

23 August 2019

Martin Currie Asia Unconstrained Trust plc (the "Company")

Publication of Circular

Further to the announcement on 8 July 2019 in connection with the proposals for the reconstruction and voluntary winding-up of the Company (the 'Proposals'), the Board is today publishing a Circular (the "Circular") in connection with the Proposals, which includes notices convening the required General Meetings.

A copy of the Circular will be submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM. The Circular will also be available on the Company's website (www.martincurrieasia.com) and at the registered office of the Company (Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2ES).

Introduction

Despite the Company's investment mandate changing to the Asia Long-Term Unconstrained strategy in August 2014, and the Company broadly meeting its investment objective since then, the Company's shares have continually traded at a steep discount to their underlying net asset value preventing material growth in the Company's assets. The discount and the relative size of the Company (as the smallest measured by net assets amongst the Association of Investment Companies' Asian peer groups), along with poor liquidity in its shares, continue to present structural hurdles that deter potential new buyers of the Company's shares.

On 4 June 2019, the Board announced that, following a review of the options available, the Board concluded that it is in Shareholders' best interests to put forward proposals for the reconstruction and members' voluntary liquidation of the Company, through a scheme of reconstruction under section 110 of the Insolvency Act 1986 (the "**Scheme**"). Under the Proposals, Shareholders (other than Restricted Shareholders) will be able to elect to receive their entitlement upon the winding-up of the Company either in cash and/or to roll over some or all of their investment into Legg Mason IF Martin Currie Asia Unconstrained Fund (the "**ICVC Sub-Fund**"), a sub-fund of Legg Mason Funds ICVC.

The Options

Shareholders may elect, in whole or in part and in accordance with their personal investment requirements, for either or both of the following options:

- the Rollover Option – rolling over some or all of their investment into ICVC Shares to be issued by the ICVC Sub-Fund; and/or
- the Cash Option – receiving cash in the liquidation of the Company in respect of some or all of their investment in the Company.

Shareholders (other than Restricted Shareholders) that make no Election (or no valid Election) will be deemed to have elected for ICVC Shares. The key features of the ICVC Sub-Fund are set out in the Circular. The ICVC Prospectus and KIID accompany, but do not form part of, the Circular (and please note that the Board takes no responsibility for the contents of the ICVC Prospectus or the KIID).

The Proposals

Under the Proposals, the Company will be wound up on the Winding-up Date by means of a members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of the Insolvency Act

1986 and Shareholders may elect to receive ICVC Shares in the ICVC Sub-Fund (being Legg Mason IF Martin Currie Asia Unconstrained Fund) and/or cash in respect of all or part of their holding of Ordinary Shares in the Company. Shareholders who elect to roll over their investment into the ICVC Sub-Fund will receive ICVC Shares and, in consideration of such issue, the Company will transfer a portion of its net assets to the ICVC (for the benefit of the ICVC Sub-Fund). In this way, it is envisaged that UK resident Shareholders will be given a tax-efficient rollover of their entitlements.

The ICVC Shares will be issued at £1.00 per share.

Shareholders who elect for the Cash Option will be sent a cheque in respect of their entitlement if they hold Ordinary Shares in certificated form or receive payment through CREST in respect of their entitlement if they hold Ordinary Shares in uncertificated form.

Shareholders' approval is required to implement parts of the Proposals which will involve the reclassification of the Company's existing Ordinary Shares to give effect to the respective options for which each Shareholder has elected, the voluntary winding-up of the Company and the appointment of the Liquidators.

In order to consider and approve the Proposals, General Meetings have been convened for 19 September 2019 (the "First General Meeting") and 27 September 2019 (the "Second General Meeting").

The Resolutions to be proposed at the General Meetings, on which all Shareholders may vote, are required in order to obtain certain Shareholder authorities in accordance with the Companies Act 2006, the Insolvency Act 1986 and the Listing Rules, as follows:

- (i) at the First General Meeting, (a) to approve the terms of the Scheme set out in Part II of the Circular; (b) to amend the Articles to give effect to the Scheme; (c) to authorise the Liquidators to enter into and give effect to the Transfer Agreement, to distribute ICVC Shares and cash to Shareholders in accordance with the Scheme, to purchase the interests of any Dissenting Shareholders to the Scheme and to authorise the Liquidators to apply to cancel the listing of the Reclassified Shares, with effect from such date as the Liquidators may determine; and
- (ii) at the Second General Meeting, amongst other things, to appoint the Liquidators and to wind up the Company.

Benefits of the Proposals

The Directors consider that the Proposals should have the following benefits for all Shareholders as compared to their current position, or under a liquidation:

- (i) they enable Shareholders to roll over some or all of their investment into the ICVC Sub-Fund, which will pursue the Martin Currie Asia Long-Term Unconstrained Strategy and which aims to provide long-term growth through investment in a concentrated portfolio comprised of at least 80 per cent. of its net asset value in Asian (excluding Japan) equities;
- (ii) Shareholders electing for the Rollover Option will not suffer the full dealing costs that would be incurred on the realisation of the Company's portfolio in the event of a simple winding-up; and
- (iii) Shareholders who may be subject to UK capital gains tax or corporation tax on chargeable gains should be able to roll over their investment into the ICVC Sub-Fund and thereby

continue to receive investment returns without triggering an immediate liability to UK capital gains tax or corporation tax on chargeable gains.

