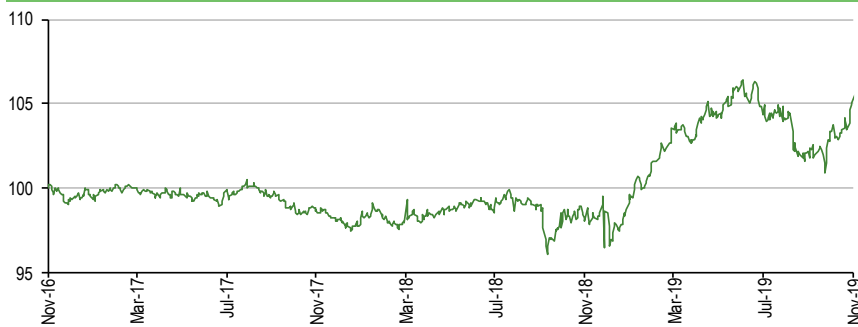


Martin Currie Global Portfolio Trust

Enhanced process driving outperformance

Martin Currie Global Portfolio Trust (MNP) has been managed by Zehrid Osmani since 1 October 2018. He has refined the investment process, taking fundamental analysis deeper, aiming to enhance stock selection and the trust's returns, and says that advanced risk analytics enable the portfolio to be managed in a more accurate way. The manager aims to build a high-conviction, but diversified fund of quality stocks in terms of superior top-line, profit and free cash flow growth, with high returns on capital, and room for further improvement. Whatever the market environment, Osmani is confident on MNP's prospects versus the benchmark on a five-year view.

NAV outperformance versus the FTSE World Index benchmark – new manager is making a positive difference



Source: Refinitiv, Edison Investment Research

The market backdrop

Investors are experiencing an environment of slowing global growth – arguably affected by the ongoing dispute between the US and its trading partners – along with above-average valuations (the forward P/E multiple of the Datastream World Index is 15% higher than its 10-year average). With this as a backdrop, market participants may benefit from a focus on high-quality growth companies trading at reasonable valuations.

Why consider investing in MNP?

- New manager has tightened up the process and improved performance.
- High-conviction portfolio of global equities, with no gearing, derivatives or unlisted stocks.
- Competitive fee structure: 0.4% annual management fee.
- MNP's shares regularly trade close to NAV.

Effective zero discount mechanism

MNP employs a zero discount policy, which has proved effective: over the last one to five years, the trust has traded at average discounts in a range of 0.2% to 0.6%. Its current 1.2% share price discount to cum-income NAV compares to a range of a 3.1% premium to a 2.6% discount over the last 12 months. MNP has a progressive dividend policy; since launch in March 1999 the annual distribution has compounded at a rate of 5.9% pa (the trust's current dividend yield is 1.4%).

Investment trusts Global equities

16 December 2019

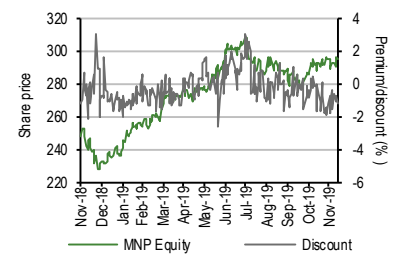
Price 295.5p
Market cap £245m
AUM £247m

NAV* 298.6p
Discount to NAV 1.0%
NAV** 299.2p
Discount to NAV 1.2%

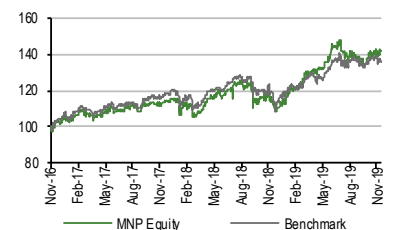
*Excluding income. **Including income. As at 12 December 2019.

Yield 1.4%
Ordinary shares in issue 82.9m
Code MNP
Primary exchange LSE
AIC sector Global
Benchmark FTSE World

Share price/discount performance



Three-year performance vs index



52-week high/low 309.5p 228.5p
NAV* high/low 304.0p 226.4p

*Including income.

Gearing

Gross* 0.0%
Net cash* 2.6%

*As at 31 October 2019.

Analysts

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**Martin Currie Global Portfolio Trust is
a research client of Edison
Investment Research Limited**

Exhibit 1: Trust at a glance

Investment objective and fund background

Martin Currie Global Portfolio Trust's objective is to achieve long-term capital growth in excess of the capital return of the benchmark FTSE World Index by investing in a diversified portfolio of international quoted investments. The benchmark was changed on 1 June 2011 from the FTSE All-Share Index to the FTSE World Index when the trust adopted a more global focus, and another change to the MSCI AC World Index (total return) has been approved with effect from FY21 (see Fund profile section).

