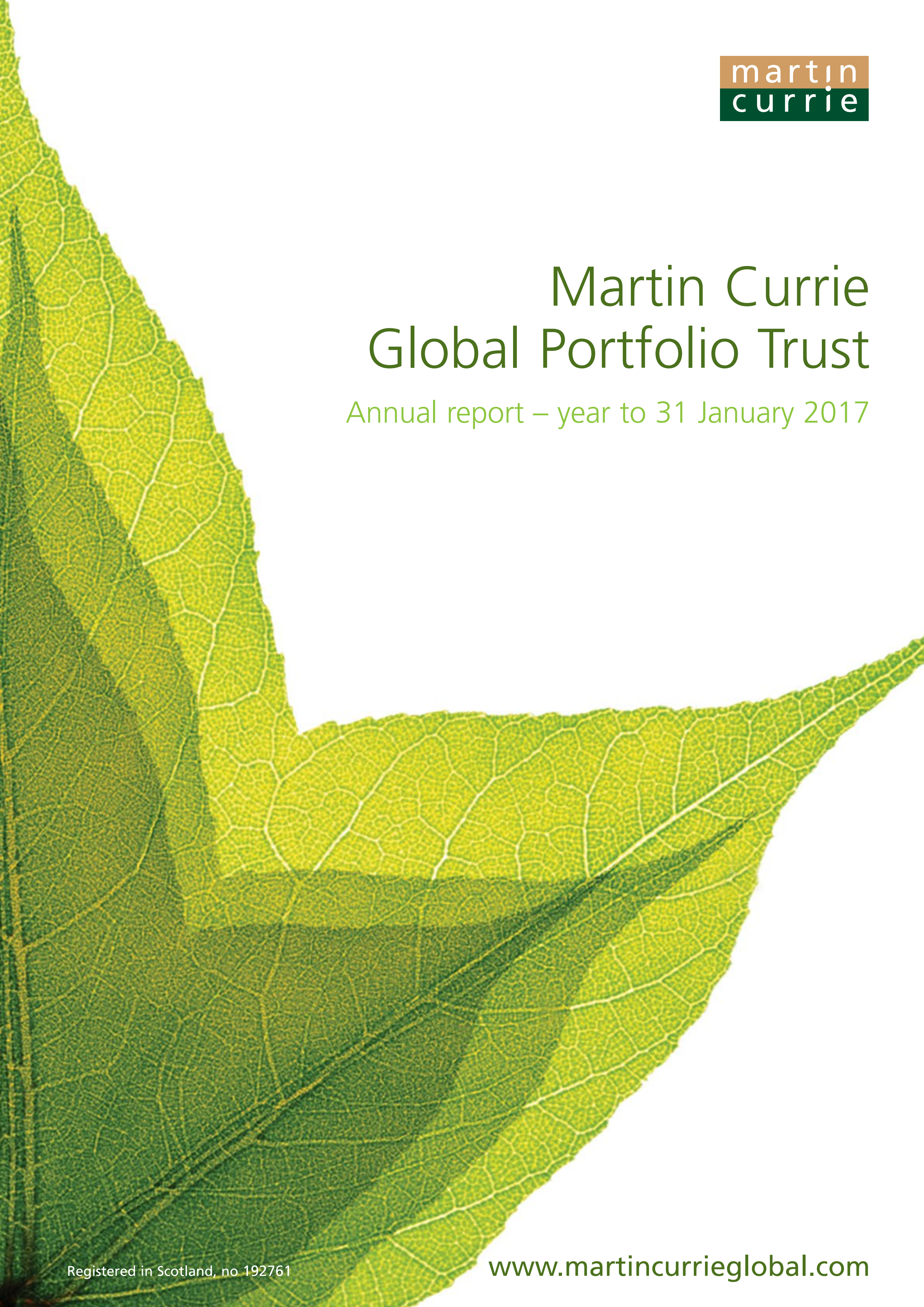
martin currie

# Martin Currie Global Portfolio Trust

## Annual report – year to 31 January 2017

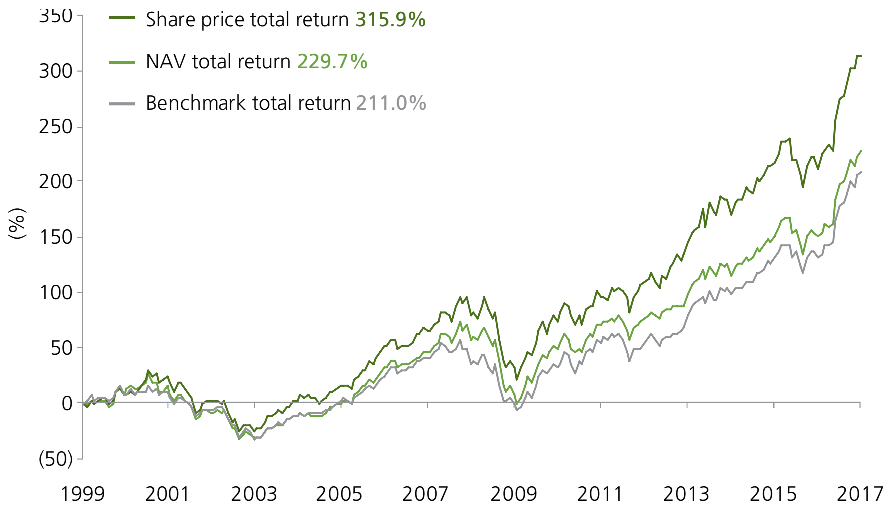


Registered in Scotland, no 192761

www.martincurrieglobal.com

# Financial Highlights

## Strong long-term performance

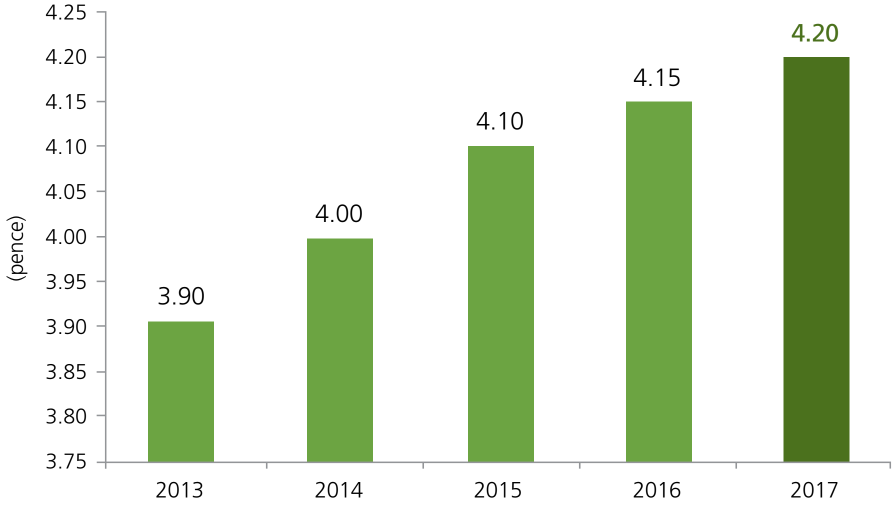



Source: Martin Currie Investment Management.

- Since launch, the Company's share price and net asset value ('NAV') have outperformed the benchmark.
- Shareholders have enjoyed a share price total return of 316% since launch in 1999.

## Growing dividend

### Dividend per share (pence)




- The total dividend for the year rises to 4.2p per share giving a yield on the year end share price of 1.9%.
- The Company has steadily grown its dividend over the years and this level maintains its above-average dividend yield in the Association of Investment Companies' ('AIC') global sector.

## Total returns*

| | Year ended 31 January 2017 | Year ended 31 January 2016 |
|---|---|---|
| Net asset value per share** | 29.7% | 0.9% |
| Benchmark | 33.6% | (0.1%) |
| Share price | 32.1% | (1.4%) |

Source: Martin Currie Investment Management.

* The combined effect of the rise and fall in the share price, net asset value or benchmark together with any dividend paid.

** The net asset value per share total return is calculated using the cum income NAV with dividends reinvested.

# About Martin Currie Global Portfolio Trust



## A global strategy for long-term growth

Martin Currie Global Portfolio Trust plc ('the Company') offers investors access to a diversified portfolio of around 50 of the the world's leading companies. It invests in global equities for long-term capital growth and also has a strong track record of delivering income and dividend growth above inflation.

## Managed discount

The Company manages its discount to ensure that the Company's share price trades at, or around, NAV in normal market conditions.

## Proven management team

Your Board has appointed Edinburgh based Martin Currie Investment Management Limited ('Martin Currie' or the 'investment manager') to manage the portfolio. Under the leadership of portfolio manager, Tom Walker, who has managed the portfolio successfully since 2000, a specialist team analyses the world's stocks to find the very best ideas. Tom is supported by a team of over 60 investment professionals who meet over 1,100 companies every year.

## Objective

Long-term capital growth in excess of the capital return of the FTSE World index

## Benchmark

FTSE World index

## Capital structure

96,713,730 ordinary shares of 5p each in issue, each entitled to one vote

## Dividends paid

January, April, July and October

# Contents



# Chairman's Statement

Welcome to your annual report, covering the 12 months to 31 January 2017.

The year has seen major economic and political surprises including both Brexit and the Trump election. Despite this, global stock markets have delivered a very good total return in the year of 33.6%, partly due to the post Brexit depreciation of sterling. The Company produced a NAV total return of 29.7% and a total share price return, slightly below the benchmark, of 32.1%. The share price total return has been achieved with lower volatility than almost all investment trusts in the peer group and with an active, high conviction style of investing.

This is the fifth full year since the portfolio was restructured from a UK biased to a global equity mandate. During this five year period the Company's annualised share price total return has been 14.6% p.a. versus 14.8% p.a. for the global equity benchmark, compared with 9.4% p.a for the previous FTSE All share benchmark. Your Company's global portfolio has a much wider spread of investments in large international businesses than is offered by the UK market and this year has shown the welcome resilience this brings to surprises such as Brexit.

More detail of the portfolio performance and holdings is given in Tom Walker's report on pages 4 and 5.

## Income and dividends

The net asset value of the Company grew by £38m during the year to over £216m. Income per share has also increased and costs have been controlled, allowing the Board to recommend an increase of 0.05p in the fourth interim dividend to 1.5p which will be paid on 28 April 2017 to shareholders on the register on 7 April 2017. The total dividend for the year rises to 4.2p per share giving a yield on the year end share price of 1.9%. The Company has steadily grown its dividend over the years and this level maintains its above-average dividend yield in the Association of Investment Companies' ('AIC') global sector.

## Developing the Company

Your Board has kept the possibility of introducing long-term gearing under regular review during the year but in view of both the strength of the markets and backdrop of heightened financial uncertainty, market conditions have not so far been appropriate. The Board has also maintained its goal of controlling costs. The result for the year of 0.74% achieves the Company's ongoing charges ratio target of 0.75% and includes around 0.02% costs to prepare for gearing and to recruit our two new directors.

## Environmental, Social & Corporate Governance ('ESG')

Your Board believes companies that exhibit positive Environment, Social and Governance behaviours contribute to increasing value over the longer term. The Board has published on the Company's website a compliance statement with the FRC Stewardship Code which incorporates its policies on socially responsible investing and works closely with our investment manager, Martin Currie, to ensure the appropriate active engagement with the companies in which the Company invests. Martin Currie has retained the highest A+ rating from the United Nations Principles for Responsible Investment ('UNPRI') for its approach to ESG. Martin Currie is also a 'tier 1' signatory of the UK Stewardship Code which aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders.

## Board

I am delighted that Marian Glen and Gary Le Sueur were appointed to the Board on 1 December 2016. Both have strong financial and investment backgrounds and bring a wealth of diverse experience and specialist knowledge from their respective fields.

As previously announced, David Kidd will be stepping down from the Board following the annual general meeting ('AGM') in June 2017. I would like to take this opportunity to thank David for his service over the past 11 years during which the Company has grown and delivered strong returns for shareholders.

Mike Balfour will take over the role of Senior Independent Director, following conclusion of the AGM.

*"The share price total return has been achieved with lower volatility than almost all investment trusts in the peer group"*

## Delivering long term shareholder value

The Board is committed to delivering long term shareholder value making this Company a very attractive proposition as recognised in the national press during the year. The key benefits are:

- Consistently good long-term returns delivering an outperformance against the benchmark over each rolling 10 year period since its formation;
- A high conviction portfolio of the best stocks drawn from the global universe which has delivered both a far better return than the UK market in isolation and a less volatile performance than most of its AIC global sector peers since the change of mandate 5 years ago;
- A commitment to socially responsible investing as a path to sustainable investment performance;
- A balance of sustained capital gain and steadily rising dividends since the Company's formation; and
- A policy of maintaining a 'zero discount' allowing shareholders to buy and sell their shares at or around NAV when they choose.

## Outlook

The macro economic and political outlook is unusually uncertain across many countries and sectors. The pace at which the different major economies move away from extremely easy monetary policies will be an important but unpredictable influence on the markets. This background represents an opportunity for the portfolio manager to continue to 'pick winners, avoid losers' across the global markets based on a judgement of the individual strengths of the companies in which to invest the portfolio. In these conditions the Board is confident that our strong long term performance will continue to deliver outstanding value to our shareholders.

## Subscribe for regular updates

The Company's website at www.martincurrieglobal.com is a comprehensive source of information and includes regular portfolio manager updates and outlook videos, monthly performance factsheets and independent research reports. I recommend that you subscribe for regular email updates that will keep you abreast of the key information.

I thank you for your continued support. Please contact me if you have any questions regarding your Company at my email, chairman@martincurrieglobal.com.

Neil Gaskell

27 March 2017

## Market review

The year to 31 January 2017 started inauspiciously, as global equities collapsed in early February 2016. However, the weakness was short-lived and while interest rates and economic growth rates are still at low levels relative to history, stock market returns were extremely strong over the year. This was despite the fact that there were some notable surprises along the way, in particular the outcomes from the UK referendum on EU membership and the US presidential election. After a very brief downturn, equity markets disregarded the Brexit outcome and later rallied following Donald Trump's election victory. In sterling terms, the FTSE World index returned almost 34%. Nearly half of this return (about 16%) flowed from translating the value of overseas assets and their earnings back into weak sterling.