Shareholders who elect for the Rollover Option will not be required to cover the ICVC Sub-Fund's costs in connection with the Proposals as these will be met by the ICVC Sub-Fund Investment Manager.

Shareholders who elect for the Cash Option in respect of some or all of their investment will receive cash in the liquidation of the Company to the extent of their Election for the Cash Option. Shareholders should note that, depending on their particular circumstances, this may trigger a chargeable gains tax liability.

Conditions to the Scheme

The Scheme is conditional, among other things, upon:

- (i) the passing of all Resolutions to be proposed at (a) the First General Meeting and (b) the Second General Meeting (or at any adjournments thereof) and upon any conditions of such Resolutions being fulfilled;
- (ii) the FCA agreeing to amend the listing of the Ordinary Shares to reflect their reclassification as Reclassified Shares for the purpose of implementing the Scheme; and
- (iii) the Directors resolving to proceed with the Scheme.

In the event that any of conditions (i)(a) or (ii) fails, the Second General Meeting will be adjourned indefinitely and the Scheme will lapse.

ICVC Sub-Fund

The ICVC Sub-Fund is a new open-ended investment fund which will pursue the Martin Currie Asia Long-Term Unconstrained strategy (in almost all material respects, the same strategy as that pursued by the Company). This strategy aims to provide long-term growth through investment in a portfolio of companies with at least 80 per cent. of its net asset value in Asian (excluding Japan) equities.

The ICVC Sub-Fund will invest in businesses which, in the opinion of Legg Mason Investment Funds Limited, the authorised corporate director (ACD) of the ICVC, and Martin Currie Investment Management Limited, the ICVC Sub-Fund Investment Manager, are able to grow with the region and which have the potential to translate the potential growth of Asian economies into returns for shareholders. The ICVC Sub-Fund Investment Manager will typically focus on companies with a franchise which the ICVC Sub-Fund Investment Manager believes can grow in value, as measured by the free cash flow available to shareholders (of the companies) and retained earnings, and the ICVC Sub-Fund looks to buy securities of such companies at a valuation considered reasonable by the ICVC Sub-Fund Investment Manager and to make a long-term capital commitment.

The ICVC Sub-Fund Investment Manager proposes to focus on finding companies for investment which appear to offer sustainable growth, strong management and a strategic market position. To assist in asset selection for the ICVC Sub-Fund, the ICVC Sub-Fund Investment Manager has developed a valuation method based on an assessment of the long-term fundamental value of a business's cash-generating ability. A due diligence approach is also employed that includes an accounting diagnostic review of a company's historical financials and an assessment of its corporate governance.

The Circular contains further details on the ICVC Sub-Fund, including details of the investment objective and investment policy of the ICVC Sub-Fund.

The fund management team will comprise Andrew Graham and Damian Taylor, both of whom currently co-manage the Company's investments, together with Paul Danes. Andrew Graham has over 30 years' investment experience and joined Martin Currie Investment Management in 2010. He leads a well-resourced team of Asian investment specialists based in Edinburgh and Singapore. Damian Taylor joined Martin Currie Investment Management's Asia 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. Paul Danes joined Martin Currie Investment Management in 2007, initially working with its Japan team before joining the Asia team in 2011. In 2012, Paul Danes moved to Singapore as chief executive officer of Martin Currie Investment Management's Asian subsidiary, Martin Currie Asia Pte Ltd, where, in addition to his portfolio-management duties, he undertakes local research for Asian equity markets.

The ICVC (product reference number: 225573) is an open-ended investment company with variable capital incorporated in England and Wales and authorised by the Financial Conduct Authority as an undertaking for collective investment in transferable securities (UCITS) with effect from 31 July 2003. The ICVC Sub-Fund (being a sub-fund of the ICVC) was itself authorised as a sub-fund of the ICVC on 20 August 2019.

The ICVC Shares will not be admitted to listing and/or to trading by any authority or stock exchange.

Full details of the mechanics of the Scheme and entitlements of Shareholders under the Scheme are contained within the Circular.

Interim Dividend

In relation to the period from 1 April 2019 to 20 August 2019, as announced on 20 August 2019, the Directors have resolved that the Company will pay an interim dividend of 5.7 pence per Ordinary Share ("**Interim Dividend**") in order to ensure that the Company meets the distribution requirements to maintain investment trust status during the period from 1 April 2019 to the Winding-up Date. The Interim Dividend will be paid on 16 September 2019 to Shareholders who are on the Register as at close of business on 30 August 2019. The ex dividend date for the Interim Dividend is 29 August 2019.

Costs of the Proposals

The Company will bear its own costs and expenses incurred in connection with the Proposals.

