

REASONS TO INVEST

Improving Society



MARTIN CURRIE

A Franklin Templeton Company

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The Martin Currie socially focused impact strategy aims to positively address the problem of human inequity while delivering long-term capital growth. We do this by investing and engaging to improve fair treatment, access, opportunity, and advancement for all people.

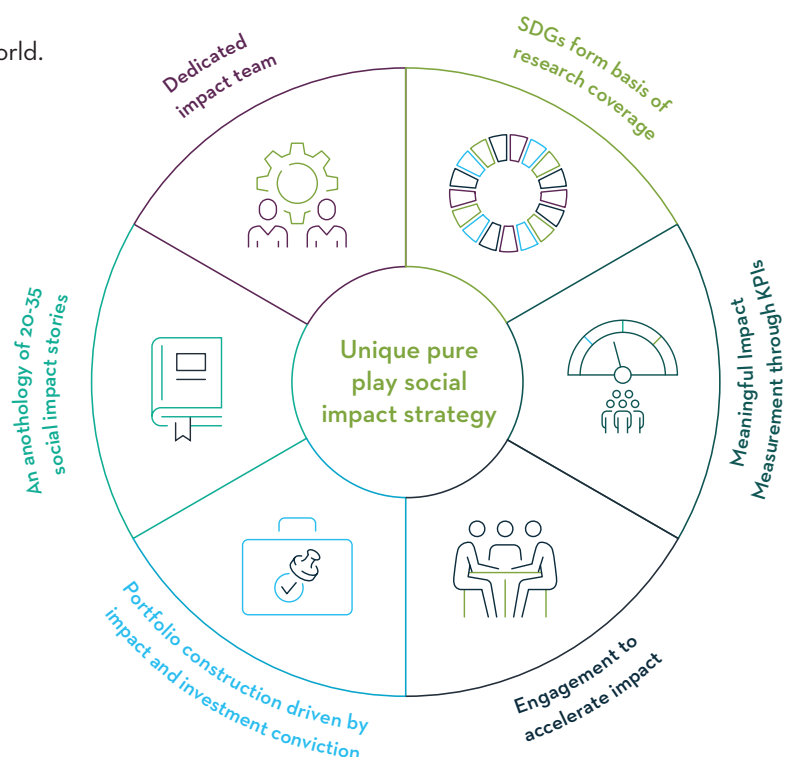
The Improving Society strategy can help deliver this by both supporting those companies delivering the most meaningful impact, and actively engaging with them to accelerate the delivery of these ambitions. We invest on a long-term, global basis in 20-35 publicly listed companies whose products or services, (i) improve wellbeing, (ii) improve inclusion, and (iii) support a just transition. Firms providing solutions to facilitate improvements in human equity can meaningfully narrow the equality gap and make a real, measurable difference to society.

Investing in companies that create solutions to the world's biggest challenges and that 'Improve Society'

- Impact investing involves investing in companies with the intention to generate a measurable and beneficial social or environmental impact alongside a financial return.
- Public markets impact investing can help deliver this by actively engaging with companies to accelerate delivery of these ambitions and supporting those companies creating impact at scale.
- We invest in companies which provide products and solutions which address human inequity, meaningfully narrow the equality gap, and make a measurable difference in the world.
- We aim to positively address the issue of inequity by investing and engaging to improve fair treatment, access, opportunity, and advancement for all people.

Our core belief is that impact and financial performance are interrelated.

Companies that are generating positive impacts in the world can benefit from increased growth opportunities and more accessible financing by offering solutions that strengthen their competitive advantage.



An anthology of social impact stories

We think of the portfolio as a global collection or 'anthology' of 20-35 social impact stories, with impact measurement at the core of our investment process. We acknowledge the barriers or advantages people possess, and to effectively address development goals requires fair treatment, access, opportunity, and advancement for all people. We believe that by investing in and engaging with the world's most impactful companies we can generate this positive change as well as provide long term capital appreciation.

Dedicated Impact Equity investment team

The members of the impact investment team share a common focus on, and passion for, active stewardship and investing for impact. We desire to solve the structural increase in inequality and shortfall between the goals and delivery of key societal objectives such as the Sustainable Development Goals (SDGs). Through our experience and, having observed the positive impact companies can have in relation to social and other sustainability-related issues, we are convinced that **Improving Society** can have a strong impact in solving these challenges.