Recent developments

- 3 December 2019: Announcement of 0.9p third interim dividend for FY20 (flat year-on-year).
- 24 September 2019: Six-month report to 31 July 2019. NAV TR +22.7% versus benchmark TR +16.7%. Share price TR +28.6%. Announcement of 0.9p second interim dividend for FY20 (flat year-on-year).
- 21 June 2019: Announcement of the appointment of Christopher Metcalfe as a non-executive director, with effect from 19 September 2019.

Forthcoming

AGM	June 2020
Final results	April 2020
Year end	31 January
Dividend paid	Jul, Oct, Jan, Apr
Launch date	March 1999
Continuation vote	None

Capital structure

Ongoing charges	0.65% (H120)
Net cash	2.6%
Annual mgmt fee	0.4%
Performance fee	See page 9
Trust life	Indefinite
Loan facilities	None

Fund details

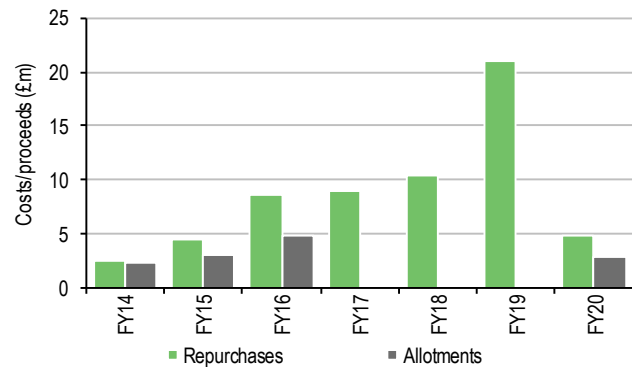
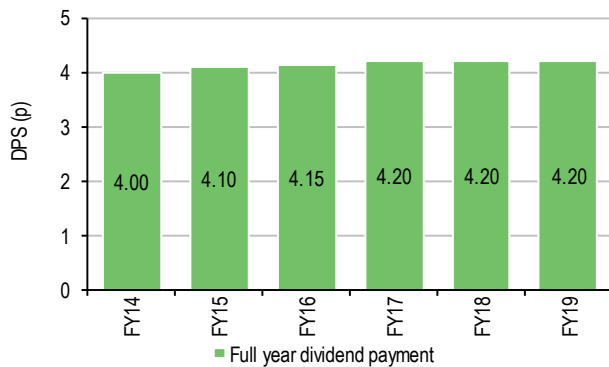
Group	Martin Currie Investment Mgmt (UK)
Manager	Zehrid Osmani
Address	Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES
Phone	+44 (0)131 229 5252
Website	www.martincurrieglobal.com

Dividend policy and history (financial years)

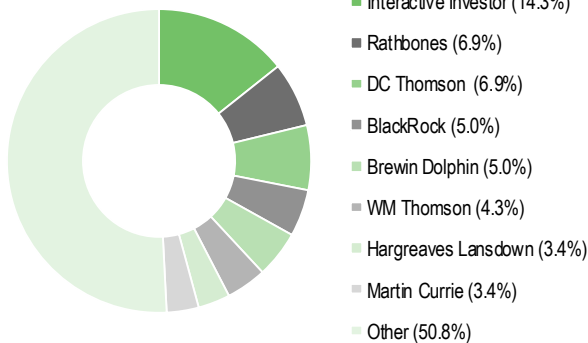
MNP moved to paying quarterly dividends from FY14 (previously semi-annual). Dividends are paid in July, October, January and April. The board is committed to a progressive dividend policy over the longer term.

Share buyback policy and history (financial years)

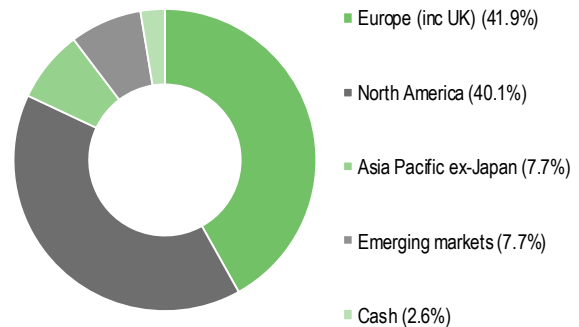
The board employs a zero discount policy. Renewed annually, the trust has authority to purchase up to 14.99%, and allot up to 10% of issued share capital.