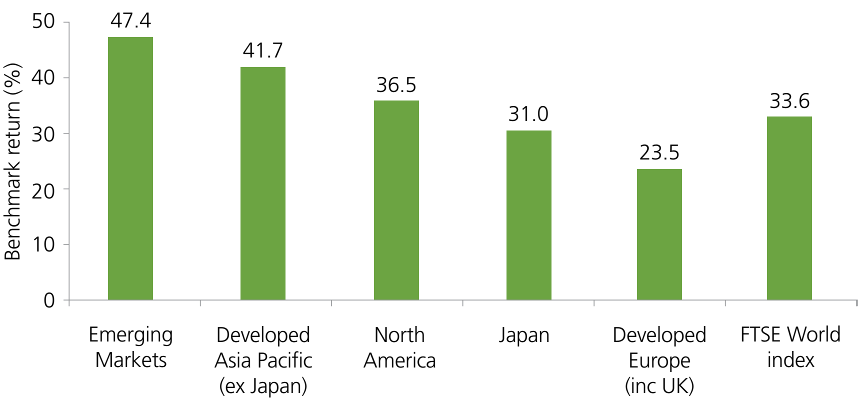
Two particular macroeconomic themes drove widely dispersed returns from different parts of world equity markets. First, commodity prices staged a significant recovery in the year. The oil price (Brent Crude) rose from US$30 per barrel in early February 2016, to nearly US$56 by the end of January 2017. Secondly, long-term interest rates in the most important global economy, the US, rose dramatically from their abnormally low levels. The ten-year treasury yield rose from 1.92% at the start to 2.46% by the end of our fiscal year; but it fell as low as 1.36% on the way. As a result of these two factors, the basic materials sector (sensitive to commodity prices) rose 64% and financials (sensitive to interest rates) rose 40%. At the other end of the scale, the healthcare sector was the worst performer, albeit still up 17%.

While healthcare is generally less economically sensitive, it is highly sensitive to political rhetoric and pricing of healthcare was targeted by both parties in the US presidential election. After several years when performance has lagged the rest of the world, emerging markets were strong. Some regions were boosted by recovering commodity prices, others by the fact that their economies appear to have stabilised. As a result, valuations, which had become more appealing as a result of long-term underperformance, once again attracted investors' attention. The US led the major markets and Europe lagged. Although the UK is perceived by many as the likely loser in the Brexit process, the UK stock market was by no means the weakest in Europe as others – including Italy, Greece and Portugal – rose considerably less.

## Investment performance and activity

The Company's net asset value delivered a total return of 29.7% in the year, behind the total return of the FTSE World index of 33.6%. This underperformance is largely explained by stock selection, though the portfolio was not positioned for the dramatic and unexpected recovery in economically sensitive stocks and sectors. At the stock level, JP Morgan contributed most positively to performance, riding the strong bounce in banks. ARM Holdings, which was acquired by Softbank in the summer and miner BHP Billiton, a beneficiary of recovering commodity prices, were also notable positives. In contrast, retailer L Brands (whose brands are Victoria's Secret and Bath & Body Works) was the worst contributor to performance. Sluggish demand and a reorganisation of management and merchandise meant that near-term earnings expectations have fallen. We had reduced our position on valuation grounds but, having been highly rated, the share price fell significantly giving back the prior two years outperformance. Another long-term holding, CVS Health, struggled in the face of the political backlash against drug pricing in the US.

**Regional total equity returns over 12 months to 31 January 2017 (£)**




Source: Martin Currie Investment Management.

*"After several years when performance has lagged the rest of the world, emerging markets were strong in this period."*

During the year, share price volatility has created opportunities to add a number of stocks to the portfolio at attractive valuations. Two Chinese stocks purchased after periods of share price weakness were Alibaba, the online retailer, and AIA, the life assurance company. Both of these stocks have strong, long-term earnings prospects. In a similar way, we purchased payment processor, Visa and auto-component manufacturer, Delphi Automotive, after their respective share prices had experienced some unjustifiable weakness. Finally, towards the end of the year, after some months of underperformance, we added Reckitt Benckiser. Other new holdings in the portfolio this year are: UK media company Sky, which is currently the subject of a takeover bid by its major shareholder Fox Communications; Pioneer Natural Resources, the US oil and gas exploration company with among the lowest-cost assets in the US; Unilever the Anglo-Dutch consumer products group; and Shire, the pharmaceutical company specialising in the treatment of haemophilia and rare diseases.

We strongly believe in constructing a portfolio that is focused on relatively few, high-conviction investments. During the year we reduced the number of holdings from around 60 to nearer 50 to emphasise this approach. A number of stocks were sold both to fund new ideas and to increase the focus within the fund. The largest of these sales were French industrial group, Schneider Electric; US pharmaceutical company, AbbVie; oil and gas multi-national, Royal Dutch Shell; Asian conglomerate, Jardine Matheson; Japanese financial, Orix Corporation and global bank, HSBC Holdings.

## Outlook

Political uncertainty in the world's largest economy is more heightened than it has been for many years. Yet, thus far, stock markets have largely taken it in their stride, buoyed by pro-cyclical sectors which have been boosted by President Trump's electoral promises of fiscal largess. Policy-wise, however, this much-talked about economic stimulus may be harder to do than to say. We suspect the enthusiasm for reflation in the US has taken the share prices of some of the most economically sensitive stocks too far. And as stock pickers, we see little point in speculating on which of the many policy initiatives enunciated by President Trump may come to fruition. So currently, the portfolio is positioned for continued tepid economic growth and only very modest increases in interest rates.

*"We see little point in speculating on which of the many policy initiatives enunciated by President Trump may come to fruition."*

That does not suggest that we are especially bearish on the outlook for the year ahead. However, after a strong upward move in equity markets, a consolidation phase is possible in the near-term. We continue to find companies that appear undervalued and favour stocks, wherever they are in the world, that do not rely on a 'rising tide', or a strong economic recovery, to boost their sales or profit growth.

Tom Walker

27 March 2017

# Portfolio Summary



## Portfolio distribution by region

| | 31 January 2017 Company % | 31 January 2017 FTSE World index % | 31 January 2016 Company % | 31 January 2016 FTSE World index % |
|---|---|---|---|---|
| North America | 56.9 | 58.5 | 54.1 | 57.7 |
| Developed Europe | 21.0 | 21.6 | 22.9 | 23.2 |
| Japan | 7.5 | 8.9 | 8.6 | 9.0 |
| Developed Asia Pacific ex Japan | 6.7 | 6.2 | 9.5 | 5.8 |
| Global Emerging Markets | 5.9 | 4.6 | 3.1 | 4.0 |
| Middle East | 2.0 | 0.2 | 1.8 | 0.3 |
| | 100.0 | 100.0 | 100.0 | 100.0 |

## By sector

| | 31 January 2017 Company % | 31 January 2017 FTSE World index % | 31 January 2016 Company % | 31 January 2016 FTSE World index % |
|---|---|---|---|---|
| Financials | 23.8 | 22.1 | 22.7 | 20.9 |
| Consumer services | 14.8 | 11.0 | 14.5 | 11.8 |
| Technology | 12.7 | 12.1 | 12.8 | 11.5 |
| Healthcare | 11.6 | 10.6 | 11.4 | 11.9 |
| Consumer goods | 11.0 | 13.4 | 5.3 | 14.6 |
| Industrials | 9.0 | 12.8 | 13.7 | 12.1 |
| Telecommunications | 5.6 | 3.2 | 7.2 | 3.6 |
| Basic materials | 5.0 | 5.0 | 4.0 | 4.1 |
| Oil and gas | 4.8 | 6.6 | 6.7 | 6.1 |
| Utilities | 1.7 | 3.2 | 1.7 | 3.4 |
| | 100.0 | 100.0 | 100.0 | 100.0 |

## By asset class

| | 31 January 2017 % | 31 January 2016 % |
|---|---|---|
| Equities | 99.6 | 98.1 |
| Cash | 0.4 | 1.9 |
| | 100.0 | 100.0 |

## Largest 10 holdings

| | 31 January 2017 Market value £000 | 31 January 2017 % of total portfolio | 31 January 2016 Market value £000 | 31 January 2016 % of total portfolio |
|---|---|---|---|---|
| JP Morgan Chase | 10,239 | 4.8 | 6,853 | 3.9 |
| Facebook | 7,758 | 3.6 | 5,921 | 3.4 |
| VISA | 7,417 | 3.5 | — | — |
| Apple | 7,371 | 3.5 | 5,234 | 3.0 |
| Verizon Communications | 6,182 | 2.9 | 5,586 | 3.2 |
| Prudential | 5,906 | 2.7 | 5,513 | 3.2 |
| KDDI | 5,734 | 2.7 | 4,694 | 2.7 |
| Lockheed Martin | 5,712 | 2.6 | 5,873 | 3.4 |
| Alibaba Group | 5,710 | 2.6 | — | — |
| American International Group | 5,601 | 2.6 | 4,365 | 2.5 |

# Portfolio Holdings

| | Sector | Country | Market value £000 | % of total portfolio |
|---|---|---|---|---|
| North America | | | 122,610 | 56.9 |
| JP Morgan Chase | Financials | United States | 10,239 | 4.8 |
| Facebook | Technology | United States | 7,758 | 3.6 |
| VISA | Financials | United States | 7,417 | 3.5 |
| Apple | Technology | United States | 7,371 | 3.5 |
| Verizon Communications | Telecommunications | United States | 6,182 | 2.9 |
| Lockheed Martin | Industrials | United States | 5,712 | 2.6 |
| American International Group | Financials | United States | 5,601 | 2.6 |
| Delphi Automotive | Consumer goods | United States | 5,228 | 2.4 |
| Philip Morris International | Consumer goods | United States | 4,821 | 2.2 |
| Comcast | Consumer services | United States | 4,736 | 2.2 |
| TJX Companies | Consumer services | United States | 4,521 | 2.1 |
| L Brands | Consumer services | United States | 4,365 | 2.0 |
| CVS Health | Consumer services | United States | 4,354 | 2.0 |
| Cognizant Technology Solutions | Technology | United States | 4,336 | 2.0 |
| LyondellBasell Industries | Basic materials | United States | 4,138 | 1.9 |
| Bank of Montreal | Financials | Canada | 3,922 | 1.8 |
| Pfizer | Healthcare | United States | 3,883 | 1.8 |
| United Parcel Service | Industrials | United States | 3,833 | 1.8 |
| Sempra Energy | Utilities | United States | 3,703 | 1.7 |
| Pioneer Natural Resources | Oil and gas | United States | 3,510 | 1.6 |
| Crown Castle | Financials | United States | 3,409 | 1.6 |
| Celgene | Healthcare | United States | 3,379 | 1.6 |
| Cooper Companies | Healthcare | United States | 3,228 | 1.5 |
| Voya | Financials | United States | 2,672 | 1.2 |
| Mylan | Healthcare | United States | 2,202 | 1.0 |
| Praxair | Basic materials | United States | 2,090 | 1.0 |

| | | | | |
|---|---|---|---|---|
| Developed Europe | | | 45,326 | 21.0 |
| Prudential | Financials | United Kingdom | 5,906 | 2.7 |
| BHP Billiton | Basic materials | United Kingdom | 4,543 | 2.1 |
| Airbus | Industrials | Netherlands | 4,184 | 1.9 |
| Sky | Consumer services | United Kingdom | 3,943 | 1.8 |
| Reckitt Benckiser | Consumer goods | United Kingdom | 3,930 | 1.8 |
| Shire | Healthcare | United Kingdom | 3,707 | 1.8 |
| Roche | Healthcare | Switzerland | 3,658 | 1.7 |
| Unilever | Consumer goods | Netherlands | 3,599 | 1.7 |
| ProSiebenSat.1 Media | Consumer services | Germany | 3,247 | 1.5 |
| Ashtead Group | Industrials | United Kingdom | 3,130 | 1.5 |
| Total | Oil and gas | France | 2,995 | 1.4 |
| ENI | Oil and gas | Italy | 2,248 | 1.0 |
| Candover Investments | Private equity | United Kingdom | 236 | 0.1 |

# Portfolio Holdings



| | Sector | Country | Market value £000 | % of total portfolio |
|---|---|---|---|---|
| Japan | | | 16,024 | 7.5 |
| KDDI | Telecommunications | | 5,734 | 2.7 |
| Toyota | Consumer goods | | 3,955 | 1.8 |
| Mitsubishi UFJ Financial Group | Financials | | 3,764 | 1.8 |
| Komatsu | Industrials | | 2,571 | 1.2 |
| Developed Asia Pacific ex Japan | | | 14,351 | 6.7 |
| CSL | Healthcare | Australia | 4,723 | 2.2 |
| AIA Group | Financials | Hong Kong | 3,407 | 1.6 |
| China Construction Bank | Financials | Hong Kong | 2,448 | 1.1 |
| United Overseas Bank | Financials | Singapore | 2,064 | 1.0 |
| CNOOC | Oil and gas | Hong Kong | 1,709 | 0.8 |
| Global Emerging Markets | | | 12,912 | 5.9 |
| Alibaba Group | Consumer services | China | 5,710 | 2.6 |
| Taiwan Semiconductor Manufacturing Company | Technology | Taiwan | 3,530 | 1.6 |
| PT Astra International | Consumer goods | Indonesia | 2,355 | 1.1 |
| PT Matahari Department Store | Consumer services | Indonesia | 1,317 | 0.6 |
| Middle East | | | 4,396 | 2.0 |
| Check Point Software Technologies | Technology | Israel | 4,396 | 2.0 |
| Total portfolio holdings | | | 215,619 | 100.0 |

## Business model

The Company seeks to deliver a competitive return to its shareholders through investment in a diversified portfolio of assets with the primary objective of delivering long-term capital growth in excess of the capital return of the FTSE World index, the objective approved by the Company's shareholders. The Board appoints and oversees an independent investment manager to manage the investment portfolio, decides the appropriate financial policies to manage the assets and liabilities of the Company, ensures compliance with tax, legal and regulatory requirements and reports regularly to shareholders on the investment manager's performance. The directors do not envisage any change in this model in the foreseeable future.

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

## Strategy

The Board's principal strategies are:

### Investment

The Company invests in predominantly large capitalisation equities; companies which are market leaders in their industries and have superior share price appreciation potential due to earnings, assets or valuation anomalies. The resulting diversified portfolio of international quoted companies is active and focused, containing around 50 high conviction stocks selected on the basis of detailed research analysis. This active portfolio management policy will inevitably involve some periods when the Company's portfolio outperforms or underperforms the Company's benchmark.

The Board does not impose any limits on the investment manager's discretion to select individual stocks. The investment manager ensures that investment risk is dominated by the high conviction stocks in the portfolio within the guidelines set by the Board and that the combination of stocks held does not lead to unintended reliance on a particular macroeconomic factor (for example, a higher oil price or lower interest rates).

Current asset allocation and actual holdings are discussed in the manager's review on pages 4 and 5 and details are contained in the portfolio summary and portfolio holdings on pages 6, 7 and 8.

### Risk management

Risk management is largely focused on managing investment risk in accordance with the investment policy guidelines set by the Board. The Board has established risk parameters with the investment manager within which the portfolio is managed. The Board reviews, at each board meeting, the relevant risk metrics presented by the portfolio manager to ensure there is sufficient but not excessive risk being taken within the portfolio.

The wider corporate risks relate mainly to the challenges of managing the Company in an increasingly regulated and competitive market place. These risks are each actively managed using the mitigation measures which the Board has put in place and which are discussed on page 10 of this report.

### Marketing

The marketing strategy seeks to deepen demand for the Company's shares by meeting or exceeding expectations of existing shareholders and winning new shareholders. Deepening demand for the Company's shares enables growth over time, in the number of shares in issue, improves the efficiency of the Company and increases liquidity for its shares.

