SHAREHOLDERS' RIGHTS DIRECTIVE (SRDII)
REPORT TO 31 DECEMBER 2023

MARTIN CURRIE
A Franklin Templeton Company

FTF Martin Currie European Unconstrained Fund

MARCH 2024

1. Introduction

As an active manager of long-term concentrated portfolios stewardship sits at the heart of our approach to investment. We are motivated by a belief that this both helps protect and enhance the risk-adjusted return on our clients' capital. Ultimately, we want to ensure that the interests of company managements are aligned with their shareholders (our clients), and that the former take this into account when making decisions. We place a particular emphasis on governance, strategy and capital allocation, and pay significant attention to material 'sustainability' (environmental or social) issues that might influence long term value creation. Our stewardship activity manifests itself principally in monitoring and engagement – both privately or in collaboration with other investors – and our voting activity. With regards to the former we build strong relationships with investee companies, ensuring that our engagement is not constrained by our clients' minority-shareholder status. Nonetheless, we will join collaborative efforts, particularly when deemed likely to be more efficacious than acting alone. Our voting policy is determined by our internal guidelines, with an expectation that companies will comply with (local) best practice or explain why this is not the case. Where clients assign us proxies, we will vote with their best interests in mind. When voting against management we endeavour to inform them of our rationale for doing so in advance of the vote so as to allow due time for a response. All resolutions are reviewed in this context, with the responsibility for initial proposals residing with the investment team with oversight by our independent Stewardship, Sustainability & Impact team. As well as our internal research, we utilise the services of proxy advisor Institutional Shareholder Services (ISS), which provides its own research on resolutions presented for company meetings. We use their platform to instruct the votes. Our governance and oversight documents, which apply across all regions, are reviewed annually, to ensure that we stay abreast of developments and best practice.

2. Portfolio commentary – Martin Currie Global Long-Term Unconstrained investment team

How do the main elements of the investment strategy contribute to the medium to long-term performance?

FTF Martin Currie European Unconstrained Fund targets long-term capital appreciation with outperformance of the MSCI Europe ex UK index over rolling five-year periods.

Our investment philosophy is that proprietary fundamental research can identify long term value-creating companies undervalued by the market. We elaborate on this below:

- The market is myopic and fades returns of quality growth companies too fast.
- Our proprietary fundamental research framework is able to identify these companies.
- Value creating companies compound returns over the long-term.

Our objective is long-term capital appreciation, in delivering this return we would expect to outperform the MSCI Europe ex UK index over rolling five-year periods.

Returns are driven by stock selection and as an unconstrained strategy we have no limits on regional or country allocations (within its investable universe). Risk management is embedded at every stage of the process providing full visibility on all aspects of the portfolio and the delivered outcome.

Governance and sustainability analysis is integrated into our approach with our analysis focusing on those factors that are potentially material to the investment case. We engage with companies both to build our understanding and to focus on change where we identify potential risks or an opportunity for improvement.

This strategy aims to generate significant real returns over the longer term and is unsuitable for investors who want short-term outperformance relative to an index.

How is the Fund managed in-line with the Prospectus?

The investment team maintain a strong understanding of their mandates and prospectus investment guidelines. We also use an investment restriction system called Bloomberg CMGR to monitor portfolio compliance with mandate and regulatory restrictions. This includes ongoing assurance around the use of permitted instruments and exposure and is overseen by the compliance team to ensure assets are being managed appropriately. Any prescribed client or regulatory limits are monitored on an ongoing basis. Mandate compliance also forms a key part of our internal risk framework whereby we undertake periodic reviews to ensure products are run in line with objectives, risk appetite, and in accordance with the stated investment process.

2.1. Commentary on specific Fund investments

Our aim when producing our proprietary governance and sustainability risk ratings is to provide fundamental insight into material factors that can influence long-term returns for companies, to assess where the companies in which we invest can have a material impact on key common issues such as climate change, human rights, cyber security and workers' rights and to highlight potential areas for engagement. The level of research and engagement varies depending on region, sector and, critically, the materiality of the issues in question. The overarching aim is to assess the extent to which governance and sustainability factors will contribute to, or detract from, the long-term value creation of a firm.