Shareholder base (as at 31 October 2019)



Portfolio exposure by geography (as at 31 October 2019)



Top 10 holdings (as at 31 October 2019)

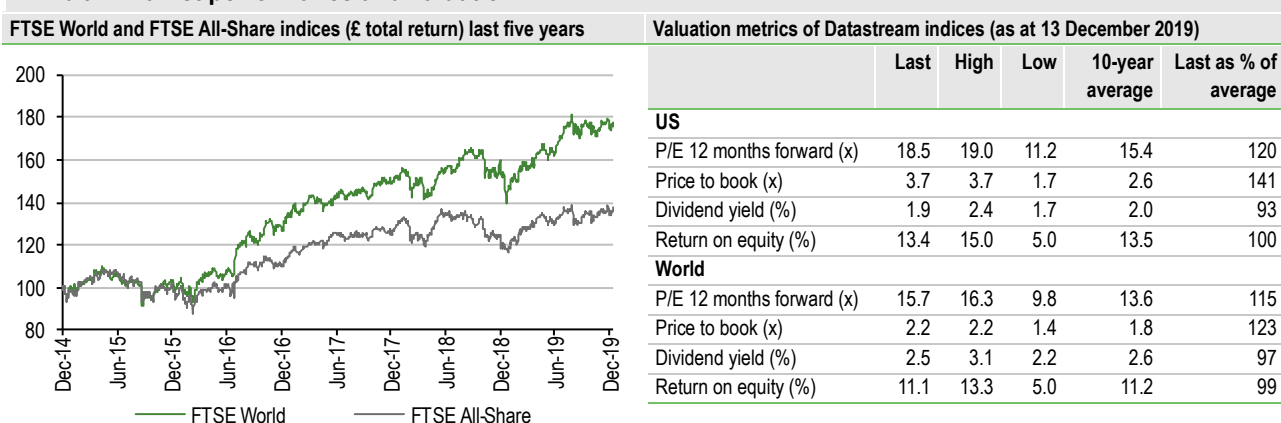
Company	Country	Sector	Portfolio weight %	
			31 October 2019	31 October 2018*
Visa	US	Technology	4.2	3.8
Automatic Data Processing	US	Industrials	4.0	4.2
ResMed	US	Healthcare	4.0	N/A
AIA	Hong Kong	Financials	3.9	4.1
Straumann	Switzerland	Healthcare	3.9	N/A
Linde	US	Basic materials	3.9	3.8
Microsoft	US	Technology	3.9	N/A
CSL	Australia	Healthcare	3.8	N/A
Beazley	UK	Financials	3.4	N/A
Adidas	Germany	Consumer goods	3.3	N/A
Top 10 (% of holdings)			38.3	36.3

Source: Martin Currie Global Portfolio Trust, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-October 2018 top 10.

Market outlook: Focus on growth and valuations

As shown in Exhibit 2 (LHS), global equities have significantly outpaced the performance of the UK market over the last five years, partly due to sterling weakness since the Brexit vote in June 2016. The dominant US market (c 60% of the FTSE World Index) has been particularly buoyant in recent years, supported by continued easy monetary policy and corporate tax cuts. However, global growth is slowing, partly attributable to the dispute between the US and its trading partners. In its October World Economic Outlook, the International Monetary Fund reduced its 2019 global and US growth forecasts by 0.2% in each case, compared with its July outlook, to 3.0% and 2.4%, respectively. Looking at valuations of Datastream indices in the right-hand table below, global equities are trading on a forward P/E multiple of 15.7x, which is a 15% premium to their 10-year average, while the US market looks even more extended, trading at a 20% premium. It would seem appropriate to be more selective given the current backdrop of slowing growth and above-average P/E multiples; investors may benefit from focusing on companies with sustainable growth profiles whose valuations afford a margin of safety.

Exhibit 2: Market performance and valuation



Source: Refinitiv, Edison Investment Research

Fund profile: High-conviction global equity portfolio

Launched in March 1999, MNP is listed on the Main Market of the London Stock Exchange. Since 1 October 2018, the lead manager has been Zehrid Osmani. He was formerly a senior portfolio manager and head of European equities research at BlackRock, with a proven track record in fundamental research and unconstrained investment. As well as managing MNP, he is head of Martin Currie's global long-term unconstrained (GLTU) team.

MNP's portfolio is focused but diversified, containing 25–40 high-quality global equities (32 at end-October 2019). There are no limits on portfolio construction, but the combination of stocks must not lead to an unintended reliance on a particular macroeconomic factor, such as interest rates or oil prices. Although not employed since 2008, gearing of up to 20% of NAV is permitted; at end-October 2019, MNP had a net cash position of 2.6%.

At the June 2019 AGM, a resolution was passed to amend the trust's investment objective (with effect from 1 February 2020) from long-term capital growth in excess of the capital return of the FTSE World Index, to long-term returns in excess of the total return from the MSCI All Country World Index. Benchmarking against a total rather than a capital return will improve MNP's comparability with its peers, while the MSCI Index is viewed as representing the global market more effectively, as it includes emerging markets.

Data from MNP show that from launch to end-October 2019, the trust's NAV and share price total returns of 345.9% and 458.3% respectively are ahead of the benchmark's 301.6% total return.

