



**FRANKLIN
TEMPLETON**

Annual Report & Audited Financial Statements

1 April 2022 to
31 March 2023

Franklin Templeton Funds

An authorised open-ended investment company with variable capital

Franklin Mutual Shares Fund

FTF Brandywine Global Income Optimiser Fund

FTF Clearbridge Global Infrastructure Income Fund

FTF ClearBridge US Equity Income Fund

FTF ClearBridge US Value Fund

FTF Franklin Sterling Corporate Bond Fund

FTF Franklin UK Gilt Fund

FTF Franklin US Opportunities Fund

FTF Martin Currie Asia Unconstrained Fund

FTF Martin Currie Emerging Markets Fund

FTF Martin Currie European Unconstrained Fund

FTF Martin Currie Global Unconstrained Fund

FTF Martin Currie Japan Equity Fund

FTF Martin Currie UK Equity Income Fund

FTF Martin Currie UK Managers' Focus Fund

FTF Martin Currie UK Mid Cap Fund

FTF Martin Currie UK Opportunities Fund

FTF Martin Currie UK Rising Dividends Fund

FTF Martin Currie UK Smaller Companies Fund

FTF Martin Currie US Unconstrained Fund

FTF Royce US Smaller Companies Fund

FTF Templeton Global Emerging Markets Fund

FTF Templeton Global Leaders Fund

FTF Templeton Global Total Return Bond Fund

FTF Western Asset Global Multi Strategy Bond Fund

GENERAL INFORMATION

FRANKLIN TEMPLETON FUNDS

Head Office
Cannon Place
78 Cannon Street, London, EC4N 6HL

AUTHORISED CORPORATE DIRECTOR, ADMINISTRATOR AND REGISTRAR

Franklin Templeton Fund Management Limited
Cannon Place
78 Cannon Street, London, EC4N 6HL

DEPOSITARY

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street, London, EC4V 4LA

INVESTMENT MANAGERS

Brandywine Global Investment Management, LLC
1735 Market Street
18th Floor
Philadelphia, PA 19103, USA

ClearBridge Investments, LLC
620, 8th Avenue
New York, New York 10018, USA

ClearBridge Investments Limited
Level 13, 35 Clarence Street
Sydney NSW 2000, Australia

Franklin Advisers, Inc.
One Franklin Parkway
San Mateo, CA 94403, USA

Franklin Mutual Advisers, LLC
101 John F. Kennedy Parkway, Short Hills, NJ 07078, USA

Franklin Templeton Fund Management Limited
Cannon Place
78 Cannon Street, London, EC4N 6HL

Franklin Templeton Investments (Asia) Limited
17th Floor, Chater House,
8 Connaught Road
Hong Kong

INVESTMENT MANAGERS (Continued)

Franklin Templeton Investment Management Limited
Cannon Place
78 Cannon Street, London, EC4N 6HL

Martin Currie Investment Management Limited
5 Morrison Street
2nd Floor
Edinburgh, EH3 8BH

Royce & Associates, LP
745 Fifth Avenue
New York, New York 10151, USA

Templeton Asset Management Limited
7 Temasek Boulevard
38-03 Suntec Tower One, Singapore 038987

Templeton Global Advisors Limited
P.O. Box N-7759 Lyford Cay, Nassau, Bahamas

Western Asset Management Company Limited
10 Exchange Square, Primrose Street
London, EC2A 2EN

HEDGING AGENT

The Bank of New York Mellon
240 Greenwich Street, 3rd Floor
East, New York,
New York 10286, USA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street, Edinburgh, EH3 8EX

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REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Franklin Templeton Funds (the "Company") is registered in the United Kingdom and is an authorised open-ended investment company with variable capital. It has an umbrella structure and as at 31 March 2023 offered shares in 24 Funds: FTF Brandywine Global Income Optimiser Fund, FTF ClearBridge Global Infrastructure Income Fund, FTF ClearBridge US Equity Income Fund, FTF ClearBridge US Value Fund, FTF Franklin Sterling Corporate Bond Fund, FTF Franklin UK Gilt Fund, FTF Franklin US Opportunities Fund, FTF Martin Currie Asia Unconstrained Fund, FTF Martin Currie Emerging Markets Fund, FTF Martin Currie European Unconstrained Fund, FTF Martin Currie Global Unconstrained Fund, FTF Martin Currie Japan Equity Fund, FTF Martin Currie UK Equity Income Fund, FTF Martin Currie UK Managers' Focus Fund, FTF Martin Currie UK Mid Cap Fund, FTF Martin Currie UK Opportunities Fund, FTF Martin Currie UK Rising Dividends Fund, FTF Martin Currie UK Smaller Companies Fund, FTF Martin Currie US Unconstrained Fund, FTF Royce US Smaller Companies Fund, FTF Templeton Global Emerging Markets Fund, FTF Templeton Global Total Return Bond Fund, FTF Templeton Global Leaders Fund, and FTF Western Asset Global Multi Strategy Bond Fund. Franklin Mutual Shares Fund is no longer available for investment.

The Company's registered number is SI000002 and the address of its Head Office is Cannon Place, 78 Cannon Street, London, EC4N 6HL.

Under the Open-Ended Investment Companies Regulations (the "OEIC Regulations"), each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in regulations 11A and 11B of the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance. Shareholders are not however liable for the debts of the Company. A Shareholder is not obliged to make any further payment to the Company after paying the purchase price of the Shares.

Franklin Templeton Fund Management Limited, the Authorised Corporate Director ("ACD"), is authorised and regulated by the Financial Conduct Authority ("FCA"). The ACD may authorise the creation of additional Funds in the future with different investment objectives, subject to amendment of the Prospectus and FCA approval. The ACD's principal activity is investment management.

This Annual Report and Audited Financial Statements includes statements which show the financial positions of each Fund. Separate investment reviews are provided for each Fund.

The investment objectives and policies of each Fund can be found in the further information section on pages 408 to 437.

REMUNERATION POLICY

Following the implementation of EU Directive 2014/91/EU amending the Undertaking for Collective Investment in Transferable Securities Directive (EU Directive 2009/65/EC ("UCITS V")) on 18 March 2016, the ACD has been subject to the UCITS Remuneration Code.

PURPOSE AND SCOPE OF THE REMUNERATION POLICY

The Remuneration Policy of the ACD has been designed to align the personal objectives of staff with the long-term interests of the ACD and the funds under its management. It aims to mitigate incentive practices that may encourage employees to take unnecessary risk.

The Policy applies to a certain category of staff called the Code Staff which includes the Board of Directors, members of control functions, risk takers, and any employee with remuneration that takes them into the same bracket as risk takers, whose activities have a material impact on the risk profiles of the ACD or the funds it manages.

There are defined procedures in place for the creation, update, review, and approval of the Policy as well as for communication and implementation of the Policy. Senior Management, Human Resources, Compliance, and other functions are all involved in this process and the Policy is approved by Senior Management and the ACD. There have been no material changes to the Policy for the year ended 30 September 2022, which is the year end of the ACD.

DESCRIPTION OF THE STRUCTURE OF REMUNERATION

Fixed remuneration is defined as base salary plus material company provided benefits which may include company cars and company pension contributions. Levels of fixed remuneration are set with reference to job complexity, level of responsibility, performance, and market benchmarking data. These levels are reviewed on a regular basis.

Variable remuneration is defined as annual bonuses, long term awards in the form of performance, share grants or sales bonus payments. Levels of variable remuneration are set with reference to overall corporate and business unit performance as well as individual performance.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR *(Continued)*

Details of the Remuneration Policy are available from the ACD's website at:

<https://www.franklintempleton.co.uk/resources-and-literature/literature/regulatory-information#ucits-v-remuneration-policystatement>

A paper copy of the remuneration information available on the ACD's website is also available free of charge on request from the ACD.

The ACD has no employees; however, during the year to 30 September 2022 the total remuneration paid to 11 individuals whose actions may have a material impact on the risk profile of the ACD and Funds was £4,834,000. The fixed element of remuneration is £2,241,000 and the variable element is £2,593,000. Of this, total remuneration to Senior Management was £3,317,000, of which £1,363,000 was fixed remuneration and £1,954,000 was variable remuneration. The total remuneration related to Control Functions was £1,517,000, of which £878,000 was fixed remuneration and £639,000 was variable remuneration.

ASSESSMENT OF VALUE

The UK Financial Conduct Authority ("FCA") has recently introduced rules that require authorised fund managers to assess the overall value that their Funds deliver to investors and to publish a summary of these assessments annually. The ACD's most recent assessment of the Funds and a summary of the findings will be available on our website <https://www.franklintempleton.co.uk/resources-and-literature/literature/assessment-of-value>. This will be available no later than 31 July 2023.

CROSS HOLDINGS

No Funds had holdings in any other Funds of the Company at the end of the year.

SECURITIES FINANCING TRANSACTIONS

During the year ended 31 March 2023 the Funds did not partake in Securities Financing Transactions.

DIRECTORS OF THE ACD

Nigel Anderson (appointed 22 August 2022)

David Brigstocke (Independent Director)

Fionnuala Doris (Independent Director)

Martyn Gilbey

William Jackson

Henrietta Jowitt (Independent Director)

Penelope Kyle

Gwen Shaneyfelt

Euan Wilson (appointed 22 August 2022)

FUNDAMENTAL OR SIGNIFICANT CHANGES

There have been no fundamental or significant changes during the year.

ACD's APPROVAL

This Annual Report and Audited Financial Statements has been approved by the ACD for issue to Shareholders and has been signed in accordance with the requirements of the FCA's Collective Investment Schemes Sourcebook ("COLL").

William Jackson

Director, Franklin Templeton Fund Management Limited, Authorised Corporate Director

21 July 2023

STATEMENT OF AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Open-Ended Investment Companies Regulations 2001 and COLL require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company and of net income/expenditure and the net gains/losses on the property of the Company for the period. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make adjustments and estimates that are reasonable and prudent;
- conform with the disclosure requirements of the Statement of Recommended Practice of Authorised Funds issued by the Investment Management Association in May 2014;
- comply with the disclosure requirements of the Prospectus and Instrument of Incorporation;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with the above requirements; and
- take reasonable steps for the prevention and detection of fraud and non-compliance with law or regulations.

The Authorised Corporate Director is responsible for the management of the Company in accordance with its Prospectus.

In accordance with rules of the Financial Conduct Authority, the Authorised Corporate Director has performed a detailed assessment of whether the Funds provide value to investors. The outcome of this assessment is included in a separate composite report which is published on our website at www.franklintempleton.co.uk.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Franklin Templeton Funds ("the Company") for the year ended 31 March 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director (the ACD) are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i. has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- ii. has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of
The Bank of New York Mellon (International) Limited,
160 Queen Victoria Street, London,
EC4V 4LA

Manager
21 July 2023

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Franklin Templeton Funds (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 March 2023 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as 1 April 2022 to 31 March 2023 for Franklin Mutual Shares Fund, FTF Franklin Sterling Corporate Bond Fund, FTF Franklin UK Gilt Fund, FTF Franklin US Opportunities Fund, FTF Martin Currie UK Equity Income Fund, FTF Martin Currie UK Managers' Focus Fund, FTF Martin Currie UK Mid Cap Fund, FTF Martin Currie UK Opportunities Fund, FTF Martin Currie UK Rising Dividends Fund, FTF Martin Currie UK Smaller Companies Fund, FTF Templeton Global Emerging Markets Fund, FTF Templeton Global Leaders Fund, FTF Templeton Global Total Return Bond Fund, 16 September 2022 to 31 March 2023 for FTF Clearbridge Global Infrastructure Income Fund and 23 September 2022 to 31 March 2023 for FTF Brandywine Global Income Optimiser Fund, FTF Clearbridge US Equity Income Fund, FTF Clearbridge US Value Fund, FTF Martin Currie Asia Unconstrained Fund, FTF Martin Currie Emerging Markets Fund, FTF Martin Currie European Unconstrained Fund, FTF Martin Currie Global Unconstrained Fund, FTF Martin Currie Japan Equity Fund, FTF Martin Currie US Unconstrained Fund, FTF Royce US Smaller Companies Fund, FTF Western Asset Global Multi Strategy Bond Fund) and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Franklin Templeton Funds is an Open Ended Investment Company ("OEIC") with 25 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 March 2023; the statements of total return and the statements of change in net assets attributable to shareholders for the respective periods then ended; the distribution tables; the notes to the financial statements applicable to all sub-funds, which include a description of the significant accounting policies; and the notes to the financial statements for each sub-fund.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1(a) Basis of Accounting, within the notes to the financial statements applicable to all sub-funds, which describes the Authorised Corporate Director's reasons why the financial statements of Franklin Mutual Shares Fund have been prepared on a basis other than going concern.

Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-fund, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(Continued)*

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Report of the Authorised Corporate Director for the respective periods for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(Continued)*

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
21 July 2023

NOTES TO THE FINANCIAL STATEMENTS APPLICABLE TO ALL SUB-FUNDS

1. Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Management Association (now the 'The Investment Association') in May 2014 (SORP 2014), and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Franklin Mutual Shares Fund has ceased trading and is in the process of liquidation. As such, the financial statements have been prepared on a basis other than going concern. No adjustments were required to the financial statements of the Fund to adjust assets or liabilities to their realisable values, reclassify fixed assets and long-term liabilities as current assets and liabilities or to provide for liabilities arising from the decision. All costs in relation to the closure of the Fund will be borne by the ACD.

All other Funds have been prepared on a going concern basis.

(b) Basis of Valuation of Investments

Investments in long positions of the Funds have been valued at the bid-market dealing prices (short positions at offer-market dealing prices) at close of business on the last working day of the accounting period.

Securities which are listed on a stock exchange or traded on any organised market are valued at the last available bid or offer price on such exchange or market which is normally the principal market for each security, excluding any accrued interest in the case of debt securities.

Securities not listed on any stock exchange are valued at the last available price, or if such price is not representative of their fair value, they are fair valued based on the ACD's assessment of their net fair value.

(c) Revenue Recognition

Dividends on investments and revenue from offshore collective investment schemes are recognised when the securities are quoted ex-dividend.

Revenue from unquoted securities is recognised when entitlement to the dividend is established.

Interest on debt securities is determined on an effective yield basis. Effective yield is a revenue calculation that reflects the amount of amortisation of any discount or premium on the purchase price over the remaining life of the security.

Bank interest is accounted for on an accruals basis.

The ordinary element of stocks received in lieu of cash dividends (stock dividends) is recognised as revenue of the Fund and where applicable is included in the distribution.

Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

Dividends received from US REITS are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting date issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior years aggregated dividend split for each US REIT.

Equalisation earned from Collective Investment Schemes is recorded as capital.

(d) Treatment of derivatives

Motive and circumstances are used to determine whether the return of a derivative should be recognised as capital or revenue. Where positions are adopted to protect or enhance capital, and circumstances support this, the returns are recognised in net capital gain/(loss). Where positions are adopted to protect or enhance revenue, and circumstances support this, the returns are recognised as revenue.

Where positions generate total returns, the return is split between capital and revenue based upon the nature of the transaction.

(e) Treatment of Expenses

The ACD's annual management charge is charged to the income property of the respective Funds, with the exception of FTF Martin Currie UK Equity Income Fund, FTF Martin Currie UK Rising Dividends Fund and FTF Western Asset Global Multi Strategy Bond Fund where the ACD's annual management charge is charged to capital and FTF Franklin Sterling Corporate Bond Fund,

NOTES TO THE FINANCIAL STATEMENTS APPLICABLE TO ALL SUB-FUNDS *(Continued)*

1. Accounting Policies *(Continued)*

(e) Treatment of Expenses *(Continued)*

FTF Franklin UK Gilt Fund, FTF Clearbridge Global Infrastructure Income Fund, FTF Brandywine Global Income Optimiser Fund and FTF ClearBridge US Equity Income Fund where the ACD's annual management charge and expenses are charged to capital.

All other expenses are accounted for on an accruals basis and are charged wholly to revenue.

All costs directly related to the purchase and sale of investments are charged to capital.

Expenses incurred in respect of, or attributable to, the Funds as a whole are allocated when incurred in the proportion of the net asset value of each share class to the total net asset value of the Fund.

ACD Waivers are recognised on an accruals basis and are treated in accordance with the principal expense.

(f) Foreign Currencies

Transactions involving foreign currencies are translated at the spot exchange rate ruling on the date of the transaction.

Forward exchange contracts are valued at the forward rate applicable at the Balance Sheet date for the remaining period, until maturity. Gains or losses resulting from forward exchange contracts are recognised in the Statement of Total Return as capital.

Other assets and liabilities in foreign currencies are translated at the exchange rates ruling at the end of the year.

(g) Taxation

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. The charge for taxation is based on taxable income less allowable expenses for the year. UK dividend income is disclosed net of any related tax credit.

Overseas dividends continue to be disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the taxation note.

Deferred tax is provided at current rates of corporation tax on all timing differences, which have originated but not reversed by the Balance Sheet date other than those differences regarded as permanent. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted. Deferred tax assets and provisions are not discounted to reflect the time value of money.

(h) Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (group 2 holdings) contains an element of equalisation. Equalisation is a repayment, at an average rate per share, of the amount of accrued net revenue, which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

(i) Distribution Policy

Revenue produced by the Funds' investments accumulates during each distribution period. If at the end of the distribution period, revenue exceeds expenses for a share class, the net revenue of the share class is available to be distributed to shareholders.

FTF Franklin Sterling Corporate Bond Fund, FTF Franklin UK Gilt Fund, FTF Clearbridge Global Infrastructure Income Fund, FTF Brandywine Global Income Optimiser Fund and FTF ClearBridge US Equity Income Fund charge all of their expenses to the capital property of the Fund, therefore the distribution is equal to the revenue for the period. FTF Martin Currie UK Equity Income Fund, FTF Martin Currie UK Rising Dividends Fund and FTF Western Asset Global Multi Strategy Bond Fund charge only the ACD fee to the capital property of the Fund, therefore the ACD fee is not deducted from the revenue for the period.

Revenue attributed to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

For the purpose of calculating the distribution, revenue on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements for all Fixed Income Funds other than the FTF Brandywine Global Income Optimiser Fund. For the purpose of calculating the distribution on the FTF Brandywine Global Income Optimiser Fund, interest from debt securities is computed as the higher of the amount determined on a coupon basis and an effective yield basis.

NOTES TO THE FINANCIAL STATEMENTS APPLICABLE TO ALL SUB-FUNDS *(Continued)*

1. Accounting Policies *(Continued)*

(j) Dilution Adjustment

The cost of purchasing or selling investments for a Fund may deviate from the mid-market value used in calculating the daily price of shares in the Fund due to dealing costs and any spread between the buying and selling prices of the underlying investments. Without adjustment, these dealing costs can have an adverse effect on the value of each Fund. In order to protect shareholders from this impact, the ACD may, at its discretion, make a dilution adjustment on the creation and/or cancellation of shares if, in its opinion, the existing shareholders (for creations) or remaining shareholders (for cancellations) might be adversely affected.

2. Related parties

Franklin Templeton Fund Management Limited, a related party, acted principally in all transactions in the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4 of the individual Funds.

Further details on related parties transactions are disclosed within the related parties note of the individual Funds.

3. Derivatives and Other Financial Instruments

The numerical disclosures for derivatives and other financial instruments are shown within each individual Fund.

Financial Instrument Risks

In accordance with investment objectives, the Funds' may hold certain financial instruments as part of efficient portfolio management, which may comprise:

- securities held in accordance with the Funds' investment objectives and policies;
- cash and short-term assets;
- derivatives.

The Company's overall risk management policy is the responsibility of the ACD. The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

The main risks arising from a Fund's financial instruments are market risk (which are comprised of currency risk, interest rate risk and other market price risk), liquidity risk, credit and counterparty risks. The ACD reviews policies for managing each of these risks and these are summarised below.

(a) Market risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The ACD monitors on a daily basis the net allocation of the portfolio in order to minimise the risk associated with particular countries and industry sectors whilst continuing to follow the investment objective. An individual fund manager is responsible for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter and seeks to ensure that individual securities also meet the risk reward profile that is acceptable.

Value-at-Risk ("VaR") is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR can be defined as the predicted loss a portfolio can experience at a specified confidence level (e.g. 99%) over a given period of time (e.g. 20 days).

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than 1 month (20 days) and a historical observation period of 250 days. Where a Fund launched less than one year ago, a shorter historical observation period is used. A 99% 1-month VaR means that the expectation is that 99% of the time, over a 1 month period, the Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of this VaR methodology, as any other statistical risk measure, has limitations. There is some probability that the loss could be greater than the VaR amounts and therefore it cannot be guaranteed that losses will neither exceed the VaR indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

NOTES TO THE FINANCIAL STATEMENTS APPLICABLE TO ALL SUB-FUNDS (Continued)

3. Derivatives and Other Financial Instruments (Continued)

(a) Market risk (Continued)

The FTF Templeton Global Total Return Bond Fund uses the relative VaR methodology which is the absolute VaR of the portfolio divided by the absolute VaR of the benchmark. The benchmark that is used is the one that is most representative of the Funds' strategy and likely risk exposures.

The FTF Brandywine Global Income Optimiser Fund uses the Absolute VaR methodology adhering to a limit in reference to the Funds' NAV.

Please refer to individual Fund's accounts for details of these VaR calculations.

Currency risk

The revenue and capital value of the Funds' investments can be significantly affected by currency translation movements as some of the Funds' assets and revenue are denominated in currencies other than sterling which is the Funds' functional currency.

The ACD has identified three principal areas where foreign currency risk could impact the Funds:

- Movements in rates affect the value of investments;
- Movements in rates affect short term timing differences; and
- Movements in rates affect revenue received.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency hedges via forward exchange contracts will only be used in the event of a specific currency risk being identified or in order to hedge a particular share class.

The Funds may be subject to short-term exposure to exchange rate movement, for instance, where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. The ACD may elect to hedge against this risk.

The Funds receive revenue in currencies other than sterling and the sterling values of the revenue can be affected by movements in exchange rates. The ACD may elect to hedge against this risk.

Please refer to individual Fund's accounts for details of currency risk exposure.

Interest rate risk

The Funds hold cash balances which are subject to a floating rate of interest. These cash balances are placed with reputable financial institutions. The Funds invest in both fixed and floating rate debt instruments. It is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash-flows. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the revenue potential of the individual Fund also rises, but the value of the fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the individual Fund). A decline in interest rates will generally have the opposite effect.

Please refer to individual Fund's accounts for details of interest rate risk exposure and interest rate sensitivity analysis, where applicable.

Other price risk

Other risks in using derivative and non derivative securities include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to the Funds.

Derivatives do not always closely track the value of the underlying securities, rates or indices they are designed to track.

Please refer to individual Fund's accounts for details of other price risk sensitivity analysis.

3. Derivatives and Other Financial Instruments (Continued)

(b) Credit and Counterparty risk

Credit risk

The Funds invest in investment grade and sub-investment grade financial debt instruments. Investment grade bonds are rated by Standard & Poor's. Sub-investment grade bonds are subject to a greater risk that such investments could not be readily sold or that the issuer could default on its obligations causing the Funds to sustain losses on such investments. The Investment Adviser will seek to limit such risks by in-depth credit research and careful securities selection. Sub-investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness.

Counterparty risk

Certain transactions in securities that the Funds enter into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities. The Funds mainly deal, however, on a "delivery versus payment" basis which reduces the counterparty risk. The Funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any broker that may exist at any time; these limits are reviewed weekly. Only counterparties that have been approved by Franklin Templeton Investments' Counterparty Credit Committee are used for derivatives transactions.

Please refer to individual Fund's accounts for details of credit and counterparty risk exposure.

(c) Liquidity risk

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of a Fund to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of a Fund to meet a redemption request, due to the inability of the Fund to sell securities or positions in order to raise sufficient cash to meet the redemption request.

Markets where the Fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the Fund and, as noted, on the ability of the Fund to meet redemption requests in a timely manner.

Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Fund values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Fund's ability to sell particular securities when necessary to meet the Fund's liquidity needs or in response to a specific economic event.

4. Portfolio Transaction Costs

The numerical disclosures for portfolio transaction costs are shown within each individual Fund where applicable.

Franklin Mutual Shares Fund

INVESTMENT REVIEW

Franklin Mutual Shares Fund ceased trading on 31 January 2020.

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	BONDS 0.00% (0.00%)		
	NORTH AMERICA 0.00% (0.00%)		
	UNITED STATES OF AMERICA		
102,000	Walter Energy Inc., Escrow Account, 0.000%, ^{‡,¶}	-	0.00
	TOTAL - NORTH AMERICA	-	0.00
	TOTAL - BONDS	-	0.00
	TOTAL VALUE OF INVESTMENTS	-	0.00
	OTHER ASSETS	-	0.00
	TOTAL NET ASSETS	-	0.00

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

[‡] This security is currently in an escrow position. An escrow account is an account established to hold monies pledged and to be used solely for a designed purpose, typically to pay debt service or an outstanding issue in an advance refunding.

[¶] This security is fair valued by the manager.

Franklin Mutual Shares Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital gains	2		10		4
Revenue	3	2		-	
Expenses	4	(3)		-	
Interest payable and similar charges		-		-	
Net expense before taxation		(1)		-	
Taxation	5	1		-	
Net revenue after taxation			-		-
Total return before distributions			10		4
Distributions	6		-		-
Change in net assets attributable to shareholders			10		4

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		-		-
Amounts received on creation of shares	-		-	
Amounts paid on cancellation of shares	-		-	
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		10		4
Retained distribution on accumulation shares		-		-
Change in provision for fund closure		(10)		(4)
Closing net assets attributable to shareholders		-		-

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Current assets			
Cash and bank balances		16	6
Total assets		16	6
Liabilities			
Creditors			
Other creditors	7	(16)	(6)
Total liabilities		(16)	(6)
Net assets attributable to shareholders		-	-

Franklin Mutual Shares Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	10	4
	<u>10</u>	<u>4</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	2	-
	<u>2</u>	<u>-</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:	-	-
Payable to the Depositary, associates of the Depositary and agents of either of them:	-	-
Other expenses:		
Other	3	-
	<u>3</u>	<u>-</u>
	<u>3</u>	<u>-</u>

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the (credit)/charge for the year		
Overseas tax	(1)	-
Total current tax	(1)	-
Total taxation (see Note(b))	<u>(1)</u>	<u>-</u>

Franklin Mutual Shares Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation (Continued)

(b) Factors affecting the total tax (credit)/charge for the year

The tax assessed for the year is lower (2022: equal) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net expenses before taxation	(1)	-
Corporation tax at 20% (2022: 20%)	-	-
Effects of:		
Overseas tax	(1)	-
Total tax credit for the year (see Note 5(a))	(1)	-

Authorised OEICs with variable capital are exempt from UK tax on capital gains. Therefore any capital return is not included in the above reconciliation.

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £272 (£0 as at 31 March 2022) due to tax losses of £1,359 (£0 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	-	-
Accumulation	-	-
	-	-
Final dividend distributions		
Income	-	-
Accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
Total distribution	-	-

7. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	9	6
Residual payment due in respect of ongoing fund closure	7	-
	16	6

Franklin Mutual Shares Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. Related parties

During the year, Franklin Templeton Fund Management Limited (“ACD”), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £Nil (£Nil as at 31 March 2022).

9. Risk management policies and disclosures

The risks inherent in the Fund’s investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.00% (2022: 0.00%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 0.00% (2022: 0.00%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 0.00% (2022: 0.00%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

10. Portfolio Transaction Costs

As the Fund ceased trading on 31 January 2020, no transaction costs were incurred in the current year.

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

FTF Brandywine Global Income Optimiser Fund

INVESTMENT REVIEW

PERFORMANCE

In the period 1st April 2022 through 31st March 2023, the FTF Brandywine Global Income Optimiser Fund made a return of -7.95%¹ (W Accumulation), compared to a return of 2.25% for the SONIA Compounded Index (GBP).

OVERVIEW

The global income markets generated weak results over the twelve-months ended March 31, 2023. The market's decline was driven by several factors, including elevated and persistent inflation, aggressive central bank rate hikes, the fallout from COVID and the war in Ukraine, and recent unrest in the banking industry. In attempt to rein in rising prices, central banks in the U.S. and abroad aggressively tightened monetary policy. The U.S. Federal Reserve ("Fed") started raising interest rates in March 2022 and, over the next twelve months, hiked rates eight times, pushing the federal funds rate to a range between 4.75% and 5.00%. The European Central Bank ("ECB") and the Bank of England also instituted multiple rate hikes during the reporting period. Against this backdrop, government sovereign yields moved higher and bond prices declined (bond prices and yields generally move in the opposite direction). All told, the Bloomberg Global Aggregate Index returned -8.07% for the twelve months ended March 31, 2023. Riskier fixed-income securities, including high-yield bond and emerging market debt, also produced negative results. Over the fiscal year, the Bloomberg Global High Yield (currency hedged--USD) Index and the JPMorgan Emerging Markets Bond Index Global ("EMBI Global") returned -3.45% and -5.86%, respectively.

SIGNIFICANT CHANGES

An overall increase in portfolio duration was the largest change during the reporting period, going from 4.7 years to 6.3 years. We increased duration within the developed market sovereign bond sector, favouring safer and highly liquid government bonds from the U.S. and Germany, as we believed monetary conditions were too tight and something was bound to break. Our thesis played out in March 2023 when Silicon Valley Bank collapsed and set off a mini global banking crisis. Against this backdrop, the fund's treasury overweight was beneficial as investors fled risky assets.

Elsewhere, the fund's emerging market sovereign debt exposures were slightly increased, given the attractiveness of countries with high real yields and the macroeconomic tailwind from China's reopening. The fund owns a basket of diversified emerging market government bonds, with a small tilt towards Latin America. For example, Mexico sovereign bond duration was increased because the country remains a prime beneficiary from U.S. near-shoring; both the Mexican peso and the manufacturing sector are moving in the right direction.

The fund's corporate credit allocation was slightly reduced, with larger changes occurring within the underlying investment-grade and high-yield bond composition. Extreme fixed income volatility warranted moving up the capital structure within our high-yield allocations; subsequently, we moved slightly down in quality within our investment-grade allocation. In the end, we added yield without sacrificing overall portfolio credit quality. As for duration, the investment-grade allocation moved to the intermediate section of the curve because of relative value. Our high-yield allocation shifted towards the short end of the curve where we can add relative yield. Finally, the fund's structured credit exposure slightly decreased. The fund remains primarily invested in U.S. residential mortgage-backed securities ("RMBS"), which are anchored by the tight single family housing market in the U.S.

Our currency exposures shifted during the reporting period. We ended primarily invested in U.S. dollars and have a small emerging market currency allocation. We increased non-dollar exposure in emerging market commodity exporters—Mexico, Colombia, and Brazil—while decreasing developed market allocations in Europe and New Zealand dollar.

POSITIVE/NEGATIVE CONTRIBUTORS

The fund's negative absolute and relative performance was driven by its overweight to safer developed market government bonds and overweight to investment-grade and high-yield corporate credit. The largest contributor to relative performance came from an increased exposure to mortgages during the third quarter of 2022. During this time we increased our U.S. RMBS allocation when yields breached 7%. The position performed well as rates dropped closer to the 6% range.

Developed market duration was the largest detractor. We increased our U.S. Treasury ("UST") duration exposure in May 2022 because we saw cracks emerging in the global economy from aggressive monetary tightening. We did not anticipate the Fed raising rates as quickly as they did; however, the UST duration position performed well in the first quarter of 2023 given investors' flight to safety from the Silicon Valley Bank failure. Additionally, the fund's corporate credit allocation detracted because spreads widened on global growth fears. In particular, an overweight in the U.S. communication sector in the high-yield bond market was a headwind for returns as companies experienced rising interest expenses. At a sub-country level, our corporate high-yield exposure in Brazil, namely financials, detracted as Brazilian household debt hit all-time highs.

FTF Brandywine Global Income Optimiser Fund

INVESTMENT REVIEW *(Continued)*

On the upside, tactical local and hard currency emerging market sovereign bond allocations added to returns. Performance was exceptionally strong over the last six months of the reporting period, as the U.S. dollar descended from all-time highs and relative growth picked up outside the U.S. The fund experienced strong contributions from its investment in local Colombian government bonds. Finally, the fund's non-dollar currency exposure over the last twelve months slightly detracted from performance as the U.S. dollar strengthened materially. The fund's non-dollar exposures hit an all-time high at the end of 2022 because of the U.S. dollar's extended valuation. However, an overweight to the Thai baht was additive to performance over the reporting period.

OUTLOOK

We believe the current environment makes a strong case in support of our portfolio positioning. We have been concerned with macro risks arising from lagged effects of the most aggressive rate-hike cycle in modern history. The situation with Silicon Valley Bank and Credit Suisse is yet another example of cracks beneath the surface. We have advocated caution in our strategies, taking advantage of value but staying up in quality, and relying on developed market government bonds, specifically U.S. Treasuries, to provide value and protection. There are also numerous signs showing that inflation has peaked, including economies slowing at a time when the lag effects of tight financial conditions are impacting underlying economies.

Although spread volatility will most likely stay elevated in the short term, we believe yields offer investors compelling income to compensate for the bumpy ride. Investors must contemplate the starting point in terms of price, yield and spread relative to the economic outlook. And today, in our view, that starting point is compelling given the fundamental backdrop.

All told, we remain confident about bond markets for the remainder of the year because of the optionality they offer from different economic scenarios—whether a hard or soft landing.

Michael Arno, CFA, Tracy Chen, CFA, Brian Kloss, Renato Latini, CFA Jack Mcintyre, CFA & Anujeet Sareen, CFA

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Brandywine Global Income Optimiser Fund

COMPARATIVE TABLES As at 31 March 2023

<u>EB – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	108.11
Return before operating charges ¹	3.01
Operating charges ²	(0.19)
Return after operating charges ³	2.82
Distributions	(3.58)
Retained distributions on accumulation shares	3.58
Closing net asset value per share	110.93
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.61%
Other information	
Closing net asset value (£)	90,262,188
Closing number of shares	81,367,934
Operating charges ratio ⁶	0.33%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	114.06
Lowest share price	101.96
<u>EB – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	91.40
Return before operating charges ¹	2.49
Operating charges ²	(0.16)
Return after operating charges ³	2.33
Distributions	(2.95)
Closing net asset value per share	90.78
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.55%
Other information	
Closing net asset value (£)	27,602,408
Closing number of shares	30,405,360
Operating charges ratio ⁶	0.33%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	94.84
Lowest share price	86.20

FTF Brandywine Global Income Optimiser Fund

COMPARATIVE TABLES (Continued)

<u>S – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	108.34
Return before operating charges ¹	3.01
Operating charges ²	(0.24)
Return after operating charges ³	2.77
Distributions	(3.53)
Retained distributions on accumulation shares	3.53
Closing net asset value per share	111.11
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.56%
Other information	
Closing net asset value (£)	34,407,628
Closing number of shares	30,966,273
Operating charges ratio ⁶	0.43%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	114.27
Lowest share price	102.17
 S – Income*	
31 March 2023	
Change in net assets per share (p)	
Opening net asset value per share	91.22
Return before operating charges ¹	2.48
Operating charges ²	(0.20)
Return after operating charges ³	2.28
Distributions	(2.94)
Closing net asset value per share	90.56
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.50%
Other information	
Closing net asset value (£)	124,595,891
Closing number of shares	137,581,201
Operating charges ratio ⁶	0.43%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	94.62
Lowest share price	86.03

FTF Brandywine Global Income Optimiser Fund

COMPARATIVE TABLES (Continued)

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	117.20
Return before operating charges ¹	3.26
Operating charges ²	(0.38)
Return after operating charges ³	2.88
Distributions	(3.81)
Retained distributions on accumulation shares	3.81
Closing net asset value per share	120.08
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.46%
Other information	
Closing net asset value (£)	9,525,669
Closing number of shares	7,932,633
Operating charges ratio ⁶	0.62%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	123.53
Lowest share price	110.51

<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	98.29
Return before operating charges ¹	2.66
Operating charges ²	(0.31)
Return after operating charges ³	2.35
Distributions	(3.17)
Closing net asset value per share	97.47
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.39%
Other information	
Closing net asset value (£)	170,675,850
Closing number of shares	175,098,852
Operating charges ratio ⁶	0.62%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	101.87
Lowest share price	92.67

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

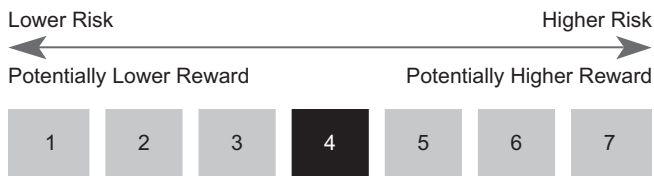
FTF Brandywine Global Income Optimiser Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Brandywine Global Income Optimiser Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Brandywine Global Income Optimiser Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	BONDS 88.60%		
	ASIA 3.94%		
	CHINA		
2,140,000	Alibaba, 4.200%, 06/12/2047	1,366	0.30
2,815,000	JD.com, 3.375%, 14/01/2030	2,067	0.45
2,155,000	Tencent, 3.680%, 22/04/2041	1,328	0.29
1,175,000	Tencent, 3.240%, 03/06/2050	623	0.13
380,000	Tencent, 3.840%, 22/04/2051	223	0.05
920,000	Tencent Music Entertainment, 2.000%, 03/09/2030	588	0.13
		<u>6,195</u>	<u>1.35</u>
	HONG KONG		
10,110,000	Xiaomi Best Time International, 3.375%, 29/04/2030	6,659	1.46
	JAPAN		
4,350,000	Nissan Motor, 4.345%, 17/09/2027	3,302	0.72
	SOUTH KOREA		
2,550,000	SK Hynix, 2.375%, 19/01/2031	1,542	0.34
400,000	SK Hynix, 6.500%, 17/01/2033	321	0.07
		<u>1,863</u>	<u>0.41</u>
	TOTAL - ASIA	<u>18,019</u>	<u>3.94</u>
	CENTRAL AMERICA 4.51%		
	CAYMAN ISLANDS		
2,360,000	Banco do Brasil SA/Cayman, 3.250%, 30/09/2026	1,765	0.39
2,000,000	Seagate HDD Cayman, 4.125%, 15/01/2031	1,353	0.29
		<u>3,118</u>	<u>0.68</u>
	MEXICO		
1,920,000	Braskem Idesa SAPI, 7.450%, 15/11/2029	1,246	0.27
332,700,000	Mexican Bonos, 8.000%, 31/07/2053	13,187	2.89
		<u>14,433</u>	<u>3.16</u>
	PANAMA		
4,470,000	AES Panama Generation SRL, 4.375%, 31/05/2030	3,079	0.67
	TOTAL - CENTRAL AMERICA	<u>20,630</u>	<u>4.51</u>
	EUROPE - NON EU 0.41%		
	NORWAY		
715,000	Var Energi, 7.500%, 15/01/2028	598	0.13
1,460,000	Var Energi, 8.000%, 15/11/2032	1,256	0.28
		<u>1,854</u>	<u>0.41</u>
	TOTAL - EUROPE - NON EU	<u>1,854</u>	<u>0.41</u>
	EUROPE - OTHER EU 3.18%		
	IRELAND		
2,360,000	Ardagh Packaging Finance / Ardagh USA, 4.125%, 15/08/2026	1,778	0.39
2,165,000	Ardagh Packaging Finance / Ardagh USA, 5.250%, 15/08/2027	1,380	0.30
		<u>3,158</u>	<u>0.69</u>
	LUXEMBOURG		
1,420,000	Alice Financing, 5.750%, 15/08/2029	912	0.20
6,290,000	Alice France, 6.000%, 15/02/2028	3,244	0.71
3,040,000	Amaggi Luxembourg International Sarl, 5.250%, 28/01/2028	2,187	0.48
3,665,000	Kenbourne Invest, 6.875%, 26/11/2024	2,255	0.49
3,260,000	Rumo Luxembourg Sarl, 4.200%, 18/01/2032	2,107	0.46
		<u>10,705</u>	<u>2.34</u>

FTF Brandywine Global Income Optimiser Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
NETHERLANDS			
940,000	NXP / NXP Funding / NXP USA, 3.400%, 01/05/2030	682	0.15
	TOTAL - EUROPE - OTHER EU	14,545	3.18
MIDDLE EAST 0.81%			
ISRAEL			
3,380,000	Energean Israel Finance, 4.500%, 30/03/2024	2,666	0.58
1,400,000	Energean Israel Finance, 4.875%, 30/03/2026	1,047	0.23
	TOTAL - MIDDLE EAST	3,713	0.81
NORTH AMERICA 62.85%			
BERMUDA			
2,960,000	Bellemeade Re 2020-3, FRN, 9.695%, 25/10/2030	2,463	0.54
4,450,000	Oaktown Re VII, FRN, 6.160%, 25/04/2034	3,567	0.78
6,500,000	Triangle Re 2021-3, FRN, 7.460%, 25/02/2034	5,118	1.12
7,000,000	Triangle Re 2021-3, FRN, 8.310%, 25/02/2034	5,401	1.18
	TOTAL - BERMUDA	16,549	3.62
CANADA			
4,192,124	Air Canada 2020-2 Class A Pass Through Trust, 5.250%, 01/10/2030	3,299	0.72
3,125,000	Antares LP, 2.750%, 15/01/2027	2,057	0.45
6,360,000	First Quantum Minerals, 6.875%, 15/10/2027	4,988	1.09
4,340,000	Taseko Mines, 7.000%, 15/02/2026	3,182	0.70
3,640,000	Teine Energy, 6.875%, 15/04/2029	2,691	0.59
	TOTAL - CANADA	16,217	3.55
UNITED STATES OF AMERICA			
1,655,000	Aethon United BR LP / Aethon United Finance, 8.250%, 15/02/2026	1,312	0.29
3,276,419	Alaska Airlines 2020-1 Class A Pass Through Trust, 4.800%, 15/02/2029	2,569	0.56
9,070,000	American Credit Acceptance Receivables Trust 2020-4, 3.650%, 14/12/2026	7,140	1.56
3,300,000	AmeriGas Partners LP / AmeriGas Finance, 5.625%, 20/05/2024	2,613	0.57
4,865,000	Ares Capital, 3.250%, 15/07/2025	3,591	0.79
3,971,000	Ares Capital, 2.150%, 15/07/2026	2,735	0.60
1,775,000	Ares Capital, 2.875%, 15/06/2028	1,178	0.26
1,210,000	Ashtead Capital, 5.500%, 11/08/2032	960	0.21
12,280,000	Avis Budget Rental Car Funding AESOP, 2.650%, 20/03/2026	9,365	2.05
3,575,000	Bain Capital Specialty Finance, 2.950%, 10/03/2026	2,549	0.56
3,661,000	Black Knight InfoServ, 3.625%, 01/09/2028	2,688	0.59
2,060,000	Blackstone Secured Lending Fund, 3.625%, 15/01/2026	1,509	0.33
2,380,000	Blackstone Secured Lending Fund, 2.125%, 15/02/2027	1,603	0.35
1,160,000	Blackstone Secured Lending Fund, 2.850%, 30/09/2028	768	0.17
5,725,000	Block Financial, 3.875%, 15/08/2030	3,976	0.87
3,555,000	Broadcom, 1.950%, 15/02/2028	2,491	0.54
708,000	Broadcom, 3.137%, 15/11/2035	440	0.10
2,442,000	Broadcom, 4.926%, 15/05/2037	1,793	0.39
3,300,000	Cheniere Corpus Christi, 2.742%, 31/12/2039	2,200	0.48
1,650,000	Citgo, 9.250%, 01/08/2024	1,336	0.29
296,000	CNX Resources, 7.250%, 14/03/2027	241	0.05
3,370,000	CommScope, 7.125%, 01/07/2028	2,008	0.44
1,415,000	Connecticut Avenue Trust 2019-R01, FRN, 9.196%, 25/07/2031	1,178	0.26
1,351,337	Connecticut Avenue Trust 2019-R05, FRN, 8.945%, 25/07/2039	1,103	0.24
4,275,000	Connecticut Avenue Trust 2019-R07, FRN, 8.245%, 25/10/2039	3,396	0.74
5,610,000	Connecticut Avenue Trust 2020-SBT1, FRN, 8.495%, 25/02/2040	4,521	0.99
6,135,000	Connecticut Avenue Trust 2020-SBT1, FRN, 8.495%, 25/02/2040	4,980	1.09
3,135,000	Consolidated Communications, 5.000%, 01/10/2028	1,721	0.38
3,515,000	Dell International / EMC, 6.020%, 15/06/2026	2,913	0.64

