

# Martin Currie Pacific Trust plc

Access to the investment potential of Asia and the Pacific

Monthly update

31 January 2012

## 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 (Japan fixed at 25%)

**Sector** Far East including Japan

**Launch** 1985

## Portfolio

Asset class	31 Dec	31 Jan
Equities	96.5%	97.2%
Cash	3.5%	2.8%
Other	—	—

Equity allocation	31 Dec	31 Jan
Japan	27.6%	26.0%
China	14.8%	16.3%
Australia	11.9%	12.9%
Korea	12.0%	11.3%
Hong Kong	9.0%	9.0%
Other Areas	8.2%	8.3%
Taiwan	5.3%	5.3%
Thailand	4.7%	4.5%
Malaysia	4.6%	4.2%
India	1.8%	2.3%

## Top 10 equity holdings (27.2% of total portfolio)

Samsung Electronics	5.5%
Toyota Motor	3.2%
CNOOC	2.9%
Taiwan Semiconductor	2.5%
AIA	2.4%
China Construction Bank	2.3%
Nippon Telegraph & Telephone	2.2%
Rio Tinto	2.1%
Mitsubishi	2.1%
Sumitomo Mitsui	2.0%

Number of holdings	72
Number of countries	12

## Key facts

Net assets	£133.4m
Share price (p)	264.5
Net asset value per share (p)	314.3
Discount (premium)	15.7%
Estimated net yield	1.7%

The NAV stated in our reporting is inclusive of current year revenue.

## Performance

### Discrete performance over 12 months to 31 January

	2012	2011	2010	2009	2008
Share Price	(3.8%)	21.5%	31.8%	(29.6%)	7.4%
NAV	(1.9%)	20.1%	24.5%	(23.6%)	12.2%
Benchmark	(6.2%)	23.7%	29.6%	(18.1%)	6.8%

### Cumulative performance over periods to 31 January 2012

	One month	Three months	Six months	One year	Three years	Five years
Share Price	6.9%	5.9%	(4.6%)	(3.8%)	54.1%	16.6%
NAV	6.5%	5.3%	(3.4%)	(1.9%)	46.7%	25.8%
Benchmark	7.2%	3.8%	(5.1%)	(6.2%)	45.9%	27.6%

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.

On 30 June 2008, the Trust's benchmark changed from MSCI All Countries Asia Pacific Free (Japan fixed at 40%) index to MSCI All Countries Asia Pacific index. On 1 July 2011 it changed to the MSCI All Countries Asia Pacific (Japan fixed at 25%) index.

Past performance is not a guide to future returns.

## Manager's commentary



The regional benchmark gained 7.2% as investors reacted well to perceived progress in the eurozone-debt saga and some better economic data from the US. India was particularly strong, reversing its performance after a tough 2011, while Malaysia, Indonesia and Japan were weak. Cyclical sectors such as energy, materials and industrials led the way at the expense of more defensive areas of the market.

The Trust's NAV rose by 6.5% in January, lagging its benchmark by a small margin. Chief detractors from relative performance included telecoms companies NTT in Japan and Axiata in Malaysia, as holdings generally thought of as defensive came in for profit-taking. The latter was also beset with concerns over rising capex and falling margins at Indonesian subsidiary XL Axiata. Meanwhile, our Korean holdings, most notably auto-parts firm Hyundai Mobis, lagged the rallying market after spending much of last year among our top performers.

On the other side, Indian infrastructure bank IDFC was the Trust's best contributor in January. Carmaker Maruti Suzuki also outperformed the rallying Indian market. The rest of the fund's top-five performers were Australian-listed stocks in the mining sector. Rio Tinto, Boart Longyear and Mount Gibson all rose sharply as improving economic data and hopes of a 'soft landing' for the Chinese economy drove optimism about demand for mined commodities.

## Andrew Graham

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 31 January 2012.

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**currie**

## Capital structure

Ordinary shares 42,449,644\*

\*Source: Martin Currie as at 31 January 2012.

## 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 2011†	1.0%
(0.85% on assets between £150m and £225m 0.75% on assets over £225m)	
Total expense ratio 28 February 2011*	1.3%
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
2010	236.5p	291.1p	18.8%	3.70p
2011	274.3p	320.7p	14.5%	4.50p

\*This is the diluted net asset value until 30 June 2000 when the warrants expired. From 2001 the net asset value is represented. 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.

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

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.

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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](http://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.

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Martin Currie Pacific Trust plc

Access to the investment potential of Asia and the Pacific

Launched in 1985, Martin Currie Pacific Trust invests for capital growth in the mature and developing markets of Asia and the Pacific Basin.

With growing economic integration across the region, a Pan-Asian approach enhances the investment opportunities available to the manager and provides a balance between mature and developing markets.

**Latest price**

Date	08 February 2012
Share price	267.00p
Change on day	(-0.74%)
NAV per share	322.06p
Div/Share	17.1%
Total Net assets	£136.7m

NAV per share is calculated cum income

**Latest documents**

- Monthly update - 31 Dec 2011 pdf 0.9MB
- Executive summary - 31 Dec 2011 pdf 0.9MB
- Interim management statement - Dec 2011 pdf 5.6MB
- Pacific Trust interim report 2011 pdf 103.9KB
- Pacific Trust annual report 2011 pdf 274.0KB

**News & views**

- Investment Adviser: It's been a dog's life 2 December 2011 Andrew Graham's article in Investment Adviser discussing the outlook for the Asia region for 2012.
- Press Article: Investment Adviser: Looking to the long term to add 31 October 2011 Andrew Graham discusses how Asian equities remain resilient and look new entrants.
- Half yearly financial report 2011 now available 12 October 2011 The interim report for the Martin Currie Pacific trust is now available.

View price history >

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## Manager's biography

Andrew joined Martin Currie in 2010 as a senior investment manager in the Asia team with responsibility for both research and portfolio construction, and has since become lead manager for the Martin Currie Pacific Trust. Andrew came to us from Sofaer Global Research, bringing with him over 20 years' experience of managing Asia-Pacific equities. At Sofaer, where he was a partner, Andrew managed the company's Japan hedge fund and co-managed its Pacific-region hedge fund. Before that, he spent five years as senior vice president at Putnam Investments, where he co-managed its International Capital Opportunities Fund, focusing particularly on the Asia-Pacific region. Andrew also specialised in Japanese equities during earlier roles at Scottish Widows Investment Partnership and Kemper Investment Management.