The fund manager: Zehrid Osmani

The manager's view: Continuing to focus on the long term

Offering his perspective on the macro backdrop, Osmani argues that the global economic slowdown is being exacerbated by the US-China trade dispute. He says that European growth, especially in Germany, has been particularly negatively affected given its exposure to China. The manager's expectation for 2020 is for an environment of 'muddling along', with a tepid global GDP growth outlook. Osmani notes a lack of inflationary pressure and says that monetary policy will continue to remain important; he expects central bank actions will be data dependent, but will remain accommodative. While risks of a recession could resurface, the manager's base case is that this will not happen in 2020; however, when a recession does occur, he expects it to be shallow and short-lived. Given his long-term investment approach, Osmani will look through any downturn. While forward P/E valuations are greater than historical averages, the manager says that in relative terms, equities look very attractive compared with low or negative bond yields.

Looking at features of the global stock market in 2019, Osmani notes a wide spread in valuations between value and high-quality growth stocks. He says there was a summer snapback with a rotation into value stocks in September, but that effect has now been diluted as growth stocks are once again leading the charge. The manager believes that market rotation will be relevant going forward, but a change in market leadership is difficult to time. As a long-term investor, he will continue to focus on high-quality growth companies with sustainable business models, solid cash flow generation and the potential to increase returns. Osmani believes that this investment approach will be successful over the long term.

The manager suggests that considering the backdrop of a major flare-up in trade issues, a slowdown in economic momentum, and persistent Brexit delays, it is surprising how well global markets have fared in 2019, with several hitting all-time highs. He argues the rapid U-turn in monetary policy, with the Federal Reserve moving from a tightening to an easing mode and the European Central Bank remaining accommodative, has been supportive for equities. However, there have been sharp downgrades to 2019 earnings estimates over the course of the year (the consensus for the MSCI World Index has moved from +7% to -1%). The manager is somewhat cautious on 2020 estimates of 10% earnings growth given a slowing economy and a lack of inflation; he thinks that mid-single-digit growth is a more realistic outcome. Osmani says that the tone of company managements is also one of caution, and the impact of trade tensions has led to lower capex and more prudent management of businesses' balance sheets. On the plus side, continued low interest rates have led to record levels of global mergers and acquisitions (M&A), and the manager expects the elevated pace to continue in 2020.

Asset allocation

Investment process: Bottom-up portfolio construction

Martin Currie's GLTU team aims to generate long-term risk-adjusted returns above those of MNP's benchmark by focusing on high-quality growth stocks. These are identified by proprietary fundamental and systematic research, and the results is a portfolio that is unconstrained; the manager has a five- to 10-year investment horizon. There are three stages to the investment process: idea generation, in-depth fundamental research, and portfolio construction.

Idea generation – the total universe of c 2,800 stocks is screened down to an investible universe of c 500 stocks and then to a research pipeline of around 80 names. Osmani and the six other members of the GLTU team (part of a wider group of more than 50 investment professionals) seek high-quality companies with sustainable growth profiles, that are trading on attractive valuations. They believe companies with a high and sustainable return on invested capital (above their weighted average cost of capital) can generate above-average total returns over the long term.

Fundamental analysis – a proprietary research template is compiled for each company reviewed, to ensure a consistent approach. The team seeks reasonably valued firms with strong industry, financial and governance attributes. A company considered for inclusion in the MNP portfolio is likely to have a dominant market position with strong pricing power, operating in an industry with high barriers to entry, generating high returns and strong cash flow, with a respected management team. Risk assessment is a key element of the research process, focusing on industry, company-specific, governance & sustainability, and portfolio risks. Osmani stresses the importance of research debates and avoiding behavioural bias within the GLTU team. For stocks considered for inclusion in the portfolio, the presentation of the research is assessed by each team member. This procedure aims for optimal decision-making and the avoidance of 'group-think' behaviour.

Portfolio construction – MNP's portfolio is diversified and contains high-conviction holdings. Proprietary analysis breaks down the fund's geographic exposure by revenue and profit rather than where a company is listed, allowing Osmani to ascertain MNP's exposure by economic value (the fund is currently overweight developed and underweight emerging markets). The manager also analyses the portfolio in terms of exposure to the end user at the consumer, business and government levels.

There are three overarching themes within MNP's portfolio that Osmani believes will span multiple decades – the future of technology (including outsourcing for productivity and cyber security), demographic change (including growth of the emerging markets middle class and increasing longevity) and resource scarcity (such as climate change and electric vehicles).

Osmani believes that a focus on a company's environmental, social and governance (ESG) credentials improves the investment process and delivers improved returns for MNP's shareholders. He notes that Martin Currie has ESG expertise spanning more than a decade. Each company analysed is given an ESG score between 1 (lowest risk) and 5 (highest risk), based on a variety of factors, including the quality of a firm's board, its management team, its remuneration policies, and environmental and social risks.

