



# Martin Currie Global Portfolio Trust



MARTIN CURRIE  
A Legg Mason Company

30 APRIL 2019

## PROFILE

|           |  |
|-----------|--|
| Objective | To achieve long-term capital growth in excess of the capital return of the FTSE World index. |
| Benchmark | FTSE World index   |
| Sector    | Global   |
| Launch    | 1999   |

## PORTFOLIO

### Region allocation

|                       | 31 Mar | 30 Apr |
|-----------------------|--------|--------|
| Europe                | 41.5%  | 40.6%  |
| North America         | 39.4%  | 37.3%  |
| Emerging Markets      | 8.2%   | 8.4%   |
| Asia Pacific ex Japan | 7.6%   | 7.5%   |
| Israel                | 3.1%   | 2.9%   |
| Cash                  | 0.3%   | 3.3%   |

### Top 10 holdings

(37.8% of total portfolio)

|                           |       |
|---------------------------|-------|
| Automatic Data Processing | 4.4%  |
| AIA                       | 4.3%  |
| Visa                      | 4.2%  |
| Straumann                 | 3.8%  |
| Linde                     | 3.8%  |
| Microsoft                 | 3.8%  |
| Kering                    | 3.5%  |
| Unilever                  | 3.4%  |
| Tencent Holdings          | 3.4%  |
| CSL                       | 3.2%  |
| Number of holdings        | 33    |
| Number of countries       | 16    |
| Active share <sup>†</sup> | 93.9% |

### Key facts

|                                 |         |
|---------------------------------|---------|
| Total assets                    | £228.6m |
| Share price (p)                 | 277.0   |
| Net asset value per share (p)   | 275.9   |
| Discount (premium)              | (0.4%)  |
| Historic net yield <sup>‡</sup> | 1.5%    |

## PERFORMANCE

### Cumulative performance over periods to 30 April 2019

|             | One month | Three months | Six months | One year | Three years | Five years |
|-------------|-----------|--------------|------------|----------|-------------|------------|
| Share price | 5.1%      | 15.1%        | 14.1%      | 17.8%    | 59.3%       | 88.4%      |
| NAV         | 3.1%      | 12.8%        | 12.4%      | 16.7%    | 61.4%       | 86.4%      |
| Benchmark   | 3.5%      | 8.6%         | 6.9%       | 11.7%    | 57.2%       | 86.5%      |

### 12-month performance

|             | To end Q1 2019 | To end Q1 2018 | To end Q1 2017 | To end Q1 2016 | To end Q1 2015 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| Share price | 17.8%          | (0.7%)         | 31.5%          | (1.9%)         | 17.9%          |
| NAV         | 17.5%          | 0.5%           | 31.4%          | (0.9%)         | 17.2%          |
| Benchmark   | 11.1%          | 2.6%           | 32.9%          | 0.0%           | 18.8%          |

### Past performance is not a guide to future returns.

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

Prior to 30 June 2011 the Company's benchmark was the FTSE All-Share index and the FTSE World index thereafter.

## MANAGERS' COMMENTARY

Market momentum continued during the month, with themes from early 2019 carrying on into April. More positive data points continue to come out of China suggesting there is a stabilisation occurring in the pivotal engine of global growth, which is in line with our view that China will avoid the hard handling feared by the market. At a sector level, the market was led higher by technology and financials while utilities and healthcare underperformed. On a regional basis, developed markets continued to lead the field, with Europe and North America outperforming emerging markets. North America healthcare was a notable underperformer as the market attempts to price in the uncertainty surrounding 'Medicare-for-All' by selling off much of the sector indiscriminately.

After a strong performance in quarter one, the Global Portfolio Trust slightly underperformed the market in April, its NAV rising 3.1% in sterling terms against the FTSE World's 3.5%, bringing the year-to-date performance up 18.7% (compared with a market return of 13.4%). Performance was helped by good returns from some of our high-conviction holdings, notably in industrials, with strong price action from Atlas Copco and Spirax-Sarco. On the negative side, healthcare-related names were weak with Straumann, Coloplast and Waters trailing. The last of these, a life-sciences company and leader in liquid chromatography, was particularly weak on the back of a disappointing quarter. Consumer staples holdings, including Kerry and Compass also fared poorly.

In terms of portfolio activity during the month,

we continued to focus the portfolio on our highest-conviction stocks, selling 3M in favour of Microsoft. Microsoft is in a unique position to benefit from a new 'Golden Era' of technology investment. IT investment is becoming critical for every aspect of corporate life: infrastructure, marketing, sales and commerce. We expect Microsoft to continue to increase its market share over time, and we expect its returns to continue to improve, despite higher capital intensity. This translates into double digit earnings per share (EPS) growth over the next five years, and ongoing sizeable return on invested capital (ROIC) improvements.

