SHAREHOLDERS' RIGHTS DIRECTIVE (SRDII)
REPORT TO 31 DECEMBER 2024

MARTIN CURRIE
A Franklin Templeton Company

FTF Martin Currie UK Equity Income Fund

MARCH 2025

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. We are willing to collaborate with other investors when this is in our clients' best interest, particularly in relation to systemic issues. 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 UK investment team

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

The Martin Currie UK Equities Team (the 'Team') expects long-term performance of its investment strategies to be driven primarily by stock selection decisions made by the portfolio managers. Stock selection is the result of an active and disciplined investment approach, based on bottom-up fundamental research and stock valuations.

The Team's bottom-up approach includes a rigorous financial analysis, as well as the consideration of governance and sustainability factors, in order to assess the attractiveness of an investment idea and analyse the risk/reward profile of a company. The Team seeks to identify financially robust companies with attractive long-term prospects, sustainable business models and sound governance structures aligned with stakeholders. Any potential exposure to sustainability and governance risks is examined as this may impact long-term performance. Actions taken by management to address those risks, if any, are also assessed. The investment approach followed by the team also involves a notable degree of engagement with company management on key topics, and the consistent exercise of proxy voting aimed at influencing and representing what the team views as being in the best long-term interest of shareholders.

The portfolio is managed in accordance with the investment objectives and policies, as detailed in the policy documentation. As an integral part of the investment process, investment goals, eligible/permissible instruments, exposure to market cap segments and cash limits, are all captured and reflected in the fund during the portfolio construction phase. Moreover, portfolio holdings and characteristics are continuously monitored by the team, as well as Martin Currie's investment risk oversight function, ensuring that all portfolio holdings and characteristics are in-line with the IMA guidelines.

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

The investment team maintain a strong understanding of their mandates and prospectus investment guidelines. 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 conducting our proprietary governance and sustainability risk analysis 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
Unilever	Consumer Discretionary	5.05	4.76	0.29	2.9	3.2
Shell	Energy	4.96	6.44	-1.48	2.6	3.7
BP	Energy	4.40	2.65	1.75	2.5	3.2
AstraZeneca	Healthcare	4.21	6.64	-2.43	2.2	2.7
British American Tobacco	Consumer Staples	4.15	2.45	1.70	2.1	2.8

Source: Franklin Templeton as at 31 December 2024. Data shown for the FTF Martin Currie UK Equity Income Fund. FTSE All-Share Index used as benchmark.

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 portfolio where we feel warranted.

Unilever is a multinational consumer goods company that provides fast moving consumer goods (FMCG). Hein Schumacher was appointed CEO in July 2023 and launched a new Growth Action Plan focused on saving EUR 800m of costs over the next 3 years. Cost cutting measures include the scaling back of environmental and social pledges to drive performance, which has raised our concern around the Group's sustainability momentum. The most prominent sustainability risks for Unilever relate to the environmental and social impacts of their products, business ethics and supply chain. A key focus has been increased consumer awareness of plastic pollution and demand for natural and more sustainable products. Since 2019, multiple NGOs have criticised Unilever for being one of the world's largest contributors to plastic pollution, and in January 2023 Ellen MacArthur Foundation reports that Unilever and other corporate signatories to New Plastics Global Commitment will likely fall short of some of their goals regarding plastic pollution. Due to this, Unilever has been assigned 'watchlist' status by MSCI for potential breach of UNGC Principle 7 – 'businesses should support a precautionary approach to environmental challenges.'

Under former CEO Alan Jope, the Group targeted a 50% virgin plastic reduction by 2025, including an absolute reduction of 100,000 Tonnes; 100% reusable, recyclable or compostable plastic packaging by 2025; maintain zero non-hazardous waste to landfill in their factories. Under Hein Schumacher, this target has scaled back, a 30% reduction in virgin plastic use by 2026. Our view is that it is imperative Unilever accelerate performance, however we remain concerned around the scaling back of the Group's own targets. Thus, we started an engagement with the Company to understand the changes to sustainability targets under the Growth Action Plan in May 2024.