The top five holdings in the fund on an absolute basis and their respective Governance and Sustainability risk ratings are as follows:

Stock name	Sector	Fund weight %	Index weight %	Active Weight %	Governance Risk Rating	Sustainability Risk Rating
ASML	Technology	9.78	3.70	6.08	1.8	1.6
Ferrari	Consumer Discretionary	8.58	0.52	8.06	2.5	2.2
Moncler	Consumer Discretionary	7.49	0.15	7.34	2.0	2.0
Linde	Materials	7.17	0.00	7.17	2.7	3.0
Kingspan	Industrials	4.92	0.16	4.76	3.0	2.0

Source: Martin Currie as at 31 December 2023. FTF Martin Currie European Unconstrained Fund. MSCI Europe ex UK Net Dividends Index (GBP). We use a range of quantitative and qualitative inputs to identify each company's potential exposure to ESG risks as well as its management of ESG risks. This ESG risk analysis helps us form a company specific rating for Governance and Sustainability (environmental and social) respectively. We apply a risk rating from 1 (low risk) to 5 (high risk).

Below we summarise the key ESG risks across the top five holdings and provide further commentary from the fund where we feel warranted.

ASML ASML has established an unparalleled franchise in the leading-edge lithography equipment (in particular, for extreme ultraviolet (EUV) machines). As Moore's Law (an expectation that the speed and capability of our computers increases every couple of years although the cost decreases) continues, even if at a slower rate, more sophisticated lithography machines enable innovation across the value chain. ASML believe that resource scarcity and climate change will be significant drivers in growth of semiconductors, as both solar and wind power requires a high semiconductor content. Electric mobility particularly autos will also be a key driver, with electric vehicles having a far higher requirement for semiconductors than their internal combustion engine counterparts. Notable ESG strengths, in our view, are strong management and the board, customer trust, and responsible supply chain management. A renewed geopolitical drive for chip self-sufficiency in the US and Europe also bodes well for future equipment orders. Taxation risk is one of the major ESG risks within common factors that we are monitoring. We are also focusing on cyber security as a risk factor, given a high amount of intellectual property in ASML's operations and business practices.

Ferrari With an average selling price of around US$340k, Ferrari is the iconic premium luxury sports car brand. Management continues to seize the opportunity for higher profitability that its Special Series and Icona launches present. Ferrari's enviable pricing power is best illustrated by the fact that invitations to buy Icona cars are rarely (if ever) declined. Greater personalisation offers further opportunity. On this basis it is likely that the mix impact on profitability will continue to surprise to the upside. The greatest challenge facing Ferrari and the industry is the shift to electrification. Ferrari aims to reduce emissions, and in 2020, the company launched its first hybrid model, the SF90 Stradale, which is currently the company's best-selling model. They now have four hybrid models in the range, and the first fully electric car is planned for 2025. Management have committed to a product line up of 40% electric and 40% in hybrid models by 2030, with hybrids and electric vehicles being 60% of line up in 2026 (55% hybrid/5% electric).

To support this, they are building a new 'e-building' and paint shop at the Maranello factory, dedicated to electric vehicle production. With a €1.25 billion budget, this will cover the manufacture of core components, including battery packs, and the vehicle assembly. We also believe that Ferrari's R&D scale and technological expertise should enable the company to make a successful transition towards electrification in the long term.

Moncler Moncler has undergone a radical period of growth and investment in brand equity. It is the only unique focused outdoor luxury brand, built on superior functionality and high design/fashion, Italian and sports heritage. The brand is forensically focused on creating demand for its deliberately scarce, full-price product and cementing this with great customer experiences enhanced by progressive investments in digital and people. One of the key challenges it faces is traceability of supply, particularly on goose down – in this area it has led the market, creating clear and transparent protocols. By store, it is underpenetrated, especially in the Asia Pacific region, which means it is under indexed with the China consumer, the fastest-growing cohort. It is also increasing sales densities, moving into adjacent categories including knitwear, childrenswear, shoes and leather accessories.

