

Martin Currie Pacific Trust plc

Access to the investment potential of Asia and the Pacific

Monthly update

28 February 2010

Profile

Objective To achieve long-term returns by investment in the mature and developing markets of Asia and the Pacific Basin.

Benchmark MSCI All Countries Asia Pacific index

Sector Far East including Japan

Launch 1985

Portfolio

Asset class	31 Jan	28 Feb
Equities	99.2%	98.1%
Cash	3.4%	4.3%
Borrowings	(2.6%)	(2.4%)

Equity allocation

	31 Jan	28 Feb
Japan	32.6%	32.5%
China	18.7%	20.6%
Australia	12.6%	14.7%
Korea	10.5%	9.8%
India	6.2%	6.0%
Taiwan	7.1%	5.4%
Hong Kong	3.5%	3.1%
Malaysia	2.7%	2.8%
Other	5.3%	5.2%

Top 10 equity holdings (27.0% of total portfolio)

Martin Currie China 'A' Share Fund	5.7%
BHP Billiton	3.5%
Samsung Electronics	2.3%
Tencent Holdings	2.3%
China Construction Bank	2.3%
CNOOC	2.2%
Westpac Bank	2.2%
Newcrest Mining	2.2%
Toyota Motor	2.2%
Commonwealth Bank of Australia	2.1%
Number of holdings	86
Number of countries	11

Key facts

Net assets	£122.6m
Share price (p)	236.5
Net asset value per share (p)*	291.1
Discount (premium)	18.8%
Estimated net yield	1.4%

*Following a recent review by the AIC, the NAV stated in our reporting is inclusive of current year revenue.

Performance

Discrete performance over 12 months to 28 February

	2010	2009	2008	2007	2006
Share Price	41.8%	(36.8%)	11.5%	1.4%	48.6%
NAV	41.2%	(30.1%)	14.0%	10.6%	38.3%
Benchmark	50.6%	(26.9%)	3.0%	2.1%	39.8%

Cumulative performance over periods to 28 February 2010

	One month	Three months	Six months	One year	Three years	Five years
Share Price	1.3%	4.4%	5.8%	41.8%	(0.1%)	50.5%
NAV	6.1%	6.5%	10.4%	41.2%	12.4%	72.0%
Benchmark	6.6%	8.5%	12.4%	50.6%	13.5%	62.0%

Source: Martin Currie and Morningstar. Bid to bid basis with net income reinvested over the periods shown in sterling terms. These figures do not include the costs of buying and selling shares in an investment trust. If these were included, performance figures would be reduced.

Past performance is not a guide to future returns.

Manager's commentary



As Asian markets overcame worries about sovereign debt and Chinese monetary tightening, the index rose 6.6% in February, boosted by a weak pound. With a gain of 6.1%, our portfolio came in fractionally behind the benchmark

Many of our weakest performers over the month came from Taiwan, where progress on the cross-strait relationship with China appeared to stall. Detractors here included Taiwan Fertiliser, Mediatek and Hon Hai Precision. But we see the current problems between island and mainland as a short-term issue and expect these holdings to recover. Elsewhere, Korea's Samsung Electronics did badly as information on demand in the second half of 2009 worried the market. In Indonesia, PT Telekom was also a detractor, as some concerns about competition resurfaced.

Japan was heavily represented on the positive side, with Electric Power Development, Seven & I and Sony Financial among the standouts. Other notable contributions came from Chinese oil giant CNOOC, which issued very bullish production-growth targets, TM International (Telekom Malaysia), which beat expectations on fourth-quarter profits, and Sino Land, which is getting renewed attention because of its attractive valuation and the favourable property outlook in Hong Kong.

Because of tightening monetary policy, most Asian markets are likely to struggle in the short term. This does not apply, however, to Japan. There, an encouraging results season finished with a near doubling of operating profit in the fourth quarter for the market in aggregate (year on year). This bears witness to the Japanese economy's continuing recovery from last year's extremely depressed levels. Share-price reactions to the improved profit have been mixed, however: much depends on how the results compare with the market's expectations. This is an environment which should play well for our fundamentals-driven investment process. Given the market's valuation and the outlook for earnings, we remain upbeat.