Lauran Halpin
Portfolio Manager, Impact Equity



John Gilmore
Portfolio Manager, Impact Equity/
Stewardship, Sustainability &
Impact Specialist



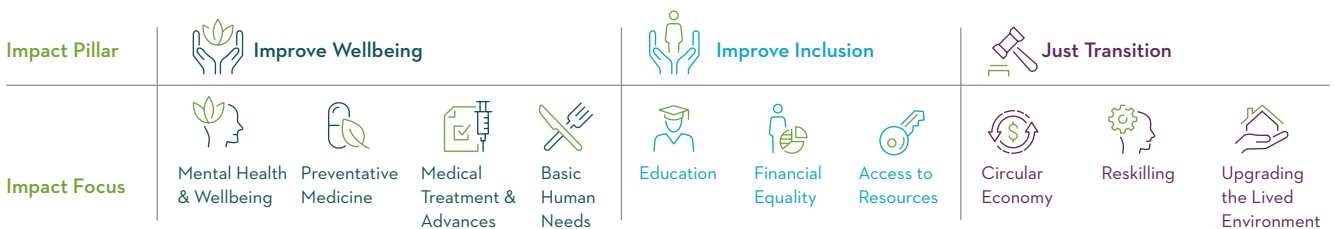
Eoghan McGrath
Investment Analyst, Stewardship,
Sustainability & Impact



SDGs form the basis of our research

Our research coverage focuses on seven key SDGs that we see as key to our objective of positive societal impact. Analytical responsibility is split between team members. By concentrating on SDGs, we are focused on the impact delivered rather than being restricted by traditional industry analysis that is less relevant to our purpose.

Our research looks for areas of the market that have the greatest opportunity to generate positive impact. The aim is to identify companies, globally, that significantly impact and nurture human equity, in at least one of three categories or 'Impact Pillars':



Our process begins with **impact analysis** before we move to **business analysis** and portfolio construction. We identify the impact area, the problem the company is solving and the mechanism for contributing to societal improvement through its business activities.

Meaningful impact measurement through Key Performance Indicators (KPIs)

Our assessment focuses on the intentionality, materiality and additionality of the impacts created by companies through their products and services. This is based on the Impact Frontiers' 'Five Dimensions of Impact', which provides a comprehensive decision tool for assessing the impact, both positive and negative, of companies, through five areas:

- **What** is the mechanism for creating impact?
- **Who** is impacted?
- **How Much** impact is created?
- **Contribution:** Is the impact additional or value add? What would happen if the impact wasn't generated?
- **Risk:** What are the associated risks with generating impact?

Company specific KPIs drive measurement and reporting and success is defined as improvement over time. Our Annual Impact Report will illustrate portfolio performance relative to KPIs.

Engagement to accelerate impact

This work is distilled into our final Impact Conviction rating, allowing us to compare companies in the portfolio and across our research universe. It forms the basis for determining our engagement objectives. We recognise the power of active ownership, including engagement and voting practices, to generate change. Every holding is therefore subject to a structured engagement plan to accelerate impact and drive standards in sustainability related behaviour. We track the progress made against the predefined engagement objective through to completion.

Portfolio construction driven by impact and investment conviction

- The likely impact the company will have.
- The investment case and risk adjusted return opportunity.

We allocate capital to those companies where potential impact and potential risk adjusted return are highest.

Key facts

To invest in companies that contribute to human equity and improving society

Objective	Social impact and long-term capital appreciation
Asset Class	Listed Equities
Style	Impact
Investable Universe	Global
Benchmark	N/A
Performance Goal*	Outperform the MSCI All Country World Index
Market capitalisation	All-Cap
Sector/country allocations**	30% maximum sector/country allocation as a result of stock selection, managed within factor risk analysis
Security limit	Maximum 10% absolute stock weight
Impact Focus limit	Maximum allocation of 50% in any one impact pillar
Number of stocks	20-35
Portfolio turnover	Expected to be low (<30%)
Strategy inception	2023

Investment vehicles only available in certain jurisdictions. The characteristics shown are guidelines only and are not hard risks limits. *Performance is measured against the MSCI ACWI. For the avoidance of doubt, the index is not used for the purpose of determining or constraining the composition of the Fund's portfolio. It is not used as a reference to attain the sustainable investment objective as the Fund does not align its sustainable investment objective with that of the Index. **Secondary to stock selection.

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For further information on our market leading ESG credentials please refer to full details on our website:

www.martincurrie.com/our-story/our-stewardship-approach

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The analysis of Governance and Sustainability factors forms an important part of the investment process and helps inform investment decisions.

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.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Accordingly, investment in emerging markets is generally characterised by higher levels of risk than investment in fully developed markets.
- The strategy may invest in derivatives Index futures and FX forwards to obtain, increase or reduce exposure to underlying assets. The use of derivatives may result in greater fluctuations of returns due to the value of the derivative not moving in line with the underlying asset. Certain types of derivatives can be difficult to purchase or sell in certain market conditions.

For institutional investors in the US.

For professional investors in Canada.

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