FTF Brandywine Global Income Optimiser Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED STATES OF AMERICA (Continued)			
2,537,010	Delta Air Lines / SkyMiles IP, 4.500%, 20/10/2025	2,016	0.44
9,820,000	DISH Network, 3.375%, 15/08/2026	4,087	0.89
4,803,000	DISH Network, 11.750%, 15/11/2027	3,736	0.82
4,085,000	Fannie Mae Connecticut Avenue, FRN, 8.495%, 25/09/2029	3,429	0.75
6,167,900	Fannie Mae Connecticut Avenue, FRN, 7.645%, 25/02/2030	5,069	1.11
13,170,623	Fannie Mae Pool, 4.500%, 01/09/2052	10,427	2.28
2,095,000	Freddie Mac STACR 2019-HQA3, FRN, 7.845%, 25/09/2049	1,652	0.36
4,048,969	Freddie Mac STACR REMIC Trust 2020-DNA3, FRN, 9.946%, 25/06/2050	3,468	0.76
1,997,731	Freddie Mac STACR Trust 2019-HQA2, FRN, 6.895%, 25/04/2049	1,614	0.35
1,765,000	Freddie Mac STACR Trust 2019-HQA2, FRN, 8.945%, 25/04/2049	1,458	0.32
4,510,000	Freddie Mac Structured Agency Credit Risk Debt Notes, FRN, 6.860%, 25/08/2033	3,590	0.79
3,145,000	Freddie Mac Structured Agency Credit Risk Debt Notes, FRN, 8.560%, 25/11/2050	2,533	0.55
3,650,000	Freedom Mortgage, 7.625%, 01/05/2026	2,365	0.52
2,030,000	FS KKR Capital, 3.125%, 12/10/2028	1,342	0.29
5,211,871	Ginnie Mae II Pool, 4.000%, 20/02/2053	4,054	0.89
10,584,575	Ginnie Mae II Pool, 4.500%, 20/02/2053	8,423	1.84
4,735,000	Golub Capital BDC, 2.500%, 24/08/2026	3,277	0.72
890,000	Golub Capital BDC, 2.050%, 15/02/2027	589	0.13
2,990,000	Harsco, 5.750%, 31/07/2027	1,897	0.42
2,660,000	HP, 4.750%, 15/01/2028	2,123	0.46
2,660,000	Intel, 4.150%, 05/08/2032	2,068	0.45
1,055,000	IRB, 7.000%, 15/06/2025	855	0.19
6,750,000	Jabil, 3.600%, 15/01/2030	4,923	1.08
1,065,000	JBS USA LUX / JBS USA Food / JBS USA Finance, 5.125%, 01/02/2028	831	0.18
2,585,000	JBS USA LUX / JBS USA Food / JBS USA Finance, 5.500%, 15/01/2030	1,994	0.44
3,470,000	Level 3 Financing, 3.750%, 15/07/2029	1,495	0.33
1,390,000	Liberty Interactive, 8.250%, 01/02/2030	264	0.06
4,975,000	Main Street Capital, 3.000%, 14/07/2026	3,501	0.77
3,408,000	MicroStrategy, 6.125%, 15/06/2028	2,444	0.53
6,307,000	Mileage Plus / Mileage Plus Intellectual Property Assets, 6.500%, 20/06/2027	5,080	1.11
9,950,000	New Fortress Energy, 6.750%, 15/09/2025	7,771	1.70
2,235,000	New Fortress Energy, 6.500%, 30/09/2026	1,662	0.36
1,930,000	Nexstar Media, 4.750%, 01/11/2028	1,387	0.30
2,455,000	Nissan Motor Acceptance, 2.750%, 09/03/2028	1,677	0.37
2,140,000	Outfront Media Capital / Outfront Media Capital, 4.250%, 15/01/2029	1,435	0.31
2,600,000	Owl Rock Capital, 4.000%, 30/03/2025	1,958	0.43
1,370,000	OWL Rock Core Income, 7.750%, 16/09/2027	1,083	0.24
3,460,000	Owl Rock Technology Finance, 4.750%, 15/12/2025	2,512	0.55
6,620,000	Owl Rock Technology Finance, 3.750%, 17/06/2026	4,718	1.03
780,000	Regal REXNORD, 6.300%, 15/02/2030	634	0.14
780,000	Regal REXNORD, 6.400%, 15/04/2033	630	0.14
1,970,000	ROBLOX, 3.875%, 01/05/2030	1,365	0.30
4,730,000	Sprint Spectrum / Sprint Spectrum II / Sprint Spectrum III, 5.152%, 20/09/2029	3,798	0.83
1,610,000	STACR Trust 2018-HRP2, FRN, 9.045%, 25/02/2047	1,337	0.29
6,830,000	Synchrony Bank, 5.400%, 22/08/2025	5,171	1.13
1,960,000	Synchrony Financial, 7.250%, 02/02/2033	1,397	0.31
1,990,000	Syneos Health, 3.625%, 15/01/2029	1,322	0.29
2,950,000	Talos Production, 12.000%, 15/01/2026	2,548	0.56
4,010,000	Towd Point Mortgage Trust 2017-6, FRN, 3.257%, 25/10/2057	2,504	0.55
2,100,000	Travel + Leisure, 6.625%, 31/07/2026	1,704	0.37
32,380,000	United States Treasury Floating Rate Note, FRN, 5.244%, 31/01/2025	26,180	5.73
6,815,000	Valero Energy, 3.650%, 01/12/2051	3,998	0.87
3,880,000	Viasat, 5.625%, 15/04/2027	2,944	0.64
1,900,000	Viking Cruises, 13.000%, 15/05/2025	1,622	0.35
1,560,000	Vista Outdoor, 4.500%, 15/03/2029	1,017	0.22
1,640,000	Vontier, 1.800%, 01/04/2026	1,171	0.26

FTF Brandywine Global Income Optimiser Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED STATES OF AMERICA (Continued)			
3,590,000	World Acceptance, 7.000%, 01/11/2026	2,161	0.47
4,170,000	Wynn Las Vegas / Wynn Las Vegas Capital, 5.500%, 01/03/2025	3,306	0.72
		<u>254,493</u>	<u>55.68</u>
	TOTAL - NORTH AMERICA	<u>287,259</u>	<u>62.85</u>
SOUTH AMERICA 10.94%			
BRAZIL			
2,450,000	B3 - Brasil Bolsa Balcao, 4.125%, 20/09/2031	1,637	0.36
121,820,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2033	16,927	3.70
7,015,000	XP, 3.250%, 01/07/2026	4,888	1.07
		<u>23,452</u>	<u>5.13</u>
COLOMBIA			
159,140,000,000	Colombian TES, 7.000%, 26/03/2031	21,270	4.65
2,010,000	Ecopetrol, 4.125%, 16/01/2025	1,581	0.35
1,470,000	Ecopetrol, 8.875%, 13/01/2033	1,201	0.26
940,000	Ecopetrol, 5.875%, 28/05/2045	523	0.12
2,885,000	Geopark, 5.500%, 17/01/2027	1,956	0.43
		<u>26,531</u>	<u>5.81</u>
	TOTAL - SOUTH AMERICA	<u>49,983</u>	<u>10.94</u>
UNITED KINGDOM 1.96%			
2,895,000	HSBC, 4.292%, 12/09/2026	2,240	0.49
5,060,000	Nationwide Building Society, 5.750%, Perpetual.....	4,051	0.88
2,465,000	NatWest, 4.600%, Perpetual	1,402	0.31
1,850,000	Vmed O2 UK Financing I, 4.750%, 15/07/2031	1,281	0.28
	TOTAL - UNITED KINGDOM	<u>8,974</u>	<u>1.96</u>
	TOTAL - BONDS	<u>404,977</u>	<u>88.60</u>
DERIVATIVES 3.34%			
SWAPS			
(50,290,000)	Credit Default Swap Markit CDX NA.IG.34 1% 20/6/2025.....	370	0.08
(9,665,000)	Credit Default Swap Markit ITRX 1% 20/12/2024	92	0.02
(55,870,000)	Credit Default Swap Markit ITRX 1% 20/6/2025	599	0.13
(2,300,000)	Credit Default Swap Altice France SA/France 5% 20/6/2026.....	(39)	(0.01)
(67,866,900)	Credit Default Swap Markit CDX NA.HY.31 5% 20/12/2023	1,120	0.25
(8,110,000)	Credit Default Swap Altice France SA/France 5% 20/12/2025	(33)	(0.01)
(8,370,000)	Credit Default Swap Altice Luxembourg SA 5% 20/12/2025	(578)	(0.12)
		<u>1,531</u>	<u>0.34</u>
FORWARD CURRENCY CONTRACTS			
EUR 16,470,000	Buy EUR 16,470,000 sell USD (18,002,533) dated 05/05/2023	(54)	(0.01)
GBP 440,800,000	Buy GBP 440,800,000 sell USD (532,004,606) dated 02/06/2023	11,439	2.50
USD 17,879,616	Buy USD 17,879,616 sell EUR (16,470,000) dated 05/05/2023	(45)	(0.01)
		<u>11,340</u>	<u>2.48</u>
FUTURES			
75	Euro-Buxl 30 Year Bond Future June 2023,	449	0.10
(108)	Japan 10 Year Bond Future June 2023,	(1,739)	(0.38)
788	US Ultra Bond CBT Future June 2023,	3,656	0.80
		<u>2,366</u>	<u>0.52</u>
	TOTAL - DERIVATIVES	<u>15,237</u>	<u>3.34</u>

FTF Brandywine Global Income Optimiser Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	<u>420,214</u>	<u>91.94</u>
	OTHER ASSETS	<u>36,856</u>	<u>8.06</u>
	TOTAL NET ASSETS	<u><u>457,070</u></u>	<u><u>100.00</u></u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Brandywine Global Income Optimiser Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital losses	2		(3,583)
Revenue	3	15,689	
Expenses	4	(1,190)	
Interest payable and similar charges	5	(192)	
Net revenue before taxation		14,307	
Taxation	6	(27)	
Net revenue after taxation			14,280
Total return before distributions			10,697
Distributions	7		(15,470)
Change in net assets attributable to shareholders			(4,773)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	534,176	
Amounts received on creation of shares	60,327	
Amounts paid on cancellation of shares	(136,964)	
		457,539
Dilution adjustment		35
Change in net assets attributable to shareholders from investment activities (see above)		(4,773)
Retained distribution on accumulation shares		4,269
Closing net assets attributable to shareholders		457,070

¹The Franklin Templeton Funds II FTF Brandywine Global Income Optimiser Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		422,702
Current assets		
Debtors	8	11,369
Cash and bank balances	9	35,072
Total assets		469,143
Liabilities		
Investment liabilities		(2,488)
Creditors		
Distributions payable		(5,167)
Other creditors	10	(4,418)
Total liabilities		(12,073)
Net assets attributable to shareholders		457,070

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Brandywine Global Income Optimiser Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the period comprise:

	23 September 2022 to 31 March 2023
	£000
Non-derivative securities losses	(49,170)
Derivative losses	(13,996)
Currency losses	(7,337)
Forward currency contracts	66,920
	(3,583)

3. Revenue

	23 September 2022 to 31 March 2023
	£000
Bank and other interest	357
Interest on debt securities	15,265
Interest on balances held at futures clearing houses and brokers	67
	15,689

4. Expenses

	23 September 2022 to 31 March 2023
	£000
Payable to the ACD, associates of the ACD and agents of either of them:	
ACD's annual management charge	994
ACD's administration charge	123
ACD Waiver	(25)
	1,092
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	33
Safe custody fees	19
	52
Other expenses:	
Audit fees	12
Legal and publication fees	25
Other	9
	46
	1,190

5. Interest payable and similar charges

	23 September 2022 to 31 March 2023
	£000
Interest on bank overdrafts	10
Returns from short position bond futures	182
Total interest payable and similar charges	192

FTF Brandywine Global Income Optimiser Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	27
Total current tax	27
Total taxation (see Note(b))	27

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	14,307
Corporation tax at 20%	2,861
Effects of:	
Movement in unrecognised tax losses	5
Overseas tax	27
Tax deductible interest distributions	(2,861)
Relief on overseas tax expensed	(5)
Total tax charge for the period (see Note 6(a))	27

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £5,000 due to tax losses of £27,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Interim dividend distributions	
Income	5,526
Accumulation	2,157
	7,683
Final dividend distributions	
Income	5,167
Accumulation	2,112
	7,279
Add: Revenue deducted on cancellation of shares	858
Deduct: Revenue received on issue of shares	(350)
Total distribution	15,470

FTF Brandywine Global Income Optimiser Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net revenue after taxation	14,280
Expense charge taken to capital	1,190
Total distribution	15,470

Details of the distribution in pence per share for this Fund are set out in the table on pages 39 and 40.

8. Debtors

	31 March 2023
	£000
Accrued income	3,954
Amounts receivable for issue of shares	282
Amounts receivable from counterparties in respect of collateral on derivatives	3,630
Sales awaiting settlement	3,503
	11,369

9. Cash and bank balances

	31 March 2023
	£000
Amount held at futures clearing houses and brokers	8,242
Cash and bank balances	26,830
Total cash and bank balances	35,072

10. Other creditors

	31 March 2023
	£000
Accrued expenses	254
Amounts payable for cancellation of shares	275
Purchases awaiting settlement	3,889
	4,418

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £159,000.

During the year the Fund received £25,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £8,000.

12. Portfolio Transaction Costs

During the year bond purchases amounted to £239,170,000 and bond sales amounted to £310,925,000. No direct transaction costs were incurred during the current year. Derivative transaction costs amounted to £10,000.

FTF Brandywine Global Income Optimiser Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.13%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
EB – Accumulation	-	83,599,954	(2,232,020)	-	81,367,934
EB – Income	-	43,656,958	(13,247,432)	(4,166)	30,405,360
S – Accumulation	-	68,585,508	(37,617,438)	(1,797)	30,966,273
S – Income	-	173,040,595	(35,453,966)	(5,428)	137,581,201
W – Accumulation	-	12,922,840	(5,012,142)	21,935	7,932,633
W – Income	-	222,047,673	(46,933,248)	(15,573)	175,098,852

FTF Brandywine Global Income Optimiser Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	4,105	1,739
Level 2	418,597	749
Level 3	-	-
Total	422,702	2,488

15. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value	% of Net Assets
		£000	
31 March 2023			
Investment grade	BBB or higher	242,586	53.09
Non-investment grade	below BBB	122,137	26.71
Not rated	Not rated	40,254	8.80
Total Value of Bonds		404,977	88.60

16. Counterparty and Collateral Exposure

Counterparty	31 March 2023						Total
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	
	£000	£000	£000	£000	£000	£000	
Citigroup Global Markets Limited	-	-	2,366	462	-	-	2,828
HSBC Bank	(45)	-	-	-	-	-	(45)
J.P. Morgan Securities Plc	11,385	-	-	1,069	-	-	12,454

Collateral received from these counterparties in respect of derivative contracts was £1,000 in the form of cash.

Collateral pledged to these counterparties in respect of derivative contracts was £4,503,000 in the form of cash.

17. Calculation Method of the Risk Exposure

The risk management policies are on pages 13 to 15.

Global Exposure using VaR Approach

Market Risk	Limit	Lowest	Highest	Average	Reference Portfolio	Model Type	Confidence Interval	Holding period	Observation period
31 March 2023									
Absolute VaR	20%	17.20%	28.90%	22.59%	N/A	Parametric VaR	99th Percentile	20-Day	23 September 2022 to 31 March 2023

FTF Brandywine Global Income Optimiser Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 December 2022

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	1.8332	-	1.8332
Group 2	0.7422	1.0910	1.8332
EB Income Shares			
Group 1	1.4986	-	1.4986
Group 2	0.9844	0.5142	1.4986
S Accumulation Shares			
Group 1	1.7796	-	1.7796
Group 2	0.7037	1.0759	1.7796
S Income Shares			
Group 1	1.4939	-	1.4939
Group 2	0.5391	0.9548	1.4939
W Accumulation Shares			
Group 1	1.9188	-	1.9188
Group 2	0.0000	1.9188	1.9188
W Income Shares			
Group 1	1.6102	-	1.6102
Group 2	1.1581	0.4521	1.6102

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	1.7455	-	1.7455
Group 2	1.0445	0.7010	1.7455
EB Income Shares			
Group 1	1.4523	-	1.4523
Group 2	0.5534	0.8989	1.4523
S Accumulation Shares			
Group 1	1.7488	-	1.7488
Group 2	0.9534	0.7954	1.7488
S Income Shares			
Group 1	1.4489	-	1.4489
Group 2	0.7017	0.7472	1.4489
W Accumulation Shares			
Group 1	1.8900	-	1.8900
Group 2	0.8322	1.0578	1.8900
W Income Shares			
Group 1	1.5601	-	1.5601
Group 2	0.7818	0.7783	1.5601

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an

FTF Brandywine Global Income Optimiser Fund

DISTRIBUTION TABLES *(Continued)*

average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Clearbridge Global Infrastructure Income Fund

INVESTMENT REVIEW

PERFORMANCE

In the period 1 April 2022 through 31 March 2023, the FTF Clearbridge Global Infrastructure Income Fund made a return of -4.96%¹ (W Accumulation), compared to a return of 12.56% for the OECD G7 Inflation Index +5.5%.

OVERVIEW

Infrastructure trends that closed out 2022 continued in the first quarter of 2023, with energy prices stabilizing and even declining across Europe and the rest of the globe amid a warmer than expected winter. This kept pressure off both utilities as well as households, while a continuing re-emergence of mobility and travel lifted the airports and toll roads sectors. Bond yields too came off recent highs, supporting longer-duration assets such as renewables, which performed well. Lower yields are also positive for communication towers, though yields are still elevated, and some broad market pressure on real estate — tower companies are generally structured as REITs — is still being felt.

The combination of peaking interest rates and inflation in conjunction with volatility in the global banking sector continues to result in elevated volatility. Europe has recently experienced some relief from the shock from high energy prices, and China continues its economic reopening post the ease of COVID restrictions.

Inflation continues to moderate, but remains elevated, with recent data showing economic strength making it difficult for central banks to loosen policy quickly. Although most economies maintain a tightening position, varying economic circumstances may see monetary policy diverge in the extent of tightening. Consensus has moderated significantly in terms of recessionary expectations, with the duration and depth of a recession remaining the largest risk to investors.

SIGNIFICANT CHANGES

We maintained our defensive positioning as impacts of tightened financial conditions will eventually impact the economy and ultimately corporate earnings (we are starting to see some weakness in earnings from higher interest costs). The banking collapses from SVB and Credit Suisse add a very credible datapoint toward a recessionary environment paired with the Fed's need to continue its monetary tightening policy direction.

We are still trying to find areas where a COVID recovery is still happening, and we found such exposure through West Japan Railway, a new position during the period. Much of this recovery is due to domestic reopening, but we now have the added benefit from the Chinese reopening as well. Along these lines, we made our first position back in China after many years being out, through China Resources Gas. This has mainly been funded out of our Brazilian exposure, which has seen some pressure given the political challenges from President Lula. Accordingly, we exited Brazilian electric utility Engie Brasil during the period.

As we approach the end of the monetary tightening cycle, we are growing more constructive on long-duration assets like towers, given the growth sensitivity to rates. We initiated a position in American Tower. This is to bolster our towers positioning in addition to our traditional exposure through Crown Castle.

Energy prices remain stubbornly high following the fallout from Russia and will likely remain in a tight supply and demand market even if the economies slow down meaningfully. However, a more moderate energy price environment compared to the tightness last year, partially thanks to the abnormally warm winter in the Northern Hemisphere, led us to reduce some of our midstream exposure through reducing Enbridge, Pembina Pipeline and Williams Companies. To maintain some level of cyclicity due to the larger drop in midstream, we also took the opportunity to diversify our cyclical exposure by initiating a new position in U.S. rail company Union Pacific.

On the other side of higher energy prices is the impact of customer bills, which gathered significant headline news related to the cost of living in the second half of 2022. We saw it manifest in many ways through political and regulatory intervention, such as occurred with Canadian electric utility Emera, which we exited.

POSITIVE/NEGATIVE CONTRIBUTORS

In absolute terms, the electric, water and toll roads sectors were the lead contributors over the period. By region, Western Europe was the top contributor. On an individual stock basis, Spanish electric utility Iberdrola, U.K. electric utility SSE, U.K. electric utility National Grid, Italian gas utility Snam and Energias de Portugal (EDP), an integrated utility based in Iberia, were the main contributors.

In absolute terms, the communications, energy infrastructure, renewables and rail sectors were the main detractors. By region, the U.S. and Canada detracted the most, followed by Latin America. On an individual stock basis, North American energy infrastructure company TC Energy, U.S. communications company Crown Castle, U.S. electric utility NextEra Energy Partners LP, Brazilian electric utility Centrais Elétricas Brasileiras (Eletrobras) and Canadian electric utility Emera.

FTF Clearbridge Global Infrastructure Income Fund

INVESTMENT REVIEW *(Continued)*

OUTLOOK

Despite recent volatility, we are maintaining our defensive positioning as tightened financial conditions will eventually impact the economy and ultimately corporate earnings; we are starting to see some weakness in earnings from higher interest costs. The Fed and many other central banks around the world have to maintain their hawkish positions and have started to accept recessionary risks as increasingly likely but necessary to combat the stubbornly high levels of inflation. Given we have reduced our GDP sensitivity over the last 12 months, we should expect this defensive rotation to be more moderate than in 2022.

There is a large debate whether there will be a soft landing or no recession versus a deeper recession. Monitoring the economic data will be key here, and portfolio positioning will be somewhat dependent on this. The banking collapses from Silicon Valley Bank and Credit Suisse add a very credible datapoint toward a recessionary environment when paired with the Fed's need to continue its monetary tightening policy direction.

Bank collapses in the U.S. and Europe will be important later in the year, as bank lending standards will tighten, choking off some credit for large corporates in particular. However, infrastructure companies raising debt in March priced deals at lower rates than expected, though slightly higher than similar deals earlier in the year. Infrastructure companies, we think, will continue to have access to credit to maintain investment in their underlying asset bases.

Nick Langley, Shane Hurst, Charles Hamieh & Daniel Chu CFA

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 16 September 2022.

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES As at 31 March 2023

<u>EB – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	202.53
Return before operating charges ¹	(18.26)
Operating charges ²	(0.47)
Return after operating charges ³	(18.73)
Distributions	(4.02)
Retained distributions on accumulation shares	4.02
Closing net asset value per share	183.80
After direct transaction costs of ⁴	(0.07)
Performance	
Return after charges ⁵	(9.25)%
Other information	
Closing net asset value (£)	11,185,473
Closing number of shares	6,085,792
Operating charges ratio ⁶	0.47%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	201.60
Lowest share price	175.00

<u>EB – H2 Accumulation^{#,*}</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	174.77
Return before operating charges ¹	(7.28)
Operating charges ²	(0.09)
Return after operating charges ³	(7.37)
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	167.40
After direct transaction costs of ⁴	(0.01)
Performance	
Return after charges ⁵	(4.22)%
Other information	
Closing net asset value (£)	-
Closing number of shares	-
Operating charges ratio ⁶	-
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	174.00
Lowest share price	151.32

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES (Continued)

<u>EB – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	148.15
Return before operating charges ¹	(13.34)
Operating charges ²	(0.34)
Return after operating charges ³	(13.68)
Distributions	(2.93)
Closing net asset value per share	131.54
After direct transaction costs of ⁴	(0.05)
Performance	
Return after charges ⁵	(9.23)%
Other information	
Closing net asset value (£)	45,466,473
Closing number of shares	34,565,802
Operating charges ratio ⁶	0.47%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	147.48
Lowest share price	126.92
<u>EB – H2 Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	128.20
Return before operating charges ¹	(5.76)
Operating charges ²	(0.31)
Return after operating charges ³	(6.07)
Distributions	(2.62)
Closing net asset value per share	119.51
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	(4.73)%
Other information	
Closing net asset value (£)	54,531,277
Closing number of shares	45,630,637
Operating charges ratio ⁶	0.47%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	127.63
Lowest share price	110.82

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES (Continued)

<u>S – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	130.34
Return before operating charges ¹	(11.75)
Operating charges ²	(0.43)
Return after operating charges ³	(12.18)
Distributions	(2.59)
Retained distributions on accumulation shares	2.59
Closing net asset value per share	118.16
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	(9.34)%
Other information	
Closing net asset value (£)	48,056,053
Closing number of shares	40,671,878
Operating charges ratio ⁶	0.67%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	129.74
Lowest share price	112.60
<u>S – H2 Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	99.76
Return before operating charges ¹	(4.80)
Operating charges ²	(0.34)
Return after operating charges ³	(5.14)
Distributions	(2.05)
Retained distributions on accumulation shares	2.05
Closing net asset value per share	94.62
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	(5.15)%
Other information	
Closing net asset value (£)	61,865,288
Closing number of shares	65,386,148
Operating charges ratio ⁶	0.67%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	99.32
Lowest share price	86.24

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES (Continued)

<u>S – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	120.39
Return before operating charges ¹	(10.84)
Operating charges ²	(0.40)
Return after operating charges ³	(11.24)
Distributions	(2.38)
Closing net asset value per share	106.77
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	(9.34)%
Other information	
Closing net asset value (£)	286,166,358
Closing number of shares	268,024,818
Operating charges ratio ⁶	0.67%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	119.83
Lowest share price	103.03
<u>S – H2 Income**</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	100.00
Return before operating charges ¹	2.25
Operating charges ²	(0.03)
Return after operating charges ³	2.22
Distributions	(0.39)
Closing net asset value per share	101.83
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	2.22%
Other information	
Closing net asset value (£)	21,486
Closing number of shares	21,099
Operating charges ratio ⁶	0.64%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	101.80
Lowest share price	97.26

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES (Continued)

<u>S – Income USD^{1, ^}</u>	<u>31 March 2023</u>
Change in net assets per share (c)	
Opening net asset value per share	91.55
Return before operating charges ¹	(1.01)
Operating charges ²	(0.32)
Return after operating charges ³	(1.33)
Distributions	(1.93)
Closing net asset value per share	88.29
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	(1.45)%
Other information	
Closing net asset value (£)	288,913
Closing number of shares	404,961
Operating charges ratio ⁶	0.68%
Direct transaction costs ⁴	0.07%
Prices (c)	
Highest share price	92.56
Lowest share price	77.36
<u>W – Accumulation[*]</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	197.70
Return before operating charges ¹	(17.82)
Operating charges ²	(0.79)
Return after operating charges ³	(18.61)
Distributions	(3.93)
Retained distributions on accumulation shares	3.93
Closing net asset value per share	179.09
After direct transaction costs of ⁴	(0.07)
Performance	
Return after charges ⁵	(9.41)%
Other information	
Closing net asset value (£)	415,326,772
Closing number of shares	231,914,098
Operating charges ratio ⁶	0.81%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	196.79
Lowest share price	170.79

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES (Continued)

<u>W – H2 Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	171.93
Return before operating charges ¹	(7.97)
Operating charges ²	(0.71)
Return after operating charges ³	(8.68)
Distributions	(3.53)
Retained distributions on accumulation shares	3.53
Closing net asset value per share	163.25
After direct transaction costs of ⁴	(0.06)
Performance	
Return after charges ⁵	(5.05)%
Other information	
Closing net asset value (£)	111,606,837
Closing number of shares	68,364,867
Operating charges ratio ⁶	0.81%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	171.15
Lowest share price	148.61
<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	144.72
Return before operating charges ¹	(13.04)
Operating charges ²	(0.58)
Return after operating charges ³	(13.62)
Distributions	(2.86)
Closing net asset value per share	128.24
After direct transaction costs of ⁴	(0.05)
Performance	
Return after charges ⁵	(9.41)%
Other information	
Closing net asset value (£)	345,324,265
Closing number of shares	269,279,912
Operating charges ratio ⁶	0.81%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	144.05
Lowest share price	123.75

FTF Clearbridge Global Infrastructure Income Fund

COMPARATIVE TABLES (Continued)

<u>W – H2 Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	126.99
Return before operating charges ¹	(6.09)
Operating charges ²	(0.52)
Return after operating charges ³	(6.61)
Distributions	(2.59)
Closing net asset value per share	117.79
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	(5.21)%
Other information	
Closing net asset value (£)	114,707,504
Closing number of shares	97,384,439
Operating charges ratio ⁶	0.81%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	126.42
Lowest share price	109.57

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* The Fund launched on 16 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

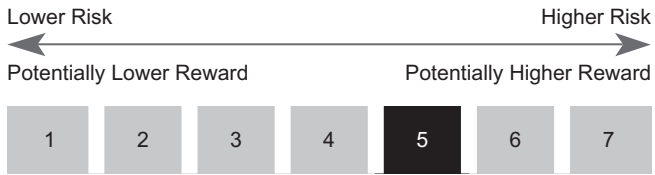
^ US Dollar/Sterling exchange rate at close of business 31 March 2023 - 1.23755

Share class closed on 15 November 2022.

** This share class launched on 13 March 2023.

FTF Clearbridge Global Infrastructure Income Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 95.87%		
	ASIA 5.19%		
	HONG KONG		
8,705,906	China Resources Gas	25,944	1.74
	JAPAN		
1,560,246	West Japan Railway	51,556	3.45
	TOTAL - ASIA	77,500	5.19
	AUSTRALIA 8.85%		
10,451,249	APA	57,185	3.82
10,182,229	Atlas Arteria	34,628	2.32
5,268,262	Transurban	40,447	2.71
	TOTAL - AUSTRALIA	132,260	8.85
	EUROPE - OTHER EU 22.30%		
	ITALY		
5,281,706	Italgas	26,097	1.75
10,965,414	Snam	47,090	3.15
		73,187	4.90
	PORTUGAL		
18,063,478	EDP - Energias de Portugal	79,556	5.32
	SPAIN		
2,964,902	Enagas	46,097	3.08
1,437,093	Ferrovial	34,184	2.29
7,375,993	Iberdrola	74,378	4.98
1,815,927	Red Electrica	25,840	1.73
		180,499	12.08
	TOTAL - EUROPE - OTHER EU	333,242	22.30
	NORTH AMERICA 40.82%		
	CANADA		
492,330	Enbridge	15,116	1.01
1,970,433	Gibson Energy	25,289	1.69
1,366,966	Pembina Pipeline	35,610	2.38
2,084,910	TC Energy	65,292	4.37
		141,307	9.45
	UNITED STATES OF AMERICA		
298,554	American Tower	49,221	3.29
943,003	Brookfield Renewable	26,624	1.78
223,161	Clearway Energy	5,648	0.38
276,290	Constellation Energy	17,519	1.17
425,146	Crown Castle ^s	45,972	3.08
707,242	Edison International	40,324	2.70
425,120	Entergy	36,990	2.47
522,581	NextEra Energy Partners LP	25,682	1.72
1,635,500	OGE Energy	49,744	3.33
1,310,215	Public Service Enterprise	66,096	4.42
1,057,541	Southern	59,451	3.98
157,732	Southwest Gas	7,958	0.53
138,395	Union Pacific	22,494	1.51
625,769	Williams Cos.	15,089	1.01
		468,812	31.37
	TOTAL - NORTH AMERICA	610,119	40.82

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
SOUTH AMERICA 4.47%			
BRAZIL			
8,543,171	CCR	17,251	1.15
3,554,259	Centrais Eletricas Brasileiras	20,448	1.37
5,790,707	CPFL Energia	29,071	1.95
		<u>66,770</u>	<u>4.47</u>
	TOTAL - SOUTH AMERICA	<u>66,770</u>	<u>4.47</u>
UNITED KINGDOM 14.24%			
5,519,407	National Grid	60,493	4.05
3,947,293	Pennon	34,499	2.31
4,157,982	SSE	74,968	5.01
4,046,552	United Utilities	42,894	2.87
	TOTAL - UNITED KINGDOM	<u>212,854</u>	<u>14.24</u>
	TOTAL - EQUITIES	<u>1,432,745</u>	<u>95.87</u>
HEDGED SHARE CLASS DERIVATIVES 0.16%			
HEDGE FORWARD CURRENCY CONTRACTS			
AUD 3,828,483	Buy AUD 3,828,483 sell GBP (2,216,060) dated 02/05/2023	(145)	(0.01)
AUD 417,186	Buy AUD 417,186 sell GBP (239,720) dated 02/05/2023	(14)	0.00
AUD 675,627	Buy AUD 675,627 sell GBP (388,223) dated 02/05/2023	(23)	0.00
AUD 789,381	Buy AUD 789,381 sell GBP (453,009) dated 02/05/2023	(26)	0.00
AUD 2,104,454	Buy AUD 2,104,454 sell GBP (1,203,849) dated 02/05/2023	(66)	0.00
AUD 438,755	Buy AUD 438,755 sell GBP (247,153) dated 02/05/2023	(10)	0.00
AUD 729,311	Buy AUD 729,311 sell GBP (410,824) dated 02/05/2023	(16)	0.00
AUD 915,403	Buy AUD 915,403 sell GBP (515,650) dated 02/05/2023	(20)	0.00
AUD 314,435	Buy AUD 314,435 sell GBP (175,596) dated 02/05/2023	(6)	0.00
AUD 721,637	Buy AUD 721,637 sell GBP (400,737) dated 02/05/2023	(10)	0.00
AUD 980,961	Buy AUD 980,961 sell GBP (539,070) dated 02/05/2023	(8)	0.00
AUD 424,980	Buy AUD 424,980 sell GBP (233,540) dated 02/05/2023	(4)	0.00
AUD 282,197	Buy AUD 282,197 sell GBP (155,331) dated 02/05/2023	(3)	0.00
AUD 616,445	Buy AUD 616,445 sell GBP (336,866) dated 02/05/2023	(3)	0.00
AUD 280,487	Buy AUD 280,487 sell GBP (152,624) dated 02/05/2023	(1)	0.00
AUD 324,542	Buy AUD 324,542 sell GBP (176,596) dated 02/05/2023	(1)	0.00
AUD 795,444	Buy AUD 795,444 sell GBP (432,832) dated 02/05/2023	(3)	0.00
BRL 2,079,600	Buy BRL 2,079,600 sell GBP (326,231) dated 02/05/2023	2	0.00
BRL 1,648,714	Buy BRL 1,648,714 sell GBP (259,489) dated 02/05/2023	1	0.00
BRL 8,405,208	Buy BRL 8,405,208 sell GBP (1,347,092) dated 02/05/2023	(21)	0.00
BRL 769,225	Buy BRL 769,225 sell GBP (122,100) dated 02/05/2023	(1)	0.00
BRL 1,645,771	Buy BRL 1,645,771 sell GBP (261,235) dated 02/05/2023	(2)	0.00
BRL 2,941,650	Buy BRL 2,941,650 sell GBP (463,534) dated 02/05/2023	1	0.00
BRL 1,729,582	Buy BRL 1,729,582 sell GBP (272,541) dated 02/05/2023	-	0.00
BRL 1,140,692	Buy BRL 1,140,692 sell GBP (179,746) dated 02/05/2023	-	0.00
BRL 1,016,631	Buy BRL 1,016,631 sell GBP (160,197) dated 02/05/2023	-	0.00
BRL 804,183	Buy BRL 804,183 sell GBP (125,356) dated 02/05/2023	2	0.00
BRL 1,633,527	Buy BRL 1,633,527 sell GBP (254,634) dated 02/05/2023	3	0.00
BRL 1,608,696	Buy BRL 1,608,696 sell GBP (250,763) dated 02/05/2023	3	0.00
BRL 1,859,207	Buy BRL 1,859,207 sell GBP (289,119) dated 02/05/2023	4	0.00
BRL 1,030,816	Buy BRL 1,030,816 sell GBP (160,298) dated 02/05/2023	2	0.00
BRL 736,816	Buy BRL 736,816 sell GBP (114,580) dated 02/05/2023	2	0.00
BRL 2,092,198	Buy BRL 2,092,198 sell GBP (325,350) dated 02/05/2023	5	0.00
BRL 1,401,185	Buy BRL 1,401,185 sell GBP (220,435) dated 02/05/2023	1	0.00
BRL 2,425,829	Buy BRL 2,425,829 sell GBP (381,632) dated 02/05/2023	1	0.00
BRL 2,602,844	Buy BRL 2,602,844 sell GBP (409,480) dated 02/05/2023	1	0.00
BRL 3,203,758	Buy BRL 3,203,758 sell GBP (504,016) dated 02/05/2023	1	0.00
BRL 3,220,563	Buy BRL 3,220,563 sell GBP (510,736) dated 02/05/2023	(3)	0.00
BRL 680,035	Buy BRL 680,035 sell GBP (108,193) dated 02/05/2023	(1)	0.00

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
BRL 670,350	Buy BRL 670,350 sell GBP (106,559) dated 02/05/2023	(1)	0.00
BRL 1,420,749	Buy BRL 1,420,749 sell GBP (220,350) dated 02/05/2023	4	0.00
BRL 732,896	Buy BRL 732,896 sell GBP (113,668) dated 02/05/2023	2	0.00
BRL 1,647,886	Buy BRL 1,647,886 sell GBP (254,832) dated 02/05/2023	5	0.00
BRL 1,421,558	Buy BRL 1,421,558 sell GBP (219,832) dated 02/05/2023	4	0.00
BRL 1,746,302	Buy BRL 1,746,302 sell GBP (269,811) dated 02/05/2023	6	0.00
BRL 2,400,506	Buy BRL 2,400,506 sell GBP (370,889) dated 02/05/2023	8	0.00
BRL 1,134,041	Buy BRL 1,134,041 sell GBP (175,214) dated 02/05/2023	4	0.00
BRL 622	Buy BRL 622 sell GBP (96) dated 02/05/2023	-	0.00
BRL 3,430,176	Buy BRL 3,430,176 sell GBP (529,977) dated 02/05/2023	11	0.00
BRL 1,151,664	Buy BRL 1,151,664 sell GBP (177,409) dated 02/05/2023	4	0.00
BRL 1,858,755	Buy BRL 1,858,755 sell GBP (287,923) dated 02/05/2023	5	0.00
BRL 348	Buy BRL 348 sell GBP (54) dated 02/05/2023	-	0.00
BRL 919,267	Buy BRL 919,267 sell GBP (142,395) dated 02/05/2023	3	0.00
BRL 979,315	Buy BRL 979,315 sell GBP (151,697) dated 02/05/2023	3	0.00
BRL 1,117,529	Buy BRL 1,117,529 sell GBP (175,608) dated 02/05/2023	1	0.00
BRL 529,495	Buy BRL 529,495 sell GBP (83,205) dated 02/05/2023	-	0.00
BRL 210	Buy BRL 210 sell GBP (33) dated 02/05/2023	-	0.00
CAD 705,914	Buy CAD 705,914 sell GBP (432,057) dated 02/05/2023	(11)	0.00
CAD 1,499,824	Buy CAD 1,499,824 sell GBP (917,972) dated 02/05/2023	(24)	0.00
CAD 8,710,528	Buy CAD 8,710,528 sell GBP (5,331,308) dated 02/05/2023	(137)	(0.01)
CAD 3,802,407	Buy CAD 3,802,407 sell GBP (2,327,276) dated 02/05/2023	(60)	0.00
CAD 689,350	Buy CAD 689,350 sell GBP (426,064) dated 02/05/2023	(15)	0.00
CAD 312,970	Buy CAD 312,970 sell GBP (193,436) dated 02/05/2023	(7)	0.00
CAD 1,482,794	Buy CAD 1,482,794 sell GBP (919,252) dated 02/05/2023	(35)	0.00
CAD 829,445	Buy CAD 829,445 sell GBP (514,211) dated 02/05/2023	(20)	0.00
CAD 1,794,989	Buy CAD 1,794,989 sell GBP (1,112,796) dated 02/05/2023	(42)	0.00
CAD 1,999,295	Buy CAD 1,999,295 sell GBP (1,239,454) dated 02/05/2023	(47)	0.00
CAD 1,180,398	Buy CAD 1,180,398 sell GBP (730,231) dated 02/05/2023	(26)	0.00
CAD 653,315	Buy CAD 653,315 sell GBP (404,161) dated 02/05/2023	(15)	0.00
CAD 261,969	Buy CAD 261,969 sell GBP (162,062) dated 02/05/2023	(6)	0.00
CAD 1,555,392	Buy CAD 1,555,392 sell GBP (962,214) dated 02/05/2023	(35)	0.00
CAD 474,326	Buy CAD 474,326 sell GBP (292,405) dated 02/05/2023	(10)	0.00
CAD 738,199	Buy CAD 738,199 sell GBP (455,074) dated 02/05/2023	(15)	0.00
CAD 2,238,442	Buy CAD 2,238,442 sell GBP (1,379,921) dated 02/05/2023	(45)	0.00
CAD 3,680,534	Buy CAD 3,680,534 sell GBP (2,268,920) dated 02/05/2023	(74)	(0.01)
CAD 746,996	Buy CAD 746,996 sell GBP (457,159) dated 02/05/2023	(12)	0.00
CAD 335,829	Buy CAD 335,829 sell GBP (205,526) dated 02/05/2023	(5)	0.00
CAD 633,188	Buy CAD 633,188 sell GBP (385,505) dated 02/05/2023	(8)	0.00
CAD 668,909	Buy CAD 668,909 sell GBP (402,332) dated 02/05/2023	(3)	0.00
CAD 1,141,205	Buy CAD 1,141,205 sell GBP (686,406) dated 02/05/2023	(6)	0.00
CAD 361,601	Buy CAD 361,601 sell GBP (217,494) dated 02/05/2023	(2)	0.00
CAD 323,610	Buy CAD 323,610 sell GBP (193,921) dated 02/05/2023	(1)	0.00
CAD 421,826	Buy CAD 421,826 sell GBP (253,628) dated 02/05/2023	(2)	0.00
CAD 942,620	Buy CAD 942,620 sell GBP (566,761) dated 02/05/2023	(5)	0.00
CAD 396,216	Buy CAD 396,216 sell GBP (238,230) dated 02/05/2023	(2)	0.00
CAD 1,731,379	Buy CAD 1,731,379 sell GBP (1,041,011) dated 02/05/2023	(9)	0.00
CAD 152	Buy CAD 152 sell GBP (92) dated 02/05/2023	-	0.00
CAD 471,555	Buy CAD 471,555 sell GBP (281,945) dated 02/05/2023	(1)	0.00
CAD 950,164	Buy CAD 950,164 sell GBP (568,031) dated 02/05/2023	(1)	0.00
CAD 863,568	Buy CAD 863,568 sell GBP (516,262) dated 02/05/2023	(1)	0.00
CAD 420,551	Buy CAD 420,551 sell GBP (251,415) dated 02/05/2023	(1)	0.00
CAD 468,027	Buy CAD 468,027 sell GBP (279,798) dated 02/05/2023	(1)	0.00
CAD 164	Buy CAD 164 sell GBP (98) dated 02/05/2023	-	0.00
EUR 1,638,298	Buy EUR 1,638,298 sell GBP (1,449,037) dated 02/05/2023	(9)	0.00
EUR 1,783,862	Buy EUR 1,783,862 sell GBP (1,588,820) dated 02/05/2023	(20)	0.00