John Millar

The risks outlined at the end of this document relating to gearing, emerging markets and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.

All sources (unless indicated): Martin Currie as at 28 February 2010.

**martin
currie**

Capital structure

Ordinary shares 42,745,324*

*Source: Martin Currie as at 28 February 2010.

Board of directors

Patrick Gifford (chairman)	John Scott
Michael Thomas	Harry Wells
Gregory Shenkman	Peter Edwards

Key information

Year end	28/29 February
Annual general meeting	June
Dividend paid (April in 2010)	July
Annual management fee as at 28 February 2009†	1.0%
(0.85% on assets between £150m and £225m	
0.75% on assets over £225m)	
Total expense ratio 28 February 2009*	1.4%
Epic code	MCP
Reuters code	MCPL

†Percentage of net assets.

*Percentage of shareholders' funds. Includes annual management fee.

Net asset value and dividend history

As at 28/29 February	Share price	NAV per share	Discount/ (premium)	Dividend per share
2000	178.8p	210.9p*	15.2%	0.90p
2001	133.8p	161.0p	16.9%	1.00p
2002	112.0p	140.6p	20.3%	1.50p
2003	87.5p	105.1p	16.7%	1.00p
2004	145.0p	155.6p	6.8%	1.40p
2005	165.5p	175.1p	5.5%	1.10p
2006	244.3p	239.5p	(2.0%)	1.40p
2007	246.0p	265.6p	7.4%	2.80p
2008	271.3p	300.8p	9.8%	3.10p
2009	169.5p	209.3p	19.0%	3.30p

*This is the diluted net asset value until 30 June 2000 when the warrants expired. From 2001 the net asset value is represented. A dividend of 3.70p per share for the year ended 28 February 2010 will be paid on 1 April 2010 to holders on the register at the close of business on 19 March 2010.

Past performance is not a guide to future returns.

Risk factors

Please note that, as the shares in investment trusts are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares.

Depending on market conditions and market sentiment, the spread between the purchase and sale price can be wide. As with all stock exchange investments the value of investment trust shares purchases will immediately fall by the difference between the buying and selling prices, the bid-offer spread.

Investment trusts may also borrow money in order to make further investments. This is known as 'gearing' and can enhance shareholder returns in rising markets but, conversely, can reduce them in falling markets.

The value of investments and the income from them may go down as well as up and is not guaranteed. An investor may not get back the amount originally invested.

Changes in the rates of exchange may cause the value of investments to go up or down.

The trust invests in emerging markets which tend to be more volatile than mature markets and the value of your investment could move sharply up or down. In some circumstances the underlying investments may become illiquid which may constrain the investment manager's ability to realise some or all of the portfolio. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so the operational risks of investing are higher. Political risks and adverse economic circumstances are more likely to arise putting the value of your investment at risk.

Charges are deducted from income and where income is low, the expenses may exceed the total income received and the Trust may not pay a dividend and the capital value would be reduced.

Funds which invest in smaller and/or medium sized companies are specialist funds and as such are likely to carry higher risks than a more widely invested fund.

Important notice: This information is issued and approved by Martin Currie Investment Management Ltd in its capacity as investment manager. It does not in any way constitute investment advice or an invitation or inducement to invest. This document is for the recipient only and should not be given or sent to other parties.

Martin Currie Investment Management Ltd, registered in Scotland (no 66107)

Registered office: Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES

Tel: 0131 229 5252 Fax: 0131 228 5959 www.martincurrie.com

Authorised and regulated by the Financial Services Authority and a member of the Investment Management Association.

Please note that calls to the above number may be recorded.

Website

The trust has its own website at www.martincurriepacific.com. There you will find further details about the trust, information on Martin Currie, daily share prices (and associated risks), and you can access regular webcasts by the manager.

www.martincurriepacific.com

Manager's biography

John joined Martin Currie's Japan team in 2000 and was made a director of the company in 2002. He is manager of our Japan Oeic and Sicav funds, and manages the Martin Currie Pacific Trust. John came to us from Stewart Ivory, where he had been head of the Europe team since the company's takeover by Colonial First State. Before that, he worked on the Europe and the Japan desks. He joined Stewart Ivory as a graduate trainee.