MNP's active share remains high at 93.6% (this is a measure of how a fund differs from its benchmark, with 0% representing full index replication, and 100% showing no commonality). Compared with the FTSE World Index it has higher forecast earnings and dividend growth, and a higher valuation in terms of P/E and price-to-book multiples (reflecting its growth and quality biases). These are also illustrated by the portfolio's higher return on equity, return on invested capital and stronger balance sheet compared with the benchmark. Portfolio turnover had increased due to Osmani's shift to a fully unconstrained strategy starting at the beginning of 2019; it is now down to a more normal 10–20% pa run rate, implying a holding period of five to 10 years.

Current portfolio positioning

At end-October 2019, MNP's top 10 holdings made up 38.3% of the portfolio, a modestly higher concentration than 36.3% a year earlier; four positions were common to both periods. As shown in Exhibit 3, the largest geographic changes over the 12 months to end-October 2019 were a higher exposure to Europe (+8.9pp) and a lower weighting to North America (-8.0pp). This has increased the established portfolio biases towards Europe (now a 22.7pp overweight versus the benchmark, with c 5% of the fund held in UK companies) and against North America (19.8pp underweight).

Exhibit 3: Portfolio geographic exposure vs FTSE World Index (% unless stated)

	Portfolio end-October 2019	Portfolio end-October 2018	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Europe (including UK)	43.0	34.1	8.9	20.3	22.7	2.1
North America	41.2	49.1	(8.0)	60.9	(19.8)	0.7
Asia Pacific ex-Japan	7.9	6.5	1.4	5.7	2.2	1.4
Emerging markets	7.9	6.5	1.4	4.3	3.6	1.8
Israel	0.0	3.6	(3.6)	0.2	(0.2)	0.0
Japan	0.0	0.0	0.0	8.6	(8.6)	0.0
Total	100.0	100.0		100.0		

Source: Martin Currie Global Portfolio Trust, Edison Investment Research. Note: Adjusted for cash. Numbers subject to rounding.

In terms of sector exposure (highlighted in Exhibit 4), over the last 12 months to end-October 2019, the largest changes are an 8.3pp higher weighting in healthcare, and lower exposure to consumer services (-3.8pp) and technology (-3.6pp). The structure of the portfolio is similar to end-June 2019 (shown in our last note published in [July](#)) with meaningful overweight exposure to healthcare (+9.6pp) versus the benchmark, industrials (+8.7pp) and consumer goods (+6.5pp) and an underweight in financials (-8.9pp). MNP continues to have no exposure to the oil & gas, utilities and telecom sectors, which together currently make up c 11% of the benchmark. The manager argues that companies in these sectors often fail to generate returns above their cost of capital.

Exhibit 4: Portfolio sector exposure vs FTSE World Index (% unless stated)

	Portfolio end-October 2019	Portfolio end-October 2018	Change (pp)	Index weight	Active weight vs index (pp)	Trust weight/index weight (x)
Industrials	22.1	23.0	(1.0)	13.4	8.7	1.6
Healthcare	21.0	12.8	8.3	11.5	9.6	1.8
Consumer goods	17.9	14.6	3.3	11.4	6.5	1.6
Technology	15.4	19.0	(3.6)	16.7	(1.3)	0.9
Financials	11.8	12.8	(1.0)	20.7	(8.9)	0.6
Consumer services	7.8	11.6	(3.8)	11.2	(3.4)	0.7
Basic materials	4.0	6.2	(2.2)	4.0	0.0	1.0
Telecommunications	0.0	0.0	0.0	2.8	(2.8)	0.0
Utilities	0.0	0.0	0.0	3.4	(3.4)	0.0
Oil & gas	0.0	0.0	0.0	5.0	(5.0)	0.0
Total	100.0	100.0		100.0		

Source: Martin Currie Global Portfolio Trust, Edison Investment Research. Note: Adjusted for cash. Numbers subject to rounding.

Osmani highlights some of the important transactions in MNP's portfolio in recent months. The position in US precision instruments company **Mettler Toledo** (a niche player with pricing power) was sold in July, as the stock had rallied and reached the manager's price target. Timing of the sale proved to be fortuitous, as Mettler Toledo's share price subsequently fell by c 25% due to a combination of reduced guidance from peer Illumina, sell-side recommendation downgrades and the company acknowledging a more challenging operating environment given the macro backdrop of trade tensions. The manager took advantage of Mettler Toledo's share price pullback by re-initiating a position in October. He forecasts the company can generate mid-single-digit top-line, 10% EBIT and mid-teens EPS growth annually over the next five years, while increasing its return on invested capital from 31% to 43% over this period.