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
EUR 5,937,038	Buy EUR 5,937,038 sell GBP (5,307,536) dated 02/05/2023.....	(87)	(0.01)
EUR 657,706	Buy EUR 657,706 sell GBP (592,177) dated 02/05/2023.....	(14)	0.00
EUR 894,678	Buy EUR 894,678 sell GBP (801,708) dated 02/05/2023.....	(15)	0.00
EUR 444,819	Buy EUR 444,819 sell GBP (394,017) dated 02/05/2023.....	(3)	0.00
EUR 1,206,328	Buy EUR 1,206,328 sell GBP (1,074,590) dated 02/05/2023.....	(14)	0.00
EUR 1,140,815	Buy EUR 1,140,815 sell GBP (1,017,480) dated 02/05/2023.....	(14)	0.00
EUR 2,789,916	Buy EUR 2,789,916 sell GBP (2,486,474) dated 02/05/2023.....	(33)	0.00
EUR 1,433,322	Buy EUR 1,433,322 sell GBP (1,277,428) dated 02/05/2023.....	(17)	0.00
EUR 935,758	Buy EUR 935,758 sell GBP (835,978) dated 02/05/2023.....	(13)	0.00
EUR 545,508	Buy EUR 545,508 sell GBP (485,131) dated 02/05/2023.....	(5)	0.00
EUR 1,162,490	Buy EUR 1,162,490 sell GBP (1,021,533) dated 02/05/2023.....	1	0.00
EUR 471,482	Buy EUR 471,482 sell GBP (413,893) dated 02/05/2023.....	1	0.00
GBP 5,801,598	Buy GBP 5,801,598 sell AUD (10,095,676) dated 02/05/2023.....	341	0.02
GBP 15,402,457	Buy GBP 15,402,457 sell AUD (26,802,651) dated 02/05/2023.....	905	0.06
GBP 3,888,098	Buy GBP 3,888,098 sell AUD (6,765,890) dated 02/05/2023.....	228	0.02
GBP 11,943,664	Buy GBP 11,943,664 sell AUD (20,783,818) dated 02/05/2023.....	702	0.05
GBP 160,389	Buy GBP 160,389 sell AUD (279,073) dated 02/05/2023.....	9	0.00
GBP 162,813	Buy GBP 162,813 sell AUD (282,770) dated 02/05/2023.....	10	0.00
GBP 196,310	Buy GBP 196,310 sell AUD (340,947) dated 02/05/2023.....	12	0.00
GBP 119,356	Buy GBP 119,356 sell AUD (208,064) dated 02/05/2023.....	7	0.00
GBP 151,559	Buy GBP 151,559 sell AUD (263,609) dated 02/05/2023.....	9	0.00
GBP 1,601,969	Buy GBP 1,601,969 sell AUD (2,828,327) dated 02/05/2023.....	72	0.00
GBP 282,648	Buy GBP 282,648 sell AUD (499,957) dated 02/05/2023.....	12	0.00
GBP 1,981	Buy GBP 1,981 sell AUD (3,611) dated 02/05/2023.....	-	0.00
GBP 3,800,742	Buy GBP 3,800,742 sell BRL (24,359,988) dated 02/05/2023.....	(42)	0.00
GBP 7,824,531	Buy GBP 7,824,531 sell BRL (50,149,543) dated 02/05/2023.....	(87)	(0.01)
GBP 2,547,170	Buy GBP 2,547,170 sell BRL (16,325,504) dated 02/05/2023.....	(28)	0.00
GBP 10,090,455	Buy GBP 10,090,455 sell BRL (64,672,465) dated 02/05/2023.....	(112)	(0.01)
GBP 108,386	Buy GBP 108,386 sell BRL (676,274) dated 02/05/2023.....	2	0.00
GBP 70,034	Buy GBP 70,034 sell BRL (446,683) dated 02/05/2023.....	-	0.00
GBP 99,436	Buy GBP 99,436 sell BRL (631,294) dated 02/05/2023.....	-	0.00
GBP 1,179,361	Buy GBP 1,179,361 sell BRL (7,487,464) dated 02/05/2023.....	(2)	0.00
GBP 130,746	Buy GBP 130,746 sell BRL (811,681) dated 02/05/2023.....	3	0.00
GBP 1,113	Buy GBP 1,113 sell BRL (7,179) dated 02/05/2023.....	-	0.00
GBP 119,312	Buy GBP 119,312 sell BRL (768,829) dated 02/05/2023.....	(2)	0.00
GBP 297,527	Buy GBP 297,527 sell BRL (1,917,225) dated 02/05/2023.....	(5)	0.00
GBP 175,508	Buy GBP 175,508 sell BRL (1,130,951) dated 02/05/2023.....	(3)	0.00
GBP 58	Buy GBP 58 sell BRL (375) dated 02/05/2023.....	-	0.00
GBP 38	Buy GBP 38 sell BRL (244) dated 02/05/2023.....	-	0.00
GBP 124,791	Buy GBP 124,791 sell BRL (807,999) dated 02/05/2023.....	(3)	0.00
GBP 106,660	Buy GBP 106,660 sell BRL (690,605) dated 02/05/2023.....	(2)	0.00
GBP 208,634	Buy GBP 208,634 sell BRL (1,350,861) dated 02/05/2023.....	(4)	0.00
GBP 211,730	Buy GBP 211,730 sell BRL (1,357,463) dated 02/05/2023.....	(2)	0.00
GBP 183,152	Buy GBP 183,152 sell BRL (1,166,781) dated 02/05/2023.....	(1)	0.00
GBP 296,012	Buy GBP 296,012 sell BRL (1,885,765) dated 02/05/2023.....	(1)	0.00
GBP 127,106	Buy GBP 127,106 sell BRL (809,738) dated 02/05/2023.....	(1)	0.00
GBP 52	Buy GBP 52 sell BRL (328) dated 02/05/2023.....	-	0.00
GBP 15,370,190	Buy GBP 15,370,190 sell CAD (25,377,632) dated 02/05/2023.....	238	0.02
GBP 5,003,557	Buy GBP 5,003,557 sell CAD (8,261,344) dated 02/05/2023.....	77	0.01
GBP 19,821,278	Buy GBP 19,821,278 sell CAD (32,726,798) dated 02/05/2023.....	307	0.02
GBP 7,466,023	Buy GBP 7,466,023 sell CAD (12,327,108) dated 02/05/2023.....	116	0.01
GBP 1,414,835	Buy GBP 1,414,835 sell CAD (2,295,009) dated 02/05/2023.....	46	0.00
GBP 1,258,931	Buy GBP 1,258,931 sell CAD (2,042,117) dated 02/05/2023.....	41	0.00
GBP 541,489	Buy GBP 541,489 sell CAD (878,351) dated 02/05/2023.....	18	0.00
GBP 469,322	Buy GBP 469,322 sell CAD (761,289) dated 02/05/2023.....	15	0.00
GBP 813,048	Buy GBP 813,048 sell CAD (1,322,690) dated 02/05/2023.....	24	0.00

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
GBP 606,653	Buy GBP 606,653 sell CAD (986,920) dated 02/05/2023.....	18	0.00
GBP 1,907,670	Buy GBP 1,907,670 sell CAD (3,103,451) dated 02/05/2023.....	57	0.00
GBP 1,598,348	Buy GBP 1,598,348 sell CAD (2,600,238) dated 02/05/2023.....	48	0.00
GBP 1,907,990	Buy GBP 1,907,990 sell CAD (3,131,329) dated 02/05/2023.....	41	0.00
GBP 257,587	Buy GBP 257,587 sell CAD (420,302) dated 02/05/2023.....	7	0.00
GBP 419,537	Buy GBP 419,537 sell CAD (688,277) dated 02/05/2023.....	9	0.00
GBP 2,215	Buy GBP 2,215 sell CAD (3,696) dated 02/05/2023.....	-	0.00
GBP 563,170	Buy GBP 563,170 sell CAD (941,821) dated 02/05/2023.....	2	0.00
GBP 285,806	Buy GBP 285,806 sell CAD (477,970) dated 02/05/2023.....	1	0.00
GBP 346,214	Buy GBP 346,214 sell CAD (578,993) dated 02/05/2023.....	1	0.00
GBP 462,421	Buy GBP 462,421 sell CAD (773,332) dated 02/05/2023.....	1	0.00
GBP 94	Buy GBP 94 sell CAD (157) dated 02/05/2023.....	-	0.00
GBP 536,152	Buy GBP 536,152 sell CAD (898,170) dated 02/05/2023.....	1	0.00
GBP 603,603	Buy GBP 603,603 sell CAD (1,011,165) dated 02/05/2023.....	1	0.00
GBP 209	Buy GBP 209 sell CAD (350) dated 02/05/2023.....	-	0.00
GBP 1,122,736	Buy GBP 1,122,736 sell CAD (1,880,824) dated 02/05/2023.....	1	0.00
GBP 1,047,310	Buy GBP 1,047,310 sell CAD (1,754,469) dated 02/05/2023.....	1	0.00
GBP 9,131,548	Buy GBP 9,131,548 sell EUR (10,371,348) dated 02/05/2023.....	12	0.00
GBP 13,625,576	Buy GBP 13,625,576 sell EUR (15,475,535) dated 02/05/2023.....	18	0.00
GBP 36,174,056	Buy GBP 36,174,056 sell EUR (41,085,446) dated 02/05/2023.....	49	0.00
GBP 28,050,770	Buy GBP 28,050,770 sell EUR (31,859,252) dated 02/05/2023.....	38	0.00
GBP 318,602	Buy GBP 318,602 sell EUR (357,966) dated 02/05/2023.....	4	0.00
GBP 387,886	Buy GBP 387,886 sell EUR (435,864) dated 02/05/2023.....	5	0.00
GBP 3,574,780	Buy GBP 3,574,780 sell EUR (4,057,476) dated 02/05/2023.....	7	0.00
GBP 844,304	Buy GBP 844,304 sell EUR (958,309) dated 02/05/2023.....	2	0.00
GBP 605,102	Buy GBP 605,102 sell EUR (685,778) dated 02/05/2023.....	2	0.00
GBP 4,573	Buy GBP 4,573 sell EUR (5,167) dated 02/05/2023.....	-	0.00
GBP 174	Buy GBP 174 sell EUR (199) dated 02/05/2023.....	-	0.00
GBP 495,625	Buy GBP 495,625 sell EUR (566,341) dated 02/05/2023.....	(2)	0.00
GBP 390,946	Buy GBP 390,946 sell EUR (444,525) dated 02/05/2023.....	-	0.00
GBP 783,097	Buy GBP 783,097 sell EUR (889,871) dated 02/05/2023.....	1	0.00
GBP 476,513	Buy GBP 476,513 sell EUR (540,410) dated 02/05/2023.....	1	0.00
GBP 938,830	Buy GBP 938,830 sell EUR (1,064,720) dated 02/05/2023.....	3	0.00
GBP 425,893	Buy GBP 425,893 sell EUR (484,219) dated 02/05/2023.....	-	0.00
GBP 168	Buy GBP 168 sell EUR (191) dated 02/05/2023.....	-	0.00
GBP 485,177	Buy GBP 485,177 sell HKD (4,590,437) dated 02/05/2023.....	12	0.00
GBP 150,659	Buy GBP 150,659 sell HKD (1,425,437) dated 02/05/2023.....	4	0.00
GBP 426,029	Buy GBP 426,029 sell HKD (4,030,821) dated 02/05/2023.....	11	0.00
GBP 214,574	Buy GBP 214,574 sell HKD (2,030,167) dated 02/05/2023.....	5	0.00
GBP 14,961	Buy GBP 14,961 sell HKD (140,821) dated 02/05/2023.....	-	0.00
GBP 44,328	Buy GBP 44,328 sell HKD (417,241) dated 02/05/2023.....	1	0.00
GBP 20,792	Buy GBP 20,792 sell HKD (195,711) dated 02/05/2023.....	1	0.00
GBP 46,880	Buy GBP 46,880 sell HKD (441,263) dated 02/05/2023.....	1	0.00
GBP 43,085	Buy GBP 43,085 sell HKD (405,642) dated 02/05/2023.....	1	0.00
GBP 124,374	Buy GBP 124,374 sell HKD (1,170,985) dated 02/05/2023.....	4	0.00
GBP 108,054	Buy GBP 108,054 sell HKD (1,017,331) dated 02/05/2023.....	3	0.00
GBP 54,195	Buy GBP 54,195 sell HKD (510,247) dated 02/05/2023.....	2	0.00
GBP 81,552	Buy GBP 81,552 sell HKD (772,981) dated 02/05/2023.....	2	0.00
GBP 28,469	Buy GBP 28,469 sell HKD (269,839) dated 02/05/2023.....	1	0.00
GBP 70,835	Buy GBP 70,835 sell HKD (671,403) dated 02/05/2023.....	2	0.00
GBP 35,519	Buy GBP 35,519 sell HKD (336,661) dated 02/05/2023.....	1	0.00
GBP 26,747	Buy GBP 26,747 sell HKD (254,793) dated 02/05/2023.....	1	0.00
GBP 71,603	Buy GBP 71,603 sell HKD (682,106) dated 02/05/2023.....	1	0.00
GBP 84,195	Buy GBP 84,195 sell HKD (802,060) dated 02/05/2023.....	2	0.00
GBP 36,285	Buy GBP 36,285 sell HKD (345,654) dated 02/05/2023.....	1	0.00
GBP 92,967	Buy GBP 92,967 sell HKD (879,075) dated 02/05/2023.....	2	0.00

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
GBP 83,899	Buy GBP 83,899 sell HKD (793,324) dated 02/05/2023	2	0.00
GBP 28,981	Buy GBP 28,981 sell HKD (274,036) dated 02/05/2023	1	0.00
GBP 39,649	Buy GBP 39,649 sell HKD (374,908) dated 02/05/2023	1	0.00
GBP 397,559	Buy GBP 397,559 sell HKD (3,781,217) dated 02/05/2023	8	0.00
GBP 189,880	Buy GBP 189,880 sell HKD (1,805,963) dated 02/05/2023	4	0.00
GBP 139,023	Buy GBP 139,023 sell HKD (1,322,261) dated 02/05/2023	3	0.00
GBP 434,302	Buy GBP 434,302 sell HKD (4,130,680) dated 02/05/2023	9	0.00
GBP 34,182	Buy GBP 34,182 sell HKD (322,033) dated 02/05/2023	1	0.00
GBP 40,912	Buy GBP 40,912 sell HKD (385,441) dated 02/05/2023	1	0.00
GBP 37,484	Buy GBP 37,484 sell HKD (353,148) dated 02/05/2023	1	0.00
GBP 19,361	Buy GBP 19,361 sell HKD (183,950) dated 02/05/2023	-	0.00
GBP 172,872	Buy GBP 172,872 sell HKD (1,642,496) dated 02/05/2023	4	0.00
GBP 37,118	Buy GBP 37,118 sell HKD (350,855) dated 02/05/2023	1	0.00
GBP 53,087	Buy GBP 53,087 sell HKD (500,044) dated 02/05/2023	2	0.00
GBP 53,495	Buy GBP 53,495 sell HKD (507,200) dated 02/05/2023	1	0.00
GBP 45,140	Buy GBP 45,140 sell HKD (427,977) dated 02/05/2023	1	0.00
GBP 126,142	Buy GBP 126,142 sell HKD (1,195,976) dated 02/05/2023	3	0.00
GBP 111,950	Buy GBP 111,950 sell HKD (1,061,418) dated 02/05/2023	3	0.00
GBP 462,202	Buy GBP 462,202 sell HKD (4,361,135) dated 02/05/2023	13	0.00
GBP 230,278	Buy GBP 230,278 sell HKD (2,172,807) dated 02/05/2023	6	0.00
GBP 438,204	Buy GBP 438,204 sell HKD (4,134,698) dated 02/05/2023	12	0.00
GBP 219,920	Buy GBP 219,920 sell HKD (2,075,072) dated 02/05/2023	6	0.00
GBP 290	Buy GBP 290 sell HKD (2,762) dated 02/05/2023	-	0.00
GBP 143,947	Buy GBP 143,947 sell HKD (1,374,318) dated 02/05/2023	2	0.00
GBP 89,775	Buy GBP 89,775 sell HKD (857,113) dated 02/05/2023	1	0.00
GBP 251,922	Buy GBP 251,922 sell HKD (2,405,197) dated 02/05/2023	4	0.00
GBP 47	Buy GBP 47 sell HKD (453) dated 02/05/2023	-	0.00
GBP 260,980	Buy GBP 260,980 sell HKD (2,491,681) dated 02/05/2023	4	0.00
GBP 100,309	Buy GBP 100,309 sell HKD (958,647) dated 02/05/2023	2	0.00
GBP 53,505	Buy GBP 53,505 sell HKD (511,342) dated 02/05/2023	1	0.00
GBP 88,182	Buy GBP 88,182 sell HKD (842,753) dated 02/05/2023	1	0.00
GBP 19	Buy GBP 19 sell HKD (179) dated 02/05/2023	-	0.00
GBP 47,640	Buy GBP 47,640 sell HKD (455,295) dated 02/05/2023	1	0.00
GBP 29	Buy GBP 29 sell HKD (279) dated 02/05/2023	-	0.00
GBP 146,358	Buy GBP 146,358 sell HKD (1,414,697) dated 02/05/2023	1	0.00
GBP 71,117	Buy GBP 71,117 sell HKD (687,418) dated 02/05/2023	-	0.00
GBP 154,150	Buy GBP 154,150 sell HKD (1,490,018) dated 02/05/2023	1	0.00
GBP 81,615	Buy GBP 81,615 sell HKD (788,895) dated 02/05/2023	-	0.00
GBP 15	Buy GBP 15 sell HKD (148) dated 02/05/2023	-	0.00
GBP 57,079	Buy GBP 57,079 sell HKD (551,181) dated 02/05/2023	-	0.00
GBP 47,982	Buy GBP 47,982 sell HKD (463,338) dated 02/05/2023	-	0.00
GBP 90,617	Buy GBP 90,617 sell HKD (875,037) dated 02/05/2023	-	0.00
GBP 92,100	Buy GBP 92,100 sell HKD (889,352) dated 02/05/2023	-	0.00
GBP 1,153,682	Buy GBP 1,153,682 sell JPY (183,576,903) dated 02/05/2023	37	0.00
GBP 1,721,458	Buy GBP 1,721,458 sell JPY (273,923,010) dated 02/05/2023	55	0.00
GBP 4,570,238	Buy GBP 4,570,238 sell JPY (727,228,431) dated 02/05/2023	145	0.01
GBP 3,543,941	Buy GBP 3,543,941 sell JPY (563,921,199) dated 02/05/2023	112	0.01
GBP 183,383	Buy GBP 183,383 sell JPY (28,747,050) dated 02/05/2023	8	0.00
GBP 593,346	Buy GBP 593,346 sell JPY (93,012,680) dated 02/05/2023	27	0.00
GBP 256,533	Buy GBP 256,533 sell JPY (40,214,086) dated 02/05/2023	12	0.00
GBP 491,575	Buy GBP 491,575 sell JPY (77,059,145) dated 02/05/2023	23	0.00
GBP 108,416	Buy GBP 108,416 sell JPY (17,122,911) dated 02/05/2023	4	0.00
GBP 149,912	Buy GBP 149,912 sell JPY (23,676,625) dated 02/05/2023	6	0.00
GBP 324,223	Buy GBP 324,223 sell JPY (51,206,809) dated 02/05/2023	13	0.00
GBP 337,798	Buy GBP 337,798 sell JPY (53,350,817) dated 02/05/2023	13	0.00
GBP 51,186	Buy GBP 51,186 sell JPY (8,051,041) dated 02/05/2023	2	0.00

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
GBP 100,775	Buy GBP 100,775 sell JPY (16,139,574) dated 02/05/2023	3	0.00
GBP 525,167	Buy GBP 525,167 sell JPY (85,209,387) dated 02/05/2023	7	0.00
GBP 101,668	Buy GBP 101,668 sell JPY (16,398,588) dated 02/05/2023	2	0.00
GBP 63,231	Buy GBP 63,231 sell JPY (10,257,730) dated 02/05/2023	1	0.00
GBP 67,879	Buy GBP 67,879 sell JPY (10,955,643) dated 02/05/2023	1	0.00
GBP 132,752	Buy GBP 132,752 sell JPY (21,425,954) dated 02/05/2023	2	0.00
GBP 83,941	Buy GBP 83,941 sell JPY (13,547,943) dated 02/05/2023	2	0.00
GBP 179,263	Buy GBP 179,263 sell JPY (28,932,920) dated 02/05/2023	3	0.00
GBP 764	Buy GBP 764 sell JPY (122,874) dated 02/05/2023	-	0.00
GBP 65,947	Buy GBP 65,947 sell JPY (10,604,424) dated 02/05/2023	1	0.00
GBP 206,198	Buy GBP 206,198 sell JPY (33,163,793) dated 02/05/2023	4	0.00
GBP 73,374	Buy GBP 73,374 sell JPY (11,813,285) dated 02/05/2023	2	0.00
GBP 34,336,328	Buy GBP 34,336,328 sell USD (42,603,558) dated 02/05/2023	(70)	0.00
GBP 11,177,726	Buy GBP 11,177,726 sell USD (13,869,011) dated 02/05/2023	(23)	0.00
GBP 44,279,863	Buy GBP 44,279,863 sell USD (54,941,220) dated 02/05/2023	(90)	(0.01)
GBP 16,678,767	Buy GBP 16,678,767 sell USD (20,694,549) dated 02/05/2023	(34)	0.00
GBP 448,648	Buy GBP 448,648 sell USD (553,338) dated 02/05/2023	2	0.00
GBP 1,845,427	Buy GBP 1,845,427 sell USD (2,267,014) dated 02/05/2023	15	0.00
GBP 1,055,216	Buy GBP 1,055,216 sell USD (1,296,280) dated 02/05/2023	8	0.00
GBP 1,485,883	Buy GBP 1,485,883 sell USD (1,825,332) dated 02/05/2023	12	0.00
GBP 1,779,437	Buy GBP 1,779,437 sell USD (2,152,590) dated 02/05/2023	41	0.00
GBP 584,217	Buy GBP 584,217 sell USD (703,210) dated 02/05/2023	16	0.00
GBP 1,637,700	Buy GBP 1,637,700 sell USD (1,971,384) dated 02/05/2023	46	0.00
GBP 1,907,253	Buy GBP 1,907,253 sell USD (2,295,859) dated 02/05/2023	53	0.00
GBP 792,313	Buy GBP 792,313 sell USD (953,748) dated 02/05/2023	22	0.00
GBP 578,295	Buy GBP 578,295 sell USD (697,246) dated 02/05/2023	15	0.00
GBP 486,584	Buy GBP 486,584 sell USD (586,671) dated 02/05/2023	13	0.00
GBP 5,227,730	Buy GBP 5,227,730 sell USD (6,349,410) dated 02/05/2023	100	0.01
GBP 881,184	Buy GBP 881,184 sell USD (1,064,621) dated 02/05/2023	21	0.00
GBP 1,170,051	Buy GBP 1,170,051 sell USD (1,411,427) dated 02/05/2023	30	0.00
GBP 693,290	Buy GBP 693,290 sell USD (827,534) dated 02/05/2023	25	0.00
GBP 748,428	Buy GBP 748,428 sell USD (893,348) dated 02/05/2023	27	0.00
GBP 1,162,820	Buy GBP 1,162,820 sell USD (1,402,461) dated 02/05/2023	30	0.00
GBP 1,320,026	Buy GBP 1,320,026 sell USD (1,592,064) dated 02/05/2023	34	0.00
GBP 6,904	Buy GBP 6,904 sell USD (8,398) dated 02/05/2023	-	0.00
GBP 1,139,924	Buy GBP 1,139,924 sell USD (1,400,976) dated 02/05/2023	9	0.00
GBP 841,515	Buy GBP 841,515 sell USD (1,034,229) dated 02/05/2023	6	0.00
GBP 209	Buy GBP 209 sell USD (257) dated 02/05/2023	-	0.00
GBP 1,528,409	Buy GBP 1,528,409 sell USD (1,878,429) dated 02/05/2023	11	0.00
GBP 716,302	Buy GBP 716,302 sell USD (880,341) dated 02/05/2023	5	0.00
HKD 413,790	Buy HKD 413,790 sell GBP (43,925) dated 02/05/2023	(1)	0.00
HKD 1,198,840	Buy HKD 1,198,840 sell GBP (127,387) dated 02/05/2023	(4)	0.00
HKD 493,457	Buy HKD 493,457 sell GBP (52,434) dated 02/05/2023	(2)	0.00
HKD 434,081	Buy HKD 434,081 sell GBP (46,374) dated 02/05/2023	(2)	0.00
HKD 344,770	Buy HKD 344,770 sell GBP (37,099) dated 02/05/2023	(2)	0.00
HKD 716,378	Buy HKD 716,378 sell GBP (77,085) dated 02/05/2023	(3)	0.00
HKD 820,707	Buy HKD 820,707 sell GBP (88,311) dated 02/05/2023	(4)	0.00
HKD 266,858	Buy HKD 266,858 sell GBP (28,715) dated 02/05/2023	(1)	0.00
HKD 1,414,191	Buy HKD 1,414,191 sell GBP (151,293) dated 02/05/2023	(6)	0.00
HKD 675,516	Buy HKD 675,516 sell GBP (72,268) dated 02/05/2023	(3)	0.00
HKD 712,691	Buy HKD 712,691 sell GBP (76,245) dated 02/05/2023	(3)	0.00
HKD 1,458,727	Buy HKD 1,458,727 sell GBP (156,058) dated 02/05/2023	(6)	0.00
HKD 612,692	Buy HKD 612,692 sell GBP (64,575) dated 02/05/2023	(1)	0.00
HKD 955,943	Buy HKD 955,943 sell GBP (98,582) dated 02/05/2023	-	0.00
HKD 791,652	Buy HKD 791,652 sell GBP (81,639) dated 02/05/2023	-	0.00
HKD 384,151	Buy HKD 384,151 sell GBP (39,616) dated 02/05/2023	-	0.00

FTF Clearbridge Global Infrastructure Income Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
HKD 424,018	Buy HKD 424,018 sell GBP (43,727) dated 02/05/2023	-	0.00
HKD 152	Buy HKD 152 sell GBP (16) dated 02/05/2023	-	0.00
JPY 11,589,111	Buy JPY 11,589,111 sell GBP (73,688) dated 02/05/2023	(3)	0.00
JPY 45,351,040	Buy JPY 45,351,040 sell GBP (288,361) dated 02/05/2023	(12)	0.00
JPY 40,040,253	Buy JPY 40,040,253 sell GBP (254,593) dated 02/05/2023	(11)	0.00
JPY 88,713,891	Buy JPY 88,713,891 sell GBP (569,379) dated 02/05/2023	(30)	0.00
JPY 7,413,720	Buy JPY 7,413,720 sell GBP (46,470) dated 02/05/2023	(1)	0.00
JPY 11,210,930	Buy JPY 11,210,930 sell GBP (70,271) dated 02/05/2023	(2)	0.00
JPY 26,888,057	Buy JPY 26,888,057 sell GBP (167,809) dated 02/05/2023	(4)	0.00
JPY 31,373,574	Buy JPY 31,373,574 sell GBP (195,803) dated 02/05/2023	(5)	0.00
JPY 24,389,519	Buy JPY 24,389,519 sell GBP (152,463) dated 02/05/2023	(4)	0.00
JPY 52,840,323	Buy JPY 52,840,323 sell GBP (330,302) dated 02/05/2023	(9)	0.00
JPY 12,759,407	Buy JPY 12,759,407 sell GBP (78,961) dated 02/05/2023	(1)	0.00
JPY 27,876,936	Buy JPY 27,876,936 sell GBP (172,515) dated 02/05/2023	(3)	0.00
JPY 13,539,060	Buy JPY 13,539,060 sell GBP (83,786) dated 02/05/2023	(1)	0.00
JPY 25,741,161	Buy JPY 25,741,161 sell GBP (159,298) dated 02/05/2023	(3)	0.00
JPY 24,693,144	Buy JPY 24,693,144 sell GBP (151,006) dated 02/05/2023	(1)	0.00
USD 5,016,857	Buy USD 5,016,857 sell GBP (4,083,894) dated 02/05/2023	(32)	0.00
USD 1,810,938	Buy USD 1,810,938 sell GBP (1,487,958) dated 02/05/2023	(25)	0.00
USD 1,846,060	Buy USD 1,846,060 sell GBP (1,532,581) dated 02/05/2023	(42)	0.00
USD 1,529,397	Buy USD 1,529,397 sell GBP (1,270,822) dated 02/05/2023	(36)	0.00
USD 4,274,248	Buy USD 4,274,248 sell GBP (3,551,600) dated 02/05/2023	(100)	(0.01)
USD 807,262	Buy USD 807,262 sell GBP (670,166) dated 02/05/2023	(18)	0.00
USD 1,868,086	Buy USD 1,868,086 sell GBP (1,563,011) dated 02/05/2023	(54)	0.00
USD 1,688,676	Buy USD 1,688,676 sell GBP (1,388,244) dated 02/05/2023	(24)	0.00
USD 1,703,902	Buy USD 1,703,902 sell GBP (1,400,761) dated 02/05/2023	(25)	0.00
USD 1,697,918	Buy USD 1,697,918 sell GBP (1,400,960) dated 02/05/2023	(30)	0.00
USD 1,299,063	Buy USD 1,299,063 sell GBP (1,066,106) dated 02/05/2023	(17)	0.00
USD 713,934	Buy USD 713,934 sell GBP (581,523) dated 02/05/2023	(5)	0.00
USD 1,097,424	Buy USD 1,097,424 sell GBP (890,142) dated 02/05/2023	(4)	0.00
USD 2,135,468	Buy USD 2,135,468 sell GBP (1,732,121) dated 02/05/2023	(8)	0.00
USD 324	Buy USD 324 sell GBP (263) dated 02/05/2023	-	0.00
USD 1,876,708	Buy USD 1,876,708 sell GBP (1,522,236) dated 02/05/2023	(7)	0.00
USD 890,915	Buy USD 890,915 sell GBP (728,596) dated 02/05/2023	(9)	0.00
		<u>2,407</u>	<u>0.16</u>
	TOTAL - HEDGED SHARE CLASS DERIVATIVES	<u>2,407</u>	<u>0.16</u>
	TOTAL VALUE OF INVESTMENTS	<u>1,435,152</u>	<u>96.03</u>
	OTHER ASSETS	<u>59,395</u>	<u>3.97</u>
	TOTAL NET ASSETS	<u><u>1,494,547</u></u>	<u><u>100.00</u></u>

The Fund launched on 16 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

§ Real Estate Investment Trust ("REIT").

FTF Clearbridge Global Infrastructure Income Fund

STATEMENT OF TOTAL RETURN For the period 16 September 2022 to 31 March 2023

	Notes	16 September 2022 to 31 March 2023	16 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital losses	2		(159,440)
Revenue	3	36,144	
Expenses	4	(6,171)	
Interest payable and similar charges		-	
Net revenue before taxation		29,973	
Taxation	5	(2,954)	
Net revenue after taxation			27,019
Total return before distributions			(132,421)
Distributions	6		(33,236)
Change in net assets attributable to shareholders			(165,657)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 16 September 2022 to 31 March 2023

	16 September 2022 to 31 March 2023	16 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	1,587,337	
Amounts received on creation of shares	226,563	
Amounts paid on cancellation of shares	(167,764)	
		1,646,136
Change in net assets attributable to shareholders from investment activities (see above)		(165,657)
Retained distribution on accumulation shares		14,068
Closing net assets attributable to shareholders		1,494,547

¹The Franklin Templeton Funds II FTF Clearbridge Global Infrastructure Income Fund (£1,570,564,000) and FTF Clearbridge Global Equity Income Fund (£16,773,000) merged into this Fund on 16 September 2022 and 23 September 2022 respectively.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		1,437,546
Current assets		
Debtors	7	73,886
Cash and bank balances	8	34,776
Total assets		1,546,208
Liabilities		
Investment liabilities		(2,394)
Creditors		
Distributions payable		(8,261)
Other creditors	9	(41,006)
Total liabilities		(51,661)
Net assets attributable to shareholders		1,494,547

The Fund launched on 16 September 2022, consequently there is no comparative information for the Fund.

FTF Clearbridge Global Infrastructure Income Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the period comprise:

	16 September 2022 to 31 March 2023
	£000
Non-derivative securities losses	(175,202)
Currency gains	3,278
Forward currency contracts	12,484
	(159,440)

3. Revenue

	16 September 2022 to 31 March 2023
	£000
Bank and other interest	173
Overseas dividends	30,597
UK dividends	4,475
US REIT dividends	899
	36,144

4. Expenses

	16 September 2022 to 31 March 2023
	£000
Payable to the ACD, associates of the ACD and agents of either of them:	
ACD's annual management charge	5,647
ACD's administration charge	409
ACD Waiver	(48)
	6,008
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	111
Safe custody fees	25
	136
Other expenses:	
Audit fees	11
Legal and publication fees	5
Registration fee	1
Other	10
	27
	6,171

FTF Clearbridge Global Infrastructure Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation

	<u>16 September 2022 to 31 March 2023</u>
	£000
(a) Analysis of the charge for the period	
Overseas tax	2,954
Total current tax	2,954
Total taxation (see Note(b))	<u><u>2,954</u></u>

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	<u>16 September 2022 to 31 March 2023</u>
	£000
Net revenue before taxation	29,973
Corporation tax at 20%	5,995
Effects of:	
Movement in unrecognised tax losses	591
Overseas tax	2,954
Relief on overseas tax expensed	(43)
Revenue not subject to tax	(6,543)
Total tax charge for the period (see Note 5(a))	<u><u>2,954</u></u>

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £591,000 due to tax losses of £2,955,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	<u>16 September 2022 to 31 March 2023</u>
	£000
Interim dividend distributions	
Income	11,082
Accumulation	7,812
	<u>18,894</u>
Final dividend distributions	
Income	8,261
Accumulation	6,256
	<u>14,517</u>
Add: Revenue deducted on cancellation of shares	640
Deduct: Revenue received on issue of shares	(815)
Total distribution	<u><u>33,236</u></u>

FTF Clearbridge Global Infrastructure Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

	16 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net revenue after taxation	27,019
Expense charge taken to capital	6,220
Net revenue paid on share class conversions	(3)
Total distribution	33,236

Details of the distribution in pence per share for this Fund are set out in the table on pages 66 and 67.

7. Debtors

	31 March 2023
	£000
Accrued income	4,239
Amounts receivable for issue of shares	1,572
Currency spot awaiting settlement	26,960
Overseas tax recoverable	2,023
Sales awaiting settlement	39,092
	73,886

8. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	34,776
Total cash and bank balances	34,776

9. Other creditors

	31 March 2023
	£000
Accrued expenses	1,017
Amounts payable for cancellation of shares	3,532
Currency purchases awaiting settlement	26,885
Purchases awaiting settlement	9,572
	41,006

10. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £Nil.

During the year the Fund received £48,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £Nil.

FTF Clearbridge Global Infrastructure Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
<u>Currency</u>	<u>£000</u>
Australian Dollar	103,875
Brazilian Real	49,246
Canadian Dollar	122,015
Danish Krone	8
Euro	259,178
Hong Kong Dollar	19,918
Japanese Yen	40,085
United States Dollar	359,952
	<u>954,277</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 96.03% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange and forward contracts. If the market value were to change by 10%, the value of the Fund would change by 9.60%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	<u>16 September 2022 to 31 March 2023</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>% of principal</u>	<u>% of principal</u>
Purchases						
Equities	1,018,983	281	555	1,019,819	0.03	0.05
Inspecie transfers	1,438,588	-	-	1,438,588	-	-
	<u>2,457,571</u>	<u>281</u>	<u>555</u>	<u>2,458,407</u>		
Sales						
Equities	848,256	(273)	(19)	847,964	(0.03)	(-)
Total cost of the Fund's average net asset value (%)		<u>0.04%</u>	<u>0.04%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

FTF Clearbridge Global Infrastructure Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.10%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 16 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
EB – Accumulation	-	6,311,542	(225,750)	-	6,085,792
EB – H2 Accumulation	-	34,311	(34,311)	-	-
EB – Income	-	37,300,202	(2,709,422)	(24,978)	34,565,802
EB – H2 Income	-	53,154,341	(7,561,441)	37,737	45,630,637
S – Accumulation	-	37,189,653	(839,529)	4,321,754	40,671,878
S – H2 Accumulation	-	68,775,283	(5,490,030)	2,100,895	65,386,148
S – Income	-	191,503,145	(8,642,889)	85,164,562	268,024,818
S – H2 Income	-	21,099	-	-	21,099
S – Income USD	-	450,959	(45,998)	-	404,961
W – Accumulation	-	259,877,918	(23,501,975)	(4,461,845)	231,914,098
W – H2 Accumulation	-	86,568,539	(17,121,699)	(1,081,973)	68,364,867
W – Income	-	355,866,630	(17,796,399)	(68,790,319)	269,279,912
W – H2 Income	-	135,829,289	(38,406,973)	(37,877)	97,384,439

FTF Clearbridge Global Infrastructure Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	1,432,745	-
Level 2	4,801	2,394
Level 3	-	-
Total	1,437,546	2,394

15. Counterparty and Collateral Exposure

Counterparty	31 March 2023						Total
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	
	£000	£000	£000	£000	£000	£000	
Bank of New York Mellon International	-	2,407	-	-	-	-	2,407

FTF Clearbridge Global Infrastructure Income Fund

DISTRIBUTION TABLES For the period 16 September 2022 to 31 March 2023

For the period 16 September 2022 to 31 December 2022

Group 1 Shares purchased prior to 16 September 2022

Group 2 Shares purchased in the period 16 September 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	2.2380	-	2.2380
Group 2	1.7885	0.4495	2.2380
EB H2 Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
EB Income Shares			
Group 1	1.6375	-	1.6375
Group 2	1.1898	0.4477	1.6375
EB H2 Income Shares			
Group 1	1.4570	-	1.4570
Group 2	1.2267	0.2303	1.4570
S Accumulation Shares			
Group 1	1.4447	-	1.4447
Group 2	0.1914	1.2533	1.4447
S H2 Accumulation Shares			
Group 1	1.1385	-	1.1385
Group 2	0.6810	0.4575	1.1385
S Income Shares			
Group 1	1.3338	-	1.3338
Group 2	0.9377	0.3961	1.3338
S H2 Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Accumulation Shares			
Group 1	2.1992	-	2.1992
Group 2	1.6718	0.5274	2.1992
W H2 Accumulation Shares			
Group 1	1.9663	-	1.9663
Group 2	1.4284	0.5379	1.9663
W Income Shares			
Group 1	1.6113	-	1.6113
Group 2	1.1293	0.4820	1.6113
W H2 Income Shares			
Group 1	1.4515	-	1.4515
Group 2	1.2062	0.2453	1.4515

	Net Income	Equalisation	31 December 2022 Cent per Share
	c	c	c
S Income USD Shares			
Group 1	1.0517	-	1.0517
Group 2	0.6698	0.3819	1.0517

FTF Clearbridge Global Infrastructure Income Fund

DISTRIBUTION TABLES (Continued)

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	1.7869	-	1.7869
Group 2	1.1606	0.6263	1.7869
EB H2 Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
EB Income Shares			
Group 1	1.2906	-	1.2906
Group 2	0.7274	0.5632	1.2906
EB H2 Income Shares			
Group 1	1.1615	-	1.1615
Group 2	0.5126	0.6489	1.1615
S Accumulation Shares			
Group 1	1.1439	-	1.1439
Group 2	0.4895	0.6544	1.1439
S H2 Accumulation Shares			
Group 1	0.9071	-	0.9071
Group 2	0.4489	0.4582	0.9071
S Income Shares			
Group 1	1.0437	-	1.0437
Group 2	0.5436	0.5001	1.0437
S H2 Income Shares			
Group 1	0.3857	-	0.3857
Group 2	0.3857	0.0000	0.3857
W Accumulation Shares			
Group 1	1.7336	-	1.7336
Group 2	0.8861	0.8475	1.7336
W H2 Accumulation Shares			
Group 1	1.5631	-	1.5631
Group 2	0.8550	0.7081	1.5631
W Income Shares			
Group 1	1.2530	-	1.2530
Group 2	0.6555	0.5975	1.2530
W H2 Income Shares			
Group 1	1.1399	-	1.1399
Group 2	0.6467	0.4932	1.1399
	Net Income	Equalisation	31 March 2023 Cent per Share
	c	c	c
S Income USD Shares			
Group 1	0.8777	-	0.8777
Group 2	0.4533	0.4244	0.8777

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF ClearBridge US Equity Income Fund

INVESTMENT REVIEW

PERFORMANCE

In the period 1 April 2022 through 31 March 2023, the FTF ClearBridge US Equity Income Fund made a return of -2.52%¹ (W Accumulation), compared to a return of -1.74% for the S&P 500 Index (GBP).

OVERVIEW

Following a defensive shift in the market throughout 2022, emerging evidence of a slowing economy, which might prompt an early Fed pivot from its tightening regime, along with some better than expected earnings, helped equities regain some ground in late 2022 and early 2023, with information technology, consumer discretionary and communication services bouncing back strongly in the first quarter of 2023 from oversold levels. As the Fed lifted short-term borrowing rates, long-term bond yields rose, with the 10-year Treasury yield rising from 2.34% to above 4.20% in October, before recession concerns and expectations of monetary easing drove a retreat; Treasury yields finished the period at 3.47%.

In March, markets focused on the U.S. banking system after significant market losses in Silicon Valley Bank's securities portfolio spurred a run on the bank's deposits and resulted in the second-largest bank failure in U.S. history. This sparked a crisis of confidence across small and midsize regional banks, as consumers shifted their deposits to larger banks perceived to be more stable. Although contagion concerns had eased by the end of the month, the crisis intensified concern over the probability and severity of a recession as banks are likely to tighten lending standards.

Heading into the second half of 2022, we held four bank stocks — Bank of America, JPMorgan Chase & Co, PNC Financial Services and U.S. Bancorp—and were modestly overweight the bank exposure of the benchmark. Our positioning was predicated upon three key pillars: 1) the benefit of rapidly rising short-term interest rates had yet to be fully reflected in earnings power (including expectations for further increases in the back half of the year); 2) these institutions were among the best positioned to handle any credit quality disruptions stemming from the Fed's tightening; and 3) valuations were reasonable, given the returns on capital being generated.

Post third-quarter results, we refined our bank exposure. We liquidated our holdings in U.S. Bancorp and redeployed the proceeds into JPMorgan Chase & Co. Our sale of U.S. Bancorp did not reflect any fundamental concerns about its health. Rather, we concentrated our exposure in those banks with the most robust earnings power. At the time, bank investors were most concerned with increasing credit costs, and robust earnings are the best bulwark against rising credit losses.

While the market was focused on credit risk, it was interest rate risk that should have worried investors. It was not credit risk that took down Silicon Valley Bank (SVB). SVB held high-quality assets that are money good — at maturity they will repay at par. As interest rates rose, however, the value of these assets declined and wiped out SVB's equity. In an instant, the market's focus changed from credit risk to interest rate risk.

SIGNIFICANT CHANGES

At the onset of SVB's troubles we quickly repositioned our bank holdings to better reflect the new paradigm and capture appropriate risk-adjusted returns. Significantly, we exited a large and long-standing position in Bank of America. While we see little risk of deposit pressures or financial distress at Bank of America — in fact, it is likely a beneficiary of the struggles of its smaller peers — we are concerned that the perception of interest rate risk will put a ceiling on its valuation. Of the largest banks, Bank of America has the biggest proportion of long-duration bonds in its securities portfolio. These bonds have declined in value over the past 15 months as the Fed has raised rates.

While the "mark-to-market" losses on these held-to-maturity securities has no impact on how Bank of America management runs the firm, we believe investors may grow increasingly uncomfortable with the "face value" of these losses, especially if interest rates continue their upward trajectory. Despite these near-term headwinds, we continue to believe Bank of America is one of the long-term winners in the space and is generally well run. At the right price, and as we move further through this banking crisis, we would consider buying it back.

We used the proceeds from Bank of America and took advantage of the broad selloff in banks to re buy Capital One Financial. Unlike most banks, which take both interest rate and credit risk, Capital One's interest rate risk is minimal. Most of its securities are available-for-sale (AFS) and are therefore marked to market; their prices on Capital One's books fully reflect the impact of rising rates. Further, its assets are concentrated in shorter-duration consumer loans. These consumer loans, of course, contain credit risk and will suffer losses as the economy slows. We believe, however, that Capital One Financial is a shrewd and disciplined operator and that much of this risk is already discounted in the stock. Shares are off nearly 50% from their mid-2021 high. Over time, we believe Capital One Financial can be a great holding for us. It operates a high-return business in an industry, credit cards, that has been one of the most profitable areas in financial services. Its earnings stream will be lumpy, as earnings decline significantly and quickly during recessions, but we believe we can manage that volatility through position size.

FTF ClearBridge US Equity Income Fund

INVESTMENT REVIEW *(Continued)*

We also took advantage of a swoon in REIT prices to high-grade our real estate exposure. Amid prolonged concerns regarding work-from-home's long-term impact to office fundamentals, we exited Boston Properties and bought apartment REIT AvalonBay Communities. AvalonBay Communities is one of the largest apartment owners in the country and possesses a portfolio of high-quality, suburban properties in coastal markets with relatively high barriers to entry. The company has a robust balance sheet and currently enjoys double-digit same store revenue growth. While growth is slowing, rent increases, which commenced in 2022, position the company for continued revenue growth in 2023 despite softening market conditions. High interest rates and inflation combine to support a healthy supply/demand balance in the apartment industry. Today's interest rates make it prohibitively expensive for renters to buy a home and, combined with inflation, make new multifamily construction uneconomic. AvalonBay Communities sports an attractive upfront yield, and we expect long-term dividend growth in the mid to high single digits.

POSITIVE/NEGATIVE CONTRIBUTORS

Stock selection in the financials, consumer staples and materials sectors, an underweight to the consumer discretionary sector and an overweight to the energy sector contributed the most to performance during the period. The leading individual contributors were Microsoft, Oracle, Apollo Global Management, SAP and Linde.

Stock selection in the energy, industrials and health care sectors as well as an underweight to the information technology (IT) sector detracted from relative results. The main detractors from performance during the reporting period were UnitedHealth, Johnson & Johnson, EQT, Chesapeake Energy and PNC Financial Services.

