividend of £40,727 from Singapore Telecommunications).

Note 3: Taxation on ordinary activities

	(Unaudited) Six months to 30 September 2018			(Unaudited) Six months to 30 September 2017			(Audited) Year ended 31 March 2018		
	Revenue £000	**Capital £000**	**Total £000**	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Overseas tax suffered	**166**	**5**	**171**	166	–	166	198	–	198

Note 4: Investments at fair value through profit or loss

	(Unaudited) As at 30 September 2018 £000	(Unaudited) As at 30 September 2017 £000	(Audited) As at 31 March 2018 £000
Overseas listed investments held at fair value through profit or loss	160,118	157,072	158,466
Derivative financial instruments – option contracts	–	–	(232)
Valuation of investments and derivatives	160,118	157,072	158,234
Opening valuation	158,234	157,537	157,537
Opening unrealised fair value gains on investments	(41,560)	(45,928)	(45,928)
Opening cost	116,674	111,609	111,609
Add: additions at cost	19,215	11,309	28,128
	135,889	122,918	139,737
Less: disposals at cost	(14,671)	(12,066)	(23,063)
Closing cost	121,218	110,852	116,674
Closing unrealised fair value gains on investments	38,900	46,220	41,560
Closing valuation	160,118	157,072	158,234

	(Unaudited) Six months to 30 September 2018 £000	(Unaudited) Six months to 30 September 2017 £000	(Audited) Year ended 31 March 2018 £000
Gains on investments			
Realised gains for the current period	3,632	3,066	11,534
Movement in unrealised fair value (losses)/gains on investments	(2,660)	292	(4,368)
Capital distributions	117	–	41
Gains on investments	1,089	3,358	7,207

Transaction costs

During the period 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:

	(Unaudited) Six months to 30 September 2018 £000	(Unaudited) Six months to 30 September 2017 £000	(Audited) Year ended 31 March 2018 £000
Purchases	20	23	57
Sales	22	30	65
	42	53	122

Note 5: Receivables: amounts falling due within one year

	(Unaudited) As at 30 September 2018 £000	(Unaudited) As at 30 September 2017 £000	(Audited) As at 31 March 2018 £000
Dividends receivable	248	144	481
Cash collateral held at broker for derivatives	–	–	600
Other receivables	7	17	2
	255	161	1,083

Note 6: Cash at bank

	(Unaudited) As at 30 September 2018 £000	(Unaudited) As at 30 September 2017 £000	(Audited) As at 31 March 2018 £000
Sterling	935	3,250	4,055
Singapore dollar	–	83	–
US dollar	–	–	(2)
Hong Kong dollar	189	–	–
	1,124	3,333	4,053

Note 7: Payables – amounts falling due within one year

	(Unaudited) As at 30 September 2018 £000	(Unaudited) As at 30 September 2017 £000	(Audited) As at 31 March 2018 £000
Interest expense and similar charges	22	8	10
Due to brokers for open trades	–	155	–
Due to Martin Currie Investment Management Ltd	293	292	290
Revolving bank loan	5,052	4,929	4,788
Other payables	135	106	131
	5,502	5,490	5,219

The Company has a £15,000,000 (30.09.17: £15,000,000 31.03.18: £15,000,000) loan facility with the Royal Bank of Scotland, which expires on 30 September 2020.

As at 30 September 2018, 30 September 2017 and 31 March 2018, the drawdowns were as shown below, with a maturity date of 28 December 2018 (31.03.18: 7 June 2018; 30.09.17: 7 December 2017).

(Unaudited) As at 30 September 2018			(Unaudited) As at 30 September 2017			(Audited) As at 31 March 2018		
Currency	GBP	Interest rate	Currency	GBP	Interest rate	Currency	GBP	Interest rate
HKD 25,657,070	2,515,000	3.03%	HKD 25,657,070	2,448,000	1.51%	HKD 25,657,070	2,331,000	1.78%
SGD 4,520,400	2,537,000	2.39%	SGD 4,520,400	2,481,000	1.87%	SGD 4,520,400	2,457,000	2.12%
	5,052,000			4,929,000			4,788,000	

All payables are due within three months.