Our outlook remains unchanged: we see a market that will remain volatile, given the uncertain economic and monetary policy environment, as well as the ongoing geopolitical tensions on trade talks. In such an environment, taking a long-term approach, and focusing on companies with strong balance sheets and sustainable business models, which are operating in attractive industry dynamics, and have pricing power is the right approach in our view.



Zehrid Osmani

<sup>†</sup>Source: Martin Currie and FIS APT. Active share is a measure of the percentage difference between the portfolio holdings and the index constituents.

<sup>‡</sup>Source for historic yield: Martin Currie as at 30 April 2019. The historic yield reflects dividends declared for the previous financial year as a percentage of the mid-market share price, as at the date shown. Investors may be subject to tax on their dividends.

The NAV stated in our reporting is inclusive of current year revenue. All sources (unless indicated): Martin Currie as at 30 April 2019.

## CAPITAL STRUCTURE

Ordinary shares 82,847,868

## BOARD OF DIRECTORS

Neil Gaskell (chairman) Mike Balfour  
Marian Glen Gary Le Sueur  
Gillian Watson

## KEY INFORMATION

Year end 31 January  
Annual general meeting June  
Interim dividends paid October, January, April, July  
Investment management fee<sup>^</sup> 0.40%  
Ongoing charge as at 31 January 2018<sup>§</sup> 0.68%  
Performance fee 12.5% of the outperformance of the benchmark above 1%. Capped at 1% of the NAV. The first performance review period is to 31 January 2020, with performance fee opportunity annual thereafter. For more detail please refer to the website.  
TIDM code MNP  
Reuters code MNP.L  
Sedol code 0537241

<sup>^</sup>0.4% of the NAV of the Company per annum, calculated quarterly.

<sup>§</sup>Percentage of shareholders' funds. Includes annual management fee at historic rate of 0.5% of the NAV. Management fee of 0.4% effective 1 February 2018.

## Net asset value and dividend history

| As at 31 January | Share price | NAV per share | Discount/ (premium) | Dividend per share |
|------------------|-------------|---------------|---------------------|--------------------|
| 2009             | 89.8p       | 93.1p         | 3.5%                | 3.50p              |
| 2010             | 113.5p      | 122.2p        | 7.1%                | 3.50p              |
| 2011             | 125.0p      | 135.5p        | 7.7%                | 3.50p              |
| 2012             | 129.0p      | 139.2p        | 7.3%                | 3.70p              |
| 2013             | 147.4p      | 152.6p        | 3.4%                | 3.90p              |
| 2014             | 156.5p      | 157.4p        | 0.6%                | 4.00p              |
| 2015             | 179.5p      | 178.6p        | (0.5%)              | 4.10p              |
| 2016             | 173.0p      | 176.3p        | 1.9%                | 4.15p              |
| 2017             | 223.8p      | 224.0p        | 0.1%                | 4.20p              |
| 2018             | 247.0p      | 246.2p        | (0.3%)              | 4.20p              |
| 2019             | 242.0p      | 245.9p        | 1.6%                | 4.20p              |

Past performance is not a guide to future returns.

## MANAGER'S BIOGRAPHY

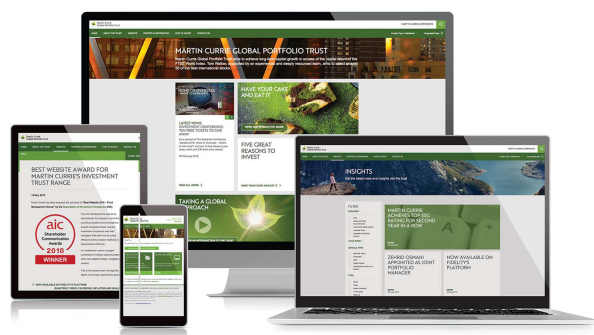
Zehrid Osmani

Zehrid joined Martin Currie from BlackRock where, during his ten years, he played a key part in building their successful European equity franchise. He held a number of senior roles at the company, including Head of European Research, with responsibility for a 23-strong team of analysts. In this role, he developed and implemented a fundamental research platform, demonstrating his strong understanding of equity research. Zehrid also managed a number of equity funds at BlackRock, with a specific focus on managing the team's unconstrained, high conviction, long term portfolios, driven by fundamental research.

## WEBSITE

The Company has its own website at [www.martincurrieglobal.com](http://www.martincurrieglobal.com)

There you will find information on Martin Currie, daily share prices (and associated risks), and you can access regular videos by the manager.



[www.martincurrieglobal.com](http://www.martincurrieglobal.com)



## IMPORTANT INFORMATION

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

Depending on market conditions and market sentiment, the spread between purchase and sale price can be wide. As with all stock exchange investments the value of investment trust share purchases will immediately fall by the difference between the buying and selling prices, the bid-offer spread. The value of investments and the income from them may go down as well as up and is not guaranteed. An investor may not get back the amount originally invested.

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

Martin Currie Investment Management Limited, registered in Scotland (no SC066107).  
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