The company has a 2025 target of 50% recycled nylon. It admits that that this is a demanding target and there are constraints in getting the same technical specification out of recycled nylon as from standard nylon, but the company has been channelling R&D efforts towards achieving breakthroughs. Extending product life is another initiative worth highlighting. Moncler provides the 'Extra Life' repair service for personalised 'patches'. Moncler is also running a 'Take me back' project where consumers can take their jackets into specific stores to get a refresh.

Linde A global leader in industrial gas production was established in 2018 from the merger of Germany's Linde AG with the US's Praxair. A resilient and geographically diverse business, it has high exposure to fast-growing emerging markets, largely inherited from the German entity, combined with a solid base in the Americas. Linde exerts strong pricing power from its leading positions in the regions in which it operates. A major player across the entire hydrogen value chain, Linde looks ideally positioned as its customers seek low carbon energy sources. This is a long-term opportunity, likely to meaningfully impact Linde's business in the late 2020s. As the opportunities will be capital-intensive, forming partnerships will be the key to success. Most of the world's hydrogen is produced using the carbon-intensive Steam Methane Reforming (SMR) method. Indeed, Linde uses SMR in its hydrogen production. Increasingly hydrogen production by SMR is being replaced by the green hydrogen method. This is produced using electrolysis technology powered by renewable energy sources, for example, wind or solar. Linde claims to be the largest operator of green hydrogen, with 80 hydrogen electrolysers in a joint venture with ITM Power. While the aim is to phase out SMRs over time, for now, for every ton of CO_2 emitted by Linde, its customers avoid emitting more than two tons. CEO Sanjiv Lamba set 2021-28 sustainability targets for the company. Linde aims to reduce GHG emissions intensity by 25% and to double its annual purchase of low carbon (solar, wind, hydro, nuclear) energy in that time frame. The recent establishment of a Sustainability Committee to provide oversight on environmental matters is welcome, and at the 2022 AGM, sustainability targets were embedded into financial incentives for management.

Kingspan With a majority of its sales in Europe, Kingspan is the largest player globally in insulation. Its key product, insulated panels, is widely specified in the construction market to minimize heat loss from new buildings, a major contributor to global warming. In existing building stock, insulation boards can be retrofitted. In the EU, since 2021, all new buildings must be nearly zero-energy buildings ("NZEB"). When a building is sold or rented in the EU, energy performance certificates must be issued. Kingspan's insulated panels are mainly foam sandwich panels. Key raw materials are steel and oil-base chemicals.

Kingspan's €60m annual R&D budget, massive relative to peers, ensures a mix tailwind over time. Kingspan's leading-edge QuadCore product (18% of sales and growing faster than the Group average) has insulation properties 78% better than standard rock mineral fibre. The company claims that over its lifetime, a Kingspan standard foam sandwich panel will save 80 times more energy than was used to make it. Kingspan is clear leader in the UK and Ireland and is also a leading player in continental Europe. Competition is unfocused (e.g., steel producers), small (many are <10% of Kingspan's size) or niche (rock mineral fibre has better fire-retardant qualities but takes up more space). In the UK, the final report of the Grenfell Inquiry is due to be published later this year. Kingspan product made up 5% of the insulation layer of Grenfell Tower's facade system and was installed without Kingspan's knowledge. Kingspan has cooperated fully with the Inquiry.