OUTLOOK

As we look forward, we expect the current fever besetting banks will break. The significant rise in interest rates exposed weaknesses in a small number of banks with concentrated deposit bases mismatched with long-duration assets. Broadly speaking, we believe the banking sector is in decent shape and we do not expect anything like a repeat of the Global Financial Crisis. That said, the ramifications of this episode will be broad-based and long lasting. We see three clear takeaways:

- First, while we do not expect a huge macro downshift due to the SVB fallout, the economy will clearly be somewhat weaker than it otherwise would have been. Certain pockets of the economy, like commercial real estate (CRE), which was already suffering, and which is predominantly financed by smaller banks, will feel increased pressure.
- Second, we expect deposits will continue to migrate to the largest banks, bolstering them while weakening the smallest ones, and likely resulting in increased consolidation.
- Third, regulation will be increased, which, by definition, will reduce both the aggregate return profile of banks and the attractiveness of their shares for investment.

Our overall positioning remains relatively consistent. Despite the current banking woes, we suspect the economy will muddle through. Consequently, we still worry that inflation may be harder to contain than consensus expects, and so believe interest rates may be higher for longer than the market believes. Higher interest rates pose elevated risk for higher-multiple stocks. After the recent bounce of these stocks in the first quarter, we believe investors remain complacent with these names. We continue to emphasize high-quality dividend compounders and believe they are particularly well-suited for the current environment. While rising yields have made fixed-rate bonds a reasonable investment alternative, healthy dividends provide cushion in volatile markets and can benefit from dividend growth to offset inflation and preserve purchasing power.

Peter Vanderlee, CFA, Michael Clarfled, CFA & John Baldi

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF ClearBridge US Equity Income Fund

COMPARATIVE TABLES As at 31 March 2023

<u>EB – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	131.59
Return before operating charges ¹	(1.96)
Operating charges ²	(0.38)
Return after operating charges ³	(2.34)
Distributions	(1.45)
Closing net asset value per share	127.80
After direct transaction costs of ⁴	(0.01)
Performance	
Return after charges ⁵	(1.78)%
Other information	
Closing net asset value (£)	77,450,534
Closing number of shares	60,601,551
Operating charges ratio ⁶	0.56%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	134.63
Lowest share price	123.65
<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	418.00
Return before operating charges ¹	(6.27)
Operating charges ²	(1.86)
Return after operating charges ³	(8.13)
Distributions	(4.60)
Retained distributions on accumulation shares	4.60
Closing net asset value per share	409.87
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	(1.94)%
Other information	
Closing net asset value (£)	6,614,841
Closing number of shares	1,613,874
Operating charges ratio ⁶	0.86%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	427.42
Lowest share price	394.42

FTF ClearBridge US Equity Income Fund

COMPARATIVE TABLES (Continued)

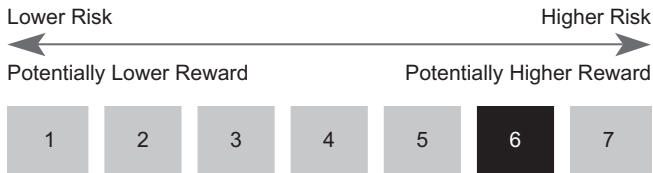
<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	337.36
Return before operating charges ¹	(5.03)
Operating charges ²	(1.49)
Return after operating charges ³	(6.52)
Distributions	(3.71)
Closing net asset value per share	327.13
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	(1.93)%
Other information	
Closing net asset value (£)	18,275,793
Closing number of shares	5,586,760
Operating charges ratio ⁶	0.86%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	344.95
Lowest share price	316.51

<u>W – H2 Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	215.35
Return before operating charges ¹	19.69
Operating charges ²	(1.02)
Return after operating charges ³	18.67
Distributions	(2.54)
Closing net asset value per share	231.48
After direct transaction costs of ⁴	(0.02)
Performance	
Return after charges ⁵	8.67%
Other information	
Closing net asset value (£)	391,603
Closing number of shares	169,172
Operating charges ratio ⁶	0.86%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	241.54
Lowest share price	206.67

- 1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
 - 2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
 - 3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
 - 4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
 - 5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
 - 6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.
- * The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF ClearBridge US Equity Income Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF ClearBridge US Equity Income Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 98.51%		
	AEROSPACE & DEFENCE 4.80%		
3,510	Northrop Grumman	1,308	1.27
45,806	Raytheon Technologies	3,623	3.53
		4,931	4.80
	AUTOMOBILE MANUFACTURERS 0.85%		
29,340	General Motors	869	0.85
	BANKS 3.68%		
25,394	JPMorgan Chase & Co	2,673	2.60
10,835	PNC Financial Services	1,113	1.08
		3,786	3.68
	BEVERAGES 3.75%		
44,812	Coca-Cola	2,246	2.19
44,510	Diageo	1,608	1.56
		3,854	3.75
	BUILDING MATERIALS 2.12%		
15,734	Vulcan Materials	2,180	2.12
	CHEMICALS 4.99%		
11,267	Linde	3,233	3.15
17,533	PPG Industries	1,891	1.84
		5,124	4.99
	COMPUTERS 3.77%		
29,090	Apple	3,874	3.77
	COSMETICS & PERSONAL CARE 2.36%		
20,203	Procter & Gamble	2,426	2.36
	DIVERSIFIED FINANCIAL SERVICES 8.04%		
59,341	Apollo Global Management	3,028	2.95
11,220	Capital One Financial	872	0.85
6,477	Mastercard	1,902	1.85
13,487	Visa	2,456	2.39
		8,258	8.04
	ELECTRICITY 4.28%		
26,245	Edison International	1,496	1.46
23,770	Sempra Energy	2,902	2.82
		4,398	4.28
	ENVIRONMENTAL CONTROL 1.62%		
12,595	Waste Management	1,661	1.62
	FOOD PRODUCERS 4.50%		
44,579	Mondelez International	2,512	2.45
21,371	Nestle	2,102	2.05
		4,614	4.50
	HEALTHCARE SERVICES 2.38%		
6,408	UnitedHealth	2,446	2.38
	INSURANCE 4.21%		
22,266	American International	906	0.88
26,872	MetLife	1,257	1.22
15,667	Travelers Cos	2,170	2.11
		4,333	4.21
	MEDIA 3.62%		
92,745	Comcast	2,841	2.77
10,760	Walt Disney	870	0.85
		3,711	3.62

FTF ClearBridge US Equity Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	MINING 0.95%		
29,480	Freeport-McMoRan	975	0.95
	OIL & GAS PRODUCERS 2.98%		
16,550	Chesapeake Energy	1,016	0.99
35,340	EQT	911	0.89
6,870	Pioneer Natural Resources	1,133	1.10
		<u>3,060</u>	<u>2.98</u>
	PHARMACEUTICALS 9.05%		
14,420	Becton Dickinson & Co	2,883	2.81
20,495	Johnson & Johnson	2,566	2.50
27,224	Merck & Co	2,340	2.28
45,600	Pfizer	1,503	1.46
		<u>9,292</u>	<u>9.05</u>
	PIPELINES 5.74%		
91,648	Enbridge	2,823	2.75
127,291	Williams Cos.	3,069	2.99
		<u>5,892</u>	<u>5.74</u>
	REAL ESTATE INVESTMENT TRUSTS 3.25%		
9,921	American Tower	1,636	1.59
12,540	AvalonBay Communities	1,702	1.66
		<u>3,338</u>	<u>3.25</u>
	RETAIL 2.12%		
9,156	Home Depot	2,183	2.12
	SEMICONDUCTORS 3.33%		
3,330	Broadcom	1,726	1.68
32,490	Intel	857	0.83
5,605	Texas Instruments	842	0.82
		<u>3,425</u>	<u>3.33</u>
	SOFTWARE 9.41%		
23,658	Microsoft	5,510	5.36
27,550	Oracle	2,068	2.01
20,530	SAP	2,099	2.04
		<u>9,677</u>	<u>9.41</u>
	TELECOMMUNICATIONS 3.01%		
38,710	Cisco Systems	1,635	1.59
46,301	Verizon Communications	1,455	1.42
		<u>3,090</u>	<u>3.01</u>
	TRANSPORTATION 3.70%		
11,259	Union Pacific	1,830	1.78
12,601	United Parcel Service	1,975	1.92
		<u>3,805</u>	<u>3.70</u>
	TOTAL - EQUITIES	<u>101,202</u>	<u>98.51</u>
	HEDGE SHARE CLASS DERIVATIVES 0.00%		
	HEDGE FORWARD CURRENCY CONTRACTS		
GBP 375,471	Buy GBP 375,471 sell USD (463,794) dated 28/04/2023	1	0.00
		<u>1</u>	<u>0.00</u>
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	<u>1</u>	<u>0.00</u>

FTF ClearBridge US Equity Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	<u>101,203</u>	<u>98.51</u>
	OTHER ASSETS	<u>1,530</u>	<u>1.49</u>
	TOTAL NET ASSETS	<u><u>102,733</u></u>	<u><u>100.00</u></u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF ClearBridge US Equity Income Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital losses	2		(2,902)
Revenue	3	1,128	
Expenses	4	(289)	
Interest payable and similar charges		-	
Net revenue before taxation		839	
Taxation	5	(158)	
Net revenue after taxation			681
Total return before distributions			(2,221)
Distributions	6		(968)
Change in net assets attributable to shareholders			(3,189)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	74,833	
Amounts received on creation of shares	37,709	
Amounts paid on cancellation of shares	(6,701)	
		105,841
Dilution adjustment		4
Change in net assets attributable to shareholders from investment activities (see above)		(3,189)
Retained distribution on accumulation shares		77
Closing net assets attributable to shareholders		102,733

¹The Franklin Templeton Funds II FTF Clearbridge US Equity Income Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		101,203
Current assets		
Debtors	7	201
Cash and bank balances	8	2,459
Total assets		103,863
Liabilities		
Creditors		
Distributions payable		(524)
Other creditors	9	(606)
Total liabilities		(1,130)
Net assets attributable to shareholders		102,733

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF ClearBridge US Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the period comprise:

	23 September 2022 to 31 March 2023
	£000
Non-derivative securities losses	(2,878)
Currency losses	(78)
Forward currency contracts	54
	(2,902)

3. Revenue

	23 September 2022 to 31 March 2023
	£000
Bank and other interest	10
Overseas dividends	1,054
UK dividends	14
US REIT dividends	50
	1,128

4. Expenses

	23 September 2022 to 31 March 2023
	£000
Payable to the ACD, associates of the ACD and agents of either of them:	
ACD's annual management charge	240
ACD's administration charge	22
ACD Waiver	(5)
	257
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	6
Safe custody fees	3
	9
Other expenses:	
Audit fees	12
Legal and publication fees	5
Other	6
	23
	289

FTF ClearBridge US Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	158
Total current tax	158
Total taxation (see Note(b))	158

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	839
Corporation tax at 20%	168
Effects of:	
Movement in unrecognised tax losses	47
Overseas tax	158
Relief on overseas tax expensed	(1)
Revenue not subject to tax	(214)
Total tax charge for the period (see Note 5(a))	158

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £47,000 due to tax losses of £236,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Interim dividend distributions	
Income	429
Accumulation	41
	470
Final dividend distributions	
Income	524
Accumulation	36
	560
Add: Revenue deducted on cancellation of shares	16
Deduct: Revenue received on issue of shares	(78)
Total distribution	968

FTF ClearBridge US Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net revenue after taxation	681
Expense charge taken to capital	287
Total distribution	968

Details of the distribution in pence per share for this Fund are set out in the table on page 82.

7. Debtors

	31 March 2023
	£000
Accrued income	105
Amounts receivable for issue of shares	20
Currency spot awaiting settlement	71
Overseas tax recoverable	5
	201

8. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	2,459
Total cash and bank balances	2,459

9. Other creditors

	31 March 2023
	£000
Accrued expenses	79
Amounts payable for cancellation of shares	456
Currency purchases awaiting settlement	71
	606

10. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £50,000.

During the year the Fund received £6,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £5,000.

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF ClearBridge US Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	31 March 2023
	Total net foreign currency assets and (liabilities)
	£000
Currency	99,419
United States Dollar	<u>99,419</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 98.51% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange and forward contracts. If the market value were to change by 10%, the value of the Fund would change by 9.85%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	23 September 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	40,664	4	8	40,676	0.01	0.02
Inspecie transfers	72,971	-	-	72,971	-	-
	<u>113,635</u>	<u>4</u>	<u>8</u>	<u>113,647</u>		
Sales						
Equities	9,540	(2)	-	9,538	(0.02)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.01%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.02%.

FTF ClearBridge US Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
EB – Income	-	62,208,261	(1,606,710)	-	60,601,551
W – Accumulation	-	2,041,660	(427,786)	-	1,613,874
W – Income	-	6,319,125	(732,365)	-	5,586,760
W – H2 Income	-	365,307	(196,135)	-	169,172

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	101,202	-
Level 2	1	-
Level 3	-	-
Total	101,203	-

15. Counterparty and Collateral Exposure

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of New York Mellon International	-	1	-	-	-	-	1

FTF ClearBridge US Equity Income Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 December 2022

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
EB Income Shares			
Group 1	0.7495	-	0.7495
Group 2	0.4736	0.2759	0.7495
W Accumulation Shares			
Group 1	2.3795	-	2.3795
Group 2	1.5148	0.8647	2.3795
W Income Shares			
Group 1	1.9207	-	1.9207
Group 2	0.9296	0.9911	1.9207
W H2 Income Shares			
Group 1	1.2975	-	1.2975
Group 2	0.0000	1.2975	1.2975

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
EB Income Shares			
Group 1	0.6971	-	0.6971
Group 2	0.4275	0.2696	0.6971
W Accumulation Shares			
Group 1	2.2252	-	2.2252
Group 2	0.7165	1.5087	2.2252
W Income Shares			
Group 1	1.7871	-	1.7871
Group 2	0.7879	0.9992	1.7871
W H2 Income Shares			
Group 1	1.2383	-	1.2383
Group 2	0.9760	0.2623	1.2383

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF ClearBridge US Value Fund

INVESTMENT REVIEW

PERFORMANCE

For the period 1 April 2022 through 31 March 2023, the FTF ClearBridge US Value Fund made a return of -3.07%¹ (W Accumulation), compared to a return of 0.19% for the Russell 1000 Value Index (GBP).

OVERVIEW

Following a defensive shift in the market throughout 2022, emerging evidence of a slowing economy, which might prompt an early Fed pivot from its tightening regime, along with some better-than-expected earnings, helped equities regain some ground in late 2022 and early 2023, with information technology, consumer discretionary and communication services bouncing back strongly in the first quarter of 2023 from oversold levels. As the Fed lifted short-term borrowing rates, long-term bond yields rose, with the 10-year Treasury yield rising from 2.34% to above 4.20% in October, before recession concerns and expectations of monetary easing drove a retreat; Treasury yields finished the period at 3.47%.

In March, markets focused on the U.S. banking system after significant market losses in Silicon Valley Bank's securities portfolio spurred a run on the bank's deposits and resulted in the second-largest bank failure in U.S. history. This sparked a crisis of confidence across small and midsize regional banks, as consumers shifted their deposits to larger banks perceived to be more stable. Although contagion concerns had eased by the end of the month, the crisis intensified concern over the probability and severity of a recession as banks are likely to tighten lending standards.

SIGNIFICANT CHANGES

During the reporting period, the Fund initiated several new positions, including Constellation Energy and Noble in the energy sector, Micron Technology in the IT sector and CVS Health and Biogen in the health care sector. The Fund also closed several positions including Pioneer Natural Resources in the energy sector, Pfizer, Cigna and BioMarin Pharmaceutical in the health care sector and M&T Bank in the financials sector.

POSITIVE/NEGATIVE CONTRIBUTORS

Relative to the Russell 1000 Value Index benchmark, overall stock selection positively contributed to performance. Specifically, stock selection in the industrials, consumer staples, consumer discretionary, communication services, materials, health care and real estate sectors, an overweight allocation to the energy and materials sectors and underweight allocation to the real estate sector contributed the most to relative results. Overall sector allocation detracted from performance. Specifically, stock selection in the financials and energy sectors, an underweight allocation to the communication services sector and an initial underweight allocation to the industrials sector, which outperformed during the period, weighed on results.

The leading individual contributors included Meta Platforms in the communication services sector, Coty in the consumer staples sector, Oracle in the IT sector, Freeport-McMoRan in the materials sector and Schlumberger in the energy sector. The leading detractors from absolute performance included EQT in the energy sector, M&T Bank, Signature Bank and Bank of America in the financials sector and CVS Health in the health care sector.

OUTLOOK

Accepting that we cannot know the future is a fundamental component to our process, and we believe this humility keeps us focused on positioning the portfolio to do well across a multitude of scenarios and outcomes and on reacting accordingly when surprise events do happen. Additionally, our absolute valuation discipline gives us the patience to seize opportunities when they arise while benefiting from uncertainty through owning free growth options. We believe this combination will persevere through coming uncertainty and allow us to ride out the storm to the benefit of our investors.

Samuel Peters, CFA & Jean Yu, CFA

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF ClearBridge US Value Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	355.29
Return before operating charges ¹	(3.75)
Operating charges ²	(1.72)
Return after operating charges ³	(5.47)
Distributions	(1.31)
Retained distributions on accumulation shares	1.31
Closing net asset value per share	349.82
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	(1.54)%
Other information	
Closing net asset value (£)	33,820,288
Closing number of shares	9,667,851
Operating charges ratio ⁶	0.92%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	384.56
Lowest share price	334.28

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

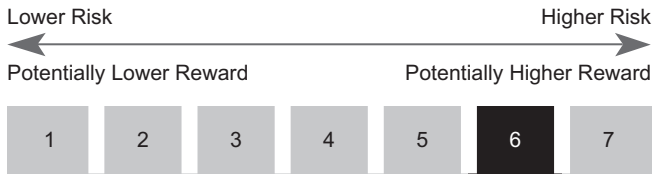
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF ClearBridge US Value Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF ClearBridge US Value Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 97.40%		
	AIRLINES 0.72%		
6,820	United Airlines	244	0.72
	ALTERNATIVE ENERGY SOURCES 1.94%		
16,025	Fluence Energy	262	0.77
1,610	SolarEdge Technologies	395	1.17
		657	1.94
	BANKS 6.39%		
41,190	Bank of America	951	2.81
2,270	Goldman Sachs	600	1.77
20,319	Wells Fargo & Co.	613	1.81
		2,164	6.39
	BEVERAGES 1.30%		
2,410	Constellation Brands	440	1.30
	BIOTECHNOLOGY 4.45%		
2,760	Biogen	620	1.83
3,430	BioNTech	345	1.02
2,130	Vertex Pharmaceuticals	542	1.60
		1,507	4.45
	CHEMICALS 1.97%		
2,321	Air Liquide	315	0.93
9,460	Mosaic	350	1.04
		665	1.97
	COSMETICS & PERSONAL CARE 3.04%		
75,060	Coty	731	2.16
92,780	Haleon	299	0.88
		1,030	3.04
	DISTRIBUTION & WHOLESALE 1.40%		
43,620	Marubeni	474	1.40
	DIVERSIFIED FINANCIAL SERVICES 2.06%		
7,150	Capital One Financial	555	1.64
4,706	OneMain	141	0.42
		696	2.06
	ELECTRICITY 8.59%		
37,822	AES	735	2.17
9,510	American Electric Power	699	2.07
13,910	Constellation Energy	882	2.61
30,318	Vistra	588	1.74
		2,904	8.59
	ELECTRONICS 1.35%		
11,330	Sensata Technologies	458	1.35
	HEALTHCARE PRODUCTS 2.14%		
6,930	Zimmer Biomet	723	2.14
	HEALTHCARE SERVICES 3.68%		
5,460	Tenet Healthcare	262	0.78
2,567	UnitedHealth	980	2.90
		1,242	3.68
	INSURANCE 7.59%		
22,729	American International	924	2.73
28,220	Equitable	578	1.71

FTF ClearBridge US Value Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	INSURANCE (Continued)		
1,870	Everest Re	541	1.60
48,410	MGIC Investment	525	1.55
		2,568	7.59
	INTERNET 8.35%		
4,850	Expedia	380	1.12
9,076	Meta Platforms	1,554	4.60
34,803	Uber Technologies	891	2.63
		2,825	8.35
	LODGING 3.20%		
9,270	Las Vegas Sands	430	1.27
18,241	MGM Resorts International	654	1.93
		1,084	3.20
	MACHINERY DIVERSIFIED 1.00%		
27,350	CNH Industrial	337	1.00
	MINING 4.88%		
30,120	Freeport-McMoRan	996	2.95
6,246	Royal Gold	654	1.93
		1,650	4.88
	MISCELLANEOUS MANUFACTURING 1.35%		
3,470	Siemens	455	1.35
	OIL & GAS PRODUCERS 10.25%		
19,310	APA	562	1.66
26,680	EQT	688	2.03
7,800	Hess	834	2.47
22,580	Noble	720	2.13
13,907	TotalEnergies	663	1.96
		3,467	10.25
	OIL & GAS SERVICES 3.38%		
28,760	Baker Hughes	670	1.98
11,890	Schlumberger	472	1.40
		1,142	3.38
	PHARMACEUTICALS 4.78%		
3,707	AbbVie	477	1.41
8,710	AstraZeneca	489	1.44
10,890	CVS Health	654	1.93
		1,620	4.78
	REAL ESTATE INVESTMENT & SERVICES 0.90%		
4,690	Howard Hughes	303	0.90
	RETAIL 0.72%		
11,670	Bloomin' Brands	242	0.72
	SEMICONDUCTORS 3.41%		
13,270	Micron Technology	647	1.91
6,750	Taiwan Semiconductor Manufacturing	507	1.50
		1,154	3.41
	SOFTWARE 6.81%		
11,120	Black Knight	517	1.53
8,350	Fiserv	763	2.26
13,592	Oracle	1,020	3.02
		2,300	6.81
	TELECOMMUNICATIONS 1.75%		
5,050	T-Mobile US	591	1.75
	TOTAL - EQUITIES	32,942	97.40

FTF ClearBridge US Value Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	32,942	97.40
	OTHER ASSETS	878	2.60
	TOTAL NET ASSETS	<u>33,820</u>	<u>100.00</u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF ClearBridge US Value Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital losses	2		(671)
Revenue	3	344	
Expenses	4	(168)	
Interest payable and similar charges		-	
Net revenue before taxation		176	
Taxation	5	(48)	
Net revenue after taxation			128
Total return before distributions			(543)
Distributions	6		(128)
Change in net assets attributable to shareholders			(671)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	35,561	
Amounts received on creation of shares	1,719	
Amounts paid on cancellation of shares	(2,916)	
		34,364
Change in net assets attributable to shareholders from investment activities (see above)		(671)
Retained distribution on accumulation shares		127
Closing net assets attributable to shareholders		33,820

¹The Franklin Templeton Funds II FTF Clearbridge US Value Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		32,942
Current assets		
Debtors	7	74
Cash and bank balances	8	1,050
Total assets		34,066
Liabilities		
Creditors		
Other creditors	9	(246)
Total liabilities		(246)
Net assets attributable to shareholders		33,820

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF ClearBridge US Value Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the period comprise:

Non-derivative securities losses
Currency losses

23 September 2022 to 31 March 2023
£000
(634)
(37)
<u>(671)</u>

3. Revenue

Bank and other interest
Overseas dividends
UK dividends

23 September 2022 to 31 March 2023
£000
5
329
10
<u>344</u>

4. Expenses

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's annual management charge
ACD's administration charge
ACD Waiver

23 September 2022 to 31 March 2023
£000
124
9
(1)
<u>132</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee
Safe custody fees

2
3
<u>5</u>

Other expenses:

Audit fees
Legal and publication fees
Other

12
13
6
<u>31</u>
<u>168</u>

5. Taxation

(a) Analysis of the charge for the period

Overseas tax
Total current tax
Total taxation (see Note(b))

23 September 2022 to 31 March 2023
£000
48
48
<u>48</u>

FTF ClearBridge US Value Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation (Continued)

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	176
Corporation tax at 20%	35
Effects of:	
Movement in unrecognised tax losses	33
Overseas tax	48
Revenue not subject to tax	(68)
Total tax charge for the period (see Note 5(a))	48

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £33,000 due to tax losses of £164,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Final dividend distributions	
Income	-
Accumulation	127
	127
Add: Revenue deducted on cancellation of shares	3
Deduct: Revenue received on issue of shares	(2)
Total distribution	128

Details of the distribution in pence per share for this Fund are set out in the table on page 95.

7. Debtors

	31 March 2023
	£000
Accrued income	25
Accrued Manager's charge rebates	1
Amounts receivable for issue of shares	9
Currency spot awaiting settlement	22
Overseas tax recoverable	17
	74

FTF ClearBridge US Value Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Cash and bank balances

	<u>31 March 2023</u>
	£000
Cash and bank balances	1,050
Total cash and bank balances	<u>1,050</u>

9. Other creditors

	<u>31 March 2023</u>
	£000
Accrued expenses	56
Amounts payable for cancellation of shares	168
Currency purchases awaiting settlement	22
	<u>246</u>

10. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £21,000.

During the year the Fund received £1,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £1,000.

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
	£000
<u>Currency</u>	
Euro	772
Japanese Yen	484
United States Dollar	31,708
	<u>32,964</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

FTF ClearBridge US Value Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 97.40% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.74%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	23 September 2022 to 31 March 2023					
	Principal £000	Commissions £000	Taxes and other £000	Total cost £000	Commissions % of principal	Taxes and other % of principal
Purchases						
Equities	12,903	2	1	12,906	0.02	0.01
Inspecie transfers	33,588	-	-	33,588	-	-
	46,491	2	1	46,494		
Sales						
Equities	12,889	(2)	-	12,887	(0.02)	-
Total cost of the Fund's average net asset value (%)		0.01%	0.00%			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.04%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation	-	10,486,535	(818,684)	-	9,667,851

FTF ClearBridge US Value Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	32,942	-
Level 2	-	-
Level 3	-	-
Total	32,942	-

FTF ClearBridge US Value Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 March 2023

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
W Accumulation Shares			
Group 1	1.3098	-	1.3098
Group 2	0.6859	0.6239	1.3098

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Franklin Sterling Corporate Bond Fund

INVESTMENT REVIEW

PERFORMANCE

For the period 1 April 2022 through 31 March 2023, the FTF Franklin Sterling Corporate Bond Fund returned -10.20% (W Accumulation), compared to the Markit iBoxx GBP Non-Gilts Index, which also returned -10.20%.

OVERVIEW

Amid extreme volatility in financial markets and elevated levels of inflation, UK corporate bonds registered significantly negative returns over the period under review, although they fared better than their government counterparts.

UK corporate issues were down significantly in the second quarter of 2022. Investors were unsettled by worrying high inflation - data released in June showed that inflation had reached a 40-year high of 9.1% - and a weak outlook for the UK economy. Despite gloomy projections of economic growth, the Bank of England ("BoE") was forced to raise interest rates over the quarter amid fears that inflation could rise to double-digit figures by the autumn.

Although they rebounded in July, UK corporate bonds fell further over the third quarter of 2022. In July, a rebellion of Conservative MPs forced Prime Minister Boris Johnson to resign; he was later replaced by Liz Truss. Amid high levels of market volatility, the BoE raised base rates by 50 basis points (bps) in August, then by a further 50 bps in early September. Later, new Chancellor of the Exchequer Kwasi Kwarteng unexpectedly announced a mini-budget that saw investors take fright at the lack of clarity as to how these measures would be financed. In response to the moves in the bond market and the risks posed to pension schemes, which are significant holders of government debt, the BoE's Financial Policy Committee announced it would buy bonds on an open-ended basis to ensure the market could function properly.

The BoE raised interest rates by 75 bps early in October, the largest increase in 30 years. A degree of stability crept back into UK markets during the month after Liz Truss was replaced as Prime Minister by Rishi Sunak, and Kwasi Kwarteng as Chancellor of the Exchequer by Jeremy Hunt. Macroeconomic data released November pointed to a peak in inflation, while Hunt took steps to bolster the UK's financial credibility. However, the BoE stated that the tax rises and spending cuts announced in the UK government's Autumn Statement would be unlikely to moderate future interest rate rises, should inflation remain elevated. Nonetheless, news of a slowing US economy helped drive a pull-back in domestic government bond yields. In December, the BoE raised rates further but by only 50 bps, although it warned that a further tightening of monetary policy in 2023 was likely. Against this backdrop, despite dipping in December, UK corporate issues registered positive returns over the fourth quarter of 2022.

UK corporate bonds were also up over the first quarter of 2023, starting strongly in January, a month in which the International Monetary Fund also predicted that the UK economy would fall into a recession this year. However, they then fell in February. At its meeting early in the month, the BoE raised interest rates by 50 bps but suggested that further rises would only be required were inflation to remain at elevated levels. In fact, data released in February showed that annual UK inflation fell in January to a five-month low of 10.1%, fuelling investor speculation that the central bank could be about to pause its cycle of monetary tightening. UK corporate bonds recovered slightly in March. Nonetheless, an unanticipated acceleration in consumer price inflation to 10.4% in February forced the BoE to raise rates by a further 25 bps to 4.25%.

SIGNIFICANT CHANGES

The top purchases made by the Fund during the period were European Investment Bank 4.5% 07/03/44, United Kingdom Gilt 3.500% 22/01/2045, New York Life 4.35% 16/09/25, Enel Finance 5.75% 14/09/40 and ING Groep 6.25% 20/05/33.

Conversely, the top sales during the period were United Kingdom Gilt 3.500% 22/01/2045, National Grid 5.25% 17/01/23, American International Group 5% 26/04/23, Toyota Finance 1.625% 11/07/22 and Northern Powergrid 7.25% 15/12/22.

POSITIVE/NEGATIVE CONTRIBUTORS

The Fund's duration and yield-curve positioning in UK bonds bolstered relative returns.

The Fund's sector allocation contributed to relative performance, while security selection had a broadly neutral impact on relative results. Positioning in corporate investment-grade utility and industrial issues had a positive impact on relative returns. Selection in government-related debt and a non-benchmark exposure to UK Gilts also added relative value. However, an exposure to subordinated bonds (ex-banking, ex-insurance) had a detrimental bearing on relative returns, as did selection in corporate financial issues (both high-yield and investment-grade).

In contrast, the Fund's local market allocation detracted from relative results, particularly exposure to the eurozone market.

OUTLOOK

Although the United Kingdom ("UK") may yet avoid a technical recession, the underlying economy remains fragile.

FTF Franklin Sterling Corporate Bond Fund

INVESTMENT REVIEW *(Continued)*

While we believe that the BoE could raise the cost of borrowing further, should inflation remain elevated, we also sense that we are now close to the terminal interest rate of this cycle of monetary tightening. The underlying strength or weakness of the UK economy will determine when rate cuts begin, but we still feel that this could quite possibly be later this year.

David Zahn, CFA
Fund Manager
31 March 2023

FTF Franklin Sterling Corporate Bond Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	111.28	116.37	106.63
Return before operating charges ¹	(10.73)	(4.56)	10.26
Operating charges ²	(0.46)	(0.53)	(0.52)
Return after operating charges ³	(11.19)	(5.09)	9.74
Distributions	(3.31)	(3.03)	(2.99)
Retained distributions on accumulation shares	3.31	3.03	2.99
Closing net asset value per share	100.09	111.28	116.37
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(10.06)%	(4.37)%	9.13%
Other information			
Closing net asset value (£)	36,769,082	42,480,924	45,607,579
Closing number of shares	36,734,580	38,174,310	39,190,429
Operating charges ratio ⁶	0.45%	0.45%	0.45%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	112.22	120.34	121.95
Lowest share price	89.66	110.55	107.89
W – Income shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	97.27	104.45	98.18
Return before operating charges ¹	(9.43)	(4.01)	9.46
Operating charges ²	(0.41)	(0.51)	(0.47)
Return after operating charges ³	(9.84)	(4.52)	8.99
Distributions	(2.85)	(2.66)	(2.72)
Closing net asset value per share	84.58	97.27	104.45
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(10.12)%	(4.33)%	9.16%
Other information			
Closing net asset value (£)	3,382	3,889	4,177
Closing number of shares	3,998	3,998	3,998
Operating charges ratio ⁶	0.47%	0.45%	0.45%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	98.09	107.31	110.63
Lowest share price	77.11	97.27	99.34

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

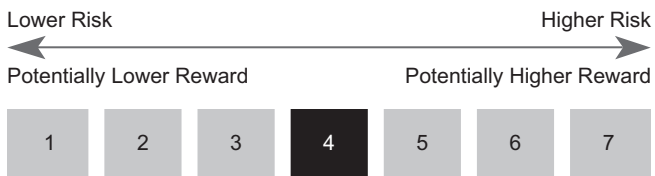
4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

FTF Franklin Sterling Corporate Bond Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Franklin Sterling Corporate Bond Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	BONDS 97.18% (95.17%)		
	AFRICA 1.32% (0.00%)		
	SOUTH AFRICA		
600,000	Investec, 2.625%, 04/01/2032.....	484	1.32
	TOTAL - AFRICA	484	1.32
	AUSTRALASIA 0.00% (2.12%)		
	CENTRAL AMERICA 2.61% (2.13%)		
	CAYMAN ISLANDS		
300,000	Southern Water Services Finance, 3.000%, 28/05/2037.....	220	0.60
	MEXICO		
425,000	America Movil, 5.750%, 28/06/2030.....	439	1.19
400,000	Mexico Government International Bond, 5.625%, 19/03/2114.....	300	0.82
		739	2.01
	TOTAL - CENTRAL AMERICA	959	2.61
	EUROPE - NON EU 3.87% (3.44%)		
	JERSEY		
400,000	Gatwick Funding, 4.625%, 27/03/2036.....	369	1.00
400,000	Glencore Finance Europe, 3.125%, 26/03/2026.....	378	1.03
		747	2.03
	NORWAY		
300,000	DNB Bank, 1.375%, 12/06/2023.....	298	0.81
400,000	DNB Bank, 2.625%, 10/06/2026.....	378	1.03
		676	1.84
	TOTAL - EUROPE - NON EU	1,423	3.87
	EUROPE - OTHER EU 32.23% (28.01%)		
	BELGIUM		
400,000	Anheuser-Busch InBev, 4.000%, 24/09/2025.....	394	1.07
300,000	Kingdom of Belgium Government International Bond, 5.700%, 28/05/2032.....	334	0.91
		728	1.98
	DENMARK		
200,000	Orsted, 4.875%, 12/01/2032.....	198	0.54
	FRANCE		
400,000	AXA, 5.453%, Perpetual.....	391	1.06
400,000	Banque Federative du Credit Mutuel, 1.250%, 05/12/2025.....	361	0.98
300,000	BNP Paribas, 1.875%, 14/12/2027.....	256	0.70
600,000	BNP Paribas, 2.000%, 24/05/2031.....	516	1.40
300,000	Credit Agricole, 4.875%, 23/10/2029.....	296	0.81
400,000	Electricite de France, 5.875%, 18/07/2031.....	403	1.10
100,000	Electricite de France, 6.000%, 23/01/2114.....	92	0.25
300,000	Electricite de France, 5.875%, Perpetual.....	248	0.67
400,000	Engie, 5.625%, 03/04/2053.....	396	1.08
500,000	Orange, 8.125%, 20/11/2028.....	577	1.57
600,000	TotalEnergies Capital International, 1.750%, 07/07/2025.....	568	1.54
		4,104	11.16
	GERMANY		
400,000	Deutsche Bank, 1.875%, 22/12/2028.....	318	0.86
	IRELAND		
400,000	ESB Finance DAC, 1.875%, 21/07/2035.....	287	0.78
100,000	Ulster Bank Ireland DAC, 11.750%, Perpetual.....	164	0.45
		451	1.23

FTF Franklin Sterling Corporate Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
ITALY			
400,000	Intesa Sanpaolo, 6.500%, 14/03/2029	395	1.07
200,000	Intesa Sanpaolo, 5.148%, 10/06/2030	163	0.44
500,000	Republic of Italy Government International Bond, 6.000%, 04/08/2028	513	1.40
		1,071	2.91
LUXEMBOURG			
300,000	Aroundtown, 4.750%, Perpetual	104	0.28
300,000	CK Hutchison Telecom Finance, 2.625%, 17/10/2034	215	0.58
700,000	European Investment Bank, 4.500%, 07/03/2044	730	1.99
		1,049	2.85
NETHERLANDS			
400,000	Cooperatieve Rabobank UA, 4.625%, 23/05/2029	365	0.99
300,000	Deutsche Telekom International Finance, 8.875%, 27/11/2028	358	0.98
500,000	Enel Finance International, 5.750%, 14/09/2040	497	1.35
400,000	ING Groep, 1.125%, 07/12/2028	327	0.89
400,000	ING Groep, 6.250%, 20/05/2033	391	1.06
400,000	Shell International Finance, 1.750%, 10/09/2052	195	0.53
		2,133	5.80
SPAIN			
300,000	Banco Santander, 1.500%, 14/04/2026	264	0.72
400,000	CaixaBank, 6.875%, 25/10/2033	388	1.06
550,000	Iberdrola Finanzas, 7.375%, 29/01/2024	560	1.52
400,000	Telefonica Emisiones, 5.375%, 02/02/2026	401	1.09
		1,613	4.39
SWEDEN			
320,000	Samhallsbyggnadsbolaget i Norden, 1.000%, 12/08/2027	187	0.51
	TOTAL - EUROPE - OTHER EU	11,852	32.23
NORTH AMERICA 18.73% (19.21%)			
UNITED STATES OF AMERICA			
300,000	Amgen, 5.500%, 07/12/2026	304	0.82
500,000	Apple, 3.050%, 31/07/2029	470	1.28
400,000	AT&T, 2.900%, 04/12/2026	371	1.01
300,000	Bank of America, 1.667%, 02/06/2029	250	0.68
500,000	Berkshire Hathaway Finance, 2.625%, 19/06/2059	314	0.85
500,000	Citigroup, 5.150%, 21/05/2026	499	1.36
400,000	Comcast, 1.875%, 20/02/2036	286	0.78
200,000	Encore Capital, 4.250%, 01/06/2028	155	0.42
400,000	Fiserv, 3.000%, 01/07/2031	338	0.92
400,000	Goldman Sachs, 4.250%, 29/01/2026	389	1.06
200,000	Goldman Sachs, 6.875%, 18/01/2038	209	0.57
400,000	International Business Machines, 4.875%, 06/02/2038	385	1.05
600,000	MetLife, 5.375%, 09/12/2024	598	1.62
300,000	Mondelez International, 4.500%, 03/12/2035	275	0.75
200,000	MPT Operating Partnership LP / MPT Finance, 2.500%, 24/03/2026	149	0.40
500,000	New York Life Global Funding, 4.350%, 16/09/2025	493	1.34
225,000	Time Warner Cable, 5.750%, 02/06/2031	216	0.59
500,000	Verizon Communications, 4.750%, 17/02/2034	481	1.31
300,000	Walmart, 4.875%, 19/01/2039	308	0.84
450,000	Wells Fargo &, 3.500%, 12/09/2029	399	1.08
		6,889	18.73
MIDDLE EAST 0.00% (0.58%)			
	TOTAL - NORTH AMERICA	6,889	18.73
UNITED KINGDOM 38.42% (39.68%)			
500,000	Associated British Foods, 2.500%, 16/06/2034	407	1.11

FTF Franklin Sterling Corporate Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED KINGDOM (Continued)			
300,000	Barclays, 3.250%, 12/02/2027	273	0.74
300,000	Barclays, 8.407%, 14/11/2032	310	0.84
300,000	Barclays, 3.250%, 17/01/2033	238	0.65
500,000	Bazalgette Finance, 2.375%, 29/11/2027	448	1.22
200,000	BG Energy Capital, 5.000%, 04/11/2036	195	0.53
500,000	BP Capital Markets, 4.250%, Perpetual	446	1.21
100,000	BUPA Finance, 5.000%, 25/04/2023	100	0.27
500,000	Cadent Finance, 2.750%, 22/09/2046	307	0.83
200,000	Compass, 2.000%, 05/09/2025	189	0.51
400,000	Credit Suisse AG/London, 1.125%, 15/12/2025	352	0.96
500,000	Diageo Finance, 1.750%, 12/10/2026	455	1.24
300,000	Diageo Finance, 2.750%, 08/06/2038	232	0.63
300,000	DWR Cymru Financing UK, 2.500%, 31/03/2036	233	0.63
400,000	Experian Finance, 3.250%, 07/04/2032	354	0.96
100,000	Galaxy Bidco, 6.500%, 31/07/2026	89	0.24
200,000	GlaxoSmithKline Capital, 1.625%, 12/05/2035	143	0.39
400,000	Haleon UK Capital, 3.375%, 29/03/2038	321	0.87
500,000	Heathrow Funding, 5.875%, 13/05/2043	512	1.39
180,000	HJ Heinz Finance UK, 6.250%, 18/02/2030	186	0.51
400,000	HSBC, 2.256%, 13/11/2026	364	0.99
300,000	HSBC, 8.201%, 16/11/2034	316	0.86
200,000	HSBC, 6.000%, 29/03/2040	179	0.49
400,000	Hutchison Whampoa Finance UK, 5.625%, 24/11/2026	408	1.11
200,000	Iceland Bondco, 4.375%, 15/05/2028	146	0.40
100,000	Lloyds Banking, 2.000%, 12/04/2028	86	0.23
400,000	Lloyds Banking, 5.125%, Perpetual	355	0.97
500,000	London Power Networks, 6.125%, 07/06/2027	518	1.41
400,000	M&G, 5.625%, 20/10/2051	364	0.99
500,000	Motability Operations, 2.375%, 14/03/2032	419	1.14
400,000	National Grid Electricity Transmission, 2.000%, 17/04/2040	251	0.68
200,000	Nationwide Building Society, 5.875%, Perpetual	179	0.49
300,000	NatWest, 3.125%, 28/03/2027	277	0.75
400,000	NatWest, 3.622%, 14/08/2030	369	1.00
400,000	Pension Insurance, 5.625%, 20/09/2030	360	0.98
200,000	Pinewood Finance, 3.250%, 30/09/2025	187	0.51
300,000	Santander UK, 7.098%, 16/11/2027	307	0.83
500,000	Skipton Building Society, 2.000%, 02/10/2026	451	1.23
135,000	Tesco, 3.322%, 05/11/2025	280	0.76
400,000	Tesco Corporate Treasury Services, 2.750%, 27/04/2030	339	0.92
400,000	United Kingdom Gilt, 3.500%, 22/01/2045	377	1.03
300,000	United Kingdom Gilt, 3.750%, 22/07/2052	295	0.80
100,000	United Kingdom Gilt, 1.625%, 22/10/2071	56	0.15
400,000	United Utilities Water Finance, 5.125%, 06/10/2038	399	1.09
400,000	Virgin Money UK, 3.375%, 24/04/2026	370	1.01
300,000	Vmed O2 UK Financing I, 4.000%, 31/01/2029	247	0.67
300,000	Vodafone, 5.125%, 02/12/2052	278	0.76
200,000	Whitbread, 3.000%, 31/05/2031	161	0.44
	TOTAL - UNITED KINGDOM	14,128	38.42
	TOTAL - BONDS	35,735	97.18
	DERIVATIVES 0.17% ((0.02%))		
	FORWARD CURRENCY CONTRACTS		
EUR 420,000	Buy EUR 420,000 sell GBP (376,449) dated 26/04/2023	(7)	(0.02)
GBP 690,045	Buy GBP 690,045 sell EUR (775,000) dated 26/04/2023	9	0.03
		2	0.01

FTF Franklin Sterling Corporate Bond Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	FUTURES		
(35)	Long Gilt Bond, 28/06/2023.....	59	0.16
		59	0.16
	TOTAL - DERIVATIVES	61	0.17
	TOTAL VALUE OF INVESTMENTS	35,796	97.35
	OTHER ASSETS	976	2.65
	TOTAL NET ASSETS	36,772	100.00

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Franklin Sterling Corporate Bond Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital losses	2		(5,266)		(2,888)
Revenue	3	1,244		1,166	
Expenses	4	(172)		(202)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		1,071		964	
Taxation	6	(2)		(2)	
Net revenue after taxation			1,069		962
Total return before distributions			(4,197)		(1,926)
Distributions	7		(1,241)		(1,164)
Change in net assets attributable to shareholders			(5,438)		(3,090)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		42,485		45,612
Amounts received on creation of shares	3,974		4,144	
Amounts paid on cancellation of shares	(5,500)		(5,350)	
		(1,526)		(1,206)
Dilution adjustment		10		-
Change in net assets attributable to shareholders from investment activities (see above)		(5,438)		(3,090)
Retained distribution on accumulation shares		1,241		1,169
Closing net assets attributable to shareholders		36,772		42,485

BALANCE SHEET As at 31 March 2023

Notes	31 March 2023	31 March 2022
	£000	£000
Assets		
Fixed assets		
Investments	35,803	40,432
Current assets		
Debtors	8	625
Cash and bank balances	9	1,901
Total assets	37,661	42,958
Liabilities		
Investment liabilities	(7)	(8)
Creditors		
Other creditors	10	(465)
Total liabilities	(889)	(473)
Net assets attributable to shareholders	36,772	42,485

FTF Franklin Sterling Corporate Bond Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities losses	(5,373)	(3,104)
Derivative gains	113	211
Currency gains	19	5
Forward currency contracts	(25)	-
	<u>(5,266)</u>	<u>2,888</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	5	-
Interest on debt securities	1,239	1,157
UK dividends	-	9
	<u>1,244</u>	<u>1,166</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	134	156
ACD's administration charge	19	20
	<u>153</u>	<u>176</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	5	9
Safe custody fees	2	2
	<u>7</u>	<u>11</u>
Other expenses:		
Audit fees	15	17
Expense Cap	(7)	(5)
Other	4	3
	<u>12</u>	<u>15</u>
	<u>172</u>	<u>202</u>

5. Interest payable and similar charges

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interest on bank overdrafts	1	-
Total interest payable and similar charges	<u>1</u>	<u>-</u>

FTF Franklin Sterling Corporate Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge for the year		
Overseas tax	2	2
Total current tax	2	2
Total taxation (see Note(b))	2	2

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	1,071	964
Corporation tax at 20% (2022: 20%)	214	193
Effects of:		
Overseas tax	2	2
Tax deductible interest distributions	(214)	(191)
Revenue not subject to tax	-	(2)
Total tax charge for the year (see Note 6(a))	2	2

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £Nil (£Nil as at 31 March 2022) due to tax losses of £2,000 (£Nil as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	-	-
Accumulation	914	882
	914	882
Final dividend distributions		
Income	-	-
Accumulation	328	287
	328	287
Add: Revenue deducted on cancellation of shares	22	17
Deduct: Revenue received on issue of shares	(23)	(22)
Total distribution	1,241	1,164

FTF Franklin Sterling Corporate Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	1,069	962
Expense charge taken to capital	172	202
Total distribution	1,241	1,164

Details of the distribution in pence per share for this Fund are set out in the table on pages 111 and 112.

8. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	610	613
Accrued Manager's charge rebates	4	-
Amounts receivable for issue of shares	-	12
Sales awaiting settlement	234	-
	848	625

9. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Amount held at futures clearing houses and brokers	139	-
Cash and bank balances	871	1,901
Total cash and bank balances	1,010	1,901

10. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	35	31
Amounts payable for cancellation of shares	54	35
Purchases awaiting settlement	793	399
	882	465

11. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £13,000 (£12,000 as at 31 March 2022).

During the year the Fund received £7,000 (£2,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £4,000 (£Nil as at 31 March 2022).

As at 31 March 2023 Templeton Global Advisors Limited ("TGAL") held 100% of the shares in issue of Class W Income (100% as at 31 March 2022).

FTF Franklin Sterling Corporate Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, (0.33%) (2022: 0.00%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

Interest rate profile of financial assets and financial liabilities

The tables below detail the interest rate profile of the Fund's assets / liabilities at the year end.

2023

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	-	35,735	68	35,803
Investment liabilities	-	-	(7)	(7)

2022

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	296	40,136	-	40,432
Investment liabilities	-	-	(8)	(8)

Sensitivity to Interest Rate Risk

A potential interest rate increase of 0.5% has been assumed for the sensitivity analysis and with all other variables held constant, the profit or loss after taxation and equity are expected to change as disclosed below. The actual movements of values could be different due to unpredictable market environment changes impacting the values in parallel.

<u>Category</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
	£000	£000
Fixed rate financial assets	(1,047)	(316)
Other	-	-
Total	(1,047)	(316)

A potential interest rate decrease of 0.5% has been assumed for the sensitivity analysis and with all other variables held constant, the profit or loss after taxation and equity are expected to change as disclosed below. The actual movements of values could be different due to unpredictable market environment changes impacting the values in parallel.

<u>Category</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
	£000	£000
Fixed rate financial assets	1,115	337
Other	-	-
Total	1,115	337

FTF Franklin Sterling Corporate Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Other price risk

At the year end date, 97.35% (2022: 95.15%) of the net assets of the Fund were invested in bonds, preferred shares and forward contracts. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.74% (2022: 9.52%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

During the year bond purchases amounted to £8,531,000 (2022: £4,167,000), bond sales amounted to £7,570,000 (2022: £2,153,000), equity purchases amounted to £Nil (2022: £Nil) and equity sales amounted to £Nil (2022: £167,000). No direct transaction costs were incurred during the current or prior year.

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.66% (2022: 0.57%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	38,174,310	4,015,035	(5,454,765)	-	36,734,580
W – Income shares	3,998	-	-	-	3,998

FTF Franklin Sterling Corporate Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	59	-	-	-
Level 2	35,744	7	40,432	8
Level 3	-	-	-	-
Total	35,803	7	40,432	8

16. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value £000	% of Net Assets
31 March 2023			
Investment grade	BBB or higher	31,606	85.95
Non-investment grade	below BBB	2,597	7.05
Not rated	Not rated	1,532	4.18
Total Value of Bonds		35,735	97.18
31 March 2022			
Investment grade	BBB or higher	32,061	75.46
Non-investment grade	below BBB	5,450	12.83
Not rated	Not rated	2,921	6.88
Total Value of Bonds		40,432	95.17

17. Counterparty and Collateral Exposure

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Citigroup Global Markets Limited	2	-	-	-	-	-	2
J.P. Morgan Securities Plc	-	-	59	-	-	-	59

Counterparty	31 March 2022						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaption	Total
	£000	£000	£000	£000	£000	£000	£000
Citigroup Global Markets Limited	(8)	-	-	-	-	-	(8)

FTF Franklin Sterling Corporate Bond Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 June 2022

	Net Income	Equalisation	30 June 2022 Pence per Share	30 June 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.7729	-	0.7729	0.7484
Group 2	0.1590	0.6139	0.7729	0.7484
W Income Shares				
Group 1	0.6730	-	0.6730	0.6623
Group 2	0.6730	0.0000	0.6730	0.6623

For the period 1 July 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased in the period 1 July 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.7965	-	0.7965	0.7460
Group 2	0.1055	0.6910	0.7965	0.7460
W Income Shares				
Group 1	0.6918	-	0.6918	0.6590
Group 2	0.6918	0.0000	0.6918	0.6590

For the period 1 October 2022 to 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share	31 December 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.8461	-	0.8461	0.7796
Group 2	0.6149	0.2312	0.8461	0.7796
W Income Shares				
Group 1	0.7283	-	0.7283	0.6848
Group 2	0.7283	0.0000	0.7283	0.6848

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.8923	-	0.8923	0.7512
Group 2	0.5802	0.3121	0.8923	0.7512
W Income Shares				
Group 1	0.7583	-	0.7583	0.6543
Group 2	0.7583	0.0000	0.7583	0.6543

FTF Franklin Sterling Corporate Bond Fund

DISTRIBUTION TABLES *(Continued)*

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Franklin UK Gilt Fund

INVESTMENT REVIEW

PERFORMANCE

For the 12 months to 31 March 2023, the FTF Franklin UK Gilt Fund returned -14.64% (W Accumulation), compared to the FTSE UK Gilts (All) Government TR Index, which returned -16.27%.

OVERVIEW

Amid extreme volatility in financial markets and elevated levels of inflation, UK Gilts registered significantly negative returns over the period under review.

UK Gilts were down significantly in the second quarter of 2022. Investors were unsettled by worrying high inflation - data released in June showed that inflation had reached a 40-year high of 9.1% - and a weak outlook for the UK economy. Despite gloomy projections of economic growth, the Bank of England ("BoE") was forced to raise interest rates over the quarter amid fears that inflation could rise to double-digit figures by the autumn.

Although they rebounded in July, UK Gilts fell further over the third quarter of 2022. In July, a rebellion of Conservative MPs forced Prime Minister Boris Johnson to resign; he was later replaced by Liz Truss. Amid high levels of market volatility, the BoE raised base rates by 50 basis points (bps) in August, then by a further 50 bps in early September. Later, new Chancellor of the Exchequer Kwasi Kwarteng unexpectedly announced a mini-budget that saw investors take fright at the lack of clarity as to how these measures would be financed. In response to the moves in the bond market and the risks posed to pension schemes, which are significant holders of government debt, the BoE's Financial Policy Committee announced it would buy bonds on an open-ended basis to ensure the market could function properly.

The BoE raised interest rates by 75 bps early in October, the largest increase in 30 years. A degree of stability crept back into UK markets during the month after Liz Truss was replaced as Prime Minister by Rishi Sunak, and Kwasi Kwarteng as Chancellor of the Exchequer by Jeremy Hunt. Macroeconomic data released November pointed to a peak in inflation, while Hunt took steps to bolster the UK's financial credibility. However, the BoE stated that the tax rises and spending cuts announced in the UK government's Autumn Statement would be unlikely to moderate future interest rate rises, should inflation remain elevated. Nonetheless, news of a slowing US economy helped drive a pull-back in domestic government bond yields. In December, the central bank raised rates further but by only 50 bps, although it warned that a further tightening of monetary policy in 2023 was likely. Against this backdrop, despite dipping in December, UK Gilts registered positive returns over the fourth quarter of 2022. UK Gilts were also up over the first quarter of 2023, starting strongly in January, a month in which the International Monetary Fund also predicted that the UK economy would fall into a recession this year. However, they then fell in February. At its meeting early in the month, the BoE raised interest rates by 50 bps but suggested that further rises would only be required were inflation to remain at elevated levels. In fact, data released in February showed that annual UK inflation fell in January to a five-month low of 10.1%, fuelling investor speculation that the central bank could be about to pause its cycle of monetary tightening. UK corporate bonds recovered slightly in March. Nonetheless, an unanticipated acceleration in consumer price inflation to 10.4% in February forced the BoE to raise rates by a further 25 bps to 4.25%.

SIGNIFICANT CHANGES

The top purchases made by the Fund during the period were UK Treasury 0.125% 31/01/24, UK Treasury 2.25% 07/09/23, UK Treasury 1.5% 31/07/53, UK Treasury 0.125% 30/01/26 and UK Treasury 4.75% 07/12/30.

The Fund made only one sale over the period under review: UK Treasury 1.75% 07/09/22.

POSITIVE/NEGATIVE CONTRIBUTORS

The Fund's duration and yield-curve positioning in UK bonds contributed to relative returns.

The Fund's sector allocation also added relative value, although this was largely offset by the negative impact of security selection. An overweight exposure to bonds of maturities between 15 and 25 years added to relative results. Selection in bonds of maturities over 25 years also bolstered relative performance, although this was countered to some degree by the detrimental bearing of an underweight exposure to this area. An underweight position in bonds of maturities between 1 and 3.5 years and a non-benchmark exposure to government-related bonds further enhanced returns. In contrast, selection in bonds of maturities between 7.5 and 15 years subtracted relative value.

FTF Franklin UK Gilt Fund

INVESTMENT REVIEW *(Continued)*

OUTLOOK

Although the United Kingdom (“UK”) may yet avoid a technical recession, the underlying economy remains fragile. While we believe that the BoE could raise the cost of borrowing further, should inflation remain elevated, we also sense that we are now close to the terminal interest rate of this cycle of monetary tightening. The underlying strength or weakness of the UK economy will determine when rate cuts begin, but we still feel that this could quite possibly be later this year.

David Zahn, CFA & Rod MacPhee, CFA

Fund Managers

31 March 2023

FTF Franklin UK Gilt Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	104.94	109.57	116.37
Return before operating charges ¹	(14.93)	(4.25)	(6.40)
Operating charges ²	(0.33)	(0.38)	(0.40)
Return after operating charges ³	(15.26)	(4.63)	(6.80)
Distributions	(1.52)	(1.11)	(1.33)
Retained distributions on accumulation shares	1.52	1.11	1.33
Closing net asset value per share	89.68	104.94	109.57
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(14.54)%	(4.23)%	(5.84)%
Other information			
Closing net asset value (£)	61,451,760	68,754,431	74,165,883
Closing number of shares	68,521,924	65,518,464	67,689,942
Operating charges ratio ⁶	0.35%	0.34%	0.35%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	106.02	115.18	120.58
Lowest share price	80.12	103.98	108.53
W – Income shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	99.03	104.46	112.24
Return before operating charges ¹	(14.08)	(4.01)	(6.11)
Operating charges ²	(0.31)	(0.36)	(0.38)
Return after operating charges ³	(14.39)	(4.37)	(6.49)
Distributions	(1.43)	(1.06)	(1.29)
Closing net asset value per share	83.21	99.03	104.46
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(14.53)%	(4.18)%	(5.78)%
Other information			
Closing net asset value (£)	1,146,516	1,321,941	1,194,173
Closing number of shares	1,377,800	1,334,910	1,143,153
Operating charges ratio ⁶	0.35%	0.34%	0.35%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	100.05	109.26	116.31
Lowest share price	75.08	98.39	103.77

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

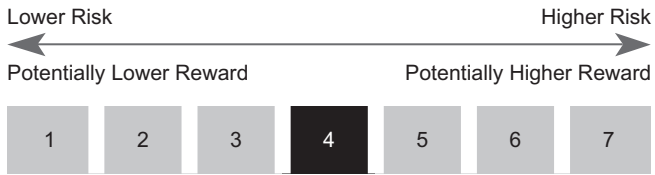
4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

FTF Franklin UK Gilt Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Franklin UK Gilt Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	BONDS 97.19% (89.28%)		
	CENTRAL AMERICA 1.14% (1.34%)		
	MEXICO		
950,000	Mexico Government International Bond, 5.625%, 19/03/2114.....	712	1.14
	TOTAL - CENTRAL AMERICA	712	1.14
	UNITED KINGDOM 96.05% (87.94%)		
4,500,000	United Kingdom Gilt, 2.250%, 07/09/2023	4,460	7.12
4,000,000	United Kingdom Gilt, 0.125%, 31/01/2024	3,875	6.19
3,500,000	United Kingdom Gilt, 2.000%, 07/09/2025	3,368	5.38
4,000,000	United Kingdom Gilt, 0.125%, 30/01/2026	3,641	5.82
5,400,000	United Kingdom Gilt, 4.250%, 07/12/2027	5,591	8.93
4,500,000	United Kingdom Gilt, 1.625%, 22/10/2028	4,102	6.55
2,500,000	United Kingdom Gilt, 0.500%, 31/01/2029	2,101	3.36
4,000,000	United Kingdom Gilt, 4.750%, 07/12/2030	4,367	6.98
4,500,000	United Kingdom Gilt, 0.875%, 31/07/2033	3,467	5.54
2,190,000	United Kingdom Gilt, 4.250%, 07/03/2036	2,322	3.71
4,000,000	United Kingdom Gilt, 4.250%, 07/12/2040	4,211	6.73
4,000,000	United Kingdom Gilt, 3.250%, 22/01/2044	3,638	5.81
2,420,000	United Kingdom Gilt, 3.500%, 22/01/2045	2,280	3.64
3,000,000	United Kingdom Gilt, 4.250%, 07/12/2049	3,183	5.08
2,100,000	United Kingdom Gilt, 3.750%, 22/07/2052	2,062	3.29
2,000,000	United Kingdom Gilt, 1.500%, 31/07/2053	1,168	1.87
1,500,000	United Kingdom Gilt, 4.250%, 07/12/2055	1,619	2.59
1,340,000	United Kingdom Gilt, 4.000%, 22/01/2060	1,414	2.26
1,500,000	United Kingdom Gilt, 3.500%, 22/07/2068	1,448	2.31
2,000,000	United Kingdom Gilt, 1.625%, 22/10/2071	1,119	1.79
500,000	United Kingdom Inflation-Linked Gilt, 0.125%, 22/03/2068.....	692	1.10
	TOTAL - UNITED KINGDOM	60,128	96.05
	TOTAL - BONDS	60,840	97.19
	DERIVATIVES 0.16% (0.17%)		
	FUTURES		
(60)	Long Gilt Bond, 28/06/2023.....	101	0.16
		101	0.16
	TOTAL - DERIVATIVES	101	0.16
	TOTAL VALUE OF INVESTMENTS	60,941	97.35
	OTHER ASSETS	1,657	2.65
	TOTAL NET ASSETS	62,598	100.00

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Franklin UK Gilt Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital losses	2		(10,804)		(3,498)
Revenue	3	1,035		753	
Expenses	4	(218)		(254)	
Interest payable and similar charges	5	(2)		-	
Net revenue before taxation		815		499	
Taxation	6	-		-	
Net revenue after taxation			815		499
Total return before distributions			(9,989)		(2,999)
Distributions	7		(1,033)		(753)
Change in net assets attributable to shareholders			(11,022)		(3,752)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		70,076		75,360
Amounts received on creation of shares	10,672		6,758	
Amounts paid on cancellation of shares	(8,158)		(9,032)	
		2,514		(2,274)
Dilution adjustment		3		-
Change in net assets attributable to shareholders from investment activities (see above)		(11,022)		(3,752)
Retained distribution on accumulation shares		1,027		742
Closing net assets attributable to shareholders		62,598		70,076

BALANCE SHEET As at 31 March 2023

Notes	31 March 2023	31 March 2022
	£000	£000
Assets		
Fixed assets		
Investments	60,941	62,685
Current assets		
Debtors	405	362
Cash and bank balances	1,535	7,122
Total assets	62,881	70,169
Liabilities		
Creditors		
Distributions payable	(6)	(4)
Other creditors	(277)	(89)
Total liabilities	(283)	(93)
Net assets attributable to shareholders	62,598	70,076

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities losses	(11,141)	(4,028)
Derivative gains	337	530
	<u>(10,804)</u>	<u>(3,498)</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	21	-
Interest on debt securities	1,014	753
	<u>1,035</u>	<u>753</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	158	185
ACD's administration charge	32	36
	<u>190</u>	<u>221</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	9	15
Safe custody fees	1	2
	<u>10</u>	<u>17</u>
Other expenses:		
Audit fees	15	17
Expense Cap	-	(5)
Other	3	4
	<u>18</u>	<u>16</u>
	<u>218</u>	<u>254</u>

5. Interest payable and similar charges

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interest on bank overdrafts	2	-
Total interest payable and similar charges	<u>2</u>	<u>-</u>

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

6. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge for the year		
Total current tax	-	-
Total taxation (see Note(b))	<u>-</u>	<u>-</u>

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	815	499
Corporation tax at 20% (2022: 20%)	163	100
Effects of:		
Tax deductible interest distributions	(163)	(100)
Total tax charge for the year (see Note 6(a))	<u>-</u>	<u>-</u>

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	14	10
Accumulation	719	557
	<u>733</u>	<u>567</u>
Final dividend distributions		
Income	6	4
Accumulation	308	185
	<u>314</u>	<u>189</u>
Add: Revenue deducted on cancellation of shares	15	11
Deduct: Revenue received on issue of shares	(29)	(14)
Total distribution	<u><u>1,033</u></u>	<u><u>753</u></u>
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	815	499
Expense charge taken to capital	218	254
Total distribution	<u><u>1,033</u></u>	<u><u>753</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 126 and 127.

8. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	400	349
Amounts receivable for issue of shares	5	13
	<u>405</u>	<u>362</u>

9. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Amount held at futures clearing houses and brokers	238	-
Cash and bank balances	1,297	7,122
Total cash and bank balances	<u><u>1,535</u></u>	<u><u>7,122</u></u>

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	40	36
Amounts payable for cancellation of shares	237	53
	<u>277</u>	<u>89</u>

11. Related parties

During the year, Franklin Templeton Fund Management Limited (“ACD”), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £16,000 (£14,000 as at 31 March 2022).

During the year the Fund received £Nil (£2,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £Nil (£Nil as at 31 March 2022).

As at 31 March 2023 Templeton Global Advisors Limited (“TGAL”) held 0.00% of the shares in issue of Class W Income (0.30% as at 31 March 2022).

12. Risk management policies and disclosures

The risks inherent in the Fund’s investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.00% (2022: 0.00%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

Interest rate profile of financial assets and financial liabilities

The tables below detail the interest rate profile of the Fund’s assets / liabilities at the year end.

2023

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	-	60,840	101	60,941
Investment liabilities	-	-	-	-

2022

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	-	62,567	118	62,685
Investment liabilities	-	-	-	-

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Sensitivity to Interest Rate Risk

A potential interest rate increase of 0.5% has been assumed for the sensitivity analysis and with all other variables held constant, the profit or loss after taxation and equity are expected to change as disclosed below. The actual movements of values could be different due to unpredictable market environment changes impacting the values in parallel.

<u>Category</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Fixed rate financial assets	(2,653)	(450)
Other	1	-
Total	(2,652)	(450)

A potential interest rate decrease of 0.5% has been assumed for the sensitivity analysis and with all other variables held constant, the profit or loss after taxation and equity are expected to change as disclosed below. The actual movements of values could be different due to unpredictable market environment changes impacting the values in parallel.

<u>Category</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Fixed rate financial assets	2,933	506
Other	(1)	-
Total	2,932	506

Other price risk

At the year end date, 97.35% (2022: 89.45%) of the net assets of the Fund were invested in bonds, preferred shares and forward contracts. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.74% (2022: 8.95%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

During the year bond purchases amounted to £13,996,000 (2022: £9,796,000) and bond sales amounted to £4,000,000 (2022: £Nil). No direct transaction costs were incurred during the current or prior year.

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.17% (2022: 0.10%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	65,518,464	11,710,435	(8,706,975)	-	68,521,924
W – Income shares	1,334,910	171,264	(128,374)	-	1,377,800

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	101	-	-	-
Level 2	60,840	-	62,685	-
Level 3	-	-	-	-
Total	60,941	-	62,685	-

16. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value	% of Net Assets
		£000	
31 March 2023			
Investment grade	BBB or higher	60,840	97.19
Non-investment grade	below BBB	-	-
Not rated	Not rated	-	-
Total Value of Bonds		60,840	97.19
31 March 2022			
Investment grade	BBB or higher	62,567	89.28
Non-investment grade	below BBB	-	-
Not rated	Not rated	-	-
Total Value of Bonds		62,567	89.28

17. Counterparty and Collateral Exposure

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
J.P. Morgan Securities Plc	-	-	101	-	-	-	101

FTF Franklin UK Gilt Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Counterparty and Collateral Exposure (Continued)

31 March 2022							
Counterparty	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaption £000	Total £000
J.P. Morgan Securities Plc	118	-	-	-	-	-	118

FTF Franklin UK Gilt Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 June 2022

	Net Income	Equalisation	30 June 2022 Pence per Share	30 June 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.3146	-	0.3146	0.2808
Group 2	0.0431	0.2715	0.3146	0.2808
W Income Shares				
Group 1	0.2968	-	0.2968	0.2677
Group 2	0.1941	0.1027	0.2968	0.2677

For the period 1 July 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased in the period 1 July 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.3245	-	0.3245	0.2778
Group 2	0.0435	0.2810	0.3245	0.2778
W Income Shares				
Group 1	0.3052	-	0.3052	0.2642
Group 2	0.1033	0.2019	0.3052	0.2642

For the period 1 October 2022 to 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share	31 December 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.4316	-	0.4316	0.2738
Group 2	0.1404	0.2912	0.4316	0.2738
W Income Shares				
Group 1	0.4046	-	0.4046	0.2597
Group 2	0.2293	0.1753	0.4046	0.2597

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.4500	-	0.4500	0.2820
Group 2	0.2830	0.1670	0.4500	0.2820
W Income Shares				
Group 1	0.4196	-	0.4196	0.2668
Group 2	0.1739	0.2457	0.4196	0.2668

FTF Franklin UK Gilt Fund

DISTRIBUTION TABLES *(Continued)*

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Franklin US Opportunities Fund

INVESTMENT REVIEW

PERFORMANCE

For the 12-month period ended 31 March 2023, the FTF Franklin US Opportunities Fund returned -16.37% (W Accumulation), while its benchmark, the Russell 3000® Growth Index¹ returned -5.10%.

OVERVIEW

US equities, as measured by the Standard & Poor's® 500 Index, posted a -7.73% total return (in US-dollar terms) for the 12 months ended March 31, 2023. High inflation, rising interest rates and geopolitical instability contributed to a sharp decline in equity prices during the first half of the period, but an equity rebound in the second half pared earlier losses. Consumer spending continued to rise but deteriorating financial conditions and investors' expectations for slower growth pressured equity markets. Financial markets experienced heightened volatility in March due to banking turmoil in the United States and Switzerland, but fairly quick action by authorities in both countries to stem potential contagion reassured many investors.

Continued supply-chain disruptions, strong consumer demand and volatile energy prices led to elevated inflation. Russia's invasion of Ukraine in late February 2022 also disrupted financial markets and led to a rise in oil and commodity prices early in the period. Inflation peaked at 9.1% in June 2022, the highest annual rate since 1981, before gradually sliding to 6.0% in February 2023. The labour market remained strong amidst a high level of nominal growth, which sent the US unemployment rate down to a historic 54-year low of 3.4% in January 2023 before ending the period at 3.5%.

US gross domestic product grew in the second half of 2022 after modestly contracting in the first half of the year. Rising consumer spending and increased exports amidst declining inflation led to solid economic growth in the final two quarters of 2022. However, rising interest rates translated to higher borrowing costs for individuals and businesses, which dampened economic activity, especially in the housing market, over the period.

In an effort to control inflation, the US Federal Reserve ("Fed") rapidly restricted monetary policy during the period. The Fed raised the federal funds target rate eight times to end the period at a range of 4.75%–5.00%, pushing borrowing costs to their highest levels since 2007. The interest-rate hikes included four successive 75 basis-point increases at its June, July, September and November 2022 meetings and smaller increases at its remaining meetings during the period. At its March 2023 meeting, the Fed said it would continue to reduce bond holdings but departed from previous statements by softening its firm outlook on future rate hikes. Additionally, Fed Chair Jerome Powell said the central bank most likely would not cut rates in 2023. He also emphasized that the US "banking system is sound and resilient with strong capital and liquidity."

SIGNIFICANT CHANGES

For the 12-month period ended 31 March 2023, the information technology ("IT") sector was the largest sector weighting in the fund and decreased over the period. Other notable changes in weightings included a decrease in the consumer discretionary sector and increases in the financials, consumer staples and industrials sectors.

Several positions were added to the fund or increased over the reporting period, including Eli Lilly & Co., Meta Platforms, Thermo Fisher Scientific and Burlington Stores.

Eli Lilly and Co. discovers, develops and markets pharmaceuticals worldwide. We believe the company has a best-in-class growth profile in the pharmaceuticals industry, supported by several blockbuster drugs driving its growth. Additionally, we believe Eli Lilly has a strong management team with a proven track record, and it has an excellent balance sheet. Meta Platforms, the parent of Facebook, engages in the development of products that enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality headsets and wearables. We believe the shift to generative artificial intelligence presents an opportunity for the company and supports a longer more sustainable growth profile for the company. Thermo Fisher Scientific provides life sciences solutions, analytical instruments, specialty diagnostics, laboratory products and biopharma services in the United States and internationally. In our view, Thermo is well-positioned across the biopharma and life sciences industries to benefit from a multiyear secular demand backdrop of increasing health care consumption globally. Burlington Stores operates as a retailer of branded apparel products that include women's ready-to-wear apparel, menswear, youth apparel, footwear and accessories. Despite its management's operational missteps last year, we view Burlington's position as strong in the attractive off-price retail category with higher top-line growth and profit margin expansion opportunities than its competitors.

Several positions were reduced or exited the reporting period, including Amazon.com, NVIDIA, Apple and Edwards Lifesciences.

¹Russell® is a trademark/servicemark of the Frank Russell Company.

FTF Franklin US Opportunities Fund

INVESTMENT REVIEW *(Continued)*

Amazon.com is an online retailer with fast-growing operations in subscriptions, advertising and web hosting. We reduced our position in Amazon due to headwinds in the e-commerce industry and a growing need for increased infrastructure investment. NVIDIA deals in programmable graphics-processor technologies. Its major business segments are graphics processing units, media and communications processors, and handheld and consumer electronics. We reduced our investment to manage risk in the position after strong performance. Apple engages in the design, manufacture and marketing of mobile communication devices, media devices, personal computers and wearable smart devices, and it has a strong ecosystem of entertainment and apps. We reduced our holding to manage risk in the position after strong performance. Edwards Lifesciences is a global provider of products and technologies designed to treat advanced cardiovascular disease. We exited our position due to increased competitive pressures and slowing end-market growth.

POSITIVE/NEGATIVE CONTRIBUTORS

The fund underperformed its benchmark index for the 12-month reporting period ended 31 March 2023. Stock selection and an underweighting in the IT sector detracted most from relative returns, with payment solutions provider Bill Holdings (formerly Bill.com Holdings), whose shares declined significantly, and an underweight in graphics chipmaker NVIDIA, whose shares rose and outperformed the benchmark, primarily responsible for relative weakness during the period.

Stock selection in the health care sector and an underweight in Eli Lilly & Co. curbed relative returns. The pharmaceutical company has several drugs driving its growth along with a promising pipeline focused on four therapeutic areas: diabetes/obesity, immunology, oncology and neuroscience.

In the consumer discretionary sector, supply-chain snarls and parts shortages were headwinds for electric vehicle (EV) manufacturer Rivian Automotive. Conversely, an underweight in Tesla helped relative performance as shares of the EV manufacturer were pressured by the pandemic-shutdown of its Shanghai factory in China, which stalled production of its vehicles. Nonetheless, we continue to believe the long-term outlook for EV adoption in the United States and globally is robust. Underperformance in the consumer discretionary sector came from our holding in Amazon.com as inflation and a slowdown in consumer spending had a negative impact on its business.

Turning to contributors, results in the financials sector benefitted from a position in data and analytics provider MSCI and payment processor Mastercard. Strong, recurring subscription growth was a catalyst for the MSCI's stock price appreciation. A recovery in leisure travel has improved cross-border transaction volume for Mastercard. In communication services, Facebook-parent Meta Platforms was the sector's top contributor. Improved user engagement and aggressive expense management supported the stock's advance. Elsewhere, energy drinkmaker Monster Beverage was a strong contributor in the consumer staples sector, helped by price increases on its beverages to offset inflation.

OUTLOOK

Global equity market volatility over the period reflects concerns about persistent inflation, rising interest rates, moderating economic growth and geopolitical uncertainty. We expect inflation in 2023 to remain above the Fed's target, but this may be offset by weakening economic fundamentals. Some leading economic indicators are already forecasting a slowing economy in the second half of 2023. We would expect the lagging effects of the Fed's interest-rate increases last year to impact the US economy in the months ahead. Despite these headwinds, we believe the probability of a severe recession in the United States is relatively low.

As active managers and fundamental stockpickers, our focus remains on investing in businesses we consider to be of high quality and that have sustainable growth drivers which may not be reflected in current valuations. Many of these investments involve secular growth themes that we believe can potentially deliver consistent long-term performance. To do this, we rely on our bottom-up, fundamental research capabilities and leverage our in-house team of analysts to uncover promising companies that have the potential to become market leaders.

We consider digital transformation to be an important secular growth theme that can drive productivity, lower costs and increase profitability for companies. It is not just a technology-driven trend, but one that is broadly permeating other areas of the economy in the form of health care innovation, digital customer engagement, factory automation and the integration of financial technologies.

Our outlook for 2023 remains cautiously optimistic. We continue to expect periods of market volatility that can potentially lead us to attractively valued growth companies at significant discounts. As such, we believe experienced active management will be crucial to navigating macro headwinds and identifying industry leaders that can perform effectively in ambiguous markets.

Grant Bowers & Sara Araghi, CFA
Fund Managers
31 March 2023

FTF Franklin US Opportunities Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	462.17	419.58	296.93
Return before operating charges ¹	(66.04)	46.55	126.02
Operating charges ²	(3.31)	(3.96)	(3.37)
Return after operating charges ³	(69.35)	42.59	122.65
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	392.82	462.17	419.58
After direct transaction costs of ⁴	(0.04)	(0.05)	(0.04)
Performance			
Return after charges ⁵	(15.01)%	10.15%	41.31%
Other information			
Closing net asset value (£)	69,108,893	106,875,184	101,093,837
Closing number of shares	17,593,100	23,124,401	24,093,952
Operating charges ratio ⁶	0.84%	0.83%	0.84%
Direct transaction costs ⁴	0.01%	0.01%	0.01%
Prices (p)			
Highest share price	463.96	551.10	459.98
Lowest share price	356.18	399.31	283.34
Y – Income shares*			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	358.02	323.31	227.68
Return before operating charges ¹	(16.73)	35.79	96.70
Operating charges ²	(0.01)	(0.14)	(0.11)
Return after operating charges ³	(16.74)	35.65	96.59
Distributions	-	(0.94)	(0.96)
Closing net asset value per share	341.28	358.02	323.31
After direct transaction costs of ⁴	(0.01)	(0.04)	(0.03)
Performance			
Return after charges ⁵	(4.68)%	11.03%	42.42%
Other information			
Closing net asset value (£)	-	7,039	6,356
Closing number of shares	-	1,966	1,966
Operating charges ratio ⁶	-	0.04%	0.04%
Direct transaction costs ⁴	-	0.01%	0.01%
Prices (p)			
Highest share price	359.43	426.76	355.14
Lowest share price	277.57	309.90	217.27

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

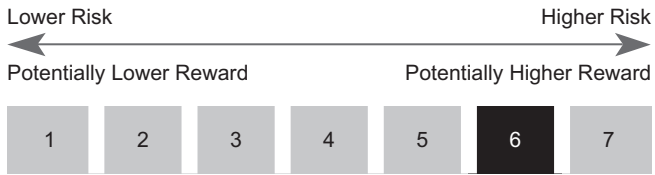
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* Share class closed on 12 August 2022.

FTF Franklin US Opportunities Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Franklin US Opportunities Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 99.80% (99.12%)		
	APPAREL 1.25% (1.33%)		
8,693	NIKE	861	1.25
	AUTOMOBILE MANUFACTURERS 1.07% (2.51%)		
51,975	Proterra	63	0.09
13,167	Rivian Automotive	165	0.24
3,059	Tesla	513	0.74
		<u>741</u>	<u>1.07</u>
	BEVERAGES 2.96% (1.32%)		
2,754	Constellation Brands	502	0.73
35,324	Monster Beverage	1,542	2.23
		<u>2,044</u>	<u>2.96</u>
	BIOTECHNOLOGY 0.17% (1.29%)		
6,110	Guardant Health	116	0.17
	CHEMICALS 2.01% (1.22%)		
4,848	Linde	1,391	2.01
	COMMERCIAL SERVICES 4.05% (3.94%)		
21,719	CoStar	1,208	1.75
4,512	S&P Global	1,256	1.82
6,631	TransUnion	333	0.48
		<u>2,797</u>	<u>4.05</u>
	COMPUTERS 6.90% (5.94%)		
32,989	Apple	4,394	6.36
3,372	Crowdstrike	374	0.54
		<u>4,768</u>	<u>6.90</u>
	DIVERSIFIED FINANCIAL SERVICES 9.30% (6.39%)		
5,899	Intercontinental Exchange	497	0.72
13,512	Mastercard	3,967	5.74
10,795	Visa	1,966	2.84
		<u>6,430</u>	<u>9.30</u>
	ELECTRICITY 1.30% (0.69%)		
14,391	NextEra Energy	896	1.30
	ELECTRONICS 0.96% (0.77%)		
4,319	Honeywell International	667	0.96
	ENVIRONMENTAL CONTROL 1.31% (0.68%)		
8,294	Republic Services	906	1.31
	FOOD PRODUCERS 0.75% (0.00%)		
6,123	Lamb Weston	517	0.75
	HEALTHCARE PRODUCTS 7.10% (9.21%)		
7,486	Danaher	1,524	2.20
1,518	IDEXX Laboratories	613	0.89
4,276	Intuitive Surgical	882	1.28
2,065	Thermo Fisher Scientific	961	1.39
3,296	West Pharmaceutical Services	923	1.34
		<u>4,903</u>	<u>7.10</u>
	HEALTHCARE SERVICES 3.21% (3.00%)		
4,853	Catalent	258	0.37
5,134	UnitedHealth	1,960	2.84
		<u>2,218</u>	<u>3.21</u>
	INTERNET 13.45% (16.22%)		
32,093	Alphabet	2,688	3.89
44,005	Amazon.com	3,672	5.31

FTF Franklin US Opportunities Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	INTERNET (Continued)		
14,174	Figs	71	0.10
12,190	Meta Platforms	2,087	3.02
30,434	Uber Technologies	779	1.13
		9,297	13.45
	MISCELLANEOUS MANUFACTURING 0.99% (0.00%)		
3,756	Axon Enterprise	682	0.99
	PHARMACEUTICALS 3.92% (2.01%)		
23,270	AstraZeneca†	1,305	1.89
4,793	Eli Lilly & Co	1,329	1.92
59,991	Heron Therapeutics	73	0.11
		2,707	3.92
	PRIVATE EQUITY 0.62% (0.00%)		
6,317	Ares Management	426	0.62
	REAL ESTATE INVESTMENT TRUSTS 2.62% (2.66%)		
8,589	SBA Communications	1,811	2.62
	RETAIL 4.96% (3.95%)		
260	AutoZone	517	0.75
4,330	Burlington Stores	707	1.02
1,002	Chipotle Mexican Grill	1,382	2.00
434	Costco Wholesale	174	0.25
8,925	Dutch Bros	228	0.33
7,845	Freshpet	419	0.61
		3,427	4.96
	SEMICONDUCTORS 7.35% (7.88%)		
7,045	Analog Devices	1,123	1.62
362	ASML	199	0.29
7,389	GLOBALFOUNDRIES	431	0.62
3,874	Monolithic Power Systems	1,565	2.26
7,880	NVIDIA	1,769	2.56
		5,087	7.35
	SOFTWARE 22.57% (26.67%)		
2,233	Adobe	695	1.01
2,355	Atlassian	326	0.47
4,092	Bill.com	268	0.39
6,051	Confluent	118	0.17
3,325	Intuit	1,197	1.73
19,845	Microsoft	4,622	6.69
986	Monday.com	114	0.16
3,831	MSCI	1,730	2.50
1,846	Paycom Software	454	0.66
2,908	Roper Technologies	1,035	1.50
2,059	Salesforce	332	0.48
5,269	ServiceNow	1,976	2.86
1,722	Snowflake	215	0.31
3,724	Synopsys	1,161	1.68
1,243	Tyler Technologies	356	0.51
2,613	Veeva Systems	388	0.56
3,679	Workday	614	0.89
		15,601	22.57
	TRANSPORTATION 0.98% (1.44%)		
4,173	Union Pacific	678	0.98
	TOTAL - EQUITIES	68,971	99.80

FTF Franklin US Opportunities Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	68,971	99.80
	OTHER ASSETS	138	0.20
	TOTAL NET ASSETS	<u>69,109</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

† American Depositary Receipt.

FTF Franklin US Opportunities Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(15,557)		12,968
Revenue	3	457		429	
Expenses	4	(684)		(1,083)	
Interest payable and similar charges		-		-	
Net expense before taxation		(227)		(654)	
Taxation	5	(60)		(58)	
Net expense after taxation			(287)		(712)
Total return before distributions			(15,844)		12,256
Distributions	6		-		-
Change in net assets attributable to shareholders			(15,844)		12,256

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		106,882		113,626
Amounts received on creation of shares	3,099		67,517	
Amounts paid on cancellation of shares	(25,028)		(86,517)	
		(21,929)		(19,000)
Change in net assets attributable to shareholders from investment activities (see above)		(15,844)		12,256
Retained distribution on accumulation shares		-		-
Closing net assets attributable to shareholders		69,109		106,882

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		68,971	105,942
Current assets			
Debtors	7	273	286
Cash and bank balances	8	183	1,297
Total assets		69,427	107,525
Liabilities			
Creditors			
Other creditors	9	(318)	(643)
Total liabilities		(318)	(643)
Net assets attributable to shareholders		69,109	106,882

FTF Franklin US Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(15,590)	12,984
Currency gains/(losses)	33	(16)
	<u>(15,557)</u>	<u>12,968</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	5	-
Overseas dividends	400	406
UK dividends	29	23
US REIT dividends	23	-
	<u>457</u>	<u>429</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	614	943
ACD's administration charge	41	97
	<u>655</u>	<u>1,040</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	11	22
Safe custody fees	2	1
	<u>13</u>	<u>23</u>
Other expenses:		
Audit fees	14	16
Printing fees	-	1
Other	2	3
	<u>16</u>	<u>20</u>
	<u>684</u>	<u>1,083</u>

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge for the year		
Overseas tax	60	58
Total current tax	60	58
Total taxation (see Note(b))	<u>60</u>	<u>58</u>

FTF Franklin US Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation (Continued)

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net expenses before taxation	(227)	(654)
Corporation tax at 20% (2022: 20%)	(45)	(131)
Effects of:		
Movement in unrecognised tax losses	132	210
Overseas tax	60	58
Relief on overseas tax expensed	(1)	-
Revenue not subject to tax	(86)	(79)
Total tax charge for the year (see Note 5(a))	60	58

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £2,556,000 (£2,424,000 as at 31 March 2022) due to tax losses of £12,779,000 (£12,120,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Final dividend distributions		
Income	-	-
Accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
Total distribution	-	-
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net expense after taxation	(287)	(712)
Revenue deficit payable from capital	287	712
Total distribution	-	-

Details of the distribution in pence per share for this Fund are set out in the table on page 141.

FTF Franklin US Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Debtors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	£000	£000
Accrued income	7	7
Amounts receivable for issue of shares	264	228
Currency spot awaiting settlement	2	-
Sales awaiting settlement	-	51
	<u>273</u>	<u>286</u>

8. Cash and bank balances

	<u>31 March 2023</u>	<u>31 March 2022</u>
	£000	£000
Cash and bank balances	183	-
Total cash and bank balances	<u>183</u>	<u>-</u>

9. Other creditors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	£000	£000
Accrued expenses	70	87
Amounts payable for cancellation of shares	246	556
Currency purchases awaiting settlement	2	-
	<u>318</u>	<u>643</u>

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £46,000 (£63,000 as at 31 March 2022).

As at 31 March 2023 Templeton Global Advisors Limited ("TGAL") held 0% (100% as at 31 March 2022) of the shares in issue of Class Y Income, as the share class closed in the period.

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

FTF Franklin US Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

<u>Currency</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
United States Dollar	68,976	106,081
	<u>68,976</u>	<u>106,081</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.80% (2022: 99.12%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.98% (2022: 9.91%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	<u>1 April 2022 to 31 March 2023</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	11,102	1	-	11,103	0.01	-
Sales						
Equities	32,428	(6)	(1)	32,421	(0.02)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.00%</u>			
	<u>1 April 2021 to 31 March 2022</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	22,758	3	-	22,761	0.01	-
Sales						
Equities	42,295	(7)	(1)	42,287	(0.02)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.00%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

FTF Franklin US Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.02% (2022: 0.05%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W Accumulation shares	23,124,401	790,816	(6,322,117)	-	17,593,100
Y – Income shares	1,966	-	(1,966)	-	-

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	68,971	-	105,942	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total	68,971	-	105,942	-

FTF Franklin US Opportunities Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.0000	-	0.0000	-
Group 2	0.0000	0.0000	0.0000	-
Y Income Shares				
Group 1	0.0000	-	0.0000	0.9395
Group 2	0.0000	0.0000	0.0000	0.9395

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie Asia Unconstrained Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie Asia Unconstrained Fund returned 0.84%¹ (W Accumulation) against the MSCI AC Asia ex Japan Index return of -2.99%.

OVERVIEW

After a weak start to the period, Asian equities, as measured by the MSCI AC Asia ex Japan Index, rallied in the fourth quarter of 2022, closing the twelve month period with a positive first quarter in 2023.

From a sector perspective, the information technology and health care sectors were particularly weak, declining -8.4% and -7.6% respectively. On the inverse, consumer staples, consumer discretionary and communication services all delivered positive returns.

From a country perspective, Indonesia, Thailand, Singapore, China and Hong Kong all delivered positive returns for the year, with Indonesia and Thailand the strongest, returning 6.7% and 5.5% respectively. The weakest major country returns were from the Republic of Korea (-8.9%) and Taiwan (-8.1%). China delivered a sharp turnaround in performance during the latter portion of 2022 and into 2023, where government policy announcements focusing on supporting domestic economic growth and a relaxation of Covid related restrictions lead to renewed optimism from the market around the outlook for the Chinese economy.

The fund was up over the period. From a country perspective, Korea and India had positive relative performance. Information technology was the strongest positive sector contributor to relative returns, driven by positive stock selection. Singapore's Venture Corporation, an electronics manufacturing service company with a diverse international client base, was also a positive relative performer as earnings expectations for the company improved over the period. Although overall our exposure to information technology delivered positive relative returns, our holding of semiconductor manufacturer TSMC made a negative contribution to relative returns. TSMC suffered due to the broad semiconductor industry sell-off on weakening sentiment around end-market demand.

Another strong sector for the portfolio was the financials sector. This strength came partly from insurance holdings, especially Hong Kong-based life insurer AIA. Ping An Insurance was also supportive. We also saw notable contributions to returns from United Overseas Bank, and the investment in the HDFC Bank.