In July, Osmani initiated two new positions in **Adobe** and **Masimo**. Adobe is a US-based multinational computer software company. It is a dominant player in its fields of multimedia, creativity and digital marketing products; its strong position is supported by the company's robust research and development programme, and Osmani says that Adobe's software is critical to the creation and distribution of online content. The manager forecasts annual high-teens revenue and earnings growth over the next five years, while broadly doubling its return on invested capital to 60% over this period. Osmani explains that US-based medtech company Masimo is 'an exciting name'; it develops and manufactures innovative non-invasive patient monitoring technologies and sensors. He believes that the company's niche operations, high market share, barriers to entry and

level of recurring revenues (supported by sales of consumable products) should enable its return on invested capital to increase from 32% to 44% over the next five years.

Within the industrial sector, in June, the manager switched the lower-conviction holding in US-based **Rockwell Automation** (industrial automation and technology) into Sweden-based **Hexagon**, which he believes is better positioned in industrial automation robotics. The company is transitioning its business model to include more software along with its hardware products, which should generate a higher level of recurring revenues and an improved return on invested capital; the manager forecasts an increase from 10% to 14% over the next five years.

The positions in **Check Point Software** (which was close to price target) and **Prudential** (where the manager has concerns about its capital base) were sold over the summer.

Performance: Clear inflexion under new manager

Exhibit 5: Five-year discrete performance data

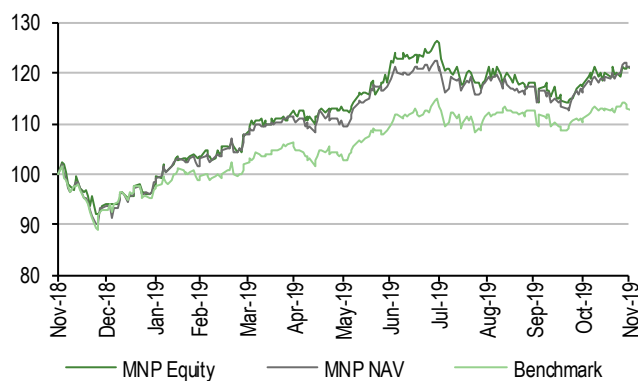
12 months ending	Share price (%)	NAV (%)	FTSE World (%)	MSCI AC World (%)	FTSE All-Share (%)
30/11/15	2.3	2.5	2.6	2.0	0.6
30/11/16	25.2	23.1	25.6	25.6	9.8
30/11/17	12.1	13.9	15.4	15.7	13.4
30/11/18	4.7	5.2	6.0	5.6	(1.5)
30/11/19	21.2	21.2	13.1	12.8	11.0

Source: Refinitiv. Note: All % on a total return basis in pounds sterling.

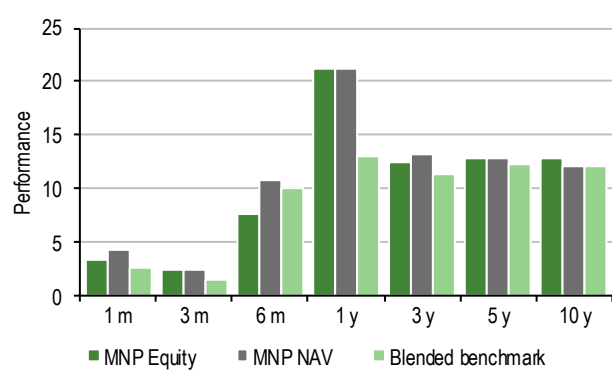
Exhibits 5 and 6 highlight MNP's particularly strong investment performance over the last year (to end-November), with NAV and share price total returns of 21.2%. However, absolute returns over longer periods are also very respectable. Over the last three, five and 10 years, the trust has generated NAV total returns in a range of 12.1% to 13.3%, and share price total returns between 12.5% and 12.9%.

Exhibit 6: Investment trust performance to 30 November 2019

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)



Source: Refinitiv, Edison Investment Research. Note: Three, five and 10-year performance figures annualised. Benchmark changed from FTSE All-Share to FTSE World index on 1 June 2011.

MNP's relative performance is shown in Exhibit 7. Its NAV and share price total returns have outperformed the FTSE World Index benchmark over almost all of the periods shown. The trust has also significantly outpaced the bellwether UK index over one, three, five and 10 years, highlighting the potential benefits of investing overseas.

Osmani comments that performance in recent months has generally been 'pretty strong', due to both stock selection and asset allocation. Positive contributors include ResMed (US – medical equipment), CSL (Australia – blood fractionation), Ferrari (Italy – luxury sports cars), Straumann (Switzerland – dental equipment and supplies) and Adidas (Germany – sportswear), four of which

are top 10 holdings. Positions that have detracted from relative performance include Align Technology (US – orthodontics), Prudential (UK – life insurance – holding was sold), Tencent (China – multinational conglomerate) and Apple (US – technology – not owned).

