

SHINING A LIGHT ON THE.....
Martin Currie Global Portfolio Investment Trust

AT A GLANCE

Investment Objective
To achieve long-term growth in excess of capital return of the MSCI All Country World index by investing in international quoted companies.

Inception Date	22 March 1999
Fund Factsheet Link	http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=E0GBR01NVD]2]0]FCGBR\$\$ALL

Management	
Manager Name	Start Date
Zehrid Osmani	30 June 2018

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	43.08%
Large	35.07%
Medium	21.85%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	32	
Assets in Top 10 Holdings	38.66%	
Name	Sector	% of Assets
Microsoft Corp	Technology	4.22%
Visa Inc Class A	Financial Services	4.15%
ResMed Inc	Healthcare	4.14%
CSL Ltd	Healthcare	4.12%
Straumann Holding AG	Healthcare	3.96%
AIA Group Ltd	Financial Services	3.74%
Automatic Data Processing Inc	Industrials	3.70%
Linde PLC	Basic Materials	3.62%
Coloplast A/S B	Healthcare	3.55%
Masimo Corp	Healthcare	3.46%

Volatility Measurements	
3-Yr Std Dev (volatility)	3-Yr Mean Return
13.91%	14.50%

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FUND PERFORMANCE

Performance 1 January 2014 to 30 June 2020:

	2014	2015	2016	2017	2018	2019	2020
Martin Currie Global Portfolio	11.12%	2.15%	28.68%	11.24%	-3.54%	31.87%	6.32%
MSCI World	11.46%	4.87%	28.24%	11.80%	-3.04%	22.74%	1.03%

Performance over 1 year, 3 years, 5 years and since fund manager inception (30 June 2018):

	1 year	3 years	5 years	Since fund manager inception
Martin Currie Global Portfolio	11.60%	43.50%	94.78%	32.72%
MSCI World	5.93%	27.71%	77.67%	16.85%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was our first introduction to the investment trust. Zehrid Osmani joined Martin Currie in 2018. Previously he had worked at BlackRock as Head of Global Equities. The fund has been totally changed since he came on board, reducing the holdings from over 60 to around 30. It has no FANG stocks and is underweight the US, with a fully integrated ESG strategy. In the recent downturn the fund demonstrated a 73% downside capture, with 116% upside. This is about identifying quality with careful management of risk and will focus on the highest conviction ideas. The manager is pleased with the returns thus far but knows there is still a way to go.

In terms of style and process the risk exposure covers industry, company, government and sustainability and portfolio. Just taking one area, industry risk goes deeper into areas like supply chain dependency, pricing power, customer power, competition etc. This all leads to a portfolio of companies with high barriers to entry, dominant market position, strong pricing power, low disruption risk, structural growth prospects, high ROIC, strong compounding cash flows, quality management and corporate culture, but at the very heart of everything low valuations.

During March and April, they did not buy or sell any stocks. Much of the work involved looking at areas like stress testing. This involved looking at mapping exposures and risks, looking at balance sheet and liquidity risks and disruption modelling to the actual environment. Overlaying this they have been looking at the post pandemic world. This involves looking at areas like supply and demand, the Chinese recovery and focusing on specific trends linked to the recovery.

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They feel there will be a gradual recovery rather than a v shape recovery, that rates will stay low for longer and higher taxes whether personal or corporate. Where they see opportunities are in areas like infrastructure, acceleration in robotics and automation trends, increased demand for cloud infrastructure and cyber security, online education, and gaming. The fund is focused on three mega trends – future of technology, demographic change and resource scarcity. It also provides a broad exposure across consumers, sectors, and geographical revenue.

In May and June, they sold Spirax Sarco, Align, Waters and Beazley. Spirax was sold based on reaching the target price: they did not feel there was any further upside. Waters was sold and Illumina added as their conviction was weakening. The only purchase was Illumina.

An example of a holding is Masimo which provide non-invasive monitoring technology selling into hospitals and has a strong recurring income stream. They have 45% market share and are capturing 75% of all new orders.

The fund's highest positionings are in healthcare, IT and consumer discretionary, and the smallest positions are around 2% with the top ten making up around 40% of the trust.

In summary, it is clear the manager has turned things around: the direction of the trust has significantly altered. This may act as an alternative in the global space due to its holdings which are likely to be different to many global strategies.

The source of information in this note has been provided by Martin Currie and is correct as at July 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.