Any liability for transfer taxes in respect of the transfer of certain assets to the ICVC Sub-Fund will be borne by the ICVC Sub-Fund, provided that, in those jurisdictions where it is customary for the liability for transfer tax to be split between the transferor and the transferee, the Company shall bear such part of the transfer tax liability (as part of its own costs and expenses incurred in connection with the Proposals) to the extent that such part of the transfer tax liability is customarily borne by the transferor in the relevant jurisdiction.

The costs payable by the Company in connection with the implementation of the Proposals are expected to be approximately £400,000 (including VAT, where applicable). These costs have not been accrued in the Company's net asset value as at close of business on the Latest Practicable Date.

The ICVC Sub-Fund Investment Manager has agreed to pay the costs connected with the establishment of the ICVC Sub-Fund and any costs of the ICVC Sub-Fund in connection with the Proposals, and the ICVC Sub-Fund Investment Manager has undertaken that the above-mentioned costs will not be charged to the ICVC Rollover Pool or borne by the ICVC Sub-Fund.

General Meetings

The implementation of the Proposals will require two General Meetings of the Company which have been convened for:

- 12.00 noon on 19 September 2019 at Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES (the First General Meeting); and
- 11.00 a.m. on 27 September 2019 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH (the Second General Meeting).

All Shareholders are entitled to attend and vote at the First General Meeting and the Second General Meeting, and on a show of hands, shall each have one vote and, on a poll, shall have one vote for every Ordinary Share held by them.

The Resolutions to be proposed at the General Meetings will, if passed, approve the Scheme and put the Company into liquidation, as further described below.

At the First General Meeting, Resolutions will be proposed which, if passed, will:

- (i) amend the Articles of Association in order to implement the Scheme and make provision for the issue of the relevant numbers of ICVC Shares to Shareholders on a winding-up of the Company;
- (ii) subject to the Scheme becoming unconditional, authorise the implementation of the Scheme by the Liquidators, including the entry into the Transfer Agreement by the Liquidators, the allotment of the relevant number of ICVC Shares, by the ICVC, to the Liquidators (who will renounce such shares in favour of the relevant Shareholders) and the realisation of the Cash Pool and distribution of cash by the Liquidators to the relevant Shareholders; and
- (iii) subject to the Scheme becoming unconditional, authorise the Liquidators to purchase the interests of Dissenting Shareholders and to apply to cancel the listing of the Company's Ordinary Shares, with effect from such date as the Liquidators will determine.

If the Scheme is not approved by Shareholders at the First General Meeting, the Proposals will be abandoned and the Second General Meeting will be adjourned indefinitely. In this event, the Board will consider alternative proposals for the future of the Company, the implementation of which may result in considerable additional costs being incurred.

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators and agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order, and provide the Liquidators with appropriate powers to carry into effect the amendments to the Articles made at the First General Meeting. The Resolution to be proposed at the Second General Meeting is conditional upon the Directors resolving to proceed with the Scheme.

The Resolutions will require the approval of 75 per cent. or more of the votes cast at the relevant meeting, whether in person or by proxy.

Expected Timetable

2019

Ex dividend date for the Interim Dividend

29 August

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| Interim Dividend Record Date | Close of business on 30 August |
| Payment of the Interim Dividend | 16 September |
| Latest time and date for receipt of Forms of Proxy from Shareholders for the First General Meeting | 12.00 noon on 17 September |
| Latest time and date for receipt of the Forms of Election and/or TTE Instructions from Shareholders wishing to elect for the Cash Option | 1.00 p.m. on 17 September |
| Scheme Entitlements Record Date | close of business on 17 September |
| First General Meeting | 12.00 noon on 19 September |
| Calculation Date | 11.59 p.m. on 23 September |
| Latest time for receipt of Forms of Proxy from Shareholders for the Second General Meeting | 11.00 a.m. on 25 September |
| Ordinary Shares disabled in CREST | close of business on 25 September |
| Reclassification of the Ordinary Shares | 8.00 a.m. on 26 September |
| Suspension of dealings in Reclassified Shares | 7.00 a.m. on 27 September |
| Second General Meeting | 11.00 a.m. on 27 September |
| Effective Date and Transfer Agreement executed and implemented | 27 September |
| ICVC Shares issued pursuant to the Scheme | 27 September |
| First day of dealing in ICVC Shares | 30 September |
| Cheques expected to be despatched and CREST payments made to Shareholders in respect of the Cash Option | week commencing 30 September |
| Contract notes expected to be despatched in respect of ICVC Shares issued pursuant to the Scheme | week commencing 30 September |
| Cancellation of listing of Reclassified Shares | as soon as practicable after the Effective Date |

The times and dates set out in the expected timetable of events above and mentioned throughout this announcement may be adjusted by the Company, in which event details of the new times and dates will be notified, as requested, to the Financial Conduct Authority, the London Stock Exchange and, where appropriate, Shareholders. All references to time in this announcement are to UK time.

This announcement does not contain all the information which is contained in the Circular and Shareholders should read the Circular, the ICVC Prospectus and the KIID to make an informed Election under the Proposals.

Defined terms used in this announcement have the meanings given to them in the Circular unless the context otherwise requires.

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