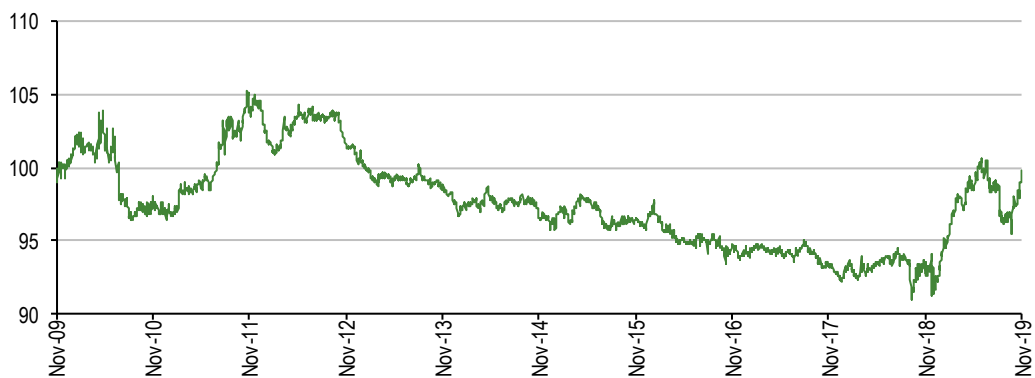
Exhibit 7: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to FTSE World	0.7	0.8	(2.1)	7.2	2.8	2.3	7.6
NAV relative to FTSE World	1.6	0.9	0.7	7.2	5.0	2.9	0.1
Price relative to MSCI AC World	0.8	1.1	(1.6)	7.5	3.3	3.3	9.8
NAV relative to MSCI AC World	1.7	1.2	1.1	7.5	5.5	3.9	2.2
Price relative to FTSE All-Share	1.1	(1.3)	1.8	9.2	14.7	33.0	52.6
NAV relative to FTSE All-Share	1.9	(1.2)	4.6	9.2	17.1	33.8	42.0

Source: Refinitiv, Edison Investment Research. Note: Data to end-November 2019. Geometric calculation.

The inflexion in MNP's relative performance is clearly shown in Exhibit 8. As a reminder, Osmani became the trust's lead manager on 1 October 2018.

Exhibit 8: NAV total return performance relative to benchmark over 10 years

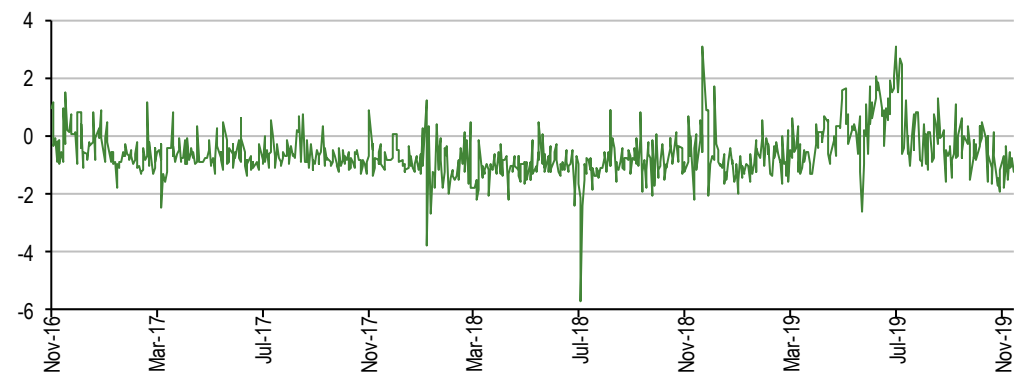


Source: Refinitiv, Edison Investment Research

Discount: Zero discount policy

MNP is currently trading at a 1.2% share price discount to cum-income NAV, which compares to a range of a 3.1% premium to a 2.6% discount over the last 12 months. The board has employed a zero discount policy since July 2013, aiming to ensure that, in normal market conditions, MNP's shares trade close to NAV. This has proved effective, as over the last one, three and five years its discount has averaged 0.2%, 0.6% and 0.5%, respectively.

Exhibit 9: Share price premium/discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Renewed annually, the trust has authority to repurchase up to 14.99% of its shares and allot up to 10% of its issued share capital in order to manage a discount or premium. So far in FY20, c 1.8m

shares have been repurchased at a cost of c £4.9m, and 1.0m shares have been issued raising c £2.9m (a net decrease in the share base of 1.0%).

Capital structure and fees

MNP is a conventional investment trust with one class of share. There are currently 82.9m ordinary shares in issue. Although gearing of up to 20% of NAV is permitted, this has not been employed since 2008. At end-October 2019, MNP had a net cash position of 2.6%.