The consumer staples and energy sectors were weaker. We hold a significant underweight position to consumer staples.

SIGNIFICANT CHANGES

New Purchases

Accton It is a manufacturer of network products such as switches. It sells to both brand customers and directly to hyperscalers such as Amazon and Facebook. Accton has a long track record of working with key customers; the switches they use require long design and qualification periods, so entry barriers are high. The business generates high returns and increasing data use will drive demand for faster and more switches.

Leeno Industrial The company operates in the semiconductor industry, manufacturing and marketing testing pins and integrated test sockets used in semiconductor back-end tests. It is a beneficiary of rising 5G penetration and the continued growth of the Internet of Things (IoT), artificial intelligence, automotive electronics and the metaverse.

Hansol Chemical The Korean-based chemicals manufacturer has attractive and niche exposure to three sources of long-term growth, namely semiconductor materials, electric vehicle (EV) battery materials and next-generation (QD) display materials. It has a strong market position in most of its business areas and is highly cash generative, delivering strong returns.

Shandong Weigao The Chinese developer and manufacturer of single-use medical devices provides exposure to several structural growth areas not currently present in the portfolio. The company is also well positioned for any acceleration in import substitution.

Innox Advanced Materials Innox Advanced Materials is a producer of semiconductor package materials, flexible printed circuit board (FPCB) materials, and display filter materials. In the latter area, Innox has exposure to the OLED display market which we believe has entered a multi-year growth phase. In 2023, the challenging global macro backdrop has negatively impacted its customers and, in turn, the near-term business environment for the company. We made a small initial investment in the stock, which we expect to add to in the months ahead.

Complete Exits

Jardine Matheson We exited our position in Jardine Matheson (JMH), the Hong Kong conglomerate. We believe the earnings profile for the business will be more challenged in 2023, most notably in Astra International (a subsidiary of JMH), which faces tougher year-on-year comparisons, and HongKong Land, where there is an ongoing challenging environment for office rents in Hong Kong.

FTF Martin Currie Asia Unconstrained Fund

INVESTMENT REVIEW *(Continued)*

Meituan The stock was received as a distribution from another holding (Tencent), and was not a discretionary holding until shares formally became available on 24 March. While the stock has certain attributes that are aligned with our investment criteria, namely a market leadership position in its core food delivery segment underpinned by strong barriers to entry, over recent years the company has invested in several other initiatives where there is some combination of a lack of market leadership, unclear long-term returns and margins, or an opaque addressable market. This means that while the stock may benefit from a short-term recovery amidst the Chinese reopening, both the longevity of Meituan's revenue growth, and the sustainability of its margins and returns profile, are unclear. With no clear insight into some key strategic questions about the long-term positioning or financial profile of the business, we exited the position.

POSITIVE/NEGATIVE CONTRIBUTORS

TravelSky Technology The Chinese information technology solution provider for the travel and tourism industries was one of the top contributors to relative performance over the period as investors began discounting a recovery in domestic aviation travel and, with a lag, international travel.

HDFC Bank is a leading Indian banking group. Banks in India are benefiting from recovery in both consumer/retail and corporate lending. It has continued to gain market share and is well positioned to deliver continued growth going forward.

Techtronic primarily supplies the US market with power tools. It was impacted by concerns about US economic growth; in our view this was an over-reaction and therefore retained exposure.

JD.com (JD) was weaker during the period. It was originally impacted by concerns around the economic outlook in China. As we moved into 2023 it announced the launch of a RMB10 billion subsidy programme targeting its value-oriented segment. The market reacted negatively to the news on concerns around margin discipline. These concerns were addressed during JD's earnings call, where management delivered a constructive message on its long term strategy. However, the market reacted negatively to short-term concerns related to weaker guidance around the pace of consumption recovery.

OUTLOOK

Having noted early in 2022 that we felt earnings expectations for the Asia ex Japan region were too high, we have subsequently seen expectations being steadily revised lower over the year. Looking at the global picture, the current environment remains challenging, especially in major western export markets such as the US and Europe. This has been especially pronounced in sectors such as information technology, which looks like it will be entering a challenging period for 2023. As we look at 2023 for Asian markets, forecasts are starting to take account of a potential improvement in China for the year ahead and we are seeing conditions that are supportive of earnings growth in other ASEAN markets. With a 12–24-month view, the case for being more constructive on Asian stocks is increasingly compelling, and valuations are certainly not stretched.

Andrew Graham & Paul Alan Danes

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Martin Currie Asia Unconstrained Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	98.74
Return before operating charges ¹	2.13
Operating charges ²	(0.48)
Return after operating charges ³	1.65
Distributions	(0.22)
Retained distributions on accumulation shares	0.22
Closing net asset value per share	100.39
After direct transaction costs of ⁴	(0.08)
Performance	
Return after charges ⁵	1.67%
Other information	
Closing net asset value (£)	49,978,621
Closing number of shares	49,782,816
Operating charges ratio ⁶	0.93%
Direct transaction costs ⁴	0.14%
Prices (p)	
Highest share price	109.01
Lowest share price	85.45

<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	95.22
Return before operating charges ¹	2.05
Operating charges ²	(0.46)
Return after operating charges ³	1.59
Distributions	(0.21)
Closing net asset value per share	96.60
After direct transaction costs of ⁴	(0.07)
Performance	
Return after charges ⁵	1.67%
Other information	
Closing net asset value (£)	89,519
Closing number of shares	92,665
Operating charges ratio ⁶	0.92%
Direct transaction costs ⁴	0.14%
Prices (p)	
Highest share price	104.90
Lowest share price	82.41

- 1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
- 2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
- 3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
- 4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
- 5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
- 6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

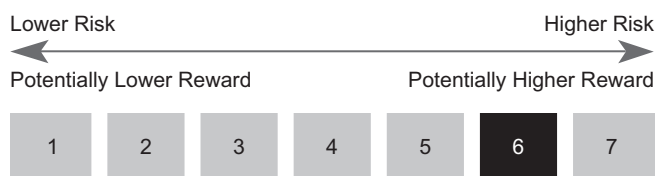
FTF Martin Currie Asia Unconstrained Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Martin Currie Asia Unconstrained Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie Asia Unconstrained Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 96.49%		
	ASIA 96.49%		
	CHINA		
239,100	Alibaba	2,469	4.93
2,001,760	CSPC Pharmaceutical	1,591	3.18
157,400	ENN Energy	1,735	3.47
53,850	JD.com	953	1.90
636,000	Mintih	1,552	3.10
247,000	Ping An Insurance of China	1,298	2.59
954,000	Shandong Weigao Medical Polymer	1,228	2.45
107,800	Shenzhou International	914	1.83
89,900	Tencent	3,570	7.13
635,200	Tongcheng Travel	1,117	2.23
690,000	TravelSky Technology	1,041	2.08
		<u>17,468</u>	<u>34.89</u>
	HONG KONG		
310,400	AIA	2,639	5.27
1,542,000	Guangdong Investment	1,275	2.54
144,500	Techtronic Industries	1,261	2.52
		<u>5,175</u>	<u>10.33</u>
	INDIA		
181,263	HDFC Bank	2,868	5.73
23,972	Tata Consultancy Services	755	1.51
		<u>3,623</u>	<u>7.24</u>
	INDONESIA		
4,696,400	Telkom Indonesia Persero	1,027	2.05
	SINGAPORE		
864,600	Singapore Technologies Engineering	1,922	3.84
1,480,600	Singapore Telecommunications	2,212	4.42
58,676	United Overseas Bank	1,061	2.12
56,700	Venture	606	1.21
		<u>5,801</u>	<u>11.59</u>
	SOUTH KOREA		
10,254	Hansol Chemical	1,524	3.04
21,174	Innox Advanced Materials	529	1.06
5,541	LEENO Industrial	493	0.98
4,739	LG Chem	2,094	4.18
2,193	LG Energy Solution	795	1.59
88,445	Samsung Electronics	3,508	7.01
		<u>8,943</u>	<u>17.86</u>
	TAIWAN		
212,000	Accton Technology	1,789	3.57
317,000	Taiwan Semiconductor Manufacturing	4,484	8.96
		<u>6,273</u>	<u>12.53</u>
	TOTAL - ASIA	<u>48,310</u>	<u>96.49</u>
	TOTAL - EQUITIES	<u>48,310</u>	<u>96.49</u>

FTF Martin Currie Asia Unconstrained Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	48,310	96.49
	OTHER ASSETS	1,758	3.51
	TOTAL NET ASSETS	<u>50,068</u>	<u>100.00</u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie Asia Unconstrained Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital gains	2		741
Revenue	3	323	
Expenses	4	(245)	
Interest payable and similar charges	5	(6)	
Net revenue before taxation		72	
Taxation	6	(80)	
Net expense after taxation			(8)
Total return before distributions			733
Distributions	7		(116)
Change in net assets attributable to shareholders			617

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	54,887	
Amounts received on creation of shares	78	
Amounts paid on cancellation of shares	(5,635)	
		49,330
Dilution adjustment		7
Change in net assets attributable to shareholders from investment activities (see above)		617
Retained distribution on accumulation shares		114
Closing net assets attributable to shareholders		50,068

¹The Franklin Templeton Funds II FTF Martin Currie Asia Unconstrained Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		48,310
Current assets		
Debtors	8	98
Cash and bank balances	9	2,140
Total assets		50,548
Liabilities		
Creditors		
Other creditors	10	(480)
Total liabilities		(480)
Net assets attributable to shareholders		50,068

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Martin Currie Asia Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

The net capital gains during the period comprise:

Non-derivative securities gains
Currency losses

23 September 2022 to 31 March 2023
£000
790
(49)
<u>741</u>

3. Revenue

Bank and other interest
Overseas dividends
Stock dividends

23 September 2022 to 31 March 2023
£000
7
295
21
<u>323</u>

4. Expenses

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's annual management charge
ACD's administration charge
ACD Waiver

23 September 2022 to 31 March 2023
£000
199
13
(14)
<u>198</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee
Safe custody fees

4
11
<u>15</u>

Other expenses:

Audit fees
Legal and publication fees
Other

11
5
16
<u>32</u>
<u>245</u>

5. Interest payable and similar charges

Interest on bank overdrafts

Total interest payable and similar charges

23 September 2022 to 31 March 2023
£000
6
<u>6</u>

FTF Martin Currie Asia Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	30
Overseas tax on capital gains	50
Total current tax	80
Total taxation (see Note(b))	80

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	72
Corporation tax at 20%	14
Effects of:	
Movement in unrecognised tax losses	49
Overseas tax	30
Overseas tax on capital gains	50
Revenue not subject to tax	(63)
Total tax charge for the period (see Note 6(a))	80

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £49,000 due to tax losses of £245,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Interim dividend distributions	
Income	-
Accumulation	114
	114
Final dividend distributions	
Income	-
Accumulation	-
	-
Add: Revenue deducted on cancellation of shares	2
Deduct: Revenue received on issue of shares	(-)
Total distribution	116

FTF Martin Currie Asia Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net expense after taxation	(8)
Revenue deficit payable from capital	74
Tax charge taken from capital account	50
Total distribution	116

Details of the distribution in pence per share for this Fund are set out in the table on page 155.

8. Debtors

	31 March 2023
	£000
Accrued income	89
Accrued Manager's charge rebates	9
	98

9. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	2,140
Total cash and bank balances	2,140

10. Other creditors

	31 March 2023
	£000
Accrued expenses	79
Amounts payable for cancellation of shares	351
Overseas capital gains tax provision	50
	480

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £34,000.

During the year the Fund received £14,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £9,000.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF Martin Currie Asia Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
<u>Currency</u>	£000
Hong Kong Dollar	22,643
Indian Rupee	3,573
Indonesian Rupiah	1,028
Korean Won	9,014
New Taiwan Dollar	6,292
Singapore Dollar	5,801
	<u>48,351</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 96.49% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.65%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

	<u>23 September 2022 to 31 March 2023</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	29,583	24	12	29,619	0.08	0.04
Bonds	11	-	-	11	-	-
Inspecie transfers	52,665	-	-	52,665	-	-
	<u>82,259</u>	<u>24</u>	<u>12</u>	<u>82,295</u>		
Sales						
Equities	16,185	(9)	(21)	16,155	(0.06)	(0.13)
Collective Investment schemes	18,598	(9)	-	18,589	(0.05)	-
	<u>34,783</u>	<u>(18)</u>	<u>(21)</u>	<u>34,744</u>		
Total cost of the Fund's average net asset value (%)		<u>0.08%</u>	<u>0.06%</u>			

FTF Martin Currie Asia Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Portfolio Transaction Costs (Continued)

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.17%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation	-	55,573,168	(5,790,352)	-	49,782,816
W – Income	-	92,665	-	-	92,665

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	48,310	-
Level 2	-	-
Level 3	-	-
Total	48,310	-

FTF Martin Currie Asia Unconstrained Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 December 2022

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
W Accumulation Shares			
Group 1	0.2194	-	0.2194
Group 2	0.1263	0.0931	0.2194
W Income Shares			
Group 1	0.2118	-	0.2118
Group 2	0.2118	0.0000	0.2118

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie Emerging Markets Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie Emerging Markets Fund returned -7.76%¹ (W Accumulation) against the MSCI Emerging Markets Net Dividends Index (GBP) return of -4.91%.

OVERVIEW

The ongoing impact of the Russia-Ukraine conflict was a major factor over the twelve month period. It created significant volatility, impacting the broader market as concerns emerged around supply chain disruption. Although disruption remains in the market, we have seen strength from a number of key markets over the period. Notably, as we moved into the latter portion of 2022 and into 2023 China performed well as expectations for a normalisation of its economy increased.

One of the headwinds for emerging markets was the negative impact of foreign currency. A steep sell-off in global interest rates aligned with a strong appreciation of US dollar following high CPI numbers in the US. This was largely reflected in regions such as Korea and Taiwan where we saw a large proportion of weakness driven by foreign exchange impacts.

China's equity market continues to play a prominent role in the overall direction of the asset class. Regulatory tightness combined with the "Zero Covid" policy stance, which was in place for much of the twelve month period, resulted in a sell off during the third quarter of 2022. However, in the fourth quarter we saw a sharp recovery as China announced a move away from the "Zero-Covid" policy and announced several measures which would relax Covid-related restrictions. Measures were also announced to support the property sector and bolster consumer demand as the government looks to drive "high quality" growth as a core part of its 2023 economic agenda. This has bolstered investor sentiment around the Chinese market. During the first quarter of 2023, China continues to deliver positively, with its efforts around re-opening its economy contributing to stronger growth.

We remain excited by the powerful combination of technology adoption, urbanisation and services-sector growth that is evident in emerging markets. We expect our highly selective, stock-focused approach will continue to prosper through accessing companies with a high return on equity, operating in structurally growing industries. As we exit the twelve month period, from an asset class perspective, emerging markets are trading at close to a 30% discount to developed markets and the inflationary backdrop appears to be more benign.

SIGNIFICANT CHANGES

We had a challenging start to the period due to continued style rotation into value, and geopolitical shocks. However, we continued to focus on the long term by buying stocks from our approved research list that been unduly punished and were at compelling valuations.

We added stocks that helped maintain portfolio balance post our divestment of all our remaining Russian names, investing in stocks within the finance, energy and consumer space. We remained focused on stocks with long-term secular growth outlooks, and were able to take the opportunity that the market rotation had afforded us to add names from our approved research list at attractive valuation entry points.

As we moved into the second half of calendar year 2022, the fund outperformed despite ongoing style headwinds. Stock specific drivers reasserted themselves and investors began to focus on fundamentals. As we moved into 2023, emerging markets started the new year positively. Sentiment began to improve around the semiconductor space, with the focus on long term growth opportunities.

Over the 12 months, the main detractors from performance from a sector perspective were health care and the energy sector. On the inverse, stock selection in and an underweight to materials, and an overweight to financials boosted relative performance. Financials in emerging markets showed more defensive properties. In country terms, India was the top contributor to relative performance, due to strong performance from ICICI, HDFC, Maruti Suzuki and Ultratech. Brazil and China were both relative detractors, largely due to stock specific factors.

New Purchases

ENN Energy: ENN offers consistent returns and steady growth at an attractive valuation. It also provides balance for the portfolio given our current industry and country positioning.

Globant: Latin American IT services company Globant operates in one of the best sector growth opportunities in emerging markets and has a positive outlook with an attractive valuation given the recent market sell-off.

Banorte: Mexican financial group Banorte offers a strong combination of interest rate sensitivity and value creation in a market which remains underpenetrated relative to most other emerging market countries in financial services terms.

Walmex. Walmex is a compounder with a strong track record of steady growth and solid returns. It is well placed to use its strong market position and infrastructure to retain leadership and successfully transition to an omni-channel offering.

Shenzhen Inovance: Chinese-based industrials-focused company Inovance has grown consistently over several years at a multiple of the wider industry. Its growth has primarily been driven by automation growth in China, market share gains (import substitution) and the development of new business areas such as the NEV business, all of which remain on a positive trajectory.

FTF Martin Currie Emerging Markets Fund

INVESTMENT REVIEW *(Continued)*

Wuxi Biologics: The company is China's largest contract research, development and manufacturing organisation (CRDMO) and is a compounder with a strong competitive position in the industry, benefiting from structural trends of growth in pharma biologics and increased outsourcing.

Complete Exits

TCS Group: We sold the sole remaining Russian holding, digital bank TCS Group. Having decided to exit in early March, we were able to partially fill the order before trading was suspended across multiple trading platforms. We sold the remainder of our holding in April. Our sale of the holding was due to this suspension risk and our concerns that the extremely high cost of equity in Russia would continue and overwhelm business fundamentals.

Prosus: Prosus has been materially impacted by the events in Ukraine. This has reduced our conviction in the non-Tencent components of its business. Although there are several other businesses in Prosus's portfolio, the materiality of those outside of Eastern Europe has diminished in the face of the full write-down of its stakes in VK and Avito, which were key non-Tencent contributors to the company's performance.

Delivery Hero: While many of the facets that first attracted us to Delivery Hero have remained intact, we do not support some of the management team's recent actions. Also, hanging capital market dynamics have ratcheted up the requirement to deliver on profitability. This materially lowered our conviction, and led to the decision to exit the holding.

OTP Bank: The rationale for exit was driven by a combination of company-specific and external issues. The biggest factor was continued concerns over interference and policies from the Hungarian government. We believe this is raising the cost of equity for OTP and also influencing some of its strategic merger and acquisition decisions. The Russia and Ukraine conflict remains unresolved, but we expect OTP will remain in both countries, and it is unlikely its Russia business (which also has some tail risks) will be valued by the market. Finally, while a recovery in the Eastern European region is possible, given company-specific issues and the Hungarian government's behaviour, it is possible OTP will not participate in that recovery.

POSITIVE/NEGATIVE CONTRIBUTORS

ICICI. Retail loan leader in India with 11% share in mortgages, 15% share in credit cards, and 9% share in auto loans. Banks in India are benefiting from recovery in both consumer/retail and corporate lending. ICICI has one of the best quality metrics in capital with a solid equity base. One of the faster growing banks in the emerging markets (EM) space—loan growth is solidly in the mid teens. Ownership structure is private and clean without any government intervention.

Tencent. Tencent has been supported by the more positive macroeconomic backdrop in China. Management have provided constructive commentary on Chinese domestic growth as well as affirming it is experiencing a more normalised regulatory environment. The latter has been beneficial to its fintech business where it has been able to make some inroads.

Wuxi Biologics. The Chinese contract research, development and manufacturing organisation (CRDMO) offering end-to-end solutions in researching, developing and manufacturing biologic drugs. It was weaker over the period, negatively impacted by investor rotation due to rate increases, as well as geopolitical concerns.

CATL. It is the leading battery supplier in China with close to a 50% market share. It was negatively affected by geopolitical concerns with investors expressing caution around CATL's business in the US. This was prior to the announcement during March that Ford would be investing US\$3.5 billion into a battery plant in Michigan, which Ford will own but CATL will be its partner and will be licensing the technology.

OUTLOOK

As has been the case for much of the last decade, China is key to the emerging markets equity outlook. The tight fiscal and monetary policy employed throughout the pandemic, combined with restrictive Covid policies led to subdued growth and lower confidence in Chinese equities. This also impacted the perception of the broader emerging markets asset class.

However, as we have moved into 2023, China has made a clear policy shift, something the market had been hoping for. The government announced a number of measures, including the relaxation of its "Zero Covid" policy and definitive support for the troubled property sector. China is now in an interesting place, in sharp contrast to many developed markets, with easing policy and the potential for a significant economic rebound as the government shifts its priority towards growth in domestic consumption. The divergence of economic cycles is likely to attract investors back to emerging markets.

We exit the first quarter of 2023 with emerging market stocks trading on 12.4x price-to-earnings ratios, still below the average of the last decade but there has been some re-rating since the start of the year. Although growth expectations globally remain lower as the impact if higher interest rates is expected to weigh on consumption, regional expectations are starting to diverge. Emerging markets are forecast to outgrow advanced economies, especially in EM Asia where China has already delivered a very strong start to the year. Emerging Market companies are seeing green shoots in the earnings cycle, with areas such as Chinese internet companies and Indian banks seeing upgrades.

FTF Martin Currie Emerging Markets Fund

INVESTMENT REVIEW *(Continued)*

Reflecting this, our portfolio positioning has remained broadly unchanged, with strong domestic exposure in both China and India. We continue to find attractive investment opportunities across a broad range of countries and industries. Because our investment horizon focuses on the longer term, we remain excited by the powerful combination of technology adoption, urbanisation and services sector growth that is evident in emerging markets. We expect our highly selective, stock-focused approach will prosper through accessing companies with a high return on equity that operate in structurally growing industries.

Alastair Reynolds CFA, Divya Mathur CFA, Andrew Mathewson CFA, Colin Dishington CFA, Paul Desoisa CFA, Paul Sloane & Aimee Truesdale
Fund Managers
31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Martin Currie Emerging Markets Fund

COMPARATIVE TABLES As at 31 March 2023

<u>EB – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	119.34
Return before operating charges ¹	1.01
Operating charges ²	(0.43)
Return after operating charges ³	0.58
Distributions	(0.79)
Retained distributions on accumulation shares	0.79
Closing net asset value per share	119.92
After direct transaction costs of ⁴	(0.09)
Performance	
Return after charges ⁵	0.49%
Other information	
Closing net asset value (£)	637
Closing number of shares	531
Operating charges ratio ⁶	0.70%
Direct transaction costs ⁴	0.15%
Prices (p)	
Highest share price	128.47
Lowest share price	106.26

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	378.81
Return before operating charges ¹	3.21
Operating charges ²	(2.21)
Return after operating charges ³	1.00
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	379.81
After direct transaction costs of ⁴	(0.30)
Performance	
Return after charges ⁵	0.26%
Other information	
Closing net asset value (£)	13,479,651
Closing number of shares	3,549,023
Operating charges ratio ⁶	1.13%
Direct transaction costs ⁴	0.15%
Prices (p)	
Highest share price	407.12
Lowest share price	337.07

- 1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
- 2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
- 3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
- 4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
- 5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
- 6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

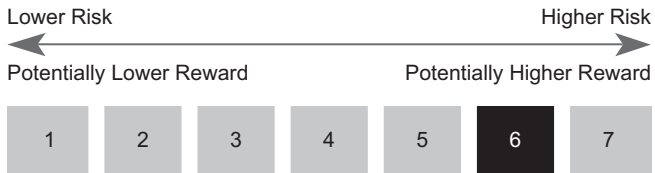
FTF Martin Currie Emerging Markets Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Martin Currie Emerging Markets Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie Emerging Markets Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 99.53%		
	ASIA 82.07%		
	CHINA		
44,928	Alibaba	464	3.44
933	Alibaba ADR [†]	77	0.57
62,500	China Merchants Bank	258	1.91
4,900	Contemporary Amperex Technology	234	1.74
14,200	ENN Energy	157	1.17
2,974	JD.com	53	0.39
4,609	JD.com ADR [†]	163	1.21
21,696	Meituan	320	2.37
76,000	Minth	185	1.37
95,000	Ping An Bank	140	1.04
56,500	Ping An Insurance of China	297	2.20
58,500	Shanghai Fosun Pharmaceutical	134	0.99
17,300	Shenzhen Inovance Technology	143	1.06
25,364	Tencent	1,007	7.47
26,000	Wuxi Biologics Cayman	130	0.97
12,500	Wuxi Lead Intelligent Equipment	59	0.44
130,000	Xinyi Solar	126	0.94
		<u>3,947</u>	<u>29.28</u>
	HONG KONG		
43,501	AIA	370	2.74
6,000	Brilliance China Automotive	2	0.02
		<u>372</u>	<u>2.76</u>
	INDIA		
5,697	Asian Paints	155	1.15
21,091	HDFC Bank	334	2.48
56,716	ICICI Bank	489	3.63
12,273	Kotak Mahindra Bank	209	1.55
2,177	Maruti Suzuki India	178	1.32
14,817	Reliance Industries	339	2.52
12,995	Titan	321	2.38
2,011	UltraTech Cement	150	1.11
		<u>2,175</u>	<u>16.14</u>
	INDONESIA		
1,236,135	Bank Rakyat Indonesia Persero	315	2.34
664,300	Telkom Indonesia Persero	145	1.07
		<u>460</u>	<u>3.41</u>
	PHILIPPINES		
84,550	Robinsons Retail	68	0.50
	SINGAPORE		
1,373	Sea	96	0.71
	SOUTH KOREA		
656	LG Chem	290	2.15
148	LG Energy Solution	54	0.40
147	LG H&H	55	0.41
899	NAVER	113	0.84
1,098	Samsung Electronics	1,090	8.09
449	Samsung SDI	204	1.51
6,415	SK Hynix	352	2.61
		<u>2,158</u>	<u>16.01</u>

FTF Martin Currie Emerging Markets Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TAIWAN		
30,000	Delta Electronics	239	1.77
21,000	Globalwafers	289	2.15
89,000	Taiwan Semiconductor Manufacturing	1,259	9.34
		<u>1,787</u>	<u>13.26</u>
	TOTAL - ASIA	<u>11,063</u>	<u>82.07</u>
	CENTRAL AMERICA 4.35%		
	MEXICO		
36,200	Grupo Financiero Banorte	246	1.82
60,566	Orbia Advance	106	0.79
72,600	Wal-Mart de Mexico	234	1.74
		<u>586</u>	<u>4.35</u>
	TOTAL - CENTRAL AMERICA	<u>586</u>	<u>4.35</u>
	MIDDLE EAST 1.81%		
	SAUDI ARABIA		
15,419	Al Rajhi Bank	244	1.81
	TOTAL - MIDDLE EAST	<u>244</u>	<u>1.81</u>
	NORTH AMERICA 1.39%		
	UNITED STATES OF AMERICA		
777	EPAM Systems	188	1.39
	TOTAL - NORTH AMERICA	<u>188</u>	<u>1.39</u>
	SOUTH AMERICA 9.91%		
	BRAZIL		
101,000	B3 - Brasil Bolsa Balcao	166	1.23
85,500	Cosan	205	1.52
68,000	Odontoprev	118	0.88
47,900	WEG	308	2.28
		<u>797</u>	<u>5.91</u>
	CHILE		
17,486	Antofagasta	276	2.05
	PERU		
1,381	Credicorp	148	1.10
	URUGUAY		
871	Globant	115	0.85
	TOTAL - SOUTH AMERICA	<u>1,336</u>	<u>9.91</u>
	TOTAL - EQUITIES	<u>13,417</u>	<u>99.53</u>
	TOTAL VALUE OF INVESTMENTS	13,417	99.53
	OTHER ASSETS	63	0.47
	TOTAL NET ASSETS	13,480	100.00

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

† American Depositary Receipt.

FTF Martin Currie Emerging Markets Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital losses	2		(44)
Revenue	3	77	
Expenses	4	(81)	
Interest payable and similar charges	5	(1)	
Net expense before taxation		(5)	
Taxation	6	(11)	
Net expense after taxation			(16)
Total return before distributions			(60)
Distributions	7		-
Change in net assets attributable to shareholders			(60)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	14,657	
Amounts received on creation of shares	2,021	
Amounts paid on cancellation of shares	(3,145)	
		13,533
Dilution adjustment		7
Change in net assets attributable to shareholders from investment activities (see above)		(60)
Retained distribution on accumulation shares		-
Closing net assets attributable to shareholders		13,480

¹The Franklin Templeton Funds II FTF Martin Currie Emerging Markets Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		13,417
Current assets		
Debtors	8	66
Cash and bank balances	9	45
Total assets		13,528
Liabilities		
Creditors		
Other creditors	10	(48)
Total liabilities		(48)
Net assets attributable to shareholders		13,480

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Martin Currie Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the period comprise:

Non-derivative securities losses
Currency losses

23 September 2022 to 31 March 2023
£000
(26)
(18)
<u>(44)</u>

3. Revenue

Overseas dividends

23 September 2022 to 31 March 2023
£000
77
<u>77</u>

4. Expenses

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's annual management charge
ACD's administration charge
ACD Waiver

23 September 2022 to 31 March 2023
£000
54
4
(17)
<u>41</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee
Safe custody fees

1
13
<u>14</u>

Other expenses:

Audit fees
Legal and publication fees
Other

11
5
10
<u>26</u>
<u>81</u>

5. Interest payable and similar charges

Interest on bank overdrafts

Total interest payable and similar charges

23 September 2022 to 31 March 2023
£000
1
<u>1</u>

FTF Martin Currie Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	12
Overseas tax on capital gains	(1)
Total current tax	11
Total taxation (see Note(b))	11

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net expenses before taxation	(5)
Corporation tax at 20%	(1)
Effects of:	
Movement in unrecognised tax losses	16
Overseas tax	12
Overseas tax on capital gains	(1)
Revenue not subject to tax	(15)
Total tax charge for the period (see Note 6(a))	11

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £16,000 due to tax losses of £80,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

FTF Martin Currie Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Final dividend distributions	
Income	-
Accumulation	-
	-
Add: Revenue deducted on cancellation of shares	-
Deduct: Revenue received on issue of shares	-
Total distribution	-

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net expense after taxation	(16)
Revenue deficit payable from capital	16
Total distribution	-

Details of the distribution in pence per share for this Fund are set out in the table on page 171.

8. Debtors

	31 March 2023
	£000
Accrued income	30
Accrued Manager's charge rebates	7
Amounts receivable for issue of shares	28
Overseas capital gains tax provision	1
	66

9. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	45
Total cash and bank balances	45

10. Other creditors

	31 March 2023
	£000
Accrued expenses	48
	48

FTF Martin Currie Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £9,000.

During the year the Fund received £17,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £7,000 .

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	31 March 2023
<u>Currency</u>	Total net foreign currency assets and (liabilities) £000
Brazilian Real	799
China Yuan Renminbi	576
Hong Kong Dollar	3,503
Indian Rupee	2,176
Indonesian Rupiah	473
Korean Won	1,074
Mexican Peso	586
New Taiwan Dollar	1,793
Philippines Peso	68
Saudi Arabia Riyal	248
United States Dollar	1,877
	<u>13,173</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.53% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.95%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

FTF Martin Currie Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. Portfolio Transaction Costs

	23 September 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	9,897	8	5	9,910	0.08	0.05
Bonds	2	-	-	2	-	-
Inspecie transfers	13,676	-	-	13,676	-	-
	23,575	8	5	23,588		
Sales						
Equities	2,884	(1)	(3)	2,880	(0.03)	(0.10)
Collective Investment schemes	7,212	(4)	-	7,208	(0.06)	-
	10,096	(5)	(3)	10,088		
Total cost of the Fund's average net asset value (%)		0.10%	0.06%			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.13%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
EB – Accumulation	-	79,902	(79,371)	-	531
W – Accumulation	-	4,416,638	(867,615)	-	3,549,023

FTF Martin Currie Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

<u>Fair Value Hierarchy</u>	<u>31 March 2023</u>	
	<u>Assets</u>	<u>Liabilities</u>
	<u>£000</u>	<u>£000</u>
Level 1	13,417	-
Level 2	-	-
Level 3	-	-
Total	<u>13,417</u>	<u>-</u>

FTF Martin Currie Emerging Markets Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 March 2023

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	0.7906	-	0.7906
Group 2	0.7906	0.0000	0.7906
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie European Unconstrained Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie European Unconstrained Fund delivered a return of -3.78%¹ (W Accumulation), underperforming the MSCI Europe ex-UK Net Dividends Index (GBP), which returned 8.62%.

OVERVIEW

The markets over the last 12 months have been defined by the significant rotation into value stocks for most of the first 9 months, the Russian invasion of Ukraine, and actions of central banks to tackle inflation, despite a backdrop of reduced economic growth. The tragic events in Ukraine have continued to exacerbate inflation through rising energy and commodity prices (notably food). China's zero tolerance policy on Covid also brought fears of a renewed supply shock globally across many parts of the supply chain, while also leading to a slowdown in economic activity in the world's second-largest economy. In December 2022, however, China unexpectedly lifted its zero Covid policy, which led to a recovery in sentiment and a less pessimistic economic outlook. The first quarter of 2023 saw a rotation back into growth stocks as inflation eased and the market expected an earlier 'pivot' from central banks. The failures of US regional banks in March 2023 (SVB and Signature) and the Swiss regulator's enforced take-over of Credit Suisse by UBS to avoid a banking confidence crisis have led to heightened volatility for financial stocks, especially in the US and Europe. We have not held any banks, and overall, have limited financial exposure. This is driven by our belief that banks struggle to create value for shareholders and have unfavourable industry dynamics.

Over the period, inflation and monetary policies have been a significant driver of both market volatility, and leadership between growth and value stocks. To combat inflation, the Fed went on a tightening cycle that has been the fastest in four decades. The Bank of England (BoE) and Europe Central Bank (ECB) both followed. With concerns over valuations and a detachment from stock fundamentals, quality and growth stocks have sold off, a significant headwind for the portfolio. This trend has reversed in Q1 2023. Uncertainty around China's Covid policy and economic forecasts also led to volatility in our cyclical exposure.

Whilst the portfolio underperformed the index primarily on the back of the style headwind during 2022, it has significantly outperformed during Q1 2023, driven not only by a style tailwind but also positive stock selection.

As long-term investors, we continue to focus on companies with the following characteristics in an uncertain environment:

(i) Resilient earnings, given risk of further downgrades, (ii) strong pricing power that helps protect margins, given the higher inflation; (iii) solid balance sheets, in case we head into a recessionary period, and (iv) exposed to structural growth themes, given the lower growth environment in general.

On valuations, we still see more supportive valuations in European and Asian equities, rather than US equities at the aggregate level. It is, however, important to continue to focus on valuation attraction on a stock-specific and case by case basis, through detailed and structured fundamental analysis, to which our valuation discipline remains critical.

SIGNIFICANT CHANGES

We opened a new position in Pernod Ricard, the world's second largest spirits and wine group. The company benefits from strong pricing power and a balanced portfolio across different geographical regions and drink categories. It is actively positioning its US business and is well positioned in key emerging markets of China and India.

We exited Ambu due to share weakness and further downgrades earnings, alongside our weaker conviction in the name. Proceeds have been used to top up other high conviction healthcare holdings which have seen sizable share price pullbacks.

We exited Adidas as we believe there is a further risk to earnings: the Yeezy (Kanye West) termination has highlighted weaker performance of the brand than was previously understood. We also believe there is further risk from succession planning, with the announcement that Kaspar Rorsted, the current CEO, is leaving his contract early.

We exited Farfetch: our conviction in the online luxury retailer was reduced following disappointing guidance delivered at the recent Capital Market Day. We see further risk from the Off White brand partnership with LVMH, that could negatively impact the firm's cashflow.

POSITIVE/NEGATIVE CONTRIBUTORS

At a stock level, the notable detractors include:

Kingspan in Industrials has been our largest detractor. Inflationary conditions for building products have led to volatile ordering behaviour across the construction industry. However, the energy crisis in Europe has highlighted the relevance of insulation products in helping to reduce society's energy needs. Kingspan staged a recovery in Q1 23, followed by a solid trading update.

Adidas announced an unexpected profit warning in October, and the termination of the Yeezy (Kanye West) partnership posed a further risk to earnings, although it already had a negative impact on brand. As noted above, we also exited the position.

FTF Martin Currie European Unconstrained Fund

INVESTMENT REVIEW *(Continued)*

Oxford Nanopore Technologies underperformed despite its strong operational performance. Its latest trading statement showed earnings ahead of expectations, but showed sales below targets. However, while the company's peers have lowered guidance materials due to several headwinds including disruptions in China, Oxford Nanopore Technologies reiterated both its 2023 revenue expectations as well as its 2026 mid-term guidance. Whilst being in its early life cycle, Oxford Nanopore Technologies' strong balance sheet and current cash position should see it through to profitability.

Notable contributors include:

Moncler was a significant contributor. Its share price staged a strong rally amid positive sentiment around China-reopening after the zero Covid lockdown and strong results.

Ferarri performed strongly over the period. The Italian sports car manufacturer offers a unique proposition for global high net worth individual growth. The company has superior pricing power and its share price has been supported by record demand.

Infineon Technologies was another top contributor. Whilst its stock price was under pressure during the first six months, it staged a sharp rally since the last quarter of 2022, amid improved sentiment and its exposure to the healthier end markets which are still experiencing product shortages, such as the automotive sector. The company also raised its fiscal year forecast guidance during Q1 2023.

OUTLOOK

While much of the positive investor sentiment during the first quarter of 2023 came from expectations that the U.S. federal funds rate might be close to peaking, we believe inflation could remain higher and longer lasting generally. As such, we anticipate risk of disappointment and further volatility for investors who are expecting an early end to the hiking cycle. We still believe central banks are unlikely to pivot until the first half of 2024. However, the wide range of possible monetary policy outcomes is what will drive an important bull-bear debate across asset classes. An early end to the hiking cycle would be supportive for markets and for the quality and growth equity style. In any case, whether we see a pivot later in 2023 or first half of 2024, we are closer to the end of the rate hike cycle, which should itself be supportive for Quality and Growth stocks. In terms of the macroeconomic cycle, with the reopening of China, we expect the Chinese leading indicators to continue to show a supportive picture in the months to come. The recovery of the world's second-largest economy also has the potential to be supportive for global leading indicators, which have been improving slightly, notably for Europe, which is more cyclically exposed to China than the U.S.

Zehrid Osmani & Sam Cottrell, CFA

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Martin Currie European Unconstrained Fund

COMPARATIVE TABLES As at 31 March 2023

<u>EB – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	134.82
Return before operating charges ¹	28.30
Operating charges ²	(0.37)
Return after operating charges ³	27.93
Distributions	(0.12)
Retained distributions on accumulation shares	0.12
Closing net asset value per share	162.75
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	20.72%
Other information	
Closing net asset value (£)	45,354,073
Closing number of shares	27,866,964
Operating charges ratio ⁶	0.48%
Direct transaction costs ⁴	0.05%
Prices (p)	
Highest share price	164.26
Lowest share price	131.11
<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	596.84
Return before operating charges ¹	125.21
Operating charges ²	(3.03)
Return after operating charges ³	122.18
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	719.02
After direct transaction costs of ⁴	(0.16)
Performance	
Return after charges ⁵	20.47%
Other information	
Closing net asset value (£)	24,536,065
Closing number of shares	3,412,413
Operating charges ratio ⁶	0.88%
Direct transaction costs ⁴	0.05%
Prices (p)	
Highest share price	726.12
Lowest share price	580.30

FTF Martin Currie European Unconstrained Fund

COMPARATIVE TABLES (Continued)

<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	465.16
Return before operating charges ¹	97.58
Operating charges ²	(2.36)
Return after operating charges ³	95.22
Distributions	-
Closing net asset value per share	560.38
After direct transaction costs of ⁴	(0.12)
Performance	
Return after charges ⁵	20.47%
Other information	
Closing net asset value (£)	2,254,681
Closing number of shares	402,347
Operating charges ratio ⁶	0.88%
Direct transaction costs ⁴	0.05%
Prices (p)	
Highest share price	565.91
Lowest share price	452.27

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

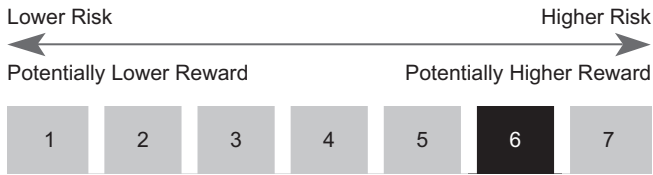
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Martin Currie European Unconstrained Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie European Unconstrained Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 99.73%		
	EUROPE - NON EU 3.17%		
	SWITZERLAND		
3,036	Partners	2,291	3.17
	TOTAL - EUROPE - NON EU	2,291	3.17
	EUROPE - OTHER EU 79.92%		
	DENMARK		
27,994	Coloplast	2,978	4.13
	FRANCE		
98,506	Dassault Systemes	3,277	4.54
6,455	Kering	3,402	4.72
9,757	L'Oreal	3,525	4.89
12,412	Pernod Ricard	2,275	3.15
10,568	Sartorius Stedim Biotech	2,618	3.63
		15,097	20.93
	GERMANY		
106,957	Infineon Technologies	3,542	4.91
49,004	Nemetschek	2,724	3.77
		6,266	8.68
	IRELAND		
27,394	Kerry	2,210	3.06
49,498	Kingspan	2,738	3.80
		4,948	6.86
	ITALY		
28,881	Ferrari	6,322	8.76
109,126	Moncler	6,088	8.44
		12,410	17.20
	NETHERLANDS		
12,065	ASML	6,626	9.18
	SWEDEN		
167,493	Assa Abloy	3,231	4.48
301,500	Atlas Copco	3,101	4.30
324,726	Hexagon	3,005	4.16
		9,337	12.94
	TOTAL - EUROPE - OTHER EU	57,662	79.92
	NORTH AMERICA 12.63%		
	UNITED STATES OF AMERICA		
15,636	Linde	4,487	6.22
3,745	Mettler-Toledo International	4,622	6.41
		9,109	12.63
	TOTAL - NORTH AMERICA	9,109	12.63
	UNITED KINGDOM 4.01%		
237,606	Allfunds	1,267	1.76
729,245	Oxford Nanopore Technologies	1,623	2.25
	TOTAL - UNITED KINGDOM	2,890	4.01
	TOTAL - EQUITIES	71,952	99.73

FTF Martin Currie European Unconstrained Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	<u>71,952</u>	<u>99.73</u>
	OTHER ASSETS	<u>193</u>	<u>0.27</u>
	TOTAL NET ASSETS	<u><u>72,145</u></u>	<u><u>100.00</u></u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie European Unconstrained Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital gains	2		13,601
Revenue	3	264	
Expenses	4	(239)	
Interest payable and similar charges	5	(2)	
Net revenue before taxation		23	
Taxation	6	(19)	
Net revenue after taxation			4
Total return before distributions			13,605
Distributions	7		(37)
Change in net assets attributable to shareholders			13,568

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	73,589	
Amounts received on creation of shares	5,859	
Amounts paid on cancellation of shares	(20,924)	
		58,524
Dilution adjustment		14
Change in net assets attributable to shareholders from investment activities (see above)		13,568
Retained distribution on accumulation shares		39
Closing net assets attributable to shareholders		72,145

¹The Franklin Templeton Funds II FTF Martin Currie European Unconstrained Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		71,952
Current assets		
Debtors	8	175
Cash and bank balances	9	424
Total assets		72,551
Liabilities		
Creditors		
Other creditors	10	(406)
Total liabilities		(406)
Net assets attributable to shareholders		72,145

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Martin Currie European Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

The net capital gains during the period comprise:

Non-derivative securities gains

Currency losses

23 September 2022
to 31 March 2023

£000

13,633

(32)

13,601

3. Revenue

Bank and other interest

Overseas dividends

23 September 2022
to 31 March 2023

£000

2

262

264

4. Expenses

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's annual management charge

ACD's administration charge

ACD Waiver

23 September 2022
to 31 March 2023

£000

188

19

(7)

200

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee

Safe custody fees

5

12

17

Other expenses:

Audit fees

Legal and publication fees

Other

11

5

6

22

239

5. Interest payable and similar charges

Interest on bank overdrafts

Total interest payable and similar charges

23 September 2022
to 31 March 2023

£000

2

2

FTF Martin Currie European Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	19
Total current tax	19
Total taxation (see Note(b))	19

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	23
Corporation tax at 20%	5
Effects of:	
Movement in unrecognised tax losses	48
Overseas tax	19
Revenue not subject to tax	(53)
Total tax charge for the period (see Note 6(a))	19

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £48,000 due to tax losses of £239,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Interim dividend distributions	
Income	-
Accumulation	34
	34
Final dividend distributions	
Income	-
Accumulation	5
	5
Add: Revenue deducted on cancellation of shares	2
Deduct: Revenue received on issue of shares	(4)
Total distribution	37

FTF Martin Currie European Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net revenue after taxation	4
Expense charge taken to capital	(3)
Revenue deficit payable from capital	36
Total distribution	37

Details of the distribution in pence per share for this Fund are set out in the table on page 185.