Shell is a multinational oil and gas company which we are long term holders of. In our research, we have identified significant risks to the business related to pollution and oil production. Historically, spills related to sabotage and theft in Nigeria have been an issue for the business, and this is an area with have been engaging with management on. In January 2024, the Company announced it agreed to sell its Nigerian onshore subsidiary, de-risking exposure to oil spills onshore and their environmental impacts, which we look positively upon. However, in October 2024, the deal was blocked by Nigeria's oil regulator, creating a setback for Shell. An area of environmental risk common across oil and gas companies is their ability to align with a 1.5 degrees C world - a pathway which is becoming increasingly unclear as carbon reduction targets were again scaled back in Shell's Energy Transition Strategy 2024. We remain cognisant of the challenges oil and gas companies face whilst recognising their important role in the energy transition and energy security.

BP We are long term holders of BP, a global energy company. The new management team came together in February 2024, uniting former CFO Murray Auchincloss as CEO and Kate Thomson, who has worked at BP for nearly 20 years, as CFO. Over the short term, a key risk to the business is its exposure to carbon pricing due to high greenhouse gas emissions, and over the long term, bp may be impacted by reduced demand for fossil fuels. bp has set targets for net zero across its scope 1-3 emissions by 2050, with interim targets of 10-15% reduction in emissions by 2025 and 20-30% reduction in emissions by 2030. Within our Governance and Sustainability risk ratings, we recognise these interim targets have been downgraded since they were initially set and have increased shareholder and public scepticism over the ability to reduce the environmental impact of the energy sector. We remain cognisant of the challenges bp is facing whilst recognising its important role in the energy transition and energy security.

AstraZeneca engages in the research, development, and manufacture of pharmaceutical products. The company has been transformed over the CEO's tenure to become a world leader across various products and therapies. Given his tenure, we have some concern over him leaving the business and whether a suitable replacement who can lead the business will be found. Further concern was raised within the year over the size of CEO's variable pay package, given proposals to increase his long-term variable pay opportunity by a further 200% of base salary to 850% of base salary. This concern was reflected within our Governance and Sustainability Risk Ratings for the company.

We have given AstraZeneca a Sustainability risk rating of 2.7 in our proprietary risk rating system, heavily skewed by the industry-wide social risks such as pricing in the US (which accounts for c.42% of AstraZeneca's revenue) given the political debate focussed around the sector, and product safety. Environmental concerns across the sector are limited. The Group has decarbonisation targets approved by the Science Based Targets initiative, and these were reiterated in the Capital Markets Day in May 2024, increasing our confidence that these are a focus for the management team.

British American Tobacco is a consumer goods company, providing tobacco and nicotine products to a multinational consumer base. While we recognise the consumer health risks posed by tobacco and nicotine products and the risk this poses to the business in terms of a declining population of smokers, the social risk of most concern is that of potential child labour within the tobacco leaf supply chain. We have been engaging with BAT to encourage enhanced disclosure on child labour in the form of an updated Human Rights Report. Whilst this goal has yet to be achieved, we are encouraged by the change of BAT's UNGC Compliance status from 'Watch List' to 'Pass' regarding child labour risks. BAT's UNGC Compliance status was changed by data provider MSCI following a review of BAT's disclosure of child labour data and remediative action, and enhancements to the data provider's ESG Controversies Model. We will continue to engage with BAT on this issue as we do not regard the change in MSCI's view as the Group meeting our engagement objective.

From an environmental perspective, the disposability of New Categories Products is an emerging concern. We remain cognisant of the challenges BAT and the wider tobacco sector faces whilst recognising its important role in our benchmark indices.