This is supported by a commitment to deliver clear, transparent and regular communication with shareholders delivered primarily through the Company's website which contains information relating to performance, outlook and significant developments as they occur. In addition, the Company utilises best practice marketing tools such as advertising, direct mail, public relations and research. The portfolio manager, Tom Walker, meets regularly with existing and potential institutional shareholders.

### Financial

The main financial strategic goals are: the management of shareholder capital; the use of gearing; and the management of the risks to the assets and liabilities of the Company.

The Board's principal goal for the management of shareholder capital is long-term growth. Growth should reflect both the investment manager's investment performance and the issuance of shares when sufficient demand exists to do this without diluting the value of existing shareholder capital. However, the Board has also maintained or increased dividends each year since the Company's launch in 1999 and remains committed to a progressive dividend policy over the longer term. This has resulted in a strong long-term total return performance on shareholder capital.

The Company operates a 'zero discount' policy which ensures that the share price does not fall materially below the NAV and that larger investors can sell as many shares as they wish without suffering an increased discount to share price. Shares bought back as part of this policy are held in treasury and reissued when demand exists which the market cannot supply.

The Company is not currently geared. However, the possibility of gearing remains under consideration by the Board. The Board may take the opportunity to obtain long-term debt should the combination of the market outlook and the cost of debt be judged appropriate by the Board. The current parameters state that borrowing must not exceed 20% of net assets and, if gearing is introduced, the Board considers it would be appropriate to restrict the gearing to a modest level well within this ceiling, at a level which can be sustained over the long term.

### Financial (continued)

The Company does not currently use derivatives for the purpose of mitigating investment risk, although the investment manager may hedge an excessive concentration of currency risk into sterling should this situation arise. The Board manages risk to both assets and liabilities through its oversight of the investment manager's risk management systems and its active monitoring of both costs and the risks inherent in financial liabilities.

The Board is committed to its policy of keeping shareholders regularly informed about the Company's performance and, in particular, giving an objective and transparent report on the underlying investment performance of the investment manager. The formal annual and half-yearly financial statements provide a comprehensive review of the overall position, compliant with best practice as recommended by the Financial Reporting Council.

## Principal risks and uncertainties

### Risk and mitigation

The Company's business model is longstanding and resilient to most of the short term operational uncertainties that it faces, which the Board believes are effectively mitigated by its internal controls and its oversight of the investment manager, as described in the table below. Its principal risks and uncertainties are therefore largely longer term and driven by the inherent uncertainties of investing in global equity markets. The Board believes that it is able to respond to these longer term risks and uncertainties with effective mitigation so that both the potential impact and the likelihood of these seriously affecting shareholders' interests are materially reduced.

Risks are regularly monitored at board meetings and the Board's planned mitigation measures are described in the table below. As part of its annual strategy meeting, the Board carried out a robust assessment of the principal risks facing the Company.

The Board has identified the following principal risks to the Company:

| Risk | Mitigation |
|---|---|
| Loss of s1158-9 tax status | Loss of s1158-9 tax status would have serious consequences for the attractiveness of the Company's shares. The Board considers that, given the regular oversight of this risk by the audit committee and the investment manager, the likelihood of this risk occurring is minimal. The audit committee regularly reviews the eligibility conditions and the Company's compliance against each, including the minimum dividend requirements and shareholder composition for close company status. |
| Sustained investment underperformance | The Board monitors the implementation and results of the investment process with the portfolio manager, who attends all board meetings and reviews data that show statistical measures of the Company's risk profile. Should investment underperformance be sustained despite the mitigation measures taken by the investment manager, the Board would be able to take appropriate action to manage this risk. |
| Decline in overall size of the Company/ mandate falls out of favour | The Board recognises that the 'zero discount' policy allows shareholders to sell their shares in any volume at close to NAV. Although this improved liquidity encourages investment in the Company, it could also increase the risk of a significant decline in the size of the Company. The Company has a clear marketing strategy which is set by the Board and delivered by a well-resourced marketing function within the investment manager. The Board also regularly monitors key indicators for any change in the Company's reputational risk profile or the attractiveness of its investment objective. |
| Deterioration of shareholder sentiment | The Board recognises the importance of managing shareholder relations. The Board regularly monitors the list of major shareholders and the shareholder profile.<br>The directors meet, from time to time, with major shareholders and the investment manager maintains regular contact with the Company's institutional shareholders. The Company's website, which is independent of the investment manager's website, provides all shareholders with relevant information about the Company including its daily NAV, monthly updates and annual and half-yearly reports. In addition to this all shareholders have the opportunity, and are encouraged, to attend the Company's annual general meeting ('AGM') and to give their views to the Company using the email address noted on the back page of this annual report. |

Following the ongoing assessment of the principal risks facing the Company, and its current position, the Board is confident that the Company will be able to continue in operation and meet its liabilities as they fall due. The Board believes that the processes of internal control that the Company has adopted and oversight by the investment manager continue to be effective.

## Key Performance Indicators and Performance

The Board uses certain key performance indicators ('KPIs') to monitor and assess its performance in achieving the Company's objectives.

| Summary of KPIs | Target | Actual | Achieved |
|---|---|---|---|
| 1. Net asset value performance relative to benchmark (over 3 years) | Outperform | (4.40%) | ✗ |
| 2. Performance against Company's peers (over 3 years) | Top third performance | 8th out of 22 | ✗ |
| 3. Ongoing charges | Less than 0.75% | 0.74% | ✓ |

### 1. Net asset value performance

The Board assesses the net asset value total return compared to the total return of the FTSE World Index. It is measured on a financial year basis and assessed over a rolling three year period.

This KPI was not achieved for the period. The total return of the Company was 52.2% and the benchmark 56.6% for the three years to 31 January 2017.

### 2. Performance against the Company's peers

The Board monitors the share price total return performance versus a range of 12 competitor funds within the AIC Global sector and 9 open-ended funds over a rolling three year period.

This KPI was narrowly missed for this period. The Company ranked 8 out of 22 funds. The share price total return for the Company was 52.9% over the three years to 31 January 2017.

With effect from 1 February 2017 the Board will monitor the Company's performance against all competitor funds within the AIC Global Sector. The Board believes this will enable shareholders to monitor the Company's performance against this KPI more effectively.

### 3. Ongoing charges

The Board monitors ongoing charges ('OGC') on a regular basis to ensure it meets its target by maintaining cost discipline and focus on value adding activities. The KPI was met for the year at 0.74%.

Neil Gaskell
Chairman

27 March 2017

# Board of Directors



## Neil Gaskell, Non-executive director, Chairman

Neil was appointed as a non-executive director of the Company on 24 November 2011 and became chairman on 22 May 2012. Before this, he worked for 35 years with Shell and retired as group treasurer of the Royal Dutch Shell Group and director of Shell International. Neil is currently chairman of Aberdeen Japan Investment Trust. He was previously a non-executive director of Wellstream Group and Integra Group and is former chairman of Hydrodec Group. Neil is also a governor of the London School of Economics and a Trustee of the National Institute of Economics and Social Research.

## Mike Balfour, Non-executive director, Chairman of the audit committee

Mike is a member of the Institute of Chartered Accountants of Scotland and in January 2016 he stepped down as chief executive at Thomas Miller Investment Ltd. Prior to that, Mike was chief executive at Glasgow Investment Managers and chief investment officer at Edinburgh Fund Managers Limited. Mike brings 30 years of investment management experience to the Board, as well as knowledge of the investment trust industry. He is also a non-executive director of Murray Income Trust plc and Standard Life Investment Property Income Trust plc. He chairs the investment committee of TPT Retirement Solutions (previously The Pensions Trust). Mike was appointed to the Board on 28 January 2010.

## Marian Glen, Non-executive director

Marian is a non-executive director of Shires Income plc and Financial Services Compensation Scheme Limited. She is also a member of the Audit and Risk Committee of the Water Industry Commission for Scotland. She was formerly the General Counsel of AEGON UK and prior to that was a corporate partner and Head of Funds and Financial Services at Shepherd+ Wedderburn (Solicitors). She was previously a non-executive director of Friends Life Group Limited and certain of its subsidiaries and Murray Income Trust plc. Marian was appointed to the Board on 1 December 2016.

## David Kidd, Non-executive director, Senior independent director

David is a director of The Law Debenture Pension Trust Corporation plc, which acts as independent trustee for over 200 pension schemes including many FTSE-100 companies. He has over 30 years investment management experience, having been chief investment officer of the Royal Bank of Scotland's investment management arm, the charity specialists Chiswell Associates and the private bank Arbuthnot Latham. He is a non-executive director of The Baillie Gifford Japan Trust plc, Mid Wynd International Investment Trust plc and a director of The Golden Charter Trust Limited. David was appointed to the Board on 1 October 2005.

*From left to right, top: Marian Glen, Gary Le Sueur, Tom Walker (portfolio manager), Mike Balfour, Paul Evitt (company secretary).*

*Bottom: David Kidd, Neil Gaskell (chairman), Gillian Watson.*

## Gary Le Sueur, Non-executive director

Gary is a co-founder and partner of venture capital firm, Scottish Equity Partners (SEP). Gary is responsible for the firm's clean energy and infrastructure funds, as well as being actively involved in fundraising and investor relations. Over the past 19 years he has played a key role in more than 30 investments and realisations with a particular interest in the cleantech and energy sectors. Prior to specialising in venture capital, Gary worked in corporate law with Shepherd+ Wedderburn (Solicitors), before moving to the structured finance group within Deutsche Morgan Grenfell and then National Australia Bank. Gary is currently a non-executive director of independent gas transporter Indigo Pipelines, solar energy business Solarcentury, clean energy centre contractor Vital Energi and venture philanthropy organisation Inspiring Scotland. Gary was appointed to the Board on 1 December 2016.

## Gillian Watson, Non-executive director

Gillian is currently senior managing director at ES Noble & Company Limited, the Edinburgh based boutique investment bank. She is also chair of Gordon & Macphail and a non-executive director of Meallmore Ltd and The Royal Edinburgh Military Tattoo Limited. Gillian has worked in corporate finance, strategy and business development across various industry sectors and, until March 2013, was chief executive officer of Giltech Limited. Gillian sits on the University of Strathclyde's Enterprise and Innovation Board and is a trustee of the Boswell Trust. Gillian was appointed to the Board on 1 April 2013.

# Report of the Directors

## Business review

### The investment manager

Martin Currie is an international equity specialist based in Edinburgh, managing money for a wide range of global clients. Its investment process is focused on selecting stocks through fundamental proprietary research and constructing well-balanced high conviction portfolios. The Board closely monitors investment performance and Tom Walker, the portfolio manager, attends each board meeting to present a detailed update to the Board. The Board uses this opportunity to challenge the portfolio manager on any aspect of the portfolio's management.

### Continued appointment of the investment manager

The Board conducts an annual performance appraisal of the investment manager against a number of criteria, including operational performance, results and investment performance and other contractual considerations. Following the recent appraisal carried out by the management engagement committee on 26 January 2017, the Board considers it is in the best interests of shareholders to continue with the appointment of Martin Currie as investment manager.

### Main features of the contractual arrangement with the investment manager

- Six month notice period.
- Immediate termination if Martin Currie ceases to be capable of carrying on investment business.
- In the event that the Company terminates the agreement otherwise than set out above, Martin Currie is entitled to receive compensation equivalent to four times the basic quarterly management fee payable.

### Investment management fee

Martin Currie is paid an investment management fee of 0.5% of the NAV of the Company per annum, calculated quarterly. Martin Currie also provides secretarial and administration services to the Company; the annual secretarial fee for the year ended 31 January 2017 was £50,988 (2016: £50,874).

### Performance fee

The investment manager is also entitled to a performance fee should certain criteria be met. The key terms and related definitions of the calculation of the performance fee are summarised below.

- If the cumulative performance over the relevant period is less than or equal to 1% then no performance fee is payable.
- If the cumulative performance over the relevant period is greater than 1%, a performance fee is payable. If the Company's NAV has risen over the final year of the relevant period, this fee is 15% of the cumulative performance over that year and 7.5% if the Company's NAV has fallen.
- The maximum performance fee payable in any year is 1% of Company's NAV as at the last day of the relevant period.

### Definitions

Relevant period: the relevant period is from 1 February following the last financial year in which a performance fee was paid, to the end of the current financial year. The relevant period for the year ended 31 January 2017 is 1 February 2012 to 31 January 2017. The Company's NAV is the ex-income NAV before any accrual for performance fee and adjusted for the impact of share buy backs. For the year ended 31 January 2017 the performance of the Company's NAV over the relevant period is 63.2%. The Company's benchmark is the FTSE World index. As at 31 January 2017 the capital performance of the benchmark over the relevant period was 75.2%.

Cumulative performance is the percentage change of the Company's NAV per share less the percentage change in the capital performance of the Company's benchmark. As at 31 January 2017 the cumulative performance for the relevant period is (12.0%) and therefore no performance fee is payable for the year ended 31 January 2017 (2016: £nil).

## Further contractual arrangements

The Company has outsourced its operational infrastructure to third party organisations. Contracts and service level agreements have been defined to ensure that the service provided by each of the third party organisations is of a sufficiently professional and technically high standard. The Board actively monitors performance of service providers.

Counterparty risk on each service provider is analysed with the Board monitoring any identified risks. Further details of the Company's service providers can be found in the investor information section on page 47.

## Performance and outlook of the Company

Please refer to the chairman's statement on pages 2 and 3 and the manager's review on pages 4 and 5 for an update on the performance of the Company over the year and outlook for 2017.

## Board diversity

The nominations committee considers diversity, including the balance of skills, knowledge, gender and experience, amongst other factors when reviewing the composition of the Board. It does not consider that it is appropriate to establish targets or quotas in this regard. The Board comprises six non-executive directors of whom two are women, thereby constituting 33% female representation. Following the retirement of David Kidd, the Board will comprise five non-executive directors and the female representation will increase to 40%. The Company has no employees as its investments are managed by Martin Currie, the appointed investment manager.

## Environmental matters, social and corporate governance issues

As an externally managed investment company with no employees, the Company's greenhouse gas emissions are negligible. The Company does not have explicit policies in place in relation to social or community issues. The directors are aware that Martin Currie gives consideration to operational performance, environmental, social and corporate governance issues, among other factors when investment decisions are made. Please see the Chairman's statement on pages 2 and 3 for more information. The Company complies with the principles of the FRC Stewardship Code. The Company's compliance statement can be found on the Company's website.