In the past 10 years, Kingspan sales have grown at a CAGR of +16% (organic +6%, inorganic +10%). Prices can be very volatile (e.g., in 2022 prices +20%). Kingspan has spent €3.5bn on acquisitions in the past 10 years, the largest of which have been aimed at diversifying the offering away from insulation towards "completing the envelope". The two largest recent acquisitions have been in roofing membranes (Ondura 2022, €550m) and pre-insulated pipes for district heating (Logstor 2021, €250m). Kingspan is also launching organic growth initiatives such as PowerPanel, solar PV integrated into an insulation panel. This will benefit from strong regulatory tailwinds as the EU mandates solar panels on all new commercial and public buildings by 2027 and new residential buildings by 2029. Separately, Kingspan has earmarked €200m to a new technology campus in Lviv, Ukraine. This will enable Kingspan to fully participate in the rebuilding opportunity in Ukraine once the war is over.

3. Fund review of turnover and turnover costs

Annual turnover %	17.72	*Lesser of (purchases or sales)/Average fund size x 100*
Fund transaction costs (GBP)	(35,882.50)	*Total brokerage and execution charges*

Source: Martin Currie as at 31 December 2023. FTF Martin Currie European Unconstrained Fund.

4. Proxy voting

ISS is our proxy voting advisor and provides voting recommendations for Martin Currie in accordance with their own policy which is closely aligned with our internal policy. As appropriate, they engage with public issuers, shareholders, activists, and other stakeholders to seek additional information and to gain insight and context in order to provide informed vote recommendations.

Where clients assign us the proxies Martin Currie's starting point is to act in the best interests of our clients. Our voting decisions are informed by both our own internal work and that of our proxy advisor and specialist governance advisor. We assess voting matters on a case-by-case basis, taking into account a company's circumstances but are guided by our over-arching principles on good corporate governance. The assessment is carried out by the member of the investment team with responsibility for the stock in conjunction with our independent Stewardship, Sustainability & Impact team. We recognise that regulatory frameworks vary across markets and that corporate governance practices vary internationally. Where the recommendations of our advisors, both for and against proposals, are supported by our guidelines and our internal research we will generally vote in accordance with these recommendations.

4.1. Significant votes

Company Name	Kering	Sartorius Stedim	Ferrari
Company descriptor	Kering is the second largest soft luxury goods conglomerate globally, it designs, manufactures, and distributes leather goods, accessories, shoes, ready to wear, perfumes, cosmetics, and eyewear. It owns Gucci, YSL, Bottega Veneta, Balenciaga and Alexander McQueen.	Sartorius Stedim is the global leader (30-35% share) in single use bioprocessing equipment for the development and manufacture of biologic drugs.	Sportscar manufacturer.
Issue	Kering changed from time-based share awards to performance based from 2020, but due to COVID some of the time based are still being paid out (due to being deferred). We have seen significant improvement in the remuneration report since 2019. We have overridden ISS on Item 5 Against – Remuneration report of the Chairman and CEO.	Corporate Ownership & Governance structure; Board structure; Related Party transactions; Executive Compensation; Disclosure	Two directors potentially over-boarding. Adam Keswick sits on the board of several listed companies, none of which seem complementary to his role on the Ferrari board. We are concerned that Mr Keswick's time is potentially stretched too far across senior leadership / board positions at multiple companies to enable him to effectively perform his fiduciary duties as a non-executive director of Ferrari. John Elkan, chairman of the Board, sits on the board of several companies including Exor, Ferrari's largest single shareholder, and the automobile manufacturer Stellantis, Ferrari's former majority owner. We consider that Mr Elkan's experience as chairman of Stellantis to be additive and potentially provides relevant insights to his role as chairman of Ferrari.
Governance, Environmental or Social	Governance	Governance	Governance

The information provided should not be considered a recommendation to purchase or sell any particular strategy / fund / security. It should not be assumed that any of the securities discussed here were or will prove to be profitable. It is not known whether the stocks mentioned will feature in any future portfolios managed by Martin Currie. Any stock examples will represent a small part of a portfolio and are used purely to demonstrate our investment style.