Note 8: Returns and net asset value

The return and net asset value per ordinary share are calculated with reference to the following figures:	**(Unaudited) Six months to 30 September 2018**	(Unaudited) Six months to 30 September 2017	(Audited) Year ended 31 March 2018
Revenue return			
Revenue return attributable to ordinary shareholders	**£2,521,000**	£2,549,000	£3,100,000
Weighted average number of shares in issue during period*	**36,124,496**	36,124,496	36,124,496
Return per ordinary share	**6.98p**	7.06p	8.58p
Capital return			
Capital return attributable to ordinary shareholders	**£380,000**	£3,206,000	£6,705,000
Weighted average number of shares in issue during period*	**36,124,496**	36,124,496	36,124,496
Return per ordinary share	**1.05p**	8.87p	18.56p
Total return			
Total return per ordinary share	**8.03p**	15.93p	27.14p

	(Unaudited) As at 30 September 2018	(Unaudited) As at 30 September 2017	(Audited) As at 31 March 2018
Net asset value per share			
Net assets attributable to shareholders	**£155,995,000**	£155,076,000	£158,151,000
Number of shares in issue at the period end*	**36,124,496**	36,124,496	36,124,496
Net asset value per share	**431.8p**	429.3p	437.8p

*Calculated excluding shares held in treasury.

Note 9: Called-up share capital

	(Unaudited) As at 30 September 2018 £000	(Unaudited) As at 30 September 2017 £000	(Audited) As at 31 March 2018 £000
Authorised:			
66,000,000 (30.09.17 - 66,000,000 and 31.03.18 - 66,000,000) ordinary shares of 50p each - equity	**33,000**	33,000	33,000
Allotted, called-up and fully paid:			
36,124,496 (30.09.17 - 36,124,496 and 31.03.18 - 36,124,496) ordinary shares of 50p each - equity	**18,062**	18,062	18,062
Treasury shares:			
3,381,376 (30.09.17 - 3,381,376 and 31.03.18 - 3,381,376) ordinary shares of 50p each - equity	**1,691**	1,691	1,691
Total	**19,753**	19,753	19,753

The Company has not bought back any shares during the period to 30 September 2018 (30.09.17: Nil and 31.03.18: Nil). Note 13 provides details of share buybacks since 30 September 2018.

Note 10: Analysis of net debt

	As at 1 April 2018 £000	Cash flows £000	Exchange movements £000	As at 30 September 2018 £000
Cash at bank	4,053	(2,966)	37	1,124
Bank borrowings - sterling revolving loan	(4,788)	–	(264)	(5,052)
Net debt	(735)	(2,966)	(227)	(3,928)

Note 11: Fair value hierarchy

Under FRS 102, the Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc).
- Level 3: significant unobservable input (including the Company's own assumptions in determining the fair value of investments).

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

	As at 30 September 2018 (Unaudited)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	160,118	–	–	160,118
Net fair value	160,118	–	–	160,118

	As at 30 September 2017 (Unaudited)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	157,072	–	–	157,072
Net fair value	157,072	–	–	157,072

	As at 31 March 2018 (Audited)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss				
Quoted equities	158,466	–	–	158,466
Financial liabilities at fair value through profit or loss				
Quoted equities	(232)	–	–	(232)
Net fair value	158,234	–	–	158,234

Note 12: Interim report

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in s434-436 of the Companies Act 2006. The financial information for the six months ended 30 September 2018 and the comparative six months to 30 September 2017 have not been audited.

The information for the year ended 31 March 2018 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under s498 (2), (3) or (4) of the Companies Act 2006.

Note 13: Post balance sheet events

Between 1 October 2018 and 16 November 2018, 64,000 ordinary shares of 1p each have been bought back into treasury at a cost of £215,000.