## Statement regarding annual report and accounts

Following a detailed review of the financial statements by the audit committee, the directors consider that taken as a whole they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

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

## Share capital

The Company repurchased 4,331,226 shares to be held in treasury at a cost of £8,232,000 during the year. This represented 4.5% of the called up share capital and had a nominal value of £216,561. As at 31 January 2017 the issued share capital of the Company was 96,713,730 shares (excluding shares held in treasury). The issued share capital as at 31 January 2016 was 101,044,956 (excluding shares held in treasury).

| Shareholders analysis as at 31 January 2017 | % of shareholders | % of equity capital |
|---|---|---|
| Individuals and trustees | 81.6 | 14.6 |
| Banks and nominee companies | 16.2 | 78.1 |
| Insurance & Investment companies | 0.2 | 0.0 |
| Other holders | 2.0 | 7.3 |
| | 100.0 | 100.0 |

## Voting rights

As at 31 January 2017, the Company had received notification in accordance with the FCA's Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital.

| As at 31 January | **2017** | 2016 |
|---|---|---|
| DC Thomson & Company Limited | **7.7%** | 7.4% |
| Legg Mason Inc./Martin Currie Investment Management Limited | **5.7%** | 5.5% |

During the financial year to 31 January 2016, the Company issued 2,626,433 treasury shares to Legg Mason, Inc., the ultimate parent company of the Company's investment manager. Legg Mason, Inc. also purchased an additional 90,000 ordinary shares through the market taking its holding in the Company to 2,716,433 ordinary shares. The Martin Currie Retirement & Death Benefit Plan also holds 2,808,079 shares (2015: 2,526,849 shares) giving a total holding of 5,524,512 for the investment manager and its ultimate parent company, representing 5.5% of the Company's issued share capital as at 31 January 2016.

As at 23 March 2017, the Company had not received notification of any changes to these interests.

## Related party transactions

With the exception of the management and secretarial fees (disclosed on page 13), directors' fees (disclosed on page 25) and directors' shareholdings (disclosed on page 24) there were no related party transactions through the financial year.

## Corporate governance statement

The Company's corporate governance statement is set out on pages 19 to 21 and forms part of this report of the directors.

## Revenue and dividends

The net revenue return for the year after expenses, interest and taxation was £4,138,000 (2016: £4,211,000), equivalent to a return of 4.21 pence per share (2016: 4.15 pence). Interim dividends totalling 2.7 pence have been paid during the year. The directors recommend a fourth interim dividend of 1.50 pence per share be payable on 28 April 2017 to holders on the register at the close of business on 7 April 2017, making a total for the year of 4.20 pence (2016: 4.15 pence). The revenue reserves as at 31 January 2017 are £5,739,000.

## Trends likely to affect future performance

Please refer to the chairman's statement on pages 2 and 3 and the manager's review on pages 4 and 5 for information on the trends likely to affect the future performance of the Company.

## Regulatory

### The European AIFM Directive

The Board works closely with its advisers and the AIC as appropriate to ensure it is aware of any regulatory changes.

On 16 July 2014, the Company obtained approval as a small registered UK AIFM. The Board believes this is the most appropriate and lowest cost level of this regulation for the Company.

As set out in the Company's strategic report on pages 9 to 11, the Board may introduce long term gearing should the opportunity arise. Should this be decided, under the terms of the AIFMD, it would be necessary for the Company to appoint an external depositary and AIFM who would also be supervised by the Financial Conduct Authority. It is likely that the Company would appoint Martin Currie Fund Management Limited as its AIFM, an associated company of Martin Currie Investment Management Limited. No changes would be proposed to the way the Company's assets are invested as a result of this should it occur.

## Voting policy and the UK Stewardship Code

The Company has delegated responsibility for voting at investee company shareholder meetings to Martin Currie, who votes in accordance with its corporate governance and responsible investing policy. As reported in the Chairman's Statement on pages 2 and 3, Martin Currie has gained the highest A+ rating from UNPRI and is a 'tier 1' signatory of the UK Stewardship Code. The Board has noted Martin Currie's adoption of the UK Stewardship Code and a copy of the policies and voting records can be found at www.martincurrie.com/home/about_us/our_policies.

The Board believes companies that exhibit positive Environment & Social Governance (ESG) behaviours contribute to increasing value over the long term. The Board has published a compliance statement with the FRC Stewardship Code, on the Company's website, which incorporates its policies on socially responsible investing and engagement with the companies in which it invests. A copy of the statement can be found on the Company's website.

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the directors' remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the Company's website (www.martincurrieglobal.com) which is maintained by the investment manager. The directors are responsible for the maintenance and integrity of the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed in the Board of directors on page 12, confirms that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the report of the directors and manager's review include a fair, balanced and understandable review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

## Role of the Board

Investment companies have a board of directors whose duty it is to govern the Company to secure the best possible return for shareholders within the framework set out in the Company's Articles of Association – in other words, to look after the interests of shareholders.

Your Board of six experienced independent non-executive directors meets five times a year on a formal basis and on an ad-hoc basis when required, to consider the Company's strategy and monitor the Company's performance. The directors are directly answerable to shareholders.

The Board formally evaluates its investment manager every year, reporting to shareholders why it is appropriate for the investment manager to continue.

Your Board takes this responsibility extremely seriously.

Your Board also serves shareholders by ensuring that the interests of the investment manager are aligned as closely as possible with those of shareholders.

An investment trust board provides a very specific and proactive form of direct oversight of the investment of the shareholders' funds.

## Directors

As set out in the Board of directors on page 12, Neil Gaskell, Mike Balfour, Marian Glen, David Kidd, Gary Le Sueur and Gillian Watson are directors of the Company. In accordance with the Company's Articles of Association, Marian Glen and Gary Le Sueur will stand for election at the AGM. David Kidd will step down as a director of the Company following the Company's AGM in 2017. Mike Balfour will replace David Kidd as Senior Independent Director.

When considering the appointment of the new directors, the board engaged an external recruitment consultant, Fletcher Jones, to assist in the search for candidate non-executive directors. The board considered a long list of potential candidates compiled by the consultant. Following discussion, a short list of candidates with appropriate skills was compiled for interview by the board and, subsequently, Marian Glen and Gary Le Sueur were appointed as non-executive directors.

## Going concern status

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the chairman's statement, manager's review, strategic report and the report of the directors.

The financial position of the Company as at 31 January 2017 is shown on the statement of financial position on page 33. The cash flows of the Company are set out on page 35.

Note 13 on pages 43 to 45 sets out the Company's risk management policies, including those covering market risk, liquidity risk and credit risk.

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk issued in October 2009 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 very short timescale. The directors are mindful of the principal risks and uncertainties disclosed on page 10. They have reviewed revenue forecasts and believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future, and at least one year from the date of this annual report. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

## Viability Statement

The Company's business model is designed to deliver long term capital growth to its shareholders through investment in large and liquid stocks in global equity markets. Its plans are therefore based on having no fixed or limited life provided global equity markets continue to operate normally. The Board has assessed its viability over a 3 year period in accordance with provision C.2.2 of the 2016 UK Corporate Governance Code. The Board considers that this reflects the minimum period which should be considered in the context of its long term objective but one which is limited by the inherent and increasing uncertainties involved in assessment over a longer period.

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

- the principal risks and uncertainties and the mitigating actions set out on page 10;
- the ongoing relevance of the Company's investment objective in the current environment and evidenced by feedback from major shareholders;
- the level of income forecast to be generated by the Company and the liquidity of the Company's portfolio;
- the low level of fixed costs relative to its liquid assets; and
- the expectation is that in normal markets more than 99% of the current portfolio could be liquidated within one trading day.

Based on the results of their analysis and the Company's processes for monitoring each of the factors set out above, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over at least the next 3 years.

## Annual general meeting

The annual general meeting ('AGM') of the Company will be held at the offices of Martin Currie Investment Management, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2ES at 12.30pm on 6 June 2017.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM.

### Purchase of own shares and treasury shares – special resolution

Each year the directors seek authority from shareholders to purchase the Company's own shares. The directors recommend that shareholders renew this authority detailed in resolution 9. Any shares purchased pursuant to the authority will be held in treasury or cancelled. The authority would lapse at the earlier of the Company's next AGM or 15 months after the date of the resolution.

The purpose of holding shares in treasury is to allow the Company to reissue those shares quickly and cost effectively in accordance with the parameters set out in resolution 11. If passed, resolution 9 gives authority for the Company to purchase up to 14,383,058 of the Company's own shares or, if less, 14.99% of the Company's issued share capital as at the date of the passing of the resolution. The Directors will only exercise this authority to purchase shares where they consider that such purchases will be in the best interests of shareholders generally. The Company may either cancel any shares it purchases under this authority or hold them in treasury. The Directors currently intend to hold in treasury the shares purchased under this authority.

### Disapplication of statutory pre-emption rights – special resolution

s561 of the Companies Act 2006 requires, when shares are to be allotted for cash, such new shares first must be offered to existing shareholders in proportion to their existing holdings of shares. Resolution 10 proposed as a special resolution would, if passed, give the directors authority under s570 and s573 of the Companies Act 2006, to allot shares for cash in certain circumstances as if s561 of the Companies Act 2006 did not apply. This authority would enable the directors to issue shares for cash to take advantage of changes in market conditions that may arise in order to increase the amount of the Company's issued share capital. The purpose of such an increase would be to improve the liquidity of the market in the Company's shares and to spread the fixed cost of administering the Company over a wider base. The directors believe that this would increase the investment attractions of the Company to the benefit of existing shareholders.

The resolution, if passed, will give the directors power to allot for cash equity securities of the Company up to a maximum of £239,878 (being an amount equal to 5% of the issued share capital of the Company as at 23 March 2017, the latest practicable date prior to this document) without the application of pre-emption rights described above. The authority contained in resolution 10 will continue until the AGM of the Company in 2018.

### Re-issue of treasury shares – special resolution

Resolution 11, proposed as a special resolution, would give the directors authority to re-issue shares from treasury within the following parameters:

- any discount level at which such equity securities may be sold or transferred out of treasury is always less than the average discount at which the equity securities held in treasury were purchased; and
- a cap will be set on the dilutive impact of reissuing out of treasury at a maximum of 0.2% per year.

The Board intends to use share issuance powers in the same way that buy back powers are used to enhance shareholder value and improve the liquidity of the shares.

### Notice of general meeting – special resolution

Resolution 12, proposed as a special resolution, would give the directors authority to call a general meeting, other than the AGM, on 14 days' clear notice. Before the Shareholders' Rights Regulations came into force on 3 August 2009, the Company was able to call general meetings other than an AGM on 14 days' clear notice without obtaining shareholder approval. In order to preserve this ability, resolution 12 seeks such approval. If approved, the authority contained in resolution 12 will continue until the AGM of the Company in 2018.

### Recommendation

The directors believe all the resolutions proposed are in the best interests of the Company and shareholders as a whole. The directors unanimously recommend all shareholders vote in favour of all the resolutions. The results of the votes on the resolutions at the AGM will be published on the Company's website (www.martincurrieglobal.com).

Neil Gaskell
Chairman

27 March 2017

## Compliance

The Board of the Company has considered the principles and recommendations of the AIC Code of Corporate Governance ('AIC code') by reference to the AIC Corporate Governance Guide for investment companies ('AIC guide'). The AIC code, as explained by the AIC guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC code and by reference to the AIC guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. The Company has complied with all of the recommendations of the AIC code and, except as set out below, relevant provisions of the UK Corporate Governance Code:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC guide and as explained in the UK Corporate Governance Code, the Board considers these provisions not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

## The principles of the AIC code

The AIC code is made up of 21 principles and the Company has complied with all such principles with the exception of principle 11 which is not applicable. Details of the AIC principles and how the Company complies with them can be found on the Company's website at www.martincurrieglobal.com.

## Board committees

### Management engagement committee

The management engagement committee's responsibilities include:

- reviewing the continuing appointment of the investment manager;
- reviewing the performance of the investment manager in terms of investment performance and the company secretarial and administrative services provided;
- reviewing the performance of the personnel employed by the investment manager in relation to the provision of such services; and
- reviewing the terms of the investment management agreement, to ensure that it remains competitive and in the best interests of shareholders.

The committee met once during the year.

Composition – all directors and chaired by Neil Gaskell.

### Nominations committee

The nominations committee's responsibilities include:

- assessing the skills, knowledge, experience and diversity required on the Board and the extent to which each are represented;
- establishing processes for the review of the performance of the Board committees and the Board as a whole;
- establishing processes for the identification of suitable candidates for appointment to the Board;
- overseeing succession planning for the Board; and
- in relation to any director retiring by rotation, and who is proposing to stand for re-election, reviewing the retiring director's performance during the period in which they have been a member of the Board.

The committee met once during the year.

Composition – all directors and chaired by Neil Gaskell.

### Marketing and communications committee

The marketing and communications committee's responsibilities include:

- considering the marketing strategy for the Company;
- reviewing the Company's communications with its shareholders;
- reviewing the Company's marketing budget; and
- reviewing the design and contents of the Company's financial statements.

The marketing and communications committee met twice during the year.

Composition – all directors and chaired by Gillian Watson.

### Audit committee

The audit committee's responsibilities include:

- monitoring and reviewing the integrity of financial statements and ensuring in particular that, taken as a whole, they are fair, balanced and understandable;
- internal financial controls;
- the independence, objectivity and effectiveness of the external auditors;
- making recommendations to the Board in relation to the appointment, evaluation and dismissal of the external auditors, their remuneration, terms of their engagement and reviewing their independence and objectivity;
- developing and implementing policy on the engagement of the external auditors to supply non-audit services; and
- reporting to the Board, identifying any matter in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

The audit committee met twice during the year. In addition the audit committee chairman had two further sessions with the investment manager and the external auditors.

Composition – Mike Balfour (chairman), Marian Glen, David Kidd, Gary Le Sueur and Gillian Watson.

## Directors' meetings

The following table shows the number of formal Board and Board committee meetings held during the year and the number attended by each director or committee member.

| | Formal Board meetings (5 meetings) | Management engagement committee (1 meeting) | Audit committee (2 meetings) | Nominations committee (1 meeting) | Marketing and communications committee (2 meeting) |
|---|---|---|---|---|---|
| Mike Balfour | 5 | 1 | 2 | 1 | 2 |
| Neil Gaskell | 5 | 1 | n/a | 1 | 2 |
| Marian Glen† | –* | –* | n/a | –* | n/a |
| David Kidd | 5 | 1 | 2 | 1 | 2 |
| Gary Le Sueur† | 1 | 1 | n/a | 1 | n/a |
| Gillian Watson | 5 | 1 | 1** | 1 | 2 |

*Marian was unable to attend the January 2017 Board and Committee meetings due to a prior commitment agreed before her appointment. Marian was provided with the full Board and Committee pack in advance of the meetings. †Appointed on 1 December 2016. **Gillian was unable to attend the March 2016 Audit committee meeting. Gillian was provided with the full Committee pack in advance of the meeting.

## Internal control

The AIC Code and the Disclosure and Transparency Rules require directors, at least annually, to review the effectiveness of the Company's system of internal control and include a description of the main features relating to the financial reporting process.

Since investment management and all administrative services are provided to the Company by Martin Currie, the Company's system of internal control mainly comprises monitoring the services provided by Martin Currie, including the operating controls established by them, to ensure that they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the risk and compliance department of Martin Currie. This arrangement is kept under review. Martin Currie also carries out a review of the custodial and administration activities carried out by State Street.