8. Debtors

	31 March 2023
	£000
Accrued income	13
Accrued Manager's charge rebates	4
Amounts receivable for issue of shares	11
Currency spot awaiting settlement	11
Overseas tax recoverable	136
	175

9. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	424
Total cash and bank balances	424

10. Other creditors

	31 March 2023
	£000
Accrued expenses	70
Amounts payable for cancellation of shares	325
Currency purchases awaiting settlement	11
	406

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £34,000.

During the year the Fund received £7,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £4,000.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF Martin Currie European Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	31 March 2023
<u>Currency</u>	<u>Total net foreign currency assets and (liabilities)</u>
	£000
Danish Krone	3,000
Euro	46,699
Swedish Krona	9,368
Swiss Franc	2,291
United States Dollar	9,109
	<u>70,467</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.73% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.97%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

	23 September 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	9,955	4	22	9,981	0.04	0.22
Inspecie transfers	72,798	-	-	72,798	-	-
	<u>82,753</u>	<u>4</u>	<u>22</u>	<u>82,779</u>		
Sales						
Equities	24,410	(7)	-	24,403	(0.03)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.03%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.09%.

FTF Martin Currie European Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Portfolio Transaction Costs (Continued)

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
EB – Accumulation	-	39,886,940	(12,019,976)	-	27,866,964
W – Accumulation	-	3,771,219	(358,806)	-	3,412,413
W – Income	-	537,499	(135,152)	-	402,347

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	71,952	-
Level 2	-	-
Level 3	-	-
Total	71,952	-

FTF Martin Currie European Unconstrained Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 December 2022

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	0.1006	-	0.1006
Group 2	0.0000	0.1006	0.1006
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
EB Accumulation Shares			
Group 1	0.0181	-	0.0181
Group 2	0.0060	0.0121	0.0181
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie Global Unconstrained Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie Global Unconstrained Fund recorded a net return of -3.17%¹ (W Accumulation), underperforming the MSCI All Countries World Index (GBP), which returned -1.43%.

OVERVIEW

The markets over the last 12 months have been defined by the significant rotation into value stocks for most of the first 9 months, the Russian invasion of Ukraine, and actions of central banks to tackle inflation, despite a backdrop of reduced economic growth. The tragic events in Ukraine have continued to exacerbate inflation through rising energy and commodity prices (notably food). China's zero tolerance policy on Covid also brought fears of a renewed supply shock globally across many parts of the supply chain, while also leading to a slowdown in economic activity in the world's second-largest economy. In December 2022, however, China unexpectedly lifted its zero Covid policy, which led to a recovery in sentiment and a less pessimistic economic outlook. The first quarter of 2023 saw a rotation back into growth stocks as inflation eased and market expected an earlier 'pivot' from central banks. The failures of US regional banks in March 2023 (SVB and Signature) and the Swiss regulator's enforced take-over of Credit Suisse by UBS to avoid a banking confidence crisis have led to heightened volatility for financial stocks, especially in the US and Europe. We have not held any investments in these banks, and overall, have limited financial exposure. This is driven by our belief that banks struggle to create value for shareholders and have unfavourable industry dynamics.

Over the period, inflation and monetary policies have been a significant driver of both market volatility, and leadership between growth and value stocks. To combat inflation, the US Federal Reserve (Fed) went on a tightening cycle that has been the fastest in four decades. The Bank of England (BoE) and Europe Central Bank (ECB) both followed. With concerns over valuations and a detachment from stock fundamentals, quality and growth stocks have sold off, a significant headwind for the portfolio. This trend has reversed in Q1 2023. Uncertainty around China's Covid policy and economic forecasts also led to volatility in our cyclical exposure.

Whilst the portfolio underperformed the index, primarily on the back of the style headwind over the first two quarters, it has significantly outperformed the index since Q4 2022, driven not only by a style tailwind in Q1 2023 but also strong stock selection across sectors, particularly in Technology and Consumer Discretionary.

As long-term investors, we continue to focus on companies with the following characteristics in an uncertain environment:

(i) Resilient earnings, given risk of further downgrades, (ii) strong pricing power that helps protect margins, given the higher inflation; (iii) solid balance sheets, in case we head into a recessionary period, and (iv) exposed to structural growth themes, given the lower growth environment in general.

On valuations, we still see more supportive valuations in European and Asian equities, rather than US equities at the aggregate level. It is, however, important to continue to focus on valuation attraction on a stock-specific and case by case basis, through detailed and structured fundamental analysis, to which our valuation discipline remains critical.

SIGNIFICANT CHANGES

Purchases

ASML: We exited TSMC to fund the position. While both companies have a similar growth profile, longer-term we believe ASML is well-positioned to benefit from the trend for companies onshoring semiconductor production sites, with new factories under construction in the US, and with Japan and Europe to follow.

Croda International: The UK consumer care and life science firm has continued to reposition its portfolio, with the disposal of the PTIC business and a number of important acquisitions have led to the company becoming more focused, with stronger growth potential.

Zoetis: We opened the position following weakness in the US animal health firm's share price. The company is an R&D leader in the animal health care space.

Nike: We took advantage of the US sportswear firm's recent share price weakness following the release of the Q3 results to open a new position. We see a positive risk reward, with the potential to recover in 2023, and management raised its outlook in December after results beat on consensus expectations.

Pernod Ricard: We opened a new position in Pernod Ricard, the world's second largest spirits and wine group. The company benefits from strong pricing power and a balanced portfolio across different geographical regions and drink categories. It is actively positioning its US business and is well positioned in key emerging markets of China and India.

Sales

TSMC: Switched into ASML – see buy note above.

Tencent: We exited Tencent due to the lack of visibility on the regulatory front, and potential growing geopolitical risk in China.

FTF Martin Currie Global Unconstrained Fund

INVESTMENT REVIEW *(Continued)*

Adidas: We believe there is further risk to earnings, the Yeezy (Kanye West) termination has highlighted weaker performance of the brand than was previously understood. We also believe there is further risk from succession planning, with the announcement that Kaspar Rorsted, the current CEO is leaving his contract early.

Farfetch: Our conviction in the online luxury retailer was reduced following disappointing guidance delivered at the recent Capital Market Day. We see further risk from the Off White brand partnership with LVMH, that could negatively impact the firm's cashflow.

Dr Martens: We were unable to rebuild our conviction following January 2023's weak result and guidance in this sub-scale position. We subsequently exited and reinvested the proceeds into Moncler.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, our Healthcare exposure was a notable detractor, with the market favouring large pharmaceutical companies given the higher risk of recession. With the oil price spike, not holding Energy was also a headwind. We do not hold these stocks given the sector's low growth prospects and weak return profiles – not to mention the social and environment risks they present. Against this backdrop we have seen a distinct detachment from fundamentals, a view reinforced by the strong operational performance of many portfolio holdings.

At a stock level, the largest detractors were Kingspan, Adidas, and Farfetch.

Kingspan in Industrials has been our largest detractor. Inflationary conditions for building products have led to volatile ordering behaviour across the construction industry. However, the energy crisis in Europe has highlighted the relevance of insulation products in helping to reduce society's energy needs. Kingspan staged a recovery in Q1 23, followed by a solid trading update.

Adidas, announced an unexpected profit warning in October, and the termination of the Yeezy (Kanye West) partnership posed a further risk to earnings, although it already had a negative impact on brand. We also exited the position.

Farfetch, has had a challenging year in line with other consumer firms. However, the company has struggled with a reduced profitability outlook and we have since exited the position.

On the positive side, the largest contributors were Moncler, Ferrari and ASML.

Moncler was the leading contributor. Its share price staged a strong rally amid positive sentiment around China-reopening after the zero Covid lockdown and strong results.

Ferrari performed strongly over the period. The Italian sports car manufacturer offers a unique proposition for global high net worth individual growth. The company has superior pricing power and its share price has been supported by record demand.

ASML was another notable contributor. Whilst its stock price was under pressure during the first six months, improved sentiment and strong order book promoted a sharp rally of its share price since October 2022.

OUTLOOK

While much of the positive investor sentiment during the first quarter of 2023 came from expectations that the U.S. federal funds rate might be close to peaking, we believe inflation could remain higher and longer lasting generally. As such, we anticipate risk of disappointment and further volatility for investors who are expecting an early end to the hiking cycle. We still believe central banks are unlikely to pivot until the first half of 2024. However, the wide range of possible monetary policy outcomes is what will drive an important bull-bear debate across asset classes. An early end to the hiking cycle would be supportive for markets and for the quality and growth equity style. In any case, whether we see a pivot later in 2023 or first half of 2024, we are closer to the end of the rate hike cycle, which should itself be supportive for Quality and Growth stocks. In terms of the macroeconomic cycle, with the reopening of China, we expect the Chinese leading indicators to continue to show a supportive picture in the months to come. The recovery of the world's second-largest economy also has the potential to be supportive for global leading indicators, which have been improving slightly, notably for Europe, which is more cyclically exposed to China than the U.S.

Yulia Hofstede & Zehrid Osmani

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Martin Currie Global Unconstrained Fund

COMPARATIVE TABLES As at 31 March 2023

<u>EB – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	97.15
Return before operating charges ¹	16.98
Operating charges ²	(0.32)
Return after operating charges ³	16.66
Distributions	-
Closing net asset value per share	113.81
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	17.15%
Other information	
Closing net asset value (£)	4,354,912
Closing number of shares	3,826,339
Operating charges ratio ⁶	0.59%
Direct transaction costs ⁴	0.06%
Prices (p)	
Highest share price	113.00
Lowest share price	94.03
<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	200.44
Return before operating charges ¹	35.04
Operating charges ²	(1.08)
Return after operating charges ³	33.96
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	234.40
After direct transaction costs of ⁴	(0.07)
Performance	
Return after charges ⁵	16.94%
Other information	
Closing net asset value (£)	29,829,184
Closing number of shares	12,726,010
Operating charges ratio ⁶	0.96%
Direct transaction costs ⁴	0.06%
Prices (p)	
Highest share price	232.83
Lowest share price	193.95

FTF Martin Currie Global Unconstrained Fund

COMPARATIVE TABLES (Continued)

<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	132.05
Return before operating charges ¹	23.08
Operating charges ²	(0.71)
Return after operating charges ³	22.37
Distributions	-
Closing net asset value per share	154.42
After direct transaction costs of ⁴	(0.05)
Performance	
Return after charges ⁵	16.94%
Other information	
Closing net asset value (£)	10,397,473
Closing number of shares	6,733,253
Operating charges ratio ⁶	0.96%
Direct transaction costs ⁴	0.06%
Prices (p)	
Highest share price	153.39
Lowest share price	127.77

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

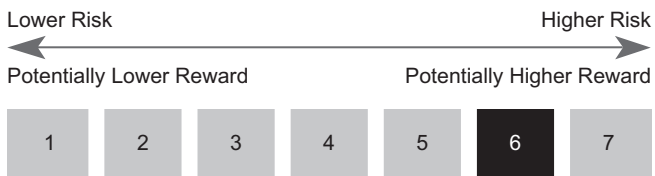
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Martin Currie Global Unconstrained Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie Global Unconstrained Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 99.79%		
	ASIA 5.32%		
	CHINA		
222,500	Wuxi Biologics Cayman.....	1,112	2.50
	HONG KONG		
148,000	AIA.....	1,259	2.82
	TOTAL - ASIA	2,371	5.32
	AUSTRALIA 2.94%		
8,395	CSL.....	1,308	2.94
	AUSTRALIA	1,308	2.94
	EUROPE - OTHER EU 44.10%		
	DENMARK		
15,391	Coloplast.....	1,637	3.67
	FRANCE		
2,407	Kering.....	1,269	2.85
5,574	L'Oreal.....	2,013	4.51
7,538	Pernod Ricard.....	1,382	3.10
		4,664	10.46
	IRELAND		
10,708	Kerry.....	864	1.94
28,829	Kingspan.....	1,595	3.58
		2,459	5.52
	ITALY		
8,244	Ferrari.....	1,805	4.05
39,260	Moncler.....	2,190	4.91
		3,995	8.96
	NETHERLANDS		
4,893	ASML.....	2,687	6.03
	SWEDEN		
62,379	Assa Abloy.....	1,203	2.70
163,029	Atlas Copco.....	1,677	3.76
144,651	Hexagon.....	1,339	3.00
		4,219	9.46
	TOTAL - EUROPE - OTHER EU	19,661	44.10
	NORTH AMERICA 45.50%		
	UNITED STATES OF AMERICA		
3,609	Adobe.....	1,123	2.52
5,279	ANSYS.....	1,420	3.19
6,337	Autodesk.....	1,066	2.39
5,009	Illumina.....	941	2.11
7,669	Linde.....	2,201	4.94
8,892	Masimo.....	1,326	2.97
5,635	Mastercard.....	1,654	3.71
10,031	Microsoft.....	2,336	5.24
13,471	NIKE.....	1,334	2.99
12,760	NVIDIA.....	2,864	6.42
9,423	ResMed.....	1,667	3.74
7,500	Veeva Systems.....	1,113	2.50
9,234	Zoetis.....	1,241	2.78
		20,286	45.50
	TOTAL - NORTH AMERICA	20,286	45.50

FTF Martin Currie Global Unconstrained Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	UNITED KINGDOM 1.93%		
13,258	Croda International.....	861	1.93
	TOTAL - UNITED KINGDOM	861	1.93
	TOTAL - EQUITIES	44,487	99.79
	TOTAL VALUE OF INVESTMENTS	44,487	99.79
	OTHER ASSETS	95	0.21
	TOTAL NET ASSETS	44,582	100.00

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie Global Unconstrained Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital gains	2		6,423
Revenue	3	93	
Expenses	4	(195)	
Interest payable and similar charges	5	(1)	
Net expense before taxation		(103)	
Taxation	6	23	
Net expense after taxation			(80)
Total return before distributions			6,343
Distributions	7		-
Change in net assets attributable to shareholders			6,343

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	36,440	
Amounts received on creation of shares	7,587	
Amounts paid on cancellation of shares	(5,798)	
		38,229
Dilution adjustment		10
Change in net assets attributable to shareholders from investment activities (see above)		6,343
Retained distribution on accumulation shares		-
Closing net assets attributable to shareholders		44,582

¹The Franklin Templeton Funds II FTF Martin Currie Global Unconstrained Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		44,487
Current assets		
Debtors	8	105
Cash and bank balances	9	124
Total assets		44,716
Liabilities		
Creditors		
Other creditors	10	(134)
Total liabilities		(134)
Net assets attributable to shareholders		44,582

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Martin Currie Global Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

The net capital gains during the period comprise:

Non-derivative securities gains

Currency gains

23 September 2022
to 31 March 2023

£000

6,401

22

6,423

3. Revenue

23 September 2022
to 31 March 2023

£000

Overseas dividends

92

UK dividends

1

93

4. Expenses

23 September 2022
to 31 March 2023

£000

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's annual management charge

152

ACD's administration charge

10

ACD Waiver

(7)

155

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee

3

Safe custody fees

7

10

Other expenses:

Audit fees

12

Legal and publication fees

5

Other

13

30

195

5. Interest payable and similar charges

23 September 2022
to 31 March 2023

£000

Interest on bank overdrafts

1

Total interest payable and similar charges

1

FTF Martin Currie Global Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the credit for the period	
Overseas tax	(23)
Total current tax	(23)
Total taxation (see Note(b))	(23)

(b) Factors affecting the total tax credit for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net expenses before taxation	(103)
Corporation tax at 20%	(21)
Effects of:	
Movement in unrecognised tax losses	39
Overseas tax	(23)
Revenue not subject to tax	(18)
Total tax credit for the period (see Note 6(a))	(23)

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £39,000 due to tax losses of £196,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Interim dividend distributions	
Income	-
Accumulation	-
	-
Final dividend distributions	
Income	-
Accumulation	-
	-
Add: Revenue deducted on cancellation of shares	-
Deduct: Revenue received on issue of shares	-
Total distribution	-

FTF Martin Currie Global Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net expense after taxation	(80)
Expense charge taken to capital	(1)
Revenue deficit payable from capital	81
Total distribution	-

Details of the distribution in pence per share for this Fund are set out in the table on page 199.

8. Debtors

	31 March 2023
	£000
Accrued income	11
Accrued Manager's charge rebates	4
Amounts receivable for issue of shares	1
Currency spot awaiting settlement	3
Overseas tax recoverable	86
	105

9. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	124
Total cash and bank balances	124

10. Other creditors

	31 March 2023
	£000
Accrued expenses	67
Amounts payable for cancellation of shares	64
Currency purchases awaiting settlement	3
	134

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees as at 31 March 2023 are £28,000.

During the year the Fund received £7,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £4,000.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF Martin Currie Global Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
<u>Currency</u>	£000
Australian Dollar	1,316
Canadian Dollar	4
Danish Krone	1,648
Euro	13,862
Hong Kong Dollar	2,370
Swedish Krona	4,231
United States Dollar	20,288
	<u>43,719</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.79% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.98%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

	<u>23 September 2022 to 31 March 2023</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	11,956	4	17	11,977	0.03	0.14
Inspecie transfers	36,197	-	-	36,197	-	-
	<u>48,153</u>	<u>4</u>	<u>17</u>	<u>48,174</u>		
Sales						
Equities	10,065	(3)	(2)	10,060	(0.03)	(0.02)
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.04%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

FTF Martin Currie Global Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Portfolio Transaction Costs (Continued)

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.06%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
EB – Income	-	7,580,918	(3,754,579)	-	3,826,339
W – Accumulation	-	13,235,867	(509,857)	-	12,726,010
W – Income	-	7,145,355	(412,102)	-	6,733,253

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	44,487	-
Level 2	-	-
Level 3	-	-
Total	44,487	-

FTF Martin Currie Global Unconstrained Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 December 2022

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
EB Income Shares			
Group 1	0.0042	-	0.0042
Group 2	0.0042	0.0000	0.0042
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
EB Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W Income Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie Japan Equity Fund

INVESTMENT REVIEW

PERFORMANCE

For the period 1 April 2022 through 31 March 2023, the FTF Martin Currie Japan Equity Fund made a return of -11.53%¹ (W Accumulation), compared to a return of 2.75% for the Japan TSE 1st Section (TOPIX) Index (CH)(sterling). This was a result of several stock specific factors, broad underperformance of growth stocks, as well as significant detractor from the areas of the market the fund does not own given its concentrated investment philosophy.

OVERVIEW

Following a difficult first 6 months of the fiscal year, Japanese equities rebounded strongly and the TOPIX Index finished the year to 31 March 2023 up 5.5% (sterling). China's sustained lockdown in Shanghai and the continuing Ukraine conflict exacerbated negative equity sentiment in the first half of the year to 31 March 2023. However Japan has now taken almost all the necessary steps towards reopening its economy, including tourism, and the symbolic mask mandates. This of course followed China's decision to end the far more draconian Covid Zero policy and is boosting expectations of a further boost to economic activity from opening up. Indeed, tourist numbers are climbing sharply, even without the Chinese tourists who presumably will start travelling in earnest shortly.

The market was very much focused on monetary policy, both domestically and at the US Federal Reserve (Fed), in light of the market moving announcement of Yield Curve Control made by the Bank of Japan in December. Two factors offset each other – a more hawkish view of what the Fed might do was offset by no further action from the Bank of Japan. Indeed, the new Bank of Japan Governor, Kazuo Ueda, suggested no immediate change in his first official statements.

Of course, the Bank is in a potentially tough spot with signs that Japan has finally broken out of decades of inflation, but with a national debt which prohibits anything too aggressive in terms of rate hikes.

SIGNIFICANT CHANGES

There have been no significant changes in sector positioning during the period.

POSITIVE/NEGATIVE CONTRIBUTORS

Some of the most meaningful detractors were M3 and Nihon M&A Center.

M3, operator of an online medical platform providing marketing support to pharmaceutical companies, continued to be affected by the negative sentiment against growth stocks. In addition, its share price was partly driven by the short-term slowdown in the company's profit growth momentum over the next year, which include increases in headcount cost as the business shifts towards consulting solutions to provide higher value-add services. Despite this short-term slowdown in profits growth, revenue growth will remain double-digit for year ending 2023, and profit growth is expected to resume after the current hiring plan has taken root and remain sustainable afterwards. The investment team believes M3 will be able to achieve its next phase of sustainable growth in the not too distant future, by following through on its expansion strategy and proactive hiring plan. It is typical, however, that the market is focused on short-term quarterly result and fail to price in longer-term growth trajectory of the company.

Nihon M&A Center shares fell over the year. The Mergers and Acquisitions broker, which specialises in small businesses owners, detracted from performance following the departure of key personnel and a lack of momentum in new hiring. The company remains in a growing industry and has an enviable market position but is clearly struggling in the short term.

Conversely, several holdings delivered strong returns despite the headwind to growth stocks. Some of the most notable contributors were BayCurrent Consulting and Goldwin.

BayCurrent Consulting is one of the top positions in the portfolio and rose over the year. The company is a consultancy benefiting from a growth in demand from companies to implement Digitalisation projects. In early April the company announced their full year results confirming this strong environment. Revenue was up 31% year on year and operating profits up 36%. Furthermore the company estimated for continued strong performance with both consultant numbers and average sales per consultant expected to rise over the coming 12 months.

Goldwin, the Japan based manufacturer of sports goods, saw a rise in operating profit (OP) for the year ending March 2022 that was above both initial guidance and brokers' forecast. Sales, particularly in the "North Face" business, were strong, and profits have improved thanks to the introduction of inventory management. The company expects a modest rise in OP for the current year which is, however, very conservative in that actual OP has exceeded initial guidance for more than 10 years. The company has several competitive advantages, particularly in the North Face brand, and its high-end functional fashion products tend to have stronger pricing power. In other words, they are relatively less affected by the recent yen depreciation and higher crude oil prices.

OUTLOOK

There are two potentially significant turning points for the Japanese market, both of which have been problems for three decades.

FTF Martin Currie Japan Equity Fund

INVESTMENT REVIEW *(Continued)*

One is inflation and in particular wage inflation. If this is sustained the economy has the first opportunity in many years to enter a virtuous cycle of its own making rather than one solely driven by global economic forces. Indeed, companies are beginning to relearn about pricing power, which in the right companies will result in a boost to profits.

The second is the potential for improved capital allocation and corporate governance. There has been stop and start progress in this direction for years, but it does feel as if we are reaching a significant point where improvements finally become the norm. As just one example of this trend, Topix constituent companies have spent 9.3 trillion Yen repurchasing their own shares during the year ended 31 March 2023 - a record high. As the Tokyo Stock Exchange has formally urged companies trading below book value to implement measures and to disclose the measures taken place, share buyback is expected to grow further.

These are important drivers over the coming years, but in the short term the market will of course be most focused on monetary policy and the May results season, in particular the guidance given for the coming fiscal year. Given the risk of recession globally there is clearly a real risk that corporations are reluctant to give out ambitious forecasts.

Meanwhile, the manufacturing cycle appears to be bottoming out. Some companies in the factory automation sector have claimed the bottom of the order intake decline seems to be behind us. As the shortage in semiconductor has been improving, the recovery in the production should be supportive. Furthermore, the capital expenditure demand driven by the replacement of inefficient equipment with higher production efficiency and more environmental friendly features bodes well for the longer term. Technology is another sector in the midst of a downturn and results here will likely be poor, but given the structural longer term trend, the bottom is surely in the next few quarters.

The short term therefore continues to have pluses and minuses but should the global outlook become clearer the changes which Japanese investors have waited decades for may present a fantastic long term opportunity.

Paul Alan Danes
Fund Manager
31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Martin Currie Japan Equity Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	409.97
Return before operating charges ¹	(1.03)
Operating charges ²	(1.80)
Return after operating charges ³	(2.83)
Distributions	(1.21)
Retained distributions on accumulation shares	1.21
Closing net asset value per share	407.14
After direct transaction costs of ⁴	(0.04)
Performance	
Return after charges ⁵	(0.69)%
Other information	
Closing net asset value (£)	333,920,812
Closing number of shares	82,016,855
Operating charges ratio ⁶	0.83%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	442.00
Lowest share price	394.41

<u>W – H2 Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	350.89
Return before operating charges ¹	18.45
Operating charges ²	(1.59)
Return after operating charges ³	16.86
Distributions	(1.08)
Retained distributions on accumulation shares	1.08
Closing net asset value per share	367.75
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	4.80%
Other information	
Closing net asset value (£)	52,582,931
Closing number of shares	14,298,382
Operating charges ratio ⁶	0.83%
Direct transaction costs ⁴	0.02%
Prices (p)	
Highest share price	397.26
Lowest share price	346.34

- The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
- The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
- The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
- The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
- The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
- The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

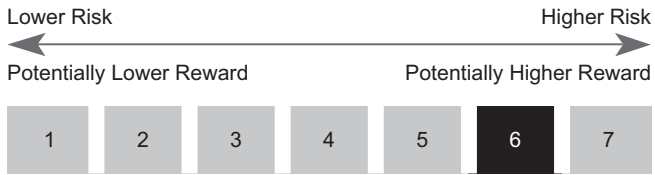
FTF Martin Currie Japan Equity Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Martin Currie Japan Equity Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie Japan Equity Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 98.37%		
	BIOTECHNOLOGY 0.85%		
383,700	JCR Pharmaceuticals	3,286	0.85
	COMMERCIAL SERVICES 24.92%		
1,215,300	Benefit One	13,811	3.57
319,800	FULLCAST	4,669	1.21
349,500	GMO Payment Gateway	24,105	6.24
490,300	Insource	3,994	1.03
416,700	Medley	10,165	2.63
1,347,100	Nihon M&A Center	8,034	2.08
1,268,500	Outsourcing	9,964	2.58
1,035,500	Persol	16,650	4.31
109,800	Visional	4,924	1.27
		<u>96,316</u>	<u>24.92</u>
	COMPUTERS 14.73%		
803,300	BayCurrent Consulting	26,485	6.85
1,020,500	Change	14,485	3.75
736,800	Medical Data Vision	4,032	1.04
803,700	UT	11,958	3.09
		<u>56,960</u>	<u>14.73</u>
	DIVERSIFIED FINANCIAL SERVICES 2.11%		
137,800	M&A Research Institute	8,168	2.11
	HEALTHCARE PRODUCTS 1.81%		
274,100	Asahi Intecc	3,861	1.00
1,826,400	CYBERDYNE	3,144	0.81
		<u>7,005</u>	<u>1.81</u>
	HEALTHCARE SERVICES 2.65%		
898,700	PeptiDream	10,234	2.65
	INTERNET 20.63%		
274,100	Digital Arts	8,472	2.19
456,700	dip	9,771	2.53
823,300	M3	16,466	4.26
456,700	MonotaRO	4,584	1.19
684,900	Oisix ra daichi	9,527	2.47
1,021,100	SMS	19,742	5.11
609,900	ZOZO	11,145	2.88
		<u>79,707</u>	<u>20.63</u>
	OFFICE & BUSINESS EQUIPMENT 3.88%		
369,400	FUJIFILM	14,991	3.88
	PHARMACEUTICALS 3.49%		
913,300	Ship Healthcare	13,489	3.49
	REAL ESTATE INVESTMENT & SERVICES 4.36%		
1,324,200	Relo	16,838	4.36
	RETAIL 12.00%		
251,600	Goldwin	19,198	4.97
1,754,400	Pan Pacific International	27,178	7.03
		<u>46,376</u>	<u>12.00</u>
	SOFTWARE 4.74%		
666,600	JMDC	18,322	4.74
	TOYS, GAMES & HOBBIES 2.20%		
274,100	Nintendo	8,521	2.20
	TOTAL - EQUITIES	<u>380,213</u>	<u>98.37</u>

FTF Martin Currie Japan Equity Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE SHARE CLASS DERIVATIVES 0.28%			
HEDGE FORWARD CURRENCY CONTRACTS			
GBP 1,002	Buy GBP 1,002 sell JPY (161,355) dated 28/04/2023	-	0.00
GBP 9	Buy GBP 9 sell JPY (1,431) dated 28/04/2023	-	0.00
GBP 1,869	Buy GBP 1,869 sell JPY (301,149) dated 28/04/2023	-	0.00
GBP 52,008,926	Buy GBP 52,008,926 sell JPY (8,372,704,141) dated 28/04/2023	1,089	0.28
GBP 3,196	Buy GBP 3,196 sell JPY (519,387) dated 28/04/2023	-	0.00
GBP 1,201	Buy GBP 1,201 sell JPY (195,145) dated 28/04/2023	-	0.00
GBP 365	Buy GBP 365 sell JPY (59,588) dated 28/04/2023	-	0.00
GBP 2,005	Buy GBP 2,005 sell JPY (328,218) dated 28/04/2023	-	0.00
GBP 16	Buy GBP 16 sell JPY (2,587) dated 28/04/2023	-	0.00
GBP 3,018	Buy GBP 3,018 sell JPY (495,710) dated 28/04/2023	-	0.00
GBP 13	Buy GBP 13 sell JPY (2,145) dated 28/04/2023	-	0.00
JPY 192,550	Buy JPY 192,550 sell GBP (1,196) dated 28/04/2023	-	0.00
JPY 40,887,984	Buy JPY 40,887,984 sell GBP (254,002) dated 28/04/2023	(5)	0.00
JPY 110,552	Buy JPY 110,552 sell GBP (680) dated 28/04/2023	-	0.00
JPY 6,571,344	Buy JPY 6,571,344 sell GBP (40,434) dated 28/04/2023	-	0.00
JPY 1,701,650	Buy JPY 1,701,650 sell GBP (10,396) dated 28/04/2023	-	0.00
JPY 19,480,085	Buy JPY 19,480,085 sell GBP (119,011) dated 28/04/2023	(1)	0.00
JPY 60,961	Buy JPY 60,961 sell GBP (371) dated 28/04/2023	-	0.00
JPY 9,697	Buy JPY 9,697 sell GBP (59) dated 28/04/2023	-	0.00
JPY 3,622,222	Buy JPY 3,622,222 sell GBP (22,053) dated 28/04/2023	-	0.00
		<u>1,083</u>	<u>0.28</u>
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	<u>1,083</u>	<u>0.28</u>
	TOTAL VALUE OF INVESTMENTS	<u>381,296</u>	<u>98.65</u>
	OTHER ASSETS	<u>5,208</u>	<u>1.35</u>
	TOTAL NET ASSETS	<u><u>386,504</u></u>	<u><u>100.00</u></u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie Japan Equity Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital gains	2		2,114
Revenue	3	3,662	
Expenses	4	(2,120)	
Interest payable and similar charges	5	(3)	
Net revenue before taxation		1,539	
Taxation	6	(360)	
Net revenue after taxation			1,179
Total return before distributions			3,293
Distributions	7		(1,179)
Change in net assets attributable to shareholders			2,114

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	545,361	
Amounts received on creation of shares	2,380	
Amounts paid on cancellation of shares	(164,544)	
		383,197
Dilution adjustment		47
Change in net assets attributable to shareholders from investment activities (see above)		2,114
Retained distribution on accumulation shares		1,146
Closing net assets attributable to shareholders		386,504

¹The Franklin Templeton Funds II FTF Martin Currie Japan Equity Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		381,302
Current assets		
Debtors	8	1,873
Cash and bank balances	9	4,868
Total assets		388,043
Liabilities		
Investment liabilities		(6)
Creditors		
Other creditors	10	(1,533)
Total liabilities		(1,539)
Net assets attributable to shareholders		386,504

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Martin Currie Japan Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

The net capital gains during the period comprise:

	23 September 2022 to 31 March 2023
	£000
Non-derivative securities losses	(1,854)
Currency losses	(1,471)
Forward currency contracts	5,439
	<u>2,114</u>

3. Revenue

	23 September 2022 to 31 March 2023
	£000
Bank and other interest	62
Overseas dividends	3,600
	<u>3,662</u>

4. Expenses

	23 September 2022 to 31 March 2023
	£000
Payable to the ACD, associates of the ACD and agents of either of them:	
ACD's annual management charge	1,925
ACD's administration charge	128
ACD Waiver	(31)
	<u>2,022</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	35
Safe custody fees	35
	<u>70</u>
Other expenses:	
Audit fees	12
Legal and publication fees	5
Printing fees	1
Other	10
	<u>28</u>
	<u>2,120</u>

5. Interest payable and similar charges

	23 September 2022 to 31 March 2023
	£000
Interest on bank overdrafts	3
Total interest payable and similar charges	<u>3</u>

FTF Martin Currie Japan Equity Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	360
Total current tax	360
Total taxation (see Note(b))	360

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	1,539
Corporation tax at 20%	308
Effects of:	
Movement in unrecognised tax losses	412
Overseas tax	360
Revenue not subject to tax	(720)
Total tax charge for the period (see Note 6(a))	360

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £412,000 due to tax losses of £2,062,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Final dividend distributions	
Income	-
Accumulation	1,146
	1,146
Add: Revenue deducted on cancellation of shares	36
Deduct: Revenue received on issue of shares	(3)
Total distribution	1,179

Details of the distribution in pence per share for this Fund are set out in the table on page 213.

FTF Martin Currie Japan Equity Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Debtors

	<u>31 March 2023</u>
	£000
Accrued income	1,859
Accrued Manager's charge rebates	14
	<u>1,873</u>

9. Cash and bank balances

	<u>31 March 2023</u>
	£000
Cash and bank balances	4,868
Total cash and bank balances	<u>4,868</u>

10. Other creditors

	<u>31 March 2023</u>
	£000
Accrued expenses	353
Amounts payable for cancellation of shares	1,180
	<u>1,533</u>

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £280,000.

During the year the Fund received £31,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £14,000.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
	£000
<u>Currency</u>	331,582
Japanese Yen	<u>331,582</u>

FTF Martin Currie Japan Equity Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Currency Risk (Continued)

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 98.65% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange and forward contracts. If the market value were to change by 10%, the value of the Fund would change by 9.87%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

	23 September 2022 to 31 March 2023					
	Principal £000	Commissions £000	Taxes and other £000	Total cost £000	Commissions % of principal	Taxes and other % of principal
Purchases						
Equities	24,301	12	-	24,313	0.05	-
Inspecie transfers	517,846	-	-	517,846	-	-
	542,147	12	-	542,159		
Sales						
Equities	159,669	(70)	-	159,599	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.02%	0.00%			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.28%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation	-	117,362,661	(35,345,806)	-	82,016,855
W – H2 Accumulation	-	18,965,099	(4,666,717)	-	14,298,382

FTF Martin Currie Japan Equity Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	380,213	-
Level 2	1,089	6
Level 3	-	-
Total	381,302	6

16. Counterparty and Collateral Exposure

Counterparty	31 March 2023						Total
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	
	£000	£000	£000	£000	£000	£000	
Bank of New York Mellon International	-	1,083	-	-	-	-	1,083

FTF Martin Currie Japan Equity Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 March 2023

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
W Accumulation Shares			
Group 1	1.2091	-	1.2091
Group 2	0.9372	0.2719	1.2091
W H2 Accumulation Shares			
Group 1	1.0824	-	1.0824
Group 2	0.8536	0.2288	1.0824

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie UK Equity Income Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie UK Equity Income Fund recorded a net return of 3.71% (W Accumulation), outperforming the FTSE All-Share Index, which returned 2.92%.

OVERVIEW

The ongoing conflict in Ukraine remained at the forefront of investors' minds throughout 2022, as supply chain difficulties contributed to spiralling inflationary pressures across the global economy. Hawkish rhetoric from the Bank of England (BoE) and other central banks continued, with policymakers attempting to balance the risks of tightening policy too far and condemning economies to a longer, and deeper, recession. Consumer-focused sectors bore the brunt of investor worries, as earnings projections began to reflect a weaker position for UK household budgets, triggering a cost-of-living crisis.

Following the victory of Liz Truss in the Conservative leadership race, her government's plans for fiscal policy in the United Kingdom (UK) led to extreme volatility in the UK Gilt market. The 'mini-budget' from Chancellor Kwasi Kwarteng prompted a broad selloff of UK assets amid intensifying inflationary pressures. The 'pro-growth' measures adopted appeared at odds with the mandate of the BoE, tasked with asserting financial stability amongst market participants and moderating inflation. Gilt yields spiked to heights not seen in decades as defined benefit pension schemes were forced into liquidity mode by margin calls for liability driven investment strategies.

In the aftermath, Liz Truss was forced to appoint Jeremy Hunt as Chancellor and herself was soon replaced as prime minister by Rishi Sunak, triggering a significant rally in UK domestic equities and fixed income. The new prime minister was welcomed at a time of increased risk for investors as he looked to rebuild the credibility of the UK as an investment destination through a return to orthodoxy.

Strike action continued to make headline news throughout the UK with rail workers, postal workers, and nurses, amongst others, seeking improved pay and working conditions. However, UK employment as a whole remained strong over the year and stronger-than-expected trading updates from retailers at the start of 2023 showed that wage increases and pandemic savings were going at least some way to offset higher prices and weaker sentiment.

Despite the failure of some regional US banks in March and fears over contagion into the European financial system the Bank of England increased the base rate to 4.25% with a market-implied peak expected of around 4.5% in the summer. Although the banking sector derated during March, the spillover effects appeared limited as a more robust capital position and stickier deposit base of UK banks gave confidence that similar dynamics were unlikely to play out.

At the end of the period, the latest budget announcement from the Chancellor included a relaxation of pension contribution rules and more childcare support. Economic forecasts from the independent Office for Budget Responsibility were also revised to show a -0.2% decline in UK GDP (gross domestic product) for the year, relative to the -1.4% decline previously expected.

SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Anglo American; Victrex, NatWest; Rathbones; and LondonMetric Property.

The top five sells during the 12-month period were: Brewin Dolphin; BHP; Ferguson; Direct Line; and Haleon.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in and an overweight to personal goods as well as a lack of exposure to closed end investments boosted relative performance. In contrast, stock selection in and an overweight position in investment banking and brokerage services weighed on relative results, as did stock selection in and an underweight to banks.

At the stock level, luxury retailer Burberry was the most significant contributor to portfolio performance in the 12-month period. The company, which generates a significant proportion of revenue from mainland China as well as from Chinese tourists, rallied 58.9% as China removed its zero-COVID restrictions.

Spectris was also amongst the greatest contributors to portfolio performance during the period, with the shares advancing 44.1%. The company announced a robust set of 2022 results that were slightly ahead of expectations, but more importantly profit forecasts were upgraded slightly, given the strength of current trading, a healthy order book and a tightly controlled cost base.

Motor and home insurer Direct Line Group was one of the largest detractors from performance over the period. The shares fell 33.2% after the company warned that increased home insurance claims due to the cold weather in early December meant that in order to protect its capital position it would not be paying a final dividend.

OUTLOOK

Long-standing geopolitical and economic imbalances show no sign of resolution but as we look to the rest of 2023, we may see some certainty develop in specific areas.

FTF Martin Currie UK Equity Income Fund

INVESTMENT REVIEW *(Continued)*

The predominant uncertainty weighing on sentiment relates to how much financial conditions have tightened after recent concerns over banking sector solvency. Terminal rate expectations have fallen in the wake of the regional bank insolvencies in the United States (US) despite inflation remaining at 6.0% in the US and 10.4% in the UK. If we assume that market pricing for the fed funds rate and UK base rate are correct, this leaves two potential outcomes as we look out to the end of the year: Either inflation will remain higher as central banks refrain from tightening to avoid further systemic issues arising or it will be curtailed due to weaker growth, higher unemployment and tighter credit conditions as banks pull back from lending.

Domestically, market expectations are for the BoE to raise rates by at least 0.25% before beginning to cut in the final quarter of 2023. With inflation at such high levels and issues across the banking sector seemingly contained, the backdrop strengthens our view of modestly 'higher for longer' interest rates over the medium term, and inflation remaining above target for some time to come. Furthermore, given seemingly structurally tighter labour markets and higher household cash levels, we think any downturn in the economy will likely be shallow and with the cost-of-living shock moderating, the consumer should remain well supported.

As much as we have a more benign view over the short to medium term, big trends in geopolitics and deglobalisation show no sign of reverting to pre-pandemic norms. There will clearly be big winners from the associated reshoring of manufacturing, increased spending on defence and the transition to renewable energy (to name a few) and we think the UK market offers considerable opportunity to gain exposure to these themes.

Ben Russon, Will Bradwell & Joanne Rands

Fund Managers

31 March 2023

FTF Martin Currie UK Equity Income Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	245.79	214.88	171.27
Return before operating charges ¹	10.29	32.11	44.61
Operating charges ²	(1.27)	(1.20)	(1.00)
Return after operating charges ³	9.02	30.91	43.61
Distributions	(11.19)	(10.62)	(8.06)
Retained distributions on accumulation shares	11.19	10.62	8.06
Closing net asset value per share	254.81	245.79	214.88
After direct transaction costs of ⁴	(0.29)	(0.32)	(0.29)
Performance			
Return after charges ⁵	3.67%	14.38%	25.46%
Other information			
Closing net asset value (£)	593,035,485	426,265,855	409,915,272
Closing number of shares	232,733,678	173,424,331	190,767,342
Operating charges ratio ⁶	0.52%	0.52%	0.52%
Direct transaction costs ⁴	0.12%	0.14%	0.15%
Prices (p)			
Highest share price	264.82	247.43	214.63
Lowest share price	220.63	214.26	162.78
<u>W – Income shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	163.23	149.37	124.04
Return before operating charges ¹	6.28	21.94	31.79
Operating charges ²	(0.83)	(0.82)	(0.71)
Return after operating charges ³	5.45	21.12	31.08
Distributions	(7.30)	(7.26)	(5.75)
Closing net asset value per share	161.38	163.23	149.37
After direct transaction costs of ⁴	(0.19)	(0.22)	(0.21)
Performance			
Return after charges ⁵	3.34%	14.14%	25.06%
Other information			
Closing net asset value (£)	424,644,861	434,442,003	447,664,948
Closing number of shares	263,130,535	266,147,309	299,708,583
Operating charges ratio ⁶	0.52%	0.52%	0.52%
Direct transaction costs ⁴	0.12%	0.14%	0.15%
Prices (p)			
Highest share price	169.38	166.38	150.93
Lowest share price	142.58	148.93	117.84

FTF Martin Currie UK Equity Income Fund

COMPARATIVE TABLES (Continued)

<u>Y – Income shares*</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	123.86	112.83	94.42
Return before operating charges ¹	0.86	16.63	24.10
Operating charges ²	-	(0.02)	(0.02)
Return after operating charges ³	0.86	16.61	24.08
Distributions	(1.54)	(5.58)	(5.67)
Closing net asset value per share	123.18	123.86	112.83
After direct transaction costs of ⁴	(0.05)	(0.17)	(0.16)
Performance			
Return after charges ⁵	0.69%	14.72%	25.50%
Other information			
Closing net asset value (£)	-	3,819	3,479
Closing number of shares	-	3,083	3,083
Operating charges ratio ⁶	-	0.02%	0.02%
Direct transaction costs ⁴	-	0.14%	0.15%
Prices (p)			
Highest share price	126.18	126.19	114.00
Lowest share price	116.20	112.51	89.70

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

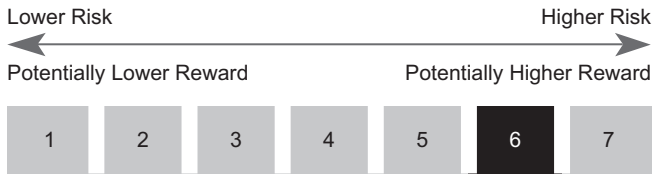
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* Share class closed on 12 August 2022.

