

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



FTF Martin Currie UK Mid Cap 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
Cranswick	Consumer Staples	4.80	1.23	3.57	1.6	2.2
JTC	Financials	4.72	0.72	4.00	1.2	2.0
Grainger	Real Estate	4.52	0.79	3.73	2.0	2.2
QinetiQ	Industrials	4.32	0.99	3.33	2.6	2.8
Games Workshop	Consumer Discretionary	4.25	—	4.25	1.8	2.2

Source: Franklin Templeton as at 31 December 2024. Data shown for the FTF Martin Currie UK Mid Cap Fund. FTSE 250 (ex-ITs) 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.

Cranswick is a UK producer of fresh meat, premium convenience and gourmet products. We were encouraged by what we view as a well invested asset base and market leading proposition. Moreover, we were attracted by the company's focus and investment into technology and modern production techniques in an industry where others have instead refrained from spending money. The vertical integration of pig and poultry farming at Cranswick is an advantage to the Group, and from a sustainability perspective, helps integrate the Group's Second Nature strategy more effectively. In 2024, Cranswick retained self-sufficiency in pigs well over 50% vs 40% in 2022. The company has demonstrated the highest level of animal welfare standards, with 100% of Cranswick-owned pork farms and 99% of Cranswick-owned poultry farms certified to Red Tractor Standards as at 30 March 2024, limiting the Group's exposure to risk of reputational damage, litigation, or loss of retail customers for failing to maintain the animal welfare standards required by law and by customers. For Cranswick, the most critical business risk is disease spreading to its farms. We continue discussions with the business on this risk.

JTC is a provider of fund administration services and a constituent of the FTSE 250 index. We feel the business is well governed, and the CEO has a long tenure, running an employee focused organisation which emphasises employee ownership. The CEO himself owns c.6.5% of the business. This somewhat unique structure, has enabled a collective sense of togetherness and we believe, contributes to the success and outperformance of the business over its multi-decade history. JTC operates an extremely capital light business model as it is a fund administrator. With this business model it is a predominantly intangible asset company with very little by way of tangible assets on the balance sheet, minimising exposure to environmental risk. Retention of employees is key to the business' success, hence Employee Turnover Rate is one of the business' 8 KPIs. JTC's culture of 'shared ownership' helps mitigate the social risk around employee turnover rates.

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.

Grainger is a FTSE 250 listed market-leader in UK rental housing, and the UK's largest listed residential landlord with over 10,000 rental homes. Fully integrated, the business employs experts to originate and develop land/property, invest in attractive property, and operate and manage properties for customers. We are supportive of management who have successfully grown the Private Rented Sector (PRS) division of the business, and we view the governance structure as appropriate and progressive in achieving best practice. A key risk for the Group is the cost and technological implications of meeting new environmental regulations, including the Minimum Energy Efficiency Standard (MEES) which, under current government proposals, are to be upgraded to a requirement for EPC rating of C or higher for any new lettings by 2025. Grainger is focused on mapping out a pathway to achieve a minimum EPC rating of C for the remaining 9% of its PRS portfolio which is not yet at this standard by 2025.

QinetiQ is a science and engineering contractor that operates principally in the security and defence markets. CEO Steve Wadey has delivered impressive growth since IPO from both a fundamental and a sustainability perspective. Martin Cooper took over from Carol Borg as CFO in September 2024 - a Board change which presents minimal risk given Martin Cooper's experience in senior finance roles within the defence sector. We have previously had concerns over the remuneration package being weighted significantly towards the achievement of single-year targets and the mechanics of the incentive structure are relatively more complex than those typically seen at other FTSE 350 companies.

A new, more simplified policy was introduced in FY24, which we look positively on, and voted in support of at the 2023 AGM. From a social risk perspective, QinetiQ's operations in security and defence markets heighten its risk exposure to cyber attacks which impact the Group's ability to win government contracts in the future. Nonetheless, the Group works to mitigate this and the Chief Information Security Officer leads on implementing the Group Cyber Security Standard.