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

- reviews an internal control report as provided to the Board twice yearly by the investment manager. This report details significant risks, regulatory issues, error management and complaint handling;
- reviews the terms of the management agreement;
- reviews reports on the internal controls and the operations of the investment manager and of State Street; and
- reviews the risk profile of the Company and considers investment risk at every board meeting.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company as outlined on page 10. This process accords with the Turnbull guidance on internal controls.

During the course of its review of internal controls, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant, and is satisfied with the arrangements.

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

The directors are responsible for the Company's system of internal control, designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable.

Martin Currie has in place stringent controls that monitor the following activities within the financial reporting process:

- investment and related cash transactions are completely and accurately recorded and settled in a timely manner;
- corporate actions and proxy voting instructions are identified and generated respectively, and then processed and recorded accurately and in a timely manner;
- investment income is accurately recorded in the proper period;
- investments are valued using current prices obtained from independent external pricing sources;
- cash and securities positions are completely and accurately recorded and reconciled to third party data; and
- investment management fees, and any performance fee, are accurately calculated and recorded.

The system of internal control can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's systems of internal control for the year ended 31 January 2017 and to the date of approval of this annual report.

On behalf of the Board

Neil Gaskell
Chairman

27 March 2017

## Audit committee report

The audit committee is chaired by Mike Balfour and comprises all of the directors except the chairman of the Board, Neil Gaskell.

The audit committee reviews the scope and results of the audit and, during the year, considered and approved the external auditors' plan for the audit of the financial statements for the year ended 31 January 2017. A full list of the responsibilities of the committee is on page 20.

### Auditors' independence

The Company has in place a policy governing and controlling the provision of non-audit services by the external auditors, so as to help safeguard its independence and objectivity. This is achieved by prohibiting non-audit work where independence may be compromised or conflicts arise. Any non-audit work requires specific approval of the audit committee in each case.

The audit fee amounts to £19,000 for the year ended 31 January 2017 (2016: £19,000). Non-audit fees amounted to £2,000 for the year ended 31 January 2017 (2016: £3,000). Following review, the audit committee is satisfied that the Company's auditors, Ernst & Young LLP ('EY'), remain independent.

### Auditors' rotation

A competitive tender for the audit of the Company was last held in May 2015, following which EY were selected as the Company's auditors.

Under EU rotation guidance, the Company's audit engagement partner will rotate every five years. There is currently no intention to put the audit out to tender.

### Auditors' report

At the conclusion of the audit, EY did not highlight any issues to the audit committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. EY issued an unqualified audit report which is included on pages 26 to 31.

The audit committee takes account of the most significant issues and risks, both operational and financial, likely to impact the Company's financial statements.

The following significant issues were considered by the audit committee in relation to the financial statements:

| Matter | Action |
|---|---|
| Strength of processes and internal controls at outsourced providers | The investment administration function is outsourced to Martin Currie who use State Street Bank and Trust Company ('State Street') as a subcontractor. Custodial services are also outsourced by the Company to State Street. The directors, having carried out due diligence at the time of appointment and subsequently with State Street, are satisfied that State Street is an acceptable outsource provider. The audit committee receive regular reports from Martin Currie on the effectiveness of its processes, procedures and internal controls for these arrangements. Martin Currie has reviewed and checked State Street's processes, procedures and internal controls. The external auditors also review State Street's internal controls as part of their audit and have not reported any significant matters to the audit committee. Further details can be found on pages 26 to 31. |
| Accuracy of portfolio valuation | Actively traded listed investments are valued using stock exchange prices provided by third party service providers. The investment manager reviews and summarises the SOC 1 report, prepared annually by State Street covering Global Fund Accounting and Custody and the audit committee reviews this summarised report annually. The SOC 1 report is reported on by independent external accountants and includes details of the systems, processes and controls around the daily pricing of equity securities, including the application of exchange rate movements. |
| Allocation of expenses between revenue and capital | The allocation is reviewed by the audit committee annually taking into account the long-term split of returns from the portfolio, both historic and projected; the objectives of the Company and current, historical and prospective yields. |
| Revenue recognition | The audit committee review a summary of State Street's SOC 1 report annually. The SOC 1 report includes details of the systems, processes and controls around the recording of investment income. |

## Effectiveness of the external audit process

The audit committee evaluated the effectiveness of the external auditors and the external audit it undertook prior to making a recommendation on the re-appointment of EY at the forthcoming AGM. This evaluation involved an assessment of the effectiveness of the auditors' performance against criteria including qualification, expertise and resources, independence and effectiveness of the audit process. Having reviewed the performance of the external auditors as described above, the audit committee considered it appropriate to recommend the re-appointment of EY as external auditors. EY have expressed their willingness to be re-appointed to office and a resolution to re-appoint them as auditors to the Company and to authorise the directors to determine the remuneration payable will be proposed at the forthcoming AGM.

## Disclosure of information to the auditors

In the case of each of the directors of the Company at the time when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Mike Balfour
Chairman of the Audit Committee

27 March 2017

## Remuneration statement

The Board has prepared this report in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution to approve this report will be put to the shareholders at the AGM.

Company law requires the Company's auditors to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 26 to 31.

## Directors' remuneration policy

As the Board is composed wholly of non-executive directors, the nominations committee considers directors' remuneration in addition to its nominations function.

The Board's policy is that the remuneration of non-executive directors should reflect the experience of the Board as a whole, be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have similar investment objectives. It is intended that this policy will continue for the year ended 31 January 2018 and subsequent years. The fees for the non-executive directors are determined within the limits set out in the Company's Articles of Association. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors do not have service contracts but are provided with letters of appointment.

All directors are appointed for an initial term covering the period from the date of that appointment until the first AGM at which they are requested to stand for election in accordance with the Company's Articles of Association. Thereafter the directors retire by rotation at least every three years. There is no notice period and no provision for compensation upon early termination of appointment. The directors' remuneration policy will be put to shareholders' vote at least once every three years.

## Annual report on remuneration

For the year to 31 January 2017, the non-executive directors received a fee of £22,500 per annum, the audit committee chairman received a fee of £26,000 and the chairman received a fee of £35,000 per annum. No additional discretionary payments were made in the year, nor in the previous year.

During the year the nominations committee considered the directors' fees in the context of the benchmark data from its peer group. Following a review of the benchmark data, and taking into account the increased regulatory and compliance burden upon the Board, it was agreed that all directors' fees would be increased by £1,000 per annum, with effect from 1 February 2017.

The graph on the following page compares, for the ten financial years ended 31 January 2017, the total return (assuming all dividends were reinvested) to ordinary shareholders compared to the total return of the benchmark.

## Directors' shareholdings (audited)

| As at 31 January | 2017 | 2016 |
|---|---|---|
| Mike Balfour | 10,000 | 10,000 |
| Neil Gaskell | 43,000* | 43,000** |
| Marian Glen† | — | — |
| David Kidd | 10,000 | 10,000 |
| Gary Le Sueur† | — | — |
| Gillian Watson | — | — |

*Neil Gaskell's holding of 43,000 shares includes a beneficial and family interest of 31,000 shares. †Appointed on 1 December 2016. **Disclosure in the annual report to 31 January 2016 did not include beneficial and family interest.

The shareholdings detailed above have not changed between 31 January 2017 and 27 March 2017, the date of signing the accounts.

## Approval

An ordinary resolution for the approval of the directors' remuneration policy and annual report on remuneration will be put to shareholders at the forthcoming AGM.

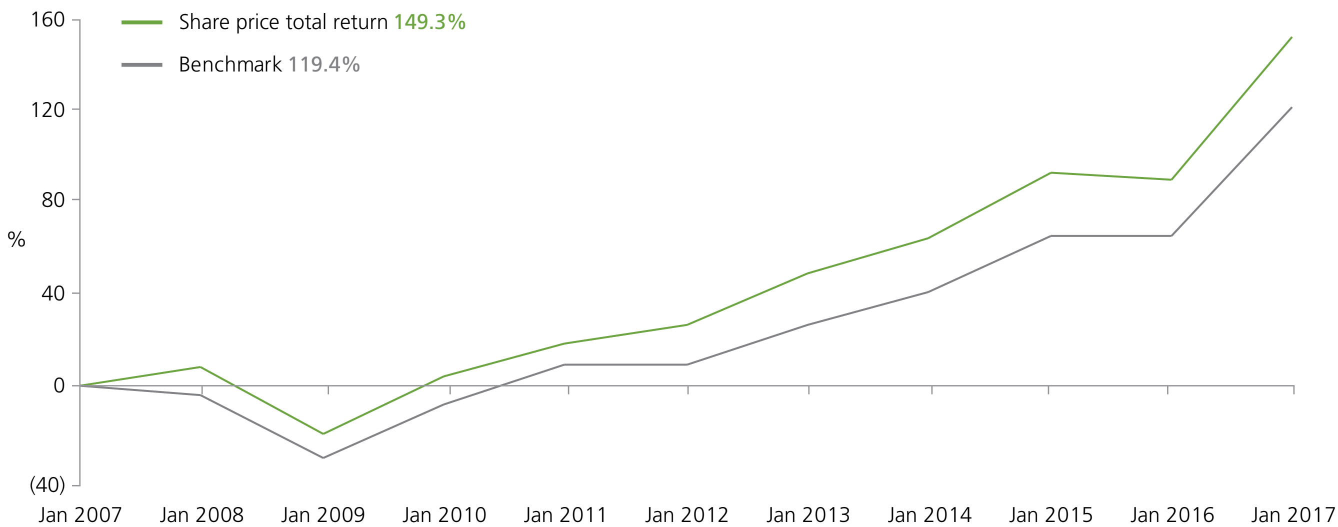
At the AGM on 9 June 2016, 99.83% of proxy votes were cast in favour of the directors' remuneration report for the year ended 31 January 2016. At the AGM on 18 June 2014, 97.9% of proxy votes were cast in favour of the directors' remuneration policy.

On behalf of the Board

Neil Gaskell
Chairman

27 March 2017

## Total return (ten financial years)




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

Source: Martin Currie Investment Management Limited.

## Directors' emoluments for the year (audited)

| | 2016/2017<br>£ | 2015/2016<br>£ |
|---|---|---|
| Mike Balfour (chairman of the audit committee) | 26,000 | 26,000 |
| Neil Gaskell (chairman of the Board) | 35,000 | 35,000 |
| Marian Glen* | 3,750 | — |
| David Kidd | 22,500 | 22,500 |
| Gary Le Sueur* | 3,750 | — |
| Gillian Watson | 22,500 | 22,500 |
| | 113,500 | 106,000 |

*Appointed on 1 December 2016.

## Relative importance of spend on directors' remuneration

To enable shareholders to assess the relative importance of spend on remuneration, the directors' total remuneration has been shown in a table below compared with the Company's dividend distributions.

| | 2016/2017 | 2015/2016 | Change |
|---|---|---|---|
| Directors' total remuneration (£000) | 114 | 106 | 8 |
| Dividends paid and payable (£000) | 4,081 | 4,190 | (109) |
| Dividend per share (p) | 4.20 | 4.15 | 0.05 |

## Independent auditors' report to the members of Martin Currie Global Portfolio Trust plc

### Our opinion on the financial statements

In our opinion:

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

## What we have audited

Martin Currie Global Portfolio Trust plc's financial statements comprise:

- Statement of comprehensive income for the year ended 31 January 2017
- Statement of financial position as at 31 January 2017
- Statement of changes in equity for the year ended 31 January 2017
- Statement of cash flows for the year ended 31 January 2017
- Related notes 1 to 17 to the financial statements

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

## Overview of our audit approach

| | |
|---|---|
| Risks of material misstatement | ■ Incomplete or inaccurate revenue recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment.<br>■ Incorrect valuation and ownership of the investment portfolio. |
| Audit scope | ■ All audit work has been performed directly by the audit engagement team |
| Materiality | ■ Materiality of £2.16m which represents 1% of equity shareholder's funds (2016: £1.78m) |

## Our assessment of risk of material misstatement

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

| Risk | Our response to the risk | Key observations communicated to the Audit Committee |
|---|---|---|
| Incomplete or inaccurate income recognition through failure to recognise proper income entitlements or apply appropriate accounting treatment (as described on page 22 in the Report of the Audit Committee).<br><br>The investment income receivable by the Company during the year directly affects the Company's ability to make a dividend payment to shareholders. The income receivable for the year to 31 January 2017 was £5.38m (2016: £5.42m), with the majority being dividend payments from equity investments.<br><br>Special dividends by their nature require the exercise of judgement as to whether the income receivable should be classified as 'revenue' or 'capital'.<br><br>During the year, the Company received two special dividends with an aggregate value of £168k. Both special dividends were treated as revenue. | We have performed the following procedures:<br><br>We reviewed the Administrator's and the Manager's processes and controls surrounding revenue recognition including special dividends.<br><br>We agree a sample of dividend receipts to the corresponding announcement made by the investee company, recalculated the dividend amount received and agreed cash received to bank statements.<br><br>We agreed a sample of investee company dividend announcements from an independent source to the income recorded by the Company.<br><br>For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 31 January 2017. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and agreed cash received to post year end bank statements, where possible.<br><br>We reviewed the income report for all material dividends and checked these against an independent source to determine if any were special. We also reviewed the acquisitions and disposals report for any potential special dividends treated as capital to assess if any should be treated as revenue. Neither of the special dividends received during the year were material to our audit however we reviewed the treatment for a sample of one amount received.<br><br>We reviewed the Company's accounting policies with respect to revenue recognition including special dividends to ensure that these have been applied as stated throughout the year and are in line with FRS 102 and the AIC SORP. | The results of our procedures are:<br><br>We have no matters to communicate with respect to our assessment of the Administrator's and Manager's processes and controls surrounding revenue recognition including special dividends.<br><br>We noted no issues in agreeing the sample of dividend receipts to an independent source, recalculating these amounts and agreeing them to the bank statements.<br><br>We noted no issues in agreeing the sample of investee company announcements to the income entitlements recorded by the Company.<br><br>We noted no issues in recalculating the accrued dividends, agreeing, where possible, to post year end bank statements, and confirming the income obligation arose prior to 31 January 2017.<br><br>We agreed with the allocation to revenue for the special dividend reviewed.<br><br>We noted no issues with the application of the Company's accounting policies with respect to revenue recognition including special dividends, or in compliance with FRS 102 and the AIC SORP. |

| Risk | Our response to the risk | Key observations communicated to the Audit Committee |
|---|---|---|
| The incorrect valuation and ownership of the investment portfolio (as described on page 22 in the Report of the Audit Committee).<br>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders.<br>The valuation of the portfolio at 31 January 2017 was £215.62m (2016: £174.98m), consisting of listed equities. | We have performed the following procedures:<br>We reviewed the Administrator's and the Manager's processes and controls surrounding investment pricing and purchases and sales.<br>For all investments in the portfolio, we compared the market values and exchange rates applied to an independent source.<br>We agreed the Company's investment portfolio to the independent confirmations received from the Company's Custodian as at 31 January 2017.<br>We reviewed the Company's investment portfolio to confirm the correct application of the Company's accounting policy, FRS102 and the AIC SORP with respect to valuation. | The results of our procedures are:<br>We have no matters to communicate with respect to our assessment of the Administrator's and Manager's processes and controls surrounding investment pricing and purchases and sales.<br>For all investments, we noted no material differences in market value or exchange rates when compared to an independent source.<br>We noted no differences between the Custodian confirmation and the Company's underlying financial records.<br>We noted no issues with the application of the Company's accounting policy with respect to valuation, or compliance with FRS 102 and the AIC SORP. |

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

## The scope of our audit

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

## Our application of materiality

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

### Materiality

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

We determined materiality for the Company to be £2.16m (2016: £1.78m), which is 1% (2016: 1%) of equity shareholders' funds. We derived our materiality calculation from a proportion of total equity as we consider that to be the most important financial metric on which shareholders judge the performance of the Company.

### Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% of planning materiality, being £1.62m (2016: £0.89m). Our objective in adopting this approach was to ensure that total undetected and uncorrected audit differences in all accounts did not exceed our planning materiality level. We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold of £0.24m (2016: £0.24m) for the revenue column of the Statement of Comprehensive Income, being 5% of the revenue return on ordinary activities before taxation.

### Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.11m (2016: £0.9m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 16 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

| | | |
|---|---|---|
| ISAs (UK and Ireland) reporting | We are required to report to you if, in our opinion, financial and non-financial information in the annual report is:<br>■ materially inconsistent with the information in the audited financial statements; or<br>■ apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or<br>■ otherwise misleading.<br>In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed. | We have no exceptions to report. |

# Independent Auditors' Report



## Matters on which we are required to report by exception

| | | |
|---|---|---|
| Companies Act 2006 reporting | In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report. We are required to report to you if, in our opinion:<br>■ adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or<br>■ the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or<br>■ certain disclosures of directors' remuneration specified by law are not made; or<br>■ we have not received all the information and explanations we require for our audit. | We have no exceptions to report. |
| Listing Rules review requirements | We are required to review:<br>■ the directors' statement in relation to going concern and longer-term viability set out on page 17; and<br>■ the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review | We have no exceptions to report. |

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

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

Caroline Mercer

(Senior Statutory Auditor)

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

Edinburgh

27 March 2017

Notes:

1. The maintenance and integrity of the Martin Currie Global Portfolio Trust plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Statement of Comprehensive Income

| | Note | Year to 31 January 2017 Revenue £000 | Capital £000 | Total £000 | Year to 31 January 2016 Revenue £000 | Capital £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| Net gains/(losses) on investments | 7 | — | 47,347 | 47,347 | — | (1,606) | (1,606) |
| Net currency (losses)/gains | | 116 | (120) | (4) | — | 111 | 111 |
| Revenue | 3 | 5,382 | — | 5,382 | 5,423 | — | 5,423 |
| Investment management fee | 5 | (334) | (668) | (1,002) | (302) | (604) | (906) |
| Other expenses | 5 | (454) | — | (454) | (401) | — | (401) |
| Net return on ordinary activities before taxation | | 4,710 | 46,559 | 51,269 | 4,720 | (2,099) | 2,621 |
| Taxation on ordinary activities | 6 | (572) | — | (572) | (509) | — | (509) |
| Net return attributable to shareholders | | 4,138 | 46,559 | 50,697 | 4,211 | (2,099) | 2,112 |
| Net returns per ordinary share | 2 | 4.21p | 47.41p | 51.62p | 4.15p | (2.07p) | 2.08p |

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 2014.
All revenue and capital items in the above statement derive from continuing operations.
No operations were acquired or discontinued in the year.
The notes on pages 36 to 46 form part of these financial statements.

# Statement of Financial Position 

| | | As at 31 January 2017 | | As at 31 January 2016 | |
|---|---|---|---|---|---|
| | Note | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Investments at fair value through profit or loss | | | | | |
| Listed on the London Stock Exchange | | | 25,395 | | 20,883 |
| Listed on exchanges abroad | | | 190,224 | | 154,093 |
| | 7 | | 215,619 | | 174,976 |
| Current assets | | | | | |
| Trade receivables | 8 | 252 | | 320 | |
| Cash and cash equivalents | 9 | 974 | | 3,403 | |
| | | | 1,226 | | 3,723 |
| Current liabilities | | | | | |
| Trade payables | 10 | (348) | | (592) | |
| | | | (348) | | (592) |
| Total assets less current liabilities | | | 216,497 | | 178,107 |
| Equity | | | | | |
| Called-up share capital | 11 | 5,179 | | 5,179 | |
| Capital redemption reserve | | 10,838 | | 10,838 | |
| Special distributable reserve* | | 102,349 | | 110,581 | |
| Capital reserve | 11 | 92,392 | | 45,833 | |
| Revenue reserve* | | 5,739 | | 5,676 | |
| Total shareholders' funds | | | 216,497 | | 178,107 |
| Net asset value per ordinary share | 2 | | 223.9p | | 176.3p |

*These reserves are distributable.
The notes on pages 36 to 46 form part of these financial statements.
Martin Currie Global Portfolio Trust plc is registered in Scotland, company number 192761.
The financial statements on pages 32 to 46 were approved by the Board of directors on 27 March 2017 and signed on its behalf by

On behalf of the Board
Neil Gaskell
Chairman
27 March 2017

# Statement of Changes in Equity

| | Note | Called up ordinary share capital £000 | Capital redemption reserve £000 | Special distributable reserve* £000 | Capital reserve £000 | Revenue reserve* £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| Statement of changes in equity for the year to 31 January 2017 | | | | | | | |
| As at 31 January 2016 | | 5,179 | 10,838 | 110,581 | 45,833 | 5,676 | 178,107 |
| Net return attributable to shareholders** | | — | — | — | 46,559 | 4,138 | 50,697 |
| Ordinary shares issued during the year | | — | — | — | — | — | — |
| Ordinary shares cancelled during the year | | — | — | — | — | — | — |
| Ordinary shares bought back during the year | | — | — | (8,232) | — | — | (8,232) |
| Dividends paid | 4 | — | — | — | — | (4,075) | (4,075) |
| **As at 31 January 2017** | | **5,179** | **10,838** | **102,349** | **92,392** | **5,739** | **216,497** |

| | Note | Called up ordinary share capital £000 | Capital redemption reserve £000 | Special distributable reserve* £000 | Capital reserve £000 | Revenue reserve* £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| Statement of changes in equity for the year to 31 January 2016 | | | | | | | |
| As at 31 January 2015 | | 5,224 | 10,793 | 114,383 | 47,932 | 5,619 | 183,951 |
| Net return attributable to shareholders** | | — | — | — | (2,099) | 4,211 | 2,112 |
| Ordinary shares issued during the year | | — | — | 4,867 | — | — | 4,867 |
| Ordinary shares cancelled during the year | | (45) | 45 | — | — | — | — |
| Ordinary shares bought back during the year | | — | — | (8,669) | — | — | (8,669) |
| Dividends paid | 4 | — | — | — | — | (4,154) | (4,154) |
| **As at 31 January 2016** | | **5,179** | **10,838** | **110,581** | **45,833** | **5,676** | **178,107** |

*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 32, and therefore this is also the 'Total comprehensive income' for the year.
The notes on pages 36 to 46 form part of these financial statements.

# Statement of Cash Flow

| | Note | Year ended 31 January 2017 £000 | £000 | Year ended 31 January 2016 £000 | £000 |
|---|---|---|---|---|---|
| Cash flows from operating activities | | | | | |
| Profit before tax | | | 51,269 | | 2,621 |
| Adjustments for: | | | | | |
| (Gains)/losses on investments | 7 | (47,347) | | 1,606 | |
| Capital distribution received* | 7 | 1,568 | | — | |
| Purchases of investments** | | (48,515) | | (35,167) | |
| Sales of investments** | | 53,660 | | 39,735 | |
| Dividend income | | (5,278) | | (5,378) | |
| Stock dividend income | | (9) | | — | |
| Interest income | | (1) | | (5) | |
| Stocklending income | | (94) | | (40) | |
| Dividend received | | 5,336 | | 5,351 | |
| Stock dividend received | | 9 | | — | |
| Interest received | | 1 | | 6 | |
| Stocklending income received | | 96 | | 34 | |
| (Increase)/decrease in receivables | | (1) | | 1 | |
| (Decrease)/increase in payables | | (244) | | 291 | |
| Overseas withholding tax suffered | | (572) | | (509) | |
| | | | (41,391) | | 5,925 |
| Net cash flows from operating activities | | | 9,878 | | 8,546 |
| Cash flows from financing activities | | | | | |
| Repurchase of ordinary share capital | | (8,232) | | (8,669) | |
| Shares issued for cash | | — | | 4,867 | |
| Equity dividends paid | 4 | (4,075) | | (4,154) | |
| Net cash flows from financing activities | | | (12,307) | | (7,956) |
| Net (decrease)/increase in cash and cash equivalents | | | (2,429) | | 590 |
| Cash and cash equivalents at the start of the year | | | 3,403 | | 2,813 |
| Cash and cash equivalents at the end of the year | 9 | | 974 | | 3,403 |

*This relates to the proceeds from the Exchange offer between BG Group and Royal Dutch Shell.

**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 36 to 46 form part of these financial statements.

## Note 1: Accounting policies

(a) For the year ended 31 January 2017, the Company is applying Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), which forms part of the revised Generally Accepted Accounting Practice ('UK GAAP') issued by the Financial Reporting Council (FRC) in 2012 and 2013.

These 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 September 2015 and the revised Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ('SORP') issued by the AIC in November 2014.

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

(b) Income from investments (other than capital dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend, or where no ex-dividend date is quoted, when the Company's right to receive payment is established. UK investment income is stated net of the relevant tax credit. Overseas dividends include any taxes deducted at source. Special dividends are credited to capital or revenue, according to the circumstances. Stock dividends are treated as unfranked investment income; any excess in value of the shares received over the amount of the cash dividend is recognised as a capital item in the statement of comprehensive income.

(c) Interest receivable and payable, management fees, performance fees and other expenses are treated on an accruals basis.

(d) The management fee and finance costs in relation to debt are recognised two-thirds as a capital item and one-third as a revenue item in the statement of comprehensive income in accordance with the Board's expected long-term split of returns in the form of capital gains and revenue, respectively. The performance fee is recognised 100% as a capital item in the statement of comprehensive income as it relates entirely to the capital performance of the Company. All other expenses are charged to revenue except where they directly relate to the acquisition or disposal of an investment, in which case, they are treated as described in (f) below.

(e) Investments – investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured as fair value. Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market prices. Gains and losses arising from changes in fair value are included in net profit or loss for the year as a capital item in the statement of comprehensive income and are ultimately recognised in the capital reserve.

(f) Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the statement of comprehensive income.

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

(h) Cash and cash equivalents comprises cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

(i) Dividend payable – under FRS102 dividends should not be accrued in the financial statements unless they have been approved by shareholders before the statement of financial position date. Dividends to equity shareholders are recognised in the statement of changes in equity when they have been paid.

(j) Capital reserve – gains or losses on realisation of investments and changes in fair values of investments are transferred to the capital reserve. Any changes in fair values of investments that are not readily convertible to cash are treated as unrealised gains or losses within the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve.

The cost of share buy backs include the amount of consideration paid, including directly attributable costs and are deducted from the special distributable reserve until the shares are cancelled.

The special distributable reserve was created through the cancellation and reclassification of the share premium account in 1999 and 2004, and thereafter the cost of the share buy backs are deducted from this reserve.

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

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

(k) Taxation – the charge for taxation is based upon the revenue for the year and is allocated according to the marginal basis between revenue and capital using the Company's effective rate of corporation tax for the accounting period.

(l) Deferred taxation – deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the statement of financial position date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets being recognised only if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying temporary differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(m) The Company can use derivative financial instruments to manage risk associated with foreign currency fluctuations arising on the investments in currencies other than sterling. This is achieved by the use of forward foreign currency contracts. Derivative financial instruments are recognised initially at fair value on the contract date and subsequently re-measured to the fair value at each reporting date. The resulting gain or loss is recognised as revenue or capital in the statement of comprehensive income depending on the nature and motive of each derivative transaction. The fair values of the derivative financial instruments are included within non-current assets or within current assets or current liabilities depending on the nature and motive of each derivative transaction. There were nil derivative instruments held as at 31 January 2017 (2016: Nil).

(n) Stocklending income is received net of associated costs and recognised in revenue as earned.

## Note 2: Returns and net asset value

| | Year ended 31 January 2017 | Year ended 31 January 2016 |
|---|---|---|
| The return and net asset value per ordinary share are calculated with reference to the following figures: | | |
| **Revenue return** | | |
| Revenue return attributable to ordinary shareholders | £4,138,000 | £4,211,000 |
| Weighted average number of shares in issue during year | 98,207,595 | 101,410,238 |
| Return per ordinary share | 4.21p | 4.15p |
| **Capital return** | | |
| Capital return attributable to ordinary shareholders | £46,559,000 | (£2,099,000) |
| Weighted average number of shares in issue during year | 98,207,595 | 101,410,238 |
| Return per ordinary share | 47.41p | (2.07p) |
| **Total return** | | |
| Total return per ordinary share | 51.62p | 2.08p |

There are no dilutive or potentially dilutive shares in issue.

| | As at 31 January 2017 | As at 31 January 2016 |
|---|---|---|
| **Net asset value per share** | | |
| Net assets attributable to shareholders | £216,497,000 | £178,107,000 |
| Number of shares in issue at the year end | 96,713,730 | 101,044,956 |
| Net asset value per share | 223.9p | 176.3p |

Between 1 February and 23 March 2017, 762,704 ordinary shares of 5p were bought back into Treasury.

## Note 3: Revenue from investments

| | Year ended 31 January 2017 £000 | Year ended 31 January 2016 £000 |
|---|---|---|
| From listed investments | | |
| UK equities | 903 | 888 |
| International equities | 4,375 | 4,490 |
| Stock dividend | 9 | — |
| **Other revenue** | | |
| Interest on deposits | 1 | 5 |
| Stocklending | 94 | 40 |
| | 5,382 | 5,423 |

There were no capital dividends received during the year ended 31 January 2017 (2016: £nil).

