

MARTIN CURRIE INVESTMENT FUNDS North America (OEIC)

OBSR Fund Rating
A / Bronze

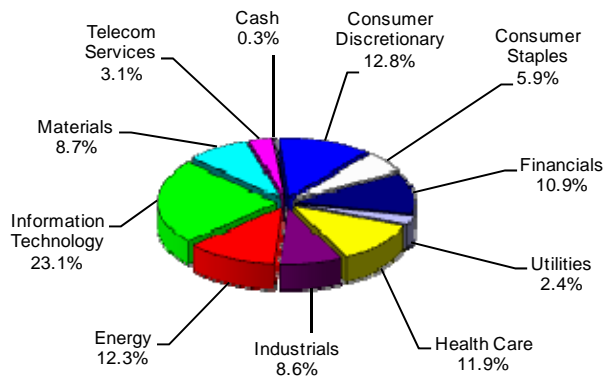
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RATINGS

Key Information

Launch Date	1 September 1983	
Fund Size	£430.0m	
Type of Shares Available	Accumulation	
Distribution Date	30 April	
Historic Yield	n/a	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.00%
	Annual	1.50%

Asset Distribution - Sector

Source: Martin Currie Investment Funds



Top Ten Holdings

	%
Apple	5.8
IBM	4.5
Google	4.2
McDonalds	3.7
Microsoft	3.7
Altria Group	3.4
JPMorgan Chase & Co	3.2
Pfizer	3.1
Chevron Corp	3.1
Directv Group	2.9
Concentration (Top 10)	37.6
Total Number of Holdings	40

Source: Martin Currie Investment Funds

Classification

Sector	North America
Market Cap / Style	Large Cap Bias / Blend
Benchmark/Index	MSCI North America

Management/Investment Style

Fund Managers	Tom Walker (April 2002) David Forsyth (June 2007)
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This fund offers investors access to a focused conviction portfolio of 40 stocks. It has a blended investment style and large cap bias. The process is disciplined and research-driven, helped by a proprietary stock screening matrix that enables the team to focus their research efforts on the most attractive stocks.

Investment Objective & Methodology

The fund's objective is long-term capital growth through investment in the US and Canada.

Tom Walker, a Chartered Accountant, joined Martin Currie in 1996 as Head of the Pacific Asia team. He became head of the North America team in 1998 and has been lead manager of this fund since April 2002. The manager is assisted by David Forsyth who joined the group in November 2005 and was appointed co-manager of this fund on 1st June 2007.

The philosophy is that change drives stock prices; the manager's aim is to identify, evaluate and exploit this change. Earnings surprise is seen as a key driver and the view positive earnings news tends to go on far longer than most investors expect leads the manager to run his winners. The investment process is based primarily upon bottom-up consideration but there is also a degree of top-down input. The starting point is an examination of the sectoral composition of the index; the manager then identifies 2-3 themes that will feature as biases in the fund; the last stage is stockpicking. The focus is on Quality, Value, Growth and Change. Quality looks at a company's industry position, franchise value and product strategy, its management, vision and execution and the quality of its accounts. Value looks at valuation metrics such as Price/Earnings, EV/EBITDA and Return on Equity. Growth looks at a company's earnings prospects and sustainability of earnings and cashflows, comparing these with consensus expectations. Positive change looks at changes to management or product/regulations, earnings revisions/momentum and restructuring.

The group's proprietary screening model (the Dynamic Stock Matrix) ranks stocks and helps prioritise research, although the manager's view is that more value is added by understanding a company's drivers, market position and barriers to entry. He relies on the sector managers, all of whom run model portfolios, for ideas and constructs the portfolio on the back of constant discussion with the team, although he has the final say. The size of positions is dictated by his level of conviction, the expected rate of return, whether there is a clear catalyst to unlock value and the effect of the purchase on overall portfolio composition. As it is a conviction portfolio, the manager does not tend to trim positions and will sell stocks if they reach their target valuations, future upside is felt to be limited, the Dynamic Stock Matrix downgrades a stock, there is a deterioration in a company's long-term fundamentals or if there is a better opportunity elsewhere or a shift in the fund's risk profile. The manager holds a formal monthly meeting with the sector managers, covering work in progress, issues from the last meeting and a review of the stock matrix.

The portfolio tends to be concentrated and features around 40 stocks. As it is a conviction portfolio, there are no underweight positions while the maximum overweight stock position is +3%. At a sector level, the portfolio may be positioned +/-10% compared to the index. The manager aims to achieve index outperformance of 2-3% per annum with a tracking error range of approximately 4-6%.

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Data as at 31 December 2011
Last Updated January 2012