Martin Currie is paid a management fee of 0.4% pa of MNP's ex-income NAV, calculated and payable quarterly. A performance fee is payable for outperformance versus the benchmark, capped at 1% of net assets and paid 12 months in arrears. In H120, ongoing charges were 0.65% (H119: 0.62%), which was below the board's target of 0.70%. Including performance fees, ongoing charges were 1.57% (H119: 0.79%).

Dividend policy and record

MNP pays quarterly dividends in July, October, January and April. Annual distributions have compounded at 1.0% pa over the last five years compared with 5.9% pa since the trust was launched in March 1999 (they have increased or been maintained every year since then). The FY19 dividend of 4.2p per share (0.8x covered) was in line with the prior two financial years, and so far in respect of FY20 three interim dividends of 0.9p per share have been paid or declared, which are unchanged year-on-year.

In H120, revenue per share was 1.67p, 28% lower than 2.32p in H119, largely due to changes in the portfolio, with higher exposure to companies with lower but growing dividend yields, and a reduced weighting in lower-growth, higher dividend-paying firms. At end-H120, MNP had revenue reserves of £4.0m (c 1.2x the last annual dividend). The trust has a 1.4% dividend yield.

Peer group comparison

Exhibit 10: AIC Global sector at 13 December 2019*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
Martin Currie Global Portfolio	244.9	24.0	44.7	92.5	214.4	(0.7)	0.7	Yes	100	1.4
Alliance Trust	2,691.8	15.4	41.8	82.1	179.9	(5.6)	0.6	No	105	1.7
AVI Global Trust	837.6	8.7	25.8	61.4	125.3	(7.8)	0.9	No	104	2.2
Bankers	1,184.4	16.2	39.8	82.8	200.2	0.4	0.5	No	100	2.1
Brunner	376.1	18.1	34.8	72.1	168.1	(7.8)	0.7	No	108	2.3
EP Global Opportunities	120.6	(1.0)	11.8	43.8	112.3	(5.7)	0.9	No	100	1.9
F&C Investment Trust	3,991.9	12.9	35.9	81.2	200.5	(0.8)	0.6	No	109	1.6
JPMorgan Elect Managed Growth	262.6	14.6	35.7	66.2	192.0	(3.3)	0.5	No	100	1.8
Lindsell Train	270.5	26.7	109.0	233.6	593.2	23.0	0.9	Yes	101	2.2
Majedie Investments	129.4	(5.7)	(4.2)	27.8	70.7	(13.8)	1.0	No	113	4.7
Manchester & London	162.2	14.7	68.1	129.8	103.3	(3.5)	0.8	No	100	2.7
Mid Wynd International Inv Trust	261.5	19.0	44.1	101.8	231.0	2.2	0.5	No	100	1.0
Monks	2,054.6	18.5	52.4	108.0	191.1	5.1	0.5	No	105	0.2
Scottish Investment Trust	614.4	5.8	14.8	54.0	133.8	(7.9)	0.4	No	102	3.0
Scottish Mortgage	7,628.5	12.0	80.6	135.7	404.3	(2.0)	0.4	No	108	0.6
Witan	1,931.7	13.5	32.2	72.9	192.6	(2.6)	0.8	Yes	112	2.2
Average (16 trusts)	1,422.7	13.3	41.7	90.3	207.0	(1.9)	0.7		104	2.0
MNP rank in peer group	13	2	5	6	4	5	8		11=	13

Source: Morningstar, Edison Investment Research. Note: *Performance data to 12 December 2019 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

MNP is one of 16 funds in the AIC Global sector; they follow a variety of investment mandates. Osmani explains that MNP differentiates itself by having a concentrated portfolio (32 positions at end-October 2019) of listed equities, with no unlisted or derivative exposure. He argues that while funds with unlisted or private equity holdings may have lower volatility of returns than MNP (as the valuations of such companies change infrequently), it does not mean they are lower risk; this has been emphasised by recent industry headlines regarding Woodford Investment Management.

The trust's total returns – achieved without any gearing – are above-average over all periods shown, ranking second over the last 12 months, fifth over three years, sixth over five years and fourth over the last decade. However, it should be noted that the peer group averages over the medium and longer term are skewed by a few funds with outsized returns. MNP's discount is below the peer group average, and its ongoing charge is in line with the mean, although the trust is one of three funds eligible for a performance fee. Unsurprisingly, given its focus on capital growth, MNP's dividend yield is below average.

The board

There are five directors on MNP's board, all of whom are non-executive and independent of the manager. The chairman is Neil Gaskell, who joined the board on 24 November 2011 and has been chairman since 22 May 2012. MNP's four other board members and their dates of appointment are Gillian Watson (1 April 2013, senior independent director since 11 June 2019), Marian Glen and Gary Le Sueur (both 1 December 2016), and Christopher Metcalfe (19 September 2019).

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