## Note 4: Dividends

| | Year ended 31 January 2017 £000 | Year ended 31 January 2016 £000 |
|---|---|---|
| Year ended 31 January 2015 – fourth interim dividend of 1.40p | — | 1,429 |
| Year ended 31 January 2016 – fourth interim dividend of 1.45p | 1,445 | — |
| Year ended 31 January 2017 – first interim dividend of 0.90p (2016: 0.90p) | 885 | 916 |
| Year ended 31 January 2017 – second interim dividend of 0.90p (2016: 0.90p) | 874 | 909 |
| Year ended 31 January 2017 – third interim dividend of 0.90p (2016: 0.90p) | 871 | 900 |
| | 4,075 | 4,154 |

Set out below are the total dividends paid/payable in respect of the financial year which forms the basis on which the requirements of s1158-1159 of the Corporation Taxes Act 2010 are considered.

| | Year ended 31 January 2017 £000 | Year ended 31 January 2016 £000 |
|---|---|---|
| First interim dividend of 0.90p for the year ended 31 January 2017 (2016: 0.90p) | 885 | 916 |
| Second interim dividend of 0.90p for the year ended 31 January 2017 (2016: 0.90p) | 874 | 909 |
| Third interim dividend of 0.90p for the year ended 31 January 2017 (2016: 0.90p) | 871 | 900 |
| Proposed fourth interim dividend of 1.50p for the year ended 31 January 2017 (2016: 1.45p) | 1,451 | 1,465 |
| | 4,081 | 4,190 |

## Note 5: Other expenses

| | Year ended 31 January 2017 £000 | Year ended 31 January 2016 £000 |
|---|---|---|
| Advertising and public relations | 77 | 68 |
| Bank charges (including custody fees) | 20 | 19 |
| Directors' fees | 114 | 106 |
| Directors and officers liability insurance | 12 | 12 |
| Irrecoverable VAT | 17 | 15 |
| Legal fees | 2 | — |
| Marketing | 27 | 26 |
| Printing and postage | 9 | 8 |
| Registration fees | 37 | 33 |
| Secretarial fee | 51 | 51 |
| Other | 67 | 41 |
| | 433 | 379 |
| **Auditors' remuneration** | | |
| Payable to Ernst & Young for the audit of the Company's annual financial statements | 19 | 19 |
| Payable to Ernst & Young for non-audit fees | 2 | 3 |
| | 454 | 401 |

### Performance fee

The performance fee for the year ended 31 January 2017 was £nil (2016: £nil). Details of the management and secretarial agreements are provided on page 13.

| | Year ended 31 January 2017 | | | Year ended 31 January 2016 | | |
|---|---|---|---|---|---|---|
| | Revenue £000 | Capital £000 | Total £000 | Revenue £000 | Capital £000 | Total £000 |
| Ongoing charges are calculated with reference to the following figures: | | | | | | |
| Investment management fee | (334) | (668) | (1,002) | (302) | (604) | (906) |
| Other expenses | (454) | — | (454) | (401) | — | (401) |
| Total expenses | (788) | (668) | (1,456) | (703) | (604) | (1,307) |
| Average net assets over the year | | | 196,884 | | | 183,190 |
| Ongoing charges | | | 0.74% | | | 0.71% |

Full details of the investment management fee are included in the report of directors on page 13, details of the directors’ fees are included in the directors’ remuneration statement on pages 24 and 25.

## Note 6: Taxation on ordinary activities

| | Year ended 31 January 2017 | | | Year ended 31 January 2016 | | |
|---|---|---|---|---|---|---|
| | Revenue £000 | Capital £000 | Total £000 | Revenue £000 | Capital £000 | Total £000 |
| Overseas tax suffered | 572 | — | 572 | 509 | — | 509 |

The effective corporation tax rate was 20.00% (2016: 20.16%). The tax charge for the year differs from the charge resulting from applying the standard rate of corporation tax in the UK for an investment trust company. The differences are explained below.

| | Year ended 31 January 2017 £000 | Year ended 31 January 2016 £000 |
|---|---|---|
| Net return before taxation | 51,269 | 2,621 |
| Corporation tax at effective rate of 20.00% (2016: 20.16%) | 10,254 | 528 |
| Effects of: | | |
| Non taxable UK dividend income | (181) | (179) |
| Currency losses/(gains) not taxable | 24 | (22) |
| (Gains)/losses on investments not taxable | (9,470) | 324 |
| Overseas dividends not taxable | (864) | (897) |
| Overseas tax suffered | 572 | 509 |
| Overseas tax expensed | (4) | — |
| Increase in excess management and loan expenses | 241 | 246 |
| Total tax charge for the year | 572 | 509 |

As at 31 January 2017, the Company had unutilised management expenses of £26.6 million (2016: £25.3 million) carried forward. Due to the Company's status as an investment trust and the intention to continue to meet the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

## Note 7: Investments at fair value through profit or loss

| | Year ended 31 January 2017 £000 | Year ended 31 January 2016 £000 |
|---|---|---|
| Opening valuation | 174,976 | 181,798 |
| Opening unrealised gains | (27,657) | (39,584) |
| Opening cost | 147,319 | 142,214 |
| Purchases at cost | 48,515 | 34,519 |
| Disposal proceeds | (53,660) | (39,735) |
| Net profit on disposal of investments | 5,304 | 10,321 |
| Disposal at cost | (48,356) | (29,414) |
| Closing cost | 147,478 | 147,319 |
| Stock dividend | 9 | — |
| Closing unrealised gains | 68,132 | 27,657 |
| Valuation as at 31 January | 215,619 | 174,976 |

| | As at 31 January 2017 | As at 31 January 2016 |
|---|---|---|
| Gain/(loss) on investments | | |
| Net profit on disposal of investments | 5,304 | 10,321 |
| Net gain/(loss) on revaluation of investments | 40,475 | (11,927) |
| Capital distribution received* | 1,568 | — |
| | 47,347 | (1,606) |

*This relates to the proceeds from the Exchange offer between BG Group and Royal Dutch Shell.

The transaction cost of acquiring investments during the year was £111,000 (2016: £65,000). For disposals, transaction costs were £63,000 (2016: £54,000).

As at 31 January 2017 there were no unlisted securities (2016: Anheuser-Busch Inbev was an unlisted security).

## Note 8: Receivables: amounts falling due within one year

| | As at 31 January 2017 £000 | As at 31 January 2016 £000 |
|---|---|---|
| Dividends receivable | 125 | 186 |
| Taxation recoverable | 117 | 123 |
| Other receivables | 6 | 5 |
| Stocklending income receivable | 4 | 6 |
| | 252 | 320 |

## Note 9: Cash and cash equivalents

| | As at 31 January 2017 £000 | As at 31 January 2016 £000 |
|---|---|---|
| Sterling bank account | 901 | 3,403 |
| Non-sterling bank account | 73 | — |
| | 974 | 3,403 |

## Note 10: Trade payables

| | As at 31 January 2017 £000 | As at 31 January 2016 £000 |
|---|---|---|
| Amounts falling due within one year: | | |
| Due to Martin Currie | 269 | 221 |
| Other payables | 79 | 371 |
| | 348 | 592 |

## Note 11: Ordinary shares of 5p and capital reserves

| | Number of shares | As at 31 January 2017 £000 | Number of shares | As at 31 January 2016 £000 |
|---|---|---|---|---|
| Ordinary shares in issue at the beginning of the year | 101,044,956 | 5,052 | 103,063,375 | 5,153 |
| Ordinary shares issued from Treasury during the year | — | — | 2,845,017 | 142 |
| Ordinary shares bought back into Treasury during the year | (4,331,226) | (217) | (4,863,436) | (243) |
| Ordinary shares in issue at end of the year | 96,713,730 | 4,835 | 101,044,956 | 5,052 |

| | Number of shares | As at 31 January 2017 £000 | Number of shares | As at 31 January 2016 £000 |
|---|---|---|---|---|
| Treasury shares (Ordinary shares 5p) | | | | |
| Treasury shares in issue at the beginning of the year | 2,538,246 | 127 | 1,429,796 | 71 |
| Ordinary shares issued from Treasury during the year | — | — | (2,845,017) | (142) |
| Ordinary shares cancelled from Treasury during the year | — | — | (909,969) | (45) |
| Ordinary shares bought back into Treasury during the year | 4,331,226 | 217 | 4,863,436 | 243 |
| Treasury shares in issue at end of the year | 6,869,472 | 344 | 2,538,246 | 127 |
| Total ordinary shares in issue and in Treasury at the end of the year | 103,583,202 | 5,179 | 103,583,202 | 5,179 |

The net cost of share issues from and buy backs into Treasury for the year to 31 January 2017 was £8,232,000 (2016: £3,802,000).

The analysis of the capital reserve is as follows:

| | Realised capital reserve £000 | Unrealised investment holding gains £000 | Total capital reserve £000 |
|---|---|---|---|
| As at 31 January 2016 | 18,176 | 27,657 | 45,833 |
| Gains on realisation of investments at fair value | 5,304 | — | 5,304 |
| Movement in fair value gains of investments | — | 40,475 | 40,475 |
| Realised currency losses during the year | (120) | — | (120) |
| Capital expenses | (668) | — | (668) |
| Capital distributions* | 1,568 | — | 1,568 |
| As at 31 January 2017 | 24,260 | 68,132 | 92,392 |

*This relates to the proceeds from the Exchange offer between BG Group and Royal Dutch Shell.
The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

## Note 12: Related party transactions

With the exception of the management and secretarial fees (as disclosed on page 13), directors' fees (disclosed on page 25) and directors' shareholdings (disclosed on page 24), there have been no related party transactions during the year. During the financial year to 31 January 2016, the Company issued 2,626,433 treasury shares to Legg Mason, Inc., the ultimate parent company of the Company's investment manager. Legg Mason, Inc. also purchased an additional 90,000 ordinary shares through the market taking its holding in the Company to 2,716,433 ordinary shares.

The Martin Currie Retirement & Death Benefit Plan also purchased 281,230 shares ordinary shares during the financial year to 31 January 2016.

## Note 13: Financial instruments

The Company's financial instruments comprise securities and other investments, cash balances, receivables and payables that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and receivables for accrued income.

The Company also has the ability to enter into derivative transactions in the form of forward foreign currency contracts, futures and options, for the purpose of managing currency and market risks arising from the Company's activities.

The main risks the Company faces from its financial instruments are (a) market price risk (comprising of (i) interest rate risk, (ii) currency risk and (iii) other price risk), (b) liquidity risk and (c) credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The investment manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term receivables and payables, other than for currency disclosures.

### (a) Market price risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements - interest rate risk, currency risk and other price risk.

#### (i) Market risk arising from interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings may comprise fixed rate, revolving, and uncommitted facilities. Current guidelines state that the total borrowings will not exceed 20% of the total assets of the Company. The Company does not currently have any gearing.

#### Interest risk profile

The interest rate risk profile of the portfolio of financial assets (comprising cash balances only) at the statement of financial position date was as follows:

| At 31 January 2017 | Interest rate % | Local currency '000 | Foreign exchange rate | Sterling equivalent £000 |
|---|---|---|---|---|
| Assets | | | | |
| Sterling | 0.01 | 901 | 1.000 | 901 |
| Euro | (0.60) | 28 | 1.164 | 24 |
| US Dollar | 0.01 | 62 | 1.258 | 49 |
| | | | | 974 |
| At 31 January 2016 | | | | |
| Assets | | | | |
| Sterling | 0.25 | 3,403 | 1.000 | 3,403 |

#### Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the statement of financial position date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 25 (2016: 50) basis points higher or lower and all other variables were held constant, the Company's profit for the year ended 31 January 2017 would increase/decrease by £2,000 (2016: increase/decrease by £17,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances.

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

### (ii) Market risk arising from foreign currency risk

A significant proportion of the Company's investment portfolio is invested in overseas securities and the statement of financial position can be significantly affected by movements in foreign exchange rates. It is not currently the Company's policy to hedge this risk.

The revenue account is subject to currency fluctuation arising on overseas income.

### Foreign currency risk profile

Foreign currency risk exposure by currency of denomination:

| | Year ended 31 January 2017 | | | Year ended 31 January 2016 | | |
|---|---|---|---|---|---|---|
| | Investment exposure £000 | Net monetary exposure £000 | Total currency exposure £000 | Investment exposure £000 | Net monetary exposure £000 | Total currency exposure £000 |
| US dollar | 132,322 | 135 | 132,457 | 100,650 | 148 | 100,798 |
| Euro | 16,274 | 60 | 16,334 | 14,333 | 123 | 14,456 |
| Japanese yen | 16,025 | — | 16,025 | 15,119 | — | 15,119 |
| Hong Kong dollar | 7,564 | — | 7,564 | 4,664 | — | 4,664 |
| Australian dollar | 4,723 | — | 4,723 | 5,240 | — | 5,240 |
| Canadian dollar | 3,922 | 30 | 3,952 | 2,453 | 23 | 2,476 |
| Swiss franc | 3,658 | 81 | 3,739 | 3,537 | — | 3,537 |
| Indonesian rupiah | 3,671 | — | 3,671 | 2,862 | — | 2,862 |
| Singapore dollar | 2,064 | — | 2,064 | 3,780 | — | 3,780 |
| Norwegian krone | — | — | — | 1,454 | — | 1,454 |
| Total overseas investments | 190,223 | 306 | 190,529 | 154,092 | 294 | 154,386 |
| Sterling | 25,396 | 572 | 25,968 | 20,884 | 2,837 | 23,721 |
| Total | 215,619 | 878 | 216,497 | 174,976 | 3,131 | 178,107 |

The asset allocation between specific markets can vary from time to time based on the portfolio manager's opinion of the attractiveness of the individual stocks.

### Foreign currency sensitivity

At 31 January 2017, if sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below. A 5% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the financial statement amounts. The analysis is performed on the same basis for 2016.

| | 2017 £000 | 2016 £000 |
|---|---|---|
| US dollar | 6,616 | 5,033 |
| Euro | 814 | 717 |
| Japanese yen | 801 | 756 |
| Hong Kong dollar | 378 | 233 |
| Australian dollar | 236 | 262 |
| Canadian dollar | 196 | 123 |
| Swiss franc | 183 | 177 |
| Indonesian rupiah | 184 | 143 |
| Singapore dollar | 103 | 189 |
| Norwegian krone | — | 73 |

### (iii) Market risk arising from other price risk

Other price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets as detailed on page 6, and the stock selection process both act to reduce market risk. The investment manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. All investments held by the Company are listed on various stock exchanges worldwide.

### Other price risk sensitivity

If market prices at the statement of financial position date had been 15% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders at the year ended 31 January 2017 would have increased/decreased by £32,340,000 (2016: increase/decrease of £26,250,000) and capital reserves would have increased/decreased by the same amount. This level of change is considered to be reasonably possible based on observation of market conditions and historic trends.

### (b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

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

### (c) Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit rating is reviewed periodically by the portfolio manager, and limits are set on the amount that may be due from any one broker; and
- cash is held only with reputable banks with high quality external credit ratings.

The maximum credit risk exposure as at 31 January 2017 was £1,226,000 (2016: £3,723,000). This was due to trade receivables and cash as per notes 8 and 9.

Please refer to note 16 on page 46 and Stocklending disclosure on page 48 for details of the Company's stocklending and related collateral.

### Fair values of financial assets and financial liabilities

All financial assets and liabilities of the Company are included in the statement of financial position at fair value or a reasonable approximation of fair value with no material difference in the carrying amount.

