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

MARTIN CURRIE
A Franklin Templeton Company

FTF Martin Currie UK Rising Dividends 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 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, clear ownership 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 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
Shell	Energy	4.92	7.29	-2.37	2.6	3.8
Unilever	Consumer Discretionary	4.71	4.13	0.58	3.0	3.2
Relx	Consumer Discretionary	4.33	2.54	1.80	1.6	1.9
GSK	Healthcare	3.71	2.54	1.16	2.7	2.7
Diageo	Consumer Staples	3.61	2.72	0.89	1.5	2.1

Source: Franklin Templeton as at 31 December 2023. Data shown for the FTF Martin Currie UK Rising Dividends 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.

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. An area of environmental risk common across oil and gas companies is their ability to align with a 1.5 degrees C world. This is an area of risk we are cognisant of and have attended calls by Shell which have outlined its plans for energy transition - we believe the development of a framework by the Science Based Targets Initiative (SBTi) to validate oil and gas companies' pathways to net zero will support the sector.

Unilever is a multinational consumer goods company that provides fast moving consumer goods (FMCG). In recent years, Unilever has made a clear and fundamental shift to incorporating sustainability and governance issues across all areas of the business. This is evident in our dialogue with the company and through investor presentations. In our view the company is exposed to sustainability risks but has strong policies in place to mitigate. 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. In 2019, Unilever were quoted as one of nine top global plastic polluters in the Break Free from Plastic report for the second time. Our view is that Unilever is taking aggressive action to reduce the environmental footprint of their packaging, for example it has signed the Ellen Macarthur Foundation's Global Commitment to create a circular economy for plastic, in collaboration with UNEP (UN Environment Programme), has pledged to halve the amount of virgin plastic it uses by 2025, and targets 100% of the plastic packaging it uses to be fully reusable, recyclable, or compostable.

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.

RELX is a global provider of academic journal publishing and risk management infrastructure. Given the areas that it operates along with strong corporate governance and limited track record of controversies, we see RELX as a low-risk stock in terms of sustainability and governance. RELX signed The Climate Pledge in 2021, committing to achieving net zero emissions across its direct operations and value chain by 2040. Furthermore, in 2022 the Group submitted its carbon reduction targets to the Science Based Targets Initiative for validation - we see this as best practice. One of the greater risks in our view comes from the burgeoning demand for open access to academic research given that much of RELX's publishing segment depends on a fee-paying model. This remains a topic of conversation, however we feel this risk is being well mitigated as RELX has expanded its offerings in open access journals under its Elsevier business, whilst retaining the fee-paying model which is still in demand given the prestige of the journals RELX owns.

GSK is a multinational pharmaceutical and biotechnology company. We consider GSK to be overall moderate sustainability risk as the company operates in an industry with significant risk, but this is mitigated by strong policies in place, which we largely agree with. Environmental concerns across the sector are limited. The most material are related to the disposal of effluents and waste which we view as satisfactory given targets in place for zero impact API (Application Programming Interface) levels for all sites and key suppliers by 2030. We continue to monitor the social risks to the business, amplified by the ongoing litigation around its Zantac product over concerns around product safety. We have engaged with management on this issue and will continue our engagement.

Diageo is a global beverage company with over 200 brands including Johnnie Walker and Tanqueray. In terms of ESG risk exposure, Diageo's products are reliant on water-intensive raw materials like barley and maize, exposing the Group to risks around operating in water scarce environments. The Group predict the % of sales exposed to 'extremely high' water stress will increase by 2030 and again by 2050, with sites most affected in India, Mexico, Turkey and North America. Diageo received an 'A' for Water Security by Carbon Disclosure Project (CDP), indicating the Group's risk mitigation strategy is strong, and have set targets to improve water efficiency over the medium term, emphasising the Group's focus in this area. Social risks relate to consumer health given the product focus on spirits and alcoholic beverages. However, Diageo has numerous initiatives discouraging harmful consumption of alcohol, including Wrong Side of the Road to discourage driving under the influence, which we feel help mitigate the risk to the business.

3. Fund review of turnover and turnover costs

Annual turnover %	2.75	*Lesser of (purchases or sales)/Average fund size x 100*
Portfolio transaction costs (GBP)	461,705.27	*Total brokerage and execution charges*

Source: Franklin Templeton as at 31 December 2023. Data shown for the FTF Martin Currie UK Rising Dividends 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	Unilever	ST James's Place	Beazley
Company descriptor	Fast-moving consumer goods company including personal care, nutrition and hygiene products	Wealth management and financial planning services provider	Specialist insurance group
Issue	Remuneration	Remuneration	Company sought to authorise new equity via a cash box placing
Governance, Environmental or Social	Governance	Governance	Governance
Objective	No company engagement, our voting decision was made considering our internal research and information received from our proxy advisor ISS.	No company engagement, our voting decision was made considering our internal research and information received from our proxy advisor ISS.	Prevent the company from authorising the issuance of equity without pre-emptive rights in connection with an acquisition or specified capital Investment.
Scope and process (of relevant engagement)	No company engagement, our voting decision was made considering our internal research and information received from our proxy advisor ISS.	No company engagement, our voting decision was made considering our internal research and information received from our proxy advisor ISS.	We voted against authorisation of new equity via a cash box placing. We agree with ISS that this contrary to best practice. Beazley are a FTSE 100 company and we do not view the rationale provided by the company as compelling. The November raise also caused some confusion given capital was not immediately deployed as expected.
(Voting) outcome	We voted with management and against our proxy advisor ISS recommendation. 41.97% of votes cast were in support of the Remuneration Report.	We voted with management, against ISS recommendation. 77.85% of votes cast were in support of the Remuneration Report.	We voted against management, with ISS recommendations for both relevant proposals, 'to authorise the disapplication of pre-emption rights generally' and 'to authorise the disapplication of pre-emption rights for an acquisition or specified capital investment. As special resolutions, a 75% majority was required for these to pass. The resolutions, received 60.76% and 60.85% votes in support, thus did not pass.

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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

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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Past performance is not a guide to future returns.

The distribution of specific products is restricted in certain jurisdictions, investors should be aware of these restrictions before requesting further specific information. 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.

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