4.1. Significant votes (cont)

Company Name	Kering	Sartorius Stedim	Ferrari
Objective	To ensure we continue to push the company towards best practice on remuneration to align management and shareholder interests.	We have previously voted against management compensation due to a complex related party structure with parent company Sartorius AG that makes it difficult to assess pay for performance, as well as a lack of disclosure around performance metrics and achievement against said metrics. Our objective has been to at least improve disclosure, but ideally to also see an improved structure including for billing and re-charging between Stedim and Sartorius AG.	Our objective is to influence the company to put forward nominees who have relevant experience and the capacity to take on the role of non-executive director of Ferrari. We have voted against the re-election of Mr Keswick each year since 2019.
Scope and process (of relevant engagement)	This has been an ongoing engagement over the remuneration report and the company's responsiveness to shareholder dissent at previous AGMs. The company have replaced Kering Management Units (time based) with performance shares in 2020 LTIP. They have enhanced this by adding ESG criteria in 2021. Kering Management Units still vesting from 2018 and 2019 plans which were deferred in 2021 and 2022. The company have now stipulated in the remuneration report that there will be no more exceptional remuneration payments on a go forward basis. The last of the KMUs from 2019 will be paid in 2023, so we expect this to recur in the upcoming AGM, but then conclude.	We have engaged several times since 2020 on these matters, including a call with IR in 2023 around proxy voting for the AGM. This includes voting against prior proposals. While we have seen material improvement against our desired outcomes, however we have fed back, and continue to target improved disclosure around ex-post achievement against remuneration KPI's.	We voted against the election of non-executive director Adam Keswick, in-line with our proxy voting advisor's (ISS) recommendation. However, we did support the election of board member John Elkan, despite over-boarding concerns due to the relevance of the boards he sits on. We have engaged with Ferrari on this issue in the past and both Mr Keswick and Mr Elkan continue to be nominated and re-elected as a non-executive director of Ferrari.

4.1. Significant votes (cont)

Company Name	Kering	Sartorius Stedim	Ferrari
(Voting) outcome	We voted FOR the item given the positive changes in remuneration and the deferred nature of the historic remuneration payouts.	On the basis of Stedim removing the related party structure, separating the CEO and chair roles, and increasing disclosure around metrics for the STI and LTI (which include a CO_2 reduction metric), we voted for the AGM proposals. Stedim received 98% support across all proposals.	We voted against management and against the re-election of Adam Keswick. We voted with management and for the re-election of John Elkan. These nominees were re-elected to the Ferrari board with 88% and 78% respectively of the votes cast.

5. Conflicts of interest

A fundamental ethical principle of Martin Currie is to pay due regard to the interests of our clients and to manage potential conflicts of interest fairly. We take a holistic view of conflict risk and conflict mitigation and have policies, systems and controls in place to identify such potential conflicts between ourselves and our clients, as well as between one client and another, to achieve consistent treatment of conflicts of interest throughout the business. We aim to manage any conflicts of interest that may arise and to ensure, as far as practicable, that such conflicts do not adversely affect the interests of our clients. A robust conflict management process is in place which is owned by the Executive Risk Group (ERG). Activities which could create a potential conflict of interest are recorded on the conflicts register and are reviewed by the business regularly to ensure that controls in place remain adequate to mitigate any risk of a conflict arising. The output of this review is reviewed by the ERG. There were no conflicts of interest in relation to this fund during 2023.

6. Securities lending policy

We do not participate in security lending for this fund.

Important information

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The analysis of Environmental, Social and Governance (ESG) factors forms an important part of the investment process and helps inform investment decisions. The strategy/ies do not necessarily target particular sustainability outcomes.

Risk warnings – Investors should also be aware of the following risk factors which may be applicable to the strategy shown in this document.

- Investing in foreign markets introduces a risk where adverse movements in currency exchange rates could result in a decrease in the value of your investment.
- This strategy may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the strategy's value than if it held a larger number of investments.
- Smaller companies may be riskier and their shares may be less liquid than larger companies, meaning that their share price may be more volatile.

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A Franklin Templeton Company

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