Games Workshop Founded in 1975, Games Workshop has grown to become a £3bn market cap company which manufactures fantasy wargame miniature figures and games from its own intellectual property. On the Governance side, our concern with the Board is lack of shareholder engagement, typically limited to two group calls per annum and an annual site visit. Despite limited skin in the game by the management team, alignment with shareholders has been demonstrated by performance. Due to the nature of the business model and products, we have identified limited sustainability risk and greater investment into ESG capabilities within recent years. For example, in March 2023, they launched a pilot programme in the UK to recycle old sprues and paint pots in their stores and have begun to remove single use plastic packaging from their boxed games. This initiative is to be rolled out in France, Germany and the US in Spring 2025. Andrew Clifton was appointed as Head of Social Responsibility and Sustainability in January 2022, and the Group now has a dedicated team responsible for coordinating the social responsibility and sustainability strategy, a Sustainability Steering Group, and Carbon Management Group. On the social side, we view Games Workshop as having strong labour conditions and a thriving workforce, thus do not see potential labour-related risks arising in the near term.

3. Fund review of turnover and turnover costs

Annual turnover %	13.06	<i>Lesser of (purchases or sales)/Average fund size x 100</i>
Portfolio transaction costs (GBP)	658,107.84	<i>Total brokerage and execution charges</i>

Source: Franklin Templeton as at 31 December 2024. Data shown for the FTF Martin Currie UK Mid Cap 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.

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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	Grafton Group Plc	Spirent Communications Plc	Spirent Communications Plc
Company descriptor	Building materials manufacturer, retailer and distributor	Telecommunications testing and assurance solutions	Telecommunications testing and assurance solutions
Issue	Shareholder Resolution - Impact of Share Buybacks on EPS	Remuneration - Quantum vs FTSE 250	Remuneration - Restricted Share Plan
Governance, Environmental or Social	Governance	Governance	Governance
Objective	To support the Remuneration Committee's decision to exclude share buybacks from EPS performance conditions within LTIPs.	To discourage the implementation of a hybrid LTIP with 2x the current quantum.	To discourage the implementation of a hybrid LTIP with Restricted Share Awards. We support the use of restricted share plans when appropriate to ensure the retention of strong management teams. In this instance, we did not feel retention had historically been an issue, thus did not warrant the introduction of a Restricted Share Plan.

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4.1. Significant votes (cont)

Company Name	Grafton Group Plc	Spirent Communications Plc	Spirent Communications Plc
Scope and process (of relevant engagement)	<p>We engaged with the CFO in April 2024 regarding the shareholder proposal criticising the exclusion of the impact of share buybacks from EPS calculations within the LTIP. We feel it is appropriate for the impact of share buybacks to be excluded from the EPS calculation, as Remuneration Committee are currently doing. Share buybacks are a means of artificially inflating EPS and do not reflect the management team's performance which we believe LTIP payouts should reflect. The change suggested through the shareholder proposal would increase LTIP payouts artificially. We escalated our engagement through proxy voting.</p>	<p>We engaged with Interim Deputy Company Secretary, Steve Hornbuckle, ahead of the 2024 AGM as part of the shareholder consultation on Remuneration Policy. After receiving a letter to shareholders, we did not feel our concerns were fully addressed, thus escalated our engagement through proxy voting.</p>	<p>We engaged with Interim Deputy Company Secretary, Steve Hornbuckle, ahead of the 2024 AGM as part of the shareholder consultation on Remuneration Policy. After receiving a letter to shareholders, we did not feel our concerns were fully addressed, thus escalated our engagement through proxy voting.</p>
(Voting) outcome	<p>We voted against the shareholder resolution, in line with management and our proxy advisor ISS' recommendation 21.4% of votes cast were in support of the shareholder resolution.</p>	<p>We voted against management and in line with our proxy advisor ISS' recommendation. 56.8% of votes cast were in support of the resolution 'Approve Remuneration Policy.'</p>	<p>We voted against management and in line with our proxy advisor ISS' recommendation. 59.06% of votes cast were in support of the resolution 'Re-adoption of Long Term Incentive Plan.'</p>

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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The views expressed are opinions of the portfolio managers as of the date of this report and are subject to change based on market and other conditions and may differ from other portfolio managers or of the firm as a whole.

These opinions are not intended to be a forecast of future events, research, a guarantee of future results or investment advice.

Please note the information within this report has been produced internally using unaudited data and has not been independently verified. Whilst every effort has been made to ensure its accuracy, no guarantee can be given.

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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.