## Note 14: Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern;
- to maximise the return to its equity shareholders through an appropriate balance of equity capital and debt; and
- to limit gearing to 20% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the portfolio manager's views on the market and the extent to which revenue in excess of that which is required to be distributed under the investment trust rules should be retained.

The analysis of shareholders' funds is as follows:

| | As at 31 January 2017 £000 | As at 31 January 2016 £000 |
|---|---|---|
| Called up ordinary share capital | 5,179 | 5,179 |
| Capital redemption reserve | 10,838 | 10,838 |
| Special distributable reserve | 102,349 | 110,581 |
| Capital reserve | 92,392 | 45,833 |
| Revenue reserve | 5,739 | 5,676 |
| Total shareholders' funds | 216,497 | 178,107 |

## Note 15: Fair value hierarchy

The Company has early adopted the amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', where an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Level 1: 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:

| At 31 January 2017 | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | | | | |
| Quoted equities | 215,619 | — | — | 215,619 |
| **Net fair value** | **215,619** | — | — | **215,619** |

| At 31 January 2016* | Level 1 £000 | Level 2 £000 | Level 3 £000 | Total £000 |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | | | | |
| Quoted equities | 174,976 | — | — | 174,976 |
| Net fair value | 174,976 | — | — | 174,976 |

*As at 31 January 2016, Level 1 financial assets were designated 'Level a' due to classifications based on the following:
Level a: Quoted prices for identical instruments in active markets;
Level b: Prices of a recent transaction for identical instruments.
Level c: Valuation techniques that use:
(i): Observable market data; and:
(ii): Non-observable market data.

## Note 16: Stocklending

The Company has a Securities Lending Authorisation Agreement with State Street Bank & Trust Company.

As at 31 January 2017 £21,549,000 (2016: £36,606,000) of investments were subject to stocklending agreements and £23,104,000 (2016: £37,723,000) was held as collateral. This collateral was held in the form of cash (in GBP, USD or EUR), government securities issued by any of the OECD countries or equity securities listed and/or traded on an exchange in the following countries: Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, Switzerland and USA.

The gross earnings and the fees paid for the year are £125,000 (2016: £53,000) and £31,000 (2016: £13,000).

## Note 17: Post balance sheet events

On 27 March 2017 the Board declared a fourth interim dividend of 1.50p per share. As at 23 March 2017, the Company had bought back a further 762,704 ordinary shares at the cost of £1,789,352 resulting in a further reduction of £1,789,352 to the special distributable reserve.

# Investor Information



## Directors and Advisers

### Directors

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

### Investment manager and company secretary

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www.martincurrie.com

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

### Registered office

Martin Currie Global Portfolio Trust plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES
Registered in Scotland, registered number SC192761

### Independent auditors

Ernst & Young LLP
10 George Street
Edinburgh EH2 2DZ

### Brokers

JPMorgan Cazenove Limited
25 Bank Street
Canary Wharf
London E14 5SP

### Registrars

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

### Bankers

Lloyds Banking Group plc
10 Gresham Street
London EC2V 7AE

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

### Custodians

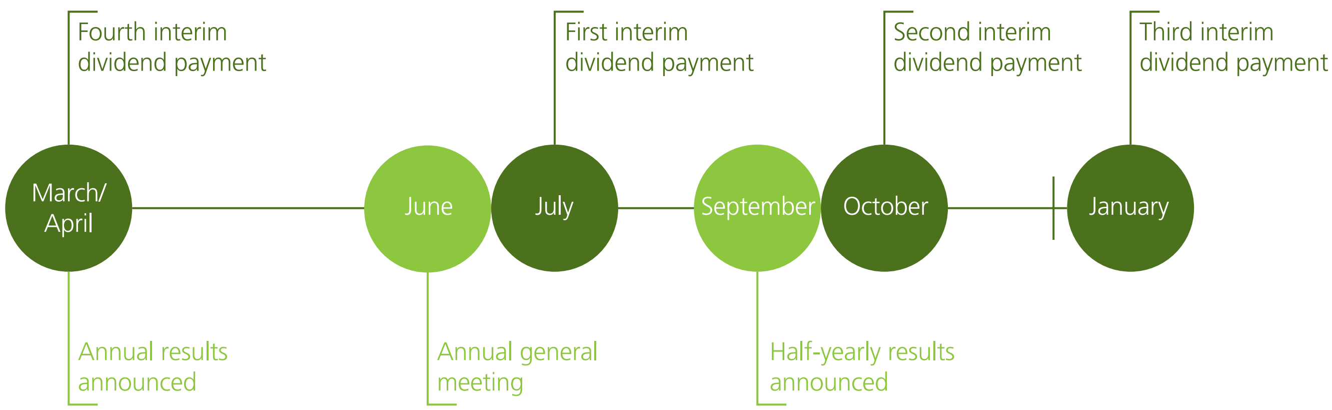
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London E14 5HJ

### Association of Investment Companies

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

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

## Financial calendar – key dates 2017/8



# Stocklending disclosure

The Company has a Securities Lending Authorisation Agreement with State Street Bank & Trust Company. As at 31st January 2017 £21,549,000 of investments were subject to stocklending agreements, representing 10.4% of total lendable assets. The Company has not entered into any other securities financing transactions during the year.

The tables below provide details by counterparty and collateral:

| Loan counterparties: | £000 |
|---|---|
| Societe Generale SA | 9,104 |
| JP Morgan Securities LLC | 4,289 |
| Jefferies LLC | 2,607 |
| UBS AG | 2,017 |
| Deutsche Bank AG | 1,788 |
| CitiGroup Global Markets Inc. | 1,744 |
| Total on loan | 21,549 |

| Collateral: | £000 |
|---|---|
| Societe Generale SA | 9,994 |
| JP Morgan Securities LLC | 4,376 |
| Jefferies LLC | 2,734 |
| UBS AG | 2,123 |
| Deutsche Bank AG | 2,039 |
| CitiGroup Global Markets Inc. | 1,838 |
| Total collateral | 23,104 |

| Maturity analysis of collateral | £000 |
|---|---|
| Less than one day | 2,736 |
| One day to one week | — |
| One week to one month | — |
| One to three months | — |
| Three months to one year | 1,354 |
| Above one year | 6,981 |
| Open transactions | 12,033 |
| | 23,104 |

| Type of collateral | £000 |
|---|---|
| Equity | 12,033 |
| Fixed Income | 8,335 |
| Cash | 2,736 |
| | 23,104 |

All bonds are investment grade (AA or above)

| Custodian | Collateral (£000) |
|---|---|
| State Street | 11,071 |
| Bank of New York | 9,994 |
| JP Morgan | 2,039 |
| | 23,104 |

| Currency summary | £000 |
|---|---|
| USD | 13,889 |
| EUR | 4,924 |
| JPY | 1,845 |
| CHF | 1,161 |
| MXN | 732 |
| GBP | 225 |
| HKD | 134 |
| AUD | 111 |
| NOK | 41 |
| DKK | 23 |
| SEK | 13 |
| ZAR | 4 |
| CAD | 2 |
| | 23,104 |

### 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 the 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 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.

### Discount

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

### Dividend

Income from an investment in shares. Dividends are usually paid twice a year but can also be paid quarterly or monthly. Not all investment companies pay dividends. Dividend income isn't 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.

### Ex income

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

Shares are being traded all the time on stock markets, so for administrative reasons there needs to be a point when buyers and sellers agree whether they will receive the most recently declared dividend. The point when the shares purchased will no longer receive the dividend is known as the 'ex dividend date' and the shares are said to have 'gone ex dividend'. The share price will normally fall by the amount of the dividend to reflect this.

If you buy the shares when you are still entitled to the most recently declared dividend, this is known as the shares being cum dividend.

### 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 doesn't perform well, gearing can increase losses. The more an investment company gears, the higher the risk.

### 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 doesn't pay tax on gains made within the portfolio.

### Net assets

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

### NAV per share

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.

# Glossary of Terms



### 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.

### 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.

### Ongoing charges

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

### Premium

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

### Share buy backs

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

Share buy backs can be used to return money to shareholders, but are also often used to tackle the 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's likely that this is the mid-market price. This is different to the price at which you buy and sell the shares, which are known as the bid price (sell) and offer price (buy).

### 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.

### Volatility

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

### Zero discount policy

A mechanism that aims to ensure that, in normal market conditions, the share price trades at, or very close to, NAV.

# Shareholder Information



## Ten year record

| As at 31 January | Revenue return per share | Dividend per share | Net asset value per share* | (Discount)/ premium % | Investments £000 | Net assets £000 |
|---|---|---|---|---|---|---|
| 2008 | 2.83p | 2.60p | 137.2p | (7.8%) | 173,633 | 187,642 |
| 2009 | 4.06p | 3.50p | 93.1p | (3.5%) | 117,919 | 124,724 |
| 2010 | 2.81p | 3.50p | 122.2p | (7.1%) | 135,502 | 142,716 |
| 2011 | 2.34p | 3.50p | 135.5p | (7.7%) | 146,260 | 147,731 |
| 2012 | 3.88p | 3.70p | 139.2p | (7.3%) | 142,886 | 145,537 |
| 2013 | 4.23p | 3.90p | 152.6p | (3.4%) | 158,894 | 159,399 |
| 2014 | 3.76p | 4.00p | 157.4p | (0.6%) | 163,755 | 164,201 |
| 2015 | 3.92p | 4.10p | 178.5p | 0.6% | 181,798 | 183,951 |
| 2016 | 4.15p | 4.15p | 176.3p | (1.9%) | 174,976 | 178,107 |
| **2017** | **4.21p** | **4.20p** | **223.9p** | **(0.0%)** | **215,619** | **216,497** |

*Cum income

The Company's shares qualify for tax efficient wrapper products like individual savings accounts ('ISAs') and self-invested personal pensions ('SIPPs') as well as many other investment wrappers that can be used, including those designed for children.

## Platforms, fund supermarkets and online stockbrokers

You can also invest using a number of fund platforms and supermarkets. Many offer wrapper products like ISAs and SIPPs and children's savings products. A number of real-time execution only stockbroking services also allow you to trade online, manage your portfolio and buy UK listed shares. These services do not offer financial advice and if you are unsure about investing, we recommend that you speak to a qualified financial adviser.

## 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 advises 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.

## Capita Asset Services

You can also buy and sell shares directly by calling the Capita 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 Capita Asset Services on **0871 664 0300** (calls cost 10p per minute plus network extras, lines are open 9:00am-5:30pm Mon-Fri).

Alternatively log on to **www.capitaassetservices.com** and register on the share portal to access full information on your holding.

## Trading codes

(You may be asked for these when investing)

| | |
|---|---|
| TIDM code: MNP | Sedol: 0537241 |
| Reuters code: MNP.L | ISIN: GB0005372411 |

## Shareholder services

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

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

| Contact details | www.capitaassetservices.com | 0871 664 0300* |
|---|---|---|
| Opening times | 24 hours | 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

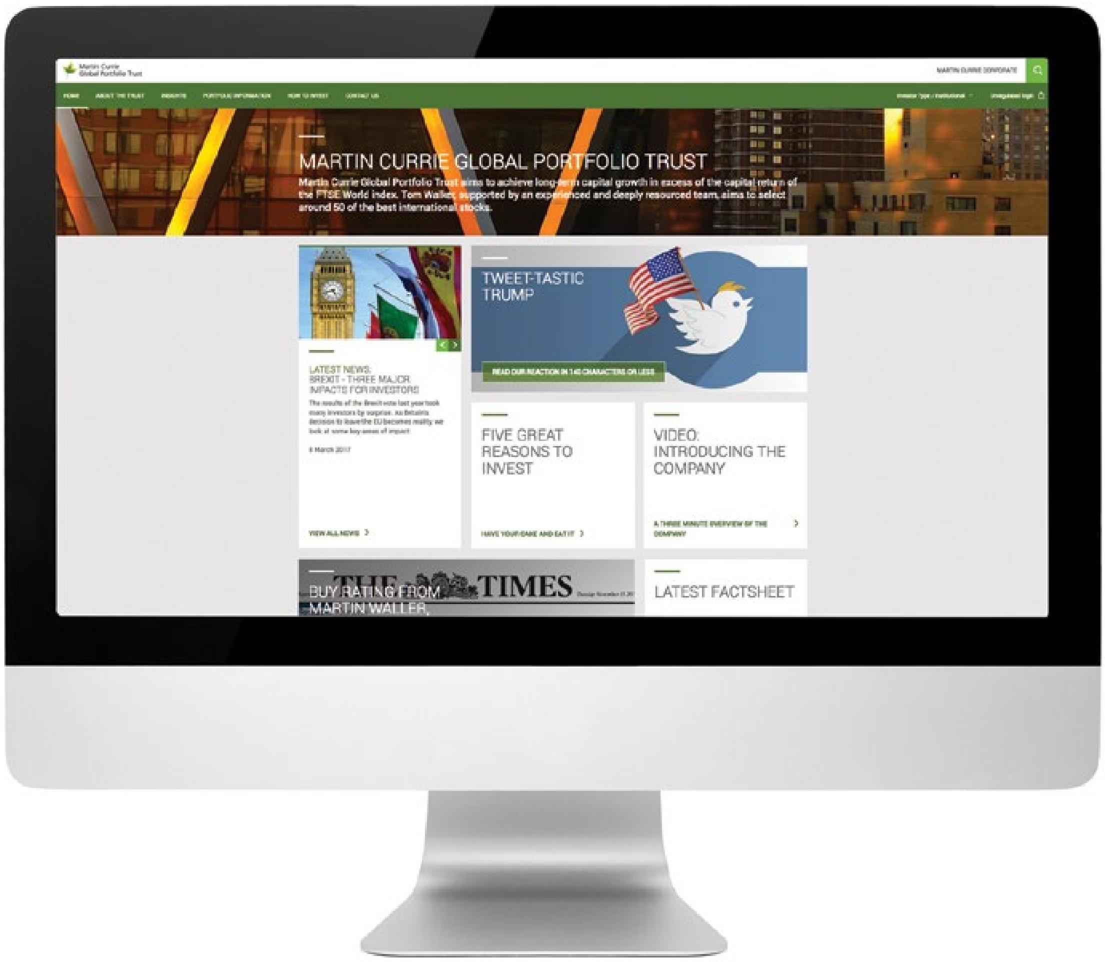
www.martincurrieglobal.com
www.londonstockexchange.com

Martin Currie Global Portfolio Trust has its own dedicated website at www.martincurrieglobal.com. This offers shareholders, prospective investors and their advisers a wealth of information about the Company.

### Register for monthly updates

Subscribe to monthly email updates that offer information on the following:

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




## Enquiries

If you have an enquiry about Martin Currie Global Portfolio Trust, please get in touch.

**0131 229 5252 ▌enquiries@martincurrie.com**

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# Martin Currie
# Global Portfolio Trust

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Calls to the above may be recorded.

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