CORPORATE INFORMATION

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Anja Balfour
Peter Edwards
Martin Shenfield
Gregory Shenkman

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Martin Currie Fund Management Limited is authorised and regulated by the Financial Conduct Authority.

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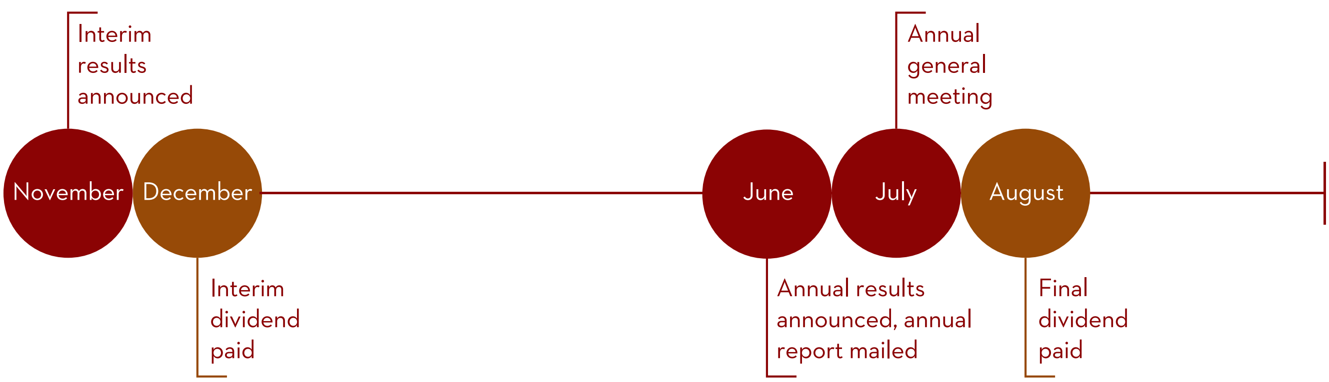
Martin Currie Asia Unconstrained Trust is a member of the AIC (the trade body of the investment company industry).

Financial calendar – key dates 2018/9



The European Securities and Markets Authority ('ESMA') published it's guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The guidelines are intended by ESMA to improve comparability, reliability and/or comprehensibility of APMs. The Company uses the following APMs throughout the annual report, financial statements and notes to the financial statements:

Discount/Premium

Discount

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

Premium

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

As at 30 September 2018 the share price was 372.0p and the net asset value per share (cum income) was 431.8p, the discount was therefore 13.8%.

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. Net gearing is calculated as market value / (market value + cash + loan).

The Company is currently geared.

NAV per share

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

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

As shown in note 8 the NAV per share was 431.8p as at 30 September 2018.

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.

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

The NAV total return performance, calculated using the cum income NAV for the year end 30 September 2018 was 1.81%, details of the calculation are shown below.

Ongoing charges

Ongoing charges are the total of the company's expenses including the investment management fee (excluding performance fees) and other costs expressed as a percentage of NAV.

Share price total return

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

Total return

The total return per share for the Company is the combined effect of the rise and fall in the share price or NAV together with the reinvestment of the dividends paid.

The tables below provide the NAVs and share prices of the Company on the dividend reinvestment dates for the period ended 30 September 2018.

2018	**Dividend rate**	**NAV**	**Share price**
31 March 18	n/a	437.80	384.00
19 July 18	14.00	444.63	391.00
30 September 18	n/a	431.80	372.00
Total return		**1.81%**	**0.34%**

2017	Dividend rate	NAV	Share price
31 March 17	n/a	427.00	364.50
20 July 17	13.68	443.84	391.00
30 September 17	n/a	429.30	376.13
Total return		3.60%	6.80%

GLOSSARY OF TERMS

Assets

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

Benchmark

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

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

Bid price

The price at which you can 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.

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.

Environmental, social and corporate governance (ESG)

Assessment of material environmental, social and corporate governance (ESG) factors and the potential impact on that company's cash flows, statement of financial position, reputation and, ultimately, corporate value in the long term.

