

Martin Currie

Portfolio Investment Trust plc

A three-tier strategy for long-term growth

Monthly update

31 July 2010

Profile

Objective To achieve long-term capital growth by investing in a diversified portfolio of UK and international stocks.

Benchmark FTSE All-Share index

Sector Global growth

Launch 1999

Portfolio

Asset class	30 June	31 July
Equities	86.6%	88.7%
Cash	13.4%	11.3%
Other	—	0.0%

Equity allocation

	30 June	31 July
United Kingdom	50.7%*	51.8%
North America	17.8%	18.6%
Private Equity	11.8%	11.1%
Developed Europe ex UK	8.9%	8.7%
Pacific ex Japan Equity	8.3%*	7.6%
Japan	2.4%	2.2%

*BHP Billiton was incorrectly classified as Australia during June. The figures have been amended.

Top 10 equity holdings (46.4% of total portfolio)

F&C Private Equity	9.6%
HSBC	7.8%
BP	5.8%
GlaxoSmithKline	5.1%
British American Tobacco	3.7%
Rio Tinto	3.2%
BHP Billiton	3.0%
Xstrata	3.0%
BG Group	2.7%
Tesco	2.5%

Number of countries	14
Number of holdings	52

Key facts

Net assets	£136.5m
Share price (p)	113.8
Net asset value per share (p)*	121.1
Discount (premium)	6.0%
Estimated net yield	3.1%

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

Performance

Discrete performance over 12 months to 31 July

	2010	2009	2008	2007	2006
Share Price	15.2%	(11.9%)	(1.6%)	17.7%	15.8%
NAV	16.4%	(15.1%)	(4.2%)	17.8%	18.0%
Benchmark	19.3%	(10.5%)	(13.3%)	12.9%	17.3%

Cumulative performance over periods to 31 July 2010

	One month	Three months	Six months	One year	Three years	Five years
Share Price	3.6%	(5.7%)	2.4%	15.2%	0.0%	36.2%
NAV	3.3%	(5.2%)	1.5%	16.4%	(5.4%)	31.5%
Benchmark	6.9%	(4.4%)	4.0%	19.3%	(7.4%)	22.7%

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



Markets bounced significantly in July, with the FTSE All-Share rising 7%. Good half-year and second-quarter earnings results from companies pushed the market higher, as did signs that the European economy is stabilising and that emerging regions continue to grow strongly. In truth, the economic data was (and remains) fairly mixed, but it is indicative of just how pessimistic investors had become that some 'less bad'

industrial-production and unemployment numbers, together with some improving PMI surveys, can prompt such a strong bounce. Fixed-income markets are still anticipating deflation; 10-year gilt yields, having spiked up towards the end of July, continued their long descent below 3.3% in early August.

With valuations undemanding and few alternative investments with the attractions of equities, investors are clearly putting their cash to work in equity markets. Worry as we might about the economic outlook for the next few years, there is no question that many companies have recovered profitability impressively, making the most of lower cost bases.

The pound strengthened substantially over the month, so overseas markets lagged the UK, and our private-equity investments, as often happens in a sudden market recovery, lagged quoted stocks. This and our defensive cash position (11% of NAV) meant that we underperformed the FTSE All-Share index in July.

We bought Israel-based TEVA Pharmaceutical and ConocoPhillips, the US oil company, during the month.

Tom Walker



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 July 2010.



Capital structure

Ordinary shares 112,715,590*

*Source: Martin Currie as at 31 July 2010.

Board of directors

Peter Berry (chairman) Gillian Nott
David Kidd Ben Thomson
Mike Balfour

Key information

Year end 31 January
Annual general meeting May
Final dividend paid June
Interim dividend paid October
Annual management fee as at 31 January 2010* 0.5%
Total expense ratio 31 January 2010* 0.9%
Epic code MNP
Reuters code MNPL

†Percentage of net assets.

*Percentage of shareholders' funds. Includes annual management and performance fees, where relevant.

Net asset value and dividend history

As at 31 January	Share price	NAV per share	Discount/ (premium)	Dividend per share
2000	89.5p	110.0p	18.6%	1.42p
2001	101.0p	115.7p	12.7%	1.47p
2002	80.5p	89.9p	10.5%	1.50p
2003	57.8p	65.1p	11.2%	1.55p
2004	79.0p	83.0p	4.8%	1.87p
2005	85.0p	91.5p	7.1%	1.99p*
2006	109.0p	116.9p	6.8%	2.20p
2007	117.3p	127.5p	8.0%	2.40p
2008	124.3p	134.8p	7.8%	2.60p
2009	89.8p	93.1p	3.5%	3.50p
2010	113.5p	122.2p	7.1%	3.50p

*Plus special dividend of 1.61p.

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.

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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.martincurrieportfolio.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.martincurrieportfolio.com

Manager's biography

Tom manages Martin Currie's North American funds and the Martin Currie Portfolio Investment Trust. He joined us to lead our Pacific Basin team in 1996, and moved to head the North America team in 1998. Tom came to Martin Currie after working in Hong Kong with Baring Asset Management, where he managed the Greater China Fund Inc and Baring's Hong Kong Fund. Before that, Tom spent six years with Edinburgh Fund Managers. Initially covering the UK and other European markets, he went on to specialise in Asia (ex-Japan) and became head of that team in 1991.