3. Fund review of turnover and turnover costs

Annual turnover %	-6.21	*Lesser of (purchases or sales)/Average fund size x 100*
Portfolio transaction costs (GBP)	444,300.85	*Total brokerage and execution charges*

Source: Franklin Templeton as at 31 December 2024. FTF Martin Currie UK Equity Income Fund.

4. Proxy voting

When voting, 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. 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.

ISS is our proxy voting advisor and provides voting research and 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.

We recognise that regulatory frameworks vary across markets and that corporate governance practices vary internationally. Where the recommendations of our advisor, 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	AstraZeneca	Smith & Nephew	Smith & Nephew
Company descriptor	Pharmaceutical company	Medical technology company	Medical technology company
Issue	Remuneration - Size of CEO pay package vs FTSE 100 CEOs. The long-term variable pay opportunity for the CEO was intended to increase to 850% of base salary from 650% of base salary next year.	Remuneration – Size of the US-Based CEO Pay Package vs UK-Based FTSE 100 CEOs Resolution: Approve Remuneration Policy Smith and Nephew proposed to increase the Performance Share Plan opportunity in addition to introducing new Restricted Share Plan awards, in order to offer increased pay packages to US-based Executives.	Remuneration – Introduction of Restricted Share Plan for Executive Remuneration Resolution: Approve Restricted Share Plan Smith and Nephew proposed to increase the Performance Share Plan opportunity in addition to introducing new Restricted Share Plan awards, in order to offer increased pay packages to US-based Executives.
Governance, Environmental or Social	Governance	Governance	Governance
Objective	We support a remuneration policy which is not excessive in quantum, yet aligns the interests of the management team with the company's long-term strategy to ensure sustainable value creation.	We support a remuneration policy which is suitable for the markets a company operates in, ensures the retention of strong management teams, and aligns the interests of the management team with the company's long-term strategy to ensure sustainable value creation.	We support the use of restricted share plans when appropriate to ensure the retention of strong management teams. We find this in cases where the business has significant US exposure and retention of management has been difficult.

4.1. Significant votes (cont)

Company Name	AstraZeneca	Smith & Nephew	Smith & Nephew
Scope and process (of relevant engagement)	The CEO is the highest paid executive amongst FTSE 100 CEOs, and we feel the proposed increase of the Long Term Incentive Plan opportunity was excessive. We did not engage with the company directly, our voting decision was made considering our internal research and information received from our proxy advisor, ISS.	We conducted peer analysis with US-based medical technology companies and found the proposed quantum is at the lower end vs peer group. We also considered the history of Smith and Nephew executives, one of whom stepped down explicitly due to pay concerns, and the business' exposure to the US. Retaining the CEO is beneficial not only for business stability, but to further growth in the US where 55% of revenues are made, supported by a CEO who is close to the US market. We do not feel these were sufficiently recognised by ISS, which led us to override their recommendation.	We conducted peer analysis with US-based medical technology companies and found the proposed quantum is at the lower end vs peer group. We look positively on the soft judgements by the Remuneration Committee applied to the Restricted Share Plan (RSP) awards, which we do not feel were appropriately recognised by ISS. An RSP is common practice for US-based executives in the sector and we recognise it's importance in CEO retention, thus overrode ISS' recommendation.
(Voting) outcome	We voted against management and in line with our proxy advisor ISS' recommendation. 64.4% of votes cast were in support of the Remuneration Policy.	We voted in line with management and against our proxy advisor ISS' recommendation. 56.8% of votes cast were in support of the Remuneration Policy.	We voted in line with management and against our proxy advisor ISS' recommendation. 56.0 % of votes cast were in support of the Restricted Share Plan.

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 2024.

6. Securities lending policy

We do not participate in security lending for this fund.

Important information

This information is issued and approved by Martin Currie Investment Management Limited ('MCIM'), authorised and regulated by the Financial Conduct Authority. It does not constitute investment advice. Market and currency movements may cause the capital value of shares, and the income from them, to fall as well as rise and you may get back less than you invested.

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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.

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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