Internal and external AIFM

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

Investment company

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

Investment trust

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

Net assets – cum income

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.

Net assets – excluding income

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

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.

Share buy backs

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

Share buy backs can be used to return money to shareholders, but are also often used to tackle a company's discount. Discounts may reflect an imbalance between the demand for shares and the number of shares in existence. The hope is that, by reducing the number of shares in existence, the 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 is 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).

Stocklending

The act of loaning a stock or security to a third party for a fee.

Treasury shares

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

Treasury shares come into existence only 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.

Unconstrained

An investment strategy that is not aligned to an index benchmark as a measure of performance.

Volatility

A measure of how much a share moves up and down in price over a period of time.

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

Link Asset Services

You can also buy and sell shares directly by calling the Link dealing team on 0371 664 0445.

To change your address, request tax vouchers or obtain an up-to-date valuation of your share holding please contact Link 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.linkassetservices.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 Link Asset Services ('Link'). You can buy and sell shares directly by calling the Link Dealing team on 0371 664 0445.

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

Contact details	www.linkassetservices.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.

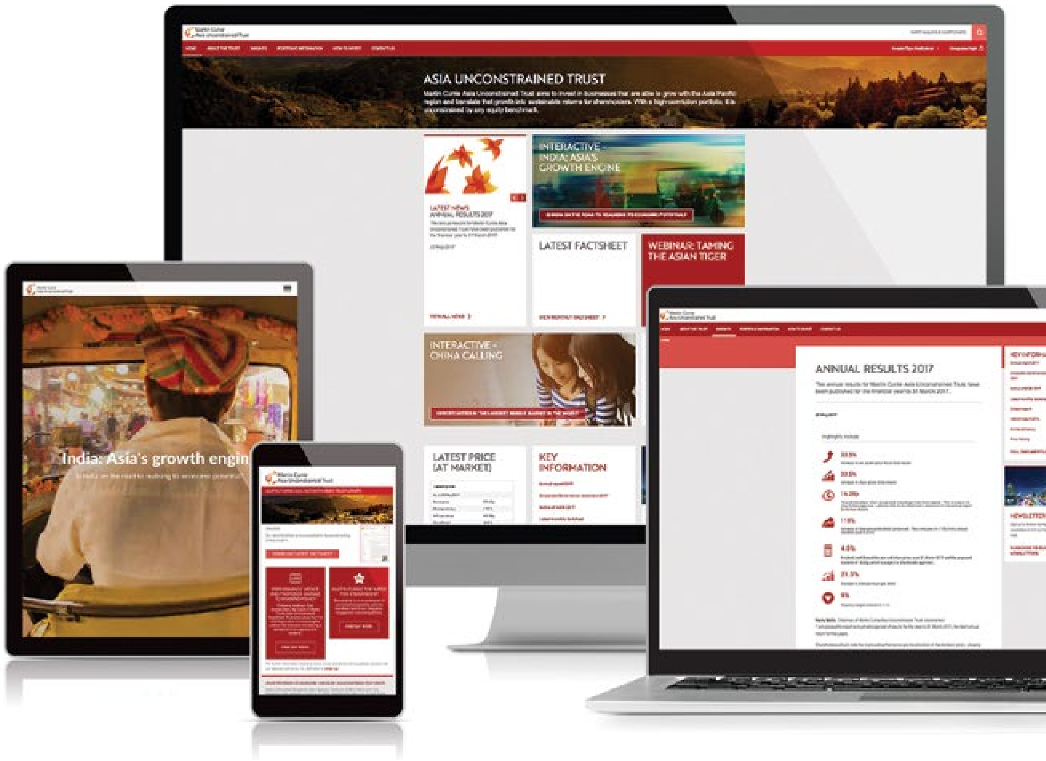
Checking the share price

The share price is available through many sources including www.londonstockexchange.com and 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. You can also subscribe for monthly email updates that offer the following:

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



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Visit our website at www.martincurrieasia.com

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