FTF Martin Currie UK Equity Income Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie UK Equity Income Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 96.52% (98.20%)		
	ADVERTISING 1.91% (1.83%)		
2,023,000	WPP	19,392	1.91
	AEROSPACE & DEFENCE 2.29% (1.90%)		
2,375,000	BAE Systems	23,337	2.29
	AGRICULTURE 5.27% (5.48%)		
1,028,000	British American Tobacco	29,200	2.87
1,310,000	Imperial Brands	24,418	2.40
		53,618	5.27
	APPAREL 2.27% (1.31%)		
893,000	Burberry	23,084	2.27
	BANKS 1.32% (0.00%)		
5,093,000	NatWest	13,425	1.32
	BEVERAGES 3.54% (3.92%)		
1,806,255	Britvic	16,094	1.58
552,962	Diageo	19,981	1.96
		36,075	3.54
	CHEMICALS 1.34% (0.00%)		
855,000	Victrex	13,612	1.34
	COMMERCIAL SERVICES 3.61% (3.91%)		
2,699,866	Pagegroup	12,322	1.21
931,843	RELX	24,386	2.40
		36,708	3.61
	COSMETICS & PERSONAL CARE 4.79% (4.08%)		
1,163,495	Unilever	48,745	4.79
	DISTRIBUTION & WHOLESALE 1.43% (2.76%)		
475,798	Bunzl	14,545	1.43
	DIVERSIFIED FINANCIAL SERVICES 8.16% (9.51%)		
6,150,410	Ashmore	14,675	1.44
1,457,000	Close Brothers	13,128	1.29
1,853,862	IG	12,949	1.27
726,000	Rathbones	13,881	1.37
2,848,516	Schroders	13,097	1.29
1,260,000	St James's Place	15,259	1.50
		82,989	8.16
	ELECTRICITY 4.58% (5.04%)		
2,306,000	National Grid	25,274	2.48
1,185,700	SSE	21,378	2.10
		46,652	4.58
	ELECTRONICS 1.66% (0.97%)		
460,219	Spectris	16,839	1.66
	FOOD PRODUCERS 4.96% (4.67%)		
925,000	Associated British Foods	17,945	1.76
509,089	Cranswick	15,293	1.50
6,500,000	Tesco	17,270	1.70
		50,508	4.96
	HEALTHCARE PRODUCTS 1.36% (1.44%)		
1,236,000	Smith & Nephew	13,868	1.36
	HOME BUILDERS 2.55% (3.02%)		
641,441	Bellway	14,157	1.39
941,000	Persimmon	11,810	1.16
		25,967	2.55

FTF Martin Currie UK Equity Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	HOUSEHOLD PRODUCTS 2.15% (2.10%)		
355,200	Reckitt Benckiser	21,873	2.15
	INSURANCE 5.40% (7.66%)		
8,657,000	Legal & General	20,682	2.03
6,800,183	M&G	13,464	1.32
3,811,600	Phoenix	20,827	2.05
		<u>54,973</u>	<u>5.40</u>
	IRON & STEEL 0.00% (0.00%)		
60,000	Evrax ¹	-	0.00
	MACHINERY DIVERSIFIED 1.68% (1.41%)		
1,117,698	IMI	17,134	1.68
	MEDIA 1.62% (1.58%)		
2,374,473	Informa	16,446	1.62
	METAL & HARDWARE 1.54% (1.27%)		
2,400,000	Bodycote	15,660	1.54
	MINING 4.95% (6.04%)		
695,000	Anglo American	18,612	1.83
18,500	Polymetal International	41	0.00
580,000	Rio Tinto	31,767	3.12
		<u>50,420</u>	<u>4.95</u>
	MISCELLANEOUS MANUFACTURING 1.70% (1.56%)		
1,009,500	Smiths	17,328	1.70
	OIL & GAS PRODUCERS 11.50% (10.60%)		
10,293,450	BP	52,579	5.17
356,000	DCC	16,792	1.65
2,065,000	Shell	47,660	4.68
		<u>117,031</u>	<u>11.50</u>
	PACKAGING & CONTAINERS 1.78% (1.44%)		
5,771,656	DS Smith	18,140	1.78
	PHARMACEUTICALS 6.67% (8.18%)		
384,000	AstraZeneca	43,131	4.24
1,729,570	GSK	24,716	2.43
		<u>67,847</u>	<u>6.67</u>
	PRIVATE EQUITY 1.40% (1.66%)		
1,172,000	Intermediate Capital	14,252	1.40
	REAL ESTATE INVESTMENT TRUSTS 2.63% (1.57%)		
2,430,000	Land Securities	15,081	1.48
6,661,000	LondonMetric Property	11,683	1.15
		<u>26,764</u>	<u>2.63</u>
	RETAIL 1.40% (1.78%)		
217,000	Next	14,261	1.40
	TELECOMMUNICATIONS 1.06% (1.51%)		
12,089,255	Vodafone	10,796	1.06
	TOTAL - EQUITIES	<u>982,289</u>	<u>96.52</u>
	CERTIFICATE OF DEPOSITS 3.09% (0.00%)		
31,400,000	Royal Bank Of Canada 4.180%,03/04/2023	31,400	3.09

FTF Martin Currie UK Equity Income Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS	1,013,689	99.61
	OTHER ASSETS	3,991	0.39
	TOTAL NET ASSETS	<u>1,017,680</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

¹ These securities are fair valued by the manager.

FTF Martin Currie UK Equity Income Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(650)		80,658
Revenue	3	43,422		40,401	
Expenses	4	(4,866)		(4,527)	
Interest payable and similar charges		-		16	
Net revenue before taxation		38,556		35,858	
Taxation	5	49		1	
Net revenue after taxation			38,605		35,859
Total return before distributions			37,955		116,517
Distributions	6		(42,823)		(39,767)
Change in net assets attributable to shareholders			(4,868)		76,750

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		860,712		895,795
In-specie transfer ¹	28,060		-	
Amounts received on creation of shares	190,298		272,857	
Amounts paid on cancellation of shares	(80,998)		(403,735)	
		137,360		(130,878)
Dilution adjustment		-		92
Change in net assets attributable to shareholders from investment activities (see above)		(4,868)		76,750
Retained distribution on accumulation shares		24,476		18,953
Closing net assets attributable to shareholders		1,017,680		860,712

¹The Franklin Templeton Funds II FTF Franklin Systematic UK Equity Fund merged into this Fund on 16 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		1,013,689	845,223
Current assets			
Debtors	7	8,740	8,964
Cash and bank balances	8	14	16,226
Total assets		1,022,443	870,413
Liabilities			
Creditors			
Bank overdrafts		(22)	-
Distributions payable		(4,219)	(5,455)
Other creditors	9	(522)	(4,246)
Total liabilities		(4,763)	(9,701)
Net assets attributable to shareholders		1,017,680	860,712

FTF Martin Currie UK Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(644)	80,715
Currency losses	(6)	(57)
	<u>(650)</u>	<u>80,658</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	74	-
Interest from certificates of deposit	10	-
Overseas dividends	2,031	1,904
UK dividends	40,408	38,497
UK property income dividends	899	-
	<u>43,422</u>	<u>40,401</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	4,218	3,890
ACD's administration charge	469	466
	<u>4,687</u>	<u>4,356</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	128	105
Safe custody fees	21	17
	<u>149</u>	<u>122</u>
Other expenses:		
Audit fees	14	18
Legal and publication fees	13	-
Printing fees	1	3
Other	2	28
	<u>30</u>	<u>49</u>
	<u>4,866</u>	<u>4,527</u>

FTF Martin Currie UK Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the credit for the year		
Prior year adjustment on corporation tax	(3)	-
Overseas tax	(46)	(1)
Total current tax	(49)	(1)
Total taxation (see Note(b))	(49)	(1)

(b) Factors affecting the total tax credit for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	38,556	35,858
Corporation tax at 20% (2022: 20%)	7,711	7,172
Effects of:		
Movement in unrecognised tax losses	780	877
Overseas tax	(46)	(1)
Prior year adjustment	(3)	-
Prior year adjustment to unrecognised tax losses	(4)	-
Revenue not subject to tax	(8,487)	(8,049)
Total tax credit for the year (see Note 5(a))	(49)	(1)

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £6,266,000 (£5,486,000 as at 31 March 2022) due to tax losses of £31,331,000 (£27,430,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

FTF Martin Currie UK Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	15,235	14,730
Accumulation	18,641	13,666
	<u>33,876</u>	<u>28,396</u>
Final dividend distributions		
Income	4,219	5,455
Accumulation	5,835	5,287
	<u>10,054</u>	<u>10,742</u>
Add: Revenue deducted on cancellation of shares	269	2,218
Deduct: Revenue received on issue of shares	(1,376)	(1,589)
Total distribution	<u><u>42,823</u></u>	<u><u>39,767</u></u>

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	38,605	35,859
Expense charge taken to capital	4,218	3,890
Net revenue received on share class conversions	-	18
Total distribution	<u><u>42,823</u></u>	<u><u>39,767</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 229 and 230.

7. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	6,284	6,110
Amounts receivable for issue of shares	2,257	2,824
Overseas tax recoverable	199	30
	<u>8,740</u>	<u>8,964</u>

8. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	14	16,226
Total cash and bank balances	<u>14</u>	<u>16,226</u>

FTF Martin Currie UK Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Other creditors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	515	395
Amounts payable for cancellation of shares	7	2,128
Purchases awaiting settlement	-	1,723
	<u>522</u>	<u>4,246</u>

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £433,000 (£315,000 as at 31 March 2022).

During the year the Fund received £Nil (£12,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £Nil (£2,000 as at 31 March 2022).

As at 31 March 2023 Templeton Global Advisors Limited ("TGAL") held 0% (31 March 2022: 100%) of the shares in issue of Class Y Income, as the share class closed in the period.

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.12% (2022: 0.03%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.61% (2022: 98.20%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.96% (2022: 9.82%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

FTF Martin Currie UK Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs

1 April 2022 to 31 March 2023						
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	203,738	85	1,001	204,824	0.04	0.49
Inspecie transfers	26,567	-	-	26,567	-	-
	230,305	85	1,001	231,391		
Sales						
Equities	76,567	(41)	-	76,526	(0.05)	-
Total cost of the Fund's average net asset value (%)		0.01%	0.11%			

1 April 2021 to 31 March 2022						
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	212,024	98	959	213,081	0.05	0.45
Sales						
Equities	326,370	(135)	-	326,235	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.03%	0.11%			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.05% (2022: 0.07%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	173,424,331	71,466,720	(12,021,241)	(136,132)	232,733,678
W – Income shares	266,147,309	29,087,793	(32,312,777)	208,210	263,130,535
Y – Income shares	3,083	-	(3,083)	-	-

FTF Martin Currie UK Equity Income Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	982,289	-	845,223	-
Level 2	31,400	-	-	-
Level 3 ¹	-	-	-	-
Total	1,013,689	-	845,223	-

¹Includes securities fair valued by the ACD. Level 3 assets held in the Fund have been identified on the portfolio statement.

FTF Martin Currie UK Equity Income Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 June 2022

	Net Income	Equalisation	30 June 2022 Pence per Share	30 June 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	3.0257	-	3.0257	2.3921
Group 2	1.2936	1.7321	3.0257	2.3921
W Income Shares				
Group 1	2.0096	-	2.0096	1.6649
Group 2	0.9021	1.1075	2.0096	1.6649
Y Income Shares				
Group 1	1.5438	-	1.5438	1.2791
Group 2	1.5438	0.0000	1.5438	1.2791

For the period 1 July 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased in the period 1 July 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	3.1259	-	3.1259	3.4452
Group 2	1.9999	1.1260	3.1259	3.4452
W Income Shares				
Group 1	2.0490	-	2.0490	2.3700
Group 2	1.0212	1.0278	2.0490	2.3700
Y Income Shares				
Group 1	0.0000	-	0.0000	1.8139
Group 2	0.0000	0.0000	0.0000	1.8139

For the period 1 October 2022 to 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share	31 December 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	2.5355	-	2.5355	1.7332
Group 2	1.3283	1.2072	2.5355	1.7332
W Income Shares				
Group 1	1.6385	-	1.6385	1.1738
Group 2	0.7990	0.8395	1.6385	1.1738
Y Income Shares				
Group 1	0.0000	-	0.0000	0.9101
Group 2	0.0000	0.0000	0.0000	0.9101

FTF Martin Currie UK Equity Income Fund

DISTRIBUTION TABLES *(Continued)*

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	2.5071	-	2.5071	3.0485
Group 2	1.5778	0.9293	2.5071	3.0485
W Income Shares				
Group 1	1.6035	-	1.6035	2.0496
Group 2	1.0283	0.5752	1.6035	2.0496
Y Income Shares				
Group 1	0.0000	-	0.0000	1.5733
Group 2	0.0000	0.0000	0.0000	1.5733

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie UK Managers' Focus Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie UK Managers' Focus Fund recorded a net return of -4.42% (W Accumulation), underperforming the FTSE All Share index, which returned 2.92%.

OVERVIEW

The ongoing conflict in Ukraine remained at the forefront of investors' minds throughout 2022, as supply chain difficulties contributed to spiralling inflationary pressures across the global economy. Hawkish rhetoric from the Bank of England (BoE) and other central banks continued, with policymakers attempting to balance the risks of tightening policy too far and condemning economies to a longer, and deeper, recession. Consumer-focused sectors bore the brunt of investor worries, as earnings projections began to reflect a weaker position for UK household budgets, triggering a cost-of-living crisis.

Following the victory of Liz Truss in the Conservative leadership race, her government's plans for fiscal policy in the United Kingdom (UK) led to extreme volatility in the UK Gilt market. The 'mini-budget' from Chancellor Kwasi Kwarteng prompted a broad selloff of UK assets amid intensifying inflationary pressures. The 'pro-growth' measures adopted appeared at odds with the mandate of the BoE, tasked with asserting financial stability amongst market participants and moderating inflation. Gilt yields spiked to heights not seen in decades as defined benefit pension schemes were forced into liquidity mode by margin calls for liability driven investment strategies.

In the aftermath, Liz Truss was forced to appoint Jeremy Hunt as Chancellor and herself was soon replaced as prime minister by Rishi Sunak, triggering a significant rally in UK domestic equities and fixed income. The new prime minister was welcomed at a time of increased risk for investors as he looked to rebuild the credibility of the UK as an investment destination through a return to orthodoxy.

Strike action continued to make headline news throughout the UK with rail workers, postal workers, and nurses, amongst others, seeking improved pay and working conditions. However, UK employment as a whole remained strong over the year and stronger-than-expected trading updates from retailers at the start of 2023 showed that wage increases and pandemic savings were going at least some way to offset higher prices and weaker sentiment.

Despite the failure of some regional US banks in March and fears over contagion into the European financial system the Bank of England increased the base rate to 4.25% with a market-implied peak expected of around 4.5% in the summer. Although the banking sector derated during March, the spillover effects into appeared limited as a more robust capital position and stickier deposit base of UK banks gave confidence that similar dynamics were unlikely to play out.

At the end of the period, the latest budget announcement from the Chancellor included a relaxation of pension contribution rules and more childcare support. Economic forecasts from the independent Office for Budget Responsibility were also revised to show a -0.2% decline in UK GDP (gross domestic product) for the year, relative to the -1.4% decline previously expected.

SIGNIFICANT CHANGES

The top five buys during the 12-month period were: St James's Place; Alpha FX; Devolver Digital; GSK; and tinyBuild.

The top five sells during the 12-month period were: Ferguson; Urban Logistics; BP; NCC; and Serco.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in leisure goods and investment banking and brokerage services, as well as stock selection in aerospace and defence all detracted from relative performance. Conversely, stock selection in and an underweight position in industrial metals and mining contributed to relative returns, as did a lack of exposure to closed end investments.

At the stock level, video game developer and publisher tinyBuild was the largest detractor from performance. The shares declined 70.7% during the period. Negative sentiment towards the video game development segment continued to drag on the company's valuation despite no new news flow in the period.

Vesuvius was the largest contributor to the fund's performance. The shares advanced 28.7% during the 12-month period.

OUTLOOK

Long-standing geopolitical and economic imbalances show no sign of resolution but as we look to the rest of 2023, we may see some certainty develop in specific areas.

The predominant uncertainty weighing on sentiment relates to how much financial conditions have tightened after recent concerns over banking sector solvency. Terminal rate expectations have fallen in the wake of the regional bank insolvencies in the United States (US) despite inflation remaining at 6.0% in the US and 10.4% in the UK. If we assume that market pricing for the fed funds rate and UK base rate are correct, this leaves two potential outcomes as we look out to the end of the year: Either inflation will remain higher as central banks refrain from tightening to avoid further systemic issues arising or it will be curtailed due to weaker growth, higher unemployment and tighter credit conditions as banks pull back from lending.

FTF Martin Currie UK Managers' Focus Fund

INVESTMENT REVIEW *(Continued)*

Domestically, market expectations are for the BoE to raise rates by at least 0.25% before beginning to cut in the final quarter of 2023. With inflation at such high levels and issues across the banking sector seemingly contained, the backdrop strengthens our view of modestly 'higher for longer' interest rates over the medium term, and inflation remaining above target for some time to come. Furthermore, given seemingly structurally tighter labour markets and higher household cash levels, we think any downturn in the economy will likely be shallow and with the cost-of-living shock moderating, the consumer should remain well supported.

As much as we have a more benign view over the short to medium term, big trends in geopolitics and deglobalisation show no sign of reverting to pre-pandemic norms. There will clearly be big winners from the associated reshoring of manufacturing, increased spending on defence and the transition to renewable energy (to name a few) and we think the UK market offers considerable opportunity to gain exposure to these themes.

Richard Bullas, Dan Green, Joanne Rands & Ben Russon, CFA

Fund Managers

31 March 2023

FTF Martin Currie UK Managers' Focus Fund

COMPARATIVE TABLES As at 31 March 2023

S – Accumulation shares	31 March 2023	31 March 2022	31 March 2021
Change in net assets per share (p)			
Opening net asset value per share	153.50	143.79	106.32
Return before operating charges ¹	(5.47)	10.68	38.25
Operating charges ²	(0.91)	(0.97)	(0.78)
Return after operating charges ³	(6.38)	9.71	37.47
Distributions	(4.15)	(3.88)	(2.38)
Retained distributions on accumulation shares	4.15	3.88	2.38
Closing net asset value per share	147.12	153.50	143.79
After direct transaction costs of ⁴	(0.09)	(0.22)	(0.19)
Performance			
Return after charges ⁵	(4.16)%	6.75%	35.24%
Other information			
Closing net asset value (£)	46,931,734	82,590,200	58,982,205
Closing number of shares	31,900,643	53,805,352	41,019,557
Operating charges ratio ⁶	0.62%	0.62%	0.63%
Direct transaction costs ⁴	0.06%	0.14%	0.15%
Prices (p)			
Highest share price	155.74	165.19	144.75
Lowest share price	132.24	139.07	103.34
W – Accumulation shares	31 March 2023	31 March 2022	31 March 2021
Change in net assets per share (p)			
Opening net asset value per share	286.33	268.76	199.12
Return before operating charges ¹	(10.20)	19.97	71.60
Operating charges ²	(2.25)	(2.40)	(1.96)
Return after operating charges ³	(12.45)	17.57	69.64
Distributions	(7.18)	(6.66)	(3.99)
Retained distributions on accumulation shares	7.18	6.66	3.99
Closing net asset value per share	273.88	286.33	268.76
After direct transaction costs of ⁴	(0.17)	(0.41)	(0.36)
Performance			
Return after charges ⁵	(4.35)%	6.54%	34.97%
Other information			
Closing net asset value (£)	116,867,329	222,039,305	241,487,473
Closing number of shares	42,671,145	77,547,708	89,854,018
Operating charges ratio ⁶	0.82%	0.82%	0.83%
Direct transaction costs ⁴	0.06%	0.14%	0.15%
Prices (p)			
Highest share price	290.48	308.29	270.57
Lowest share price	246.40	259.44	193.54

FTF Martin Currie UK Managers' Focus Fund

COMPARATIVE TABLES (Continued)

<u>W – Income shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	100.33	96.38	72.57
Return before operating charges ¹	(3.73)	7.18	25.99
Operating charges ²	(0.78)	(0.85)	(0.73)
Return after operating charges ³	(4.51)	6.33	25.26
Distributions	(2.50)	(2.38)	(1.45)
Closing net asset value per share	93.32	100.33	96.38
After direct transaction costs of ⁴	(0.06)	(0.15)	(0.13)
Performance			
Return after charges ⁵	(4.50)%	6.57%	34.81%
Other information			
Closing net asset value (£)	2,678,712	10,679,710	18,868,082
Closing number of shares	2,870,474	10,644,208	19,576,744
Operating charges ratio ⁶	0.82%	0.82%	0.83%
Direct transaction costs ⁴	0.06%	0.14%	0.15%
Prices (p)			
Highest share price	101.79	109.78	97.82
Lowest share price	84.89	91.88	70.52
Y – Income shares*			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	149.13	143.28	107.88
Return before operating charges ¹	(0.88)	10.69	38.65
Operating charges ²	-	(0.04)	(0.03)
Return after operating charges ³	(0.88)	10.65	38.62
Distributions	-	(4.80)	(3.22)
Closing net asset value per share	148.25	149.13	143.28
After direct transaction costs of ⁴	(0.09)	(0.22)	(0.19)
Performance			
Return after charges ⁵	(0.59)%	7.43%	35.80%
Other information			
Closing net asset value (£)	-	4,042	3,883
Closing number of shares	-	2,710	2,710
Operating charges ratio ⁶	-	0.02%	0.03%
Direct transaction costs ⁴	-	0.14%	0.15%
Prices (p)			
Highest share price	151.36	163.79	145.94
Lowest share price	135.68	137.06	104.83

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

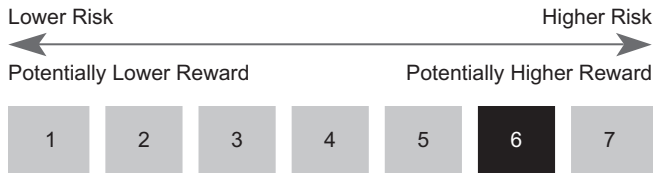
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* Share class closed on 12 August 2022.

FTF Martin Currie UK Managers' Focus Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie UK Managers' Focus Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 97.39% (97.73%)		
	ADVERTISING 2.59% (2.49%)		
449,000	WPP	4,304	2.59
	AGRICULTURE 4.71% (4.96%)		
138,500	British American Tobacco	3,934	2.36
209,700	Imperial Brands	3,909	2.35
		7,843	4.71
	AIRLINES 2.56% (2.17%)		
325,000	JET2#	4,266	2.56
	BANKS 2.31% (2.50%)		
740,000	Paragon Banking	3,848	2.31
	COMMERCIAL SERVICES 3.87% (4.45%)		
162,400	RELX	4,250	2.55
800,000	Restore#	2,200	1.32
		6,450	3.87
	COMPUTERS 2.34% (4.54%)		
2,540,000	Serco	3,896	2.34
	COSMETICS & PERSONAL CARE 2.63% (2.45%)		
104,500	Unilever	4,378	2.63
	DISTRIBUTION & WHOLESALE 2.51% (7.45%)		
136,700	Bunzl	4,179	2.51
	DIVERSIFIED FINANCIAL SERVICES 9.13% (3.87%)		
190,000	Alpha FX#	3,667	2.20
520,000	JTC	3,635	2.18
825,000	Polar Capital#	3,733	2.24
345,000	St James's Place	4,178	2.51
		15,213	9.13
	ELECTRONICS 5.00% (1.76%)		
540,000	DiscoverIE	4,163	2.50
455,000	RS	4,159	2.50
		8,322	5.00
	FOOD PRODUCERS 7.62% (7.33%)		
204,000	Associated British Foods	3,958	2.38
148,500	Cranswick	4,461	2.68
1,605,000	Tesco	4,264	2.56
		12,683	7.62
	HEALTHCARE PRODUCTS 2.48% (2.54%)		
367,200	Smith & Nephew	4,120	2.48
	HOME BUILDERS 2.65% (1.99%)		
200,000	Bellway	4,414	2.65
	HOME FURNISHINGS 2.56% (2.35%)		
610,000	Howden Joinery	4,258	2.56
	HOUSEHOLD PRODUCTS 2.49% (2.45%)		
67,300	Reckitt Benckiser	4,144	2.49
	INSURANCE 2.35% (2.43%)		
717,000	Phoenix	3,918	2.35
	MACHINERY DIVERSIFIED 2.49% (1.96%)		
1,000,000	Vesuvius	4,138	2.49
	METAL & HARDWARE 2.75% (2.25%)		
700,000	Bodycote	4,568	2.75
	MINING 2.57% (2.63%)		
78,000	Rio Tinto	4,272	2.57

FTF Martin Currie UK Managers' Focus Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	MISCELLANEOUS MANUFACTURING 5.59% (6.33%)		
300,000	Avon Protection	2,778	1.67
331,673	Videndum	2,935	1.76
835,000	Volution	3,595	2.16
		<u>9,308</u>	<u>5.59</u>
	OIL & GAS PRODUCERS 7.99% (7.52%)		
880,000	BP	4,495	2.70
95,300	DCC	4,495	2.70
187,000	Shell	4,316	2.59
		<u>13,306</u>	<u>7.99</u>
	PHARMACEUTICALS 5.13% (5.25%)		
39,000	AstraZeneca	4,380	2.63
291,000	GSK	4,158	2.50
		<u>8,538</u>	<u>5.13</u>
	PRIVATE EQUITY 2.46% (2.67%)		
336,500	Intermediate Capital	4,092	2.46
	REAL ESTATE INVESTMENT TRUSTS 2.52% (4.67%)		
178,000	Derwent London	4,194	2.52
	RETAIL 2.40% (2.31%)		
60,800	Next	3,996	2.40
	SOFTWARE 3.73% (3.93%)		
1,350,000	Big Technologies [#]	3,618	2.17
4,000,000	Devolver Digital [#]	1,280	0.77
2,787,828	tinyBuild [#]	1,310	0.79
		<u>6,208</u>	<u>3.73</u>
	TELECOMMUNICATIONS 1.96% (2.48%)		
1,885,000	Spirent Communications	3,267	1.96
	TOTAL - EQUITIES	<u>162,123</u>	<u>97.39</u>
	CERTIFICATE OF DEPOSITS 1.62% (0.00%)		
2,700,000	Royal Bank of Canada, 4.180%, 03/04/2023	2,700	1.62
	TOTAL VALUE OF INVESTMENTS	<u>164,823</u>	<u>99.01</u>
	OTHER ASSETS	<u>1,655</u>	<u>0.99</u>
	TOTAL NET ASSETS	<u>166,478</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

[#] Traded on an alternative investment market.

FTF Martin Currie UK Managers' Focus Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(20,140)		14,467
Revenue	3	7,854		10,881	
Expenses	4	(1,721)		(2,797)	
Interest payable and similar charges	5	-		(2)	
Net revenue before taxation		6,133		8,082	
Taxation	6	-		37	
Net revenue after taxation			6,133		8,119
Total return before distributions			(14,007)		22,586
Distributions	7		(6,133)		(8,163)
Change in net assets attributable to shareholders			(20,140)		14,423

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		315,313		334,789
Amounts received on creation of shares	5,610		87,567	
Amounts paid on cancellation of shares	(139,563)		(129,031)	
		(133,953)		(41,464)
Dilution adjustment		141		42
Change in net assets attributable to shareholders from investment activities (see above)		(20,140)		14,423
Retained distribution on accumulation shares		5,117		7,523
Closing net assets attributable to shareholders		166,478		315,313

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		164,823	308,170
Current assets			
Debtors	8	2,513	2,290
Cash and bank balances	9	47	5,915
Total assets		167,383	316,375
Liabilities			
Creditors			
Bank overdrafts		(2)	-
Distributions payable		(29)	(113)
Other creditors	10	(874)	(949)
Total liabilities		(905)	(1,062)
Net assets attributable to shareholders		166,478	315,313

FTF Martin Currie UK Managers' Focus Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(20,139)	14,475
Currency losses	(1)	(8)
	<u>(20,140)</u>	<u>14,467</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	17	-
Interest from certificates of deposit	1	-
Overseas dividends	367	320
UK dividends	7,339	10,561
UK property income dividends	130	-
	<u>7,854</u>	<u>10,881</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	1,555	2,498
ACD's administration charge	112	213
	<u>1,667</u>	<u>2,711</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	31	47
Safe custody fees	7	7
	<u>38</u>	<u>54</u>
Other expenses:		
Audit fees	14	17
Legal and publication fees	1	-
Printing fees	-	1
Other	1	14
	<u>16</u>	<u>32</u>
	<u>1,721</u>	<u>2,797</u>

5. Interest payable and similar charges

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interest on bank overdrafts	-	2
Total interest payable and similar charges	<u>-</u>	<u>2</u>

FTF Martin Currie UK Managers' Focus Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge/(credit) for the year		
Irrecoverable overseas tax	-	(37)
Total current tax	-	(37)
Total taxation (see Note(b))	<u>-</u>	<u>(37)</u>

(b) Factors affecting the total tax charge/(credit) for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	6,133	8,082
Corporation tax at 20% (2022: 20%)	1,227	1,616
Effects of:		
Movement in unrecognised tax losses	315	522
Irrecoverable overseas tax	-	(37)
Revenue not subject to tax	(1,542)	(2,138)
Total tax credit for the year (see Note 6(a))	<u>-</u>	<u>(37)</u>

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £4,058,000 (£3,743,000 as at 31 March 2022) due to tax losses of £20,289,000 (£18,715,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

FTF Martin Currie UK Managers' Focus Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	37	227
Accumulation	3,275	4,246
	<u>3,312</u>	<u>4,473</u>
Final dividend distributions		
Income	30	113
Accumulation	1,842	3,277
	<u>1,872</u>	<u>3,390</u>
Add: Revenue deducted on cancellation of shares	975	654
Deduct: Revenue received on issue of shares	(26)	(354)
Total distribution	<u><u>6,133</u></u>	<u><u>8,163</u></u>
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	6,133	8,119
Net revenue received on share class conversions	-	44
Total distribution	<u><u>6,133</u></u>	<u><u>8,163</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on page 245.

8. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	665	1,427
Amounts receivable for issue of shares	1	856
Overseas tax recoverable	50	7
Sales awaiting settlement	1,797	-
	<u>2,513</u>	<u>2,290</u>

9. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	47	5,915
Total cash and bank balances	<u><u>47</u></u>	<u><u>5,915</u></u>

FTF Martin Currie UK Managers' Focus Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. Other creditors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	139	228
Amounts payable for cancellation of shares	735	721
	<u>874</u>	<u>949</u>

11. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £108,000 (£185,000 as at 31 March 2022).

During the year the Fund received £Nil (£9,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £Nil (£Nil as at 31 March 2022).

As at 31 March 2023 Templeton Global Advisors Limited ("TGAL") held 0% (100% as at 31 March 2022) of the shares in issue of Class Y Income, as the share class closed in the period.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.04% (2022: 0.05%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.01% (2022: 97.73%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.90% (2022: 9.77%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

FTF Martin Currie UK Managers' Focus Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Portfolio Transaction Costs

1 April 2022 to 31 March 2023						
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	19,373	12	64	19,449	0.06	0.33
Sales						
Equities	145,368	(62)	(1)	145,305	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.03%</u>	<u>0.03%</u>			

1 April 2021 to 31 March 2022						
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	105,337	48	408	105,793	0.05	0.39
Sales						
Equities	138,914	(66)	-	138,848	(0.05)	-
Total cost of the Fund's average net asset value (%)		<u>0.03%</u>	<u>0.11%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.25% (2022: 0.35%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
S – Accumulation shares	53,805,352	1,890,911	(23,725,330)	(70,290)	31,900,643
W – Accumulation shares	77,547,708	1,022,625	(35,817,433)	(81,755)	42,671,145
W – Income shares	10,644,208	83,365	(8,203,151)	346,052	2,870,474
Y – Income shares	2,710	-	(2,710)	-	-

FTF Martin Currie UK Managers' Focus Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	162,123	-	308,170	-
Level 2	2,700	-	-	-
Level 3	-	-	-	-
Total	164,823	-	308,170	-

FTF Martin Currie UK Managers' Focus Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	2.3876	-	2.3876	2.1130
Group 2	1.1171	1.2705	2.3876	2.1130
W Accumulation Shares				
Group 1	4.1772	-	4.1772	3.6567
Group 2	2.2570	1.9202	4.1772	3.6567
W Income Shares				
Group 1	1.4683	-	1.4683	1.3120
Group 2	0.6768	0.7915	1.4683	1.3120
Y Income Shares				
Group 1	0.0000	-	0.0000	2.5937
Group 2	0.0000	0.0000	0.0000	2.5937

For the period 1 October 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	1.7582	-	1.7582	1.7682
Group 2	1.1151	0.6431	1.7582	1.7682
W Accumulation Shares				
Group 1	3.0016	-	3.0016	2.9990
Group 2	1.7863	1.2153	3.0016	2.9990
W Income Shares				
Group 1	1.0338	-	1.0338	1.0649
Group 2	0.5860	0.4478	1.0338	1.0649
Y Income Shares				
Group 1	0.0000	-	0.0000	2.2111
Group 2	0.0000	0.0000	0.0000	2.2111

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie UK Mid Cap Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie UK Mid Cap Fund recorded a net return of -5.11% (W Accumulation), faring better than the FTSE 250 (ex Investment Trusts) Index, which returned -7.45%.

OVERVIEW

The ongoing conflict in Ukraine remained at the forefront of investors' minds throughout 2022, as supply chain difficulties contributed to spiralling inflationary pressures across the global economy. Hawkish rhetoric from the Bank of England (BoE) and other central banks continued, with policymakers attempting to balance the risks of tightening policy too far and condemning economies to a longer, and deeper, recession. Consumer-focused sectors bore the brunt of investor worries, as earnings projections began to reflect a weaker position for UK household budgets, triggering a cost-of-living crisis.

Following the victory of Liz Truss in the Conservative leadership race, her government's plans for fiscal policy in the United Kingdom (UK) led to extreme volatility in the UK Gilt market. The 'mini-budget' from Chancellor Kwasi Kwarteng prompted a broad selloff of UK assets amid intensifying inflationary pressures. The 'pro-growth' measures adopted appeared at odds with the mandate of the BoE, tasked with asserting financial stability amongst market participants and moderating inflation. Gilt yields spiked to heights not seen in decades as defined benefit pension schemes were forced into liquidity mode by margin calls for liability driven investment strategies.

In the aftermath, Liz Truss was forced to appoint Jeremy Hunt as Chancellor and herself was soon replaced as prime minister by Rishi Sunak, triggering a significant rally in UK domestic equities and fixed income. The new prime minister was welcomed at a time of increased risk for investors as he looked to rebuild the credibility of the UK as an investment destination through a return to orthodoxy.

Strike action continued to make headline news throughout the UK with rail workers, postal workers, and nurses, amongst others, seeking improved pay and working conditions. However, UK employment as a whole remained strong over the year and stronger-than-expected trading updates from retailers at the start of 2023 showed that wage increases and pandemic savings were going at least some way to offset higher prices and weaker sentiment.

Despite the failure of some regional US banks in March and fears over contagion into the European financial system the Bank of England increased the base rate to 4.25% with a market-implied peak expected of around 4.5% in the summer. Although the banking sector derated during March, the spillover effects appeared limited as a more robust capital position and stickier deposit base of UK banks gave confidence that similar dynamics were unlikely to play out.

At the end of the period, the latest budget announcement from the Chancellor included a relaxation of pension contribution rules and more childcare support. Economic forecasts from the independent Office for Budget Responsibility were also revised to show a -0.2% decline in UK GDP (gross domestic product) for the year, relative to the -1.4% decline previously expected.

SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Watches of Switzerland; Bytes Technology; Dr. Martens; Pets at Home; and Computacenter.

The top five sells during the 12-month period were: Euromoney; Lancashire Holdings; DFS Furniture; Spirent Communications; and Grafton.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in and an underweight to real estate investment trusts contributed to returns, as did stock selection in media. Conversely, stock selection in and an underweight position in non-life insurance weighed on relative returns, as did stock selection in retailers.

At the stock level, Spectris was one of the greatest contributors to portfolio performance during the period, with the shares advancing 44.3%. The company announced a robust set of 2022 results that were slightly ahead of expectations, but more importantly profit forecasts were upgraded slightly, given the strength of current trading, a healthy order book and a tightly controlled cost base.

Conversely, Genuit was the greatest detractor from portfolio performance during the period. The shares declined 41.6%.

OUTLOOK

Long-standing geopolitical and economic imbalances show no sign of resolution but as we look to the rest of 2023, we may see some certainty develop in specific areas.

FTF Martin Currie UK Mid Cap Fund

INVESTMENT REVIEW *(Continued)*

The predominant uncertainty weighing on sentiment relates to how much financial conditions have tightened after recent concerns over banking sector solvency. Terminal rate expectations have fallen in the wake of the regional bank insolvencies in the United States (US) despite inflation remaining at 6.0% in the US and 10.4% in the UK. If we assume that market pricing for the US Federal Reserve (Fed) funds rate and UK base rate are correct, this leaves two potential outcomes as we look out to the end of the year: Either inflation will remain higher as central banks refrain from tightening to avoid further systemic issues arising or it will be curtailed due to weaker growth, higher unemployment and tighter credit conditions as banks pull back from lending.

Domestically, market expectations are for the BoE to raise rates by at least 0.25% before beginning to cut in the final quarter of 2023. With inflation at such high levels and issues across the banking sector seemingly contained, the backdrop strengthens our view of modestly 'higher for longer' interest rates over the medium term, and inflation remaining above target for some time to come. Furthermore, given seemingly structurally tighter labour markets and higher household cash levels, we think any downturn in the economy will likely be shallow and with the cost-of-living shock moderating, the consumer should remain well supported.

As much as we have a more benign view over the short to medium term, big trends in geopolitics and deglobalisation show no sign of reverting to pre-pandemic norms. There will clearly be big winners from the associated reshoring of manufacturing, increased spending on defence and the transition to renewable energy (to name a few) and we think the UK market offers considerable opportunity to gain exposure to these themes.

Richard Bullas, Dan Green, CFA, Marcus Tregoning & Mark Hall

Fund Managers

31 March 2023

FTF Martin Currie UK Mid Cap Fund

COMPARATIVE TABLES As at 31 March 2023

S – Accumulation shares	31 March 2023	31 March 2022	31 March 2021
Change in net assets per share (p)			
Opening net asset value per share	143.59	148.04	107.11
Return before operating charges ¹	(6.11)	(3.46)	41.72
Operating charges ²	(0.84)	(0.99)	(0.79)
Return after operating charges ³	(6.95)	(4.45)	40.93
Distributions	(3.57)	(2.69)	(1.08)
Retained distributions on accumulation shares	3.57	2.69	1.08
Closing net asset value per share	136.64	143.59	148.04
After direct transaction costs of ⁴	(0.07)	(0.11)	(0.17)
Performance			
Return after charges ⁵	(4.84)%	(3.01)%	38.21%
Other information			
Closing net asset value (£)	94,697,757	117,100,006	121,281,087
Closing number of shares	69,303,959	81,554,151	81,924,662
Operating charges ratio ⁶	0.62%	0.62%	0.62%
Direct transaction costs ⁴	0.05%	0.07%	0.13%
Prices (p)			
Highest share price	148.14	175.52	148.59
Lowest share price	116.12	129.19	101.37
S – Income shares			
Change in net assets per share (p)			
Opening net asset value per share	107.70	112.96	82.35
Return before operating charges ¹	(4.90)	(2.47)	32.05
Operating charges ²	(0.62)	(0.75)	(0.61)
Return after operating charges ³	(5.52)	(3.22)	31.44
Distributions	(2.66)	(2.04)	(0.83)
Closing net asset value per share	99.52	107.70	112.96
After direct transaction costs of ⁴	(0.05)	(0.09)	(0.13)
Performance			
Return after charges ⁵	(5.13)%	(2.85)%	38.18%
Other information			
Closing net asset value (£)	116,169,205	187,166,688	238,156,573
Closing number of shares	116,731,694	173,793,080	210,836,610
Operating charges ratio ⁶	0.62%	0.62%	0.62%
Direct transaction costs ⁴	0.05%	0.07%	0.13%
Prices (p)			
Highest share price	108.65	133.94	114.16
Lowest share price	85.16	97.48	77.88

FTF Martin Currie UK Mid Cap Fund

COMPARATIVE TABLES (Continued)

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	257.26	265.78	192.69
Return before operating charges ¹	(10.94)	(6.17)	74.97
Operating charges ²	(1.99)	(2.35)	(1.88)
Return after operating charges ³	(12.93)	(8.52)	73.09
Distributions	(5.91)	(4.24)	(1.49)
Retained distributions on accumulation shares	5.91	4.24	1.49
Closing net asset value per share	244.33	257.26	265.78
After direct transaction costs of ⁴	(0.13)	(0.20)	(0.30)
Performance			
Return after charges ⁵	(5.03)%	(3.21)%	37.93%
Other information			
Closing net asset value (£)	297,299,307	341,879,063	359,212,750
Closing number of shares	121,679,293	132,890,512	135,153,425
Operating charges ratio ⁶	0.82%	0.82%	0.82%
Direct transaction costs ⁴	0.05%	0.07%	0.13%
Prices (p)			
Highest share price	264.97	314.85	266.76
Lowest share price	207.83	231.50	182.35
W – Income shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	189.41	198.65	144.85
Return before operating charges ¹	(8.58)	(4.33)	56.35
Operating charges ²	(1.45)	(1.75)	(1.43)
Return after operating charges ³	(10.03)	(6.08)	54.92
Distributions	(4.33)	(3.16)	(1.12)
Closing net asset value per share	175.05	189.41	198.65
After direct transaction costs of ⁴	(0.10)	(0.15)	(0.23)
Performance			
Return after charges ⁵	(5.30)%	(3.06)%	37.92%
Other information			
Closing net asset value (£)	220,762,849	289,489,908	316,174,026
Closing number of shares	126,113,647	152,840,119	159,163,472
Operating charges ratio ⁶	0.82%	0.82%	0.82%
Direct transaction costs ⁴	0.05%	0.07%	0.13%
Prices (p)			
Highest share price	190.98	235.33	200.44
Lowest share price	149.79	171.26	136.99

FTF Martin Currie UK Mid Cap Fund

COMPARATIVE TABLES (Continued)

<u>Y – Income shares*</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	142.11	149.09	108.65
Return before operating charges ¹	(0.16)	(3.26)	42.36
Operating charges ²	-	(0.03)	(0.02)
Return after operating charges ³	(0.16)	(3.29)	42.34
Distributions	-	(3.69)	(1.90)
Closing net asset value per share	141.95	142.11	149.09
After direct transaction costs of ⁴	(0.03)	(0.11)	(0.17)
Performance			
Return after charges ⁵	(0.11)%	(2.21)%	38.97%
Other information			
Closing net asset value (£)	-	4,224	4,431
Closing number of shares	-	2,972	2,972
Operating charges ratio ⁶	-	0.02%	0.02%
Direct transaction costs ⁴	-	0.07%	0.13%
Prices (p)			
Highest share price	142.57	177.27	151.40
Lowest share price	126.72	129.01	102.75

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

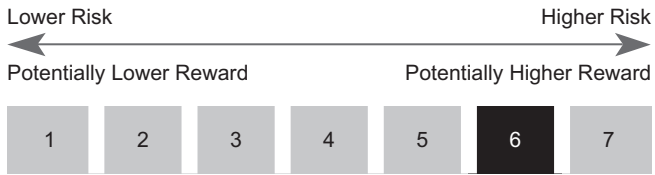
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* Share class closed on 12 August 2022.

FTF Martin Currie UK Mid Cap Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie UK Mid Cap Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 95.86% (97.23%)		
	BANKS 2.28% (2.39%)		
3,200,000	Paragon Banking	16,640	2.28
	BUILDING MATERIALS 2.01% (2.61%)		
5,250,000	Genuit	14,621	2.01
	COMMERCIAL SERVICES 6.75% (8.81%)		
4,550,000	Pagegroup	20,766	2.85
8,750,000	QinetiQ	28,420	3.90
		49,186	6.75
	COMPUTERS 9.77% (8.06%)		
5,450,000	Bytes Technology	21,168	2.90
1,050,000	Computacenter	22,449	3.08
18,000,000	Serco	27,612	3.79
		71,229	9.77
	DISTRIBUTION & WHOLESALE 2.66% (6.26%)		
2,500,000	Inchcape	19,362	2.66
	DIVERSIFIED FINANCIAL SERVICES 11.36% (12.00%)		
5,750,000	Ashmore	13,720	1.88
3,662,903	JTC	25,604	3.51
2,250,000	Liontrust Asset Management	22,950	3.15
1,075,000	Rathbones	20,554	2.82
		82,828	11.36
	ELECTRONICS 7.78% (2.28%)		
2,700,000	RS	24,678	3.39
875,000	Spectris	32,016	4.39
		56,694	7.78
	FOOD PRODUCERS 9.66% (7.77%)		
1,065,000	Cranswick	31,993	4.39
800,000	Greggs	22,192	3.04
6,600,000	SSP	16,236	2.23
		70,421	9.66
	HOME BUILDERS 5.65% (5.74%)		
960,000	Bellway	21,187	2.91
4,200,000	Redrow	20,000	2.74
		41,187	5.65
	HOME FURNISHINGS 3.30% (3.62%)		
3,450,000	Howden Joinery	24,081	3.30
	MACHINERY DIVERSIFIED 5.28% (5.29%)		
5,000,000	Rotork	15,740	2.16
5,500,000	Vesuvius	22,759	3.12
		38,499	5.28
	METAL & HARDWARE 3.69% (2.62%)		
4,125,000	Bodycote	26,916	3.69
	REAL ESTATE INVESTMENT & SERVICES 3.83% (3.67%)		
12,000,000	Grainger	27,912	3.83
	REAL ESTATE INVESTMENT TRUSTS 5.76% (6.04%)		
850,000	Derwent London	20,026	2.75
12,500,000	LondonMetric Property	21,925	3.01
		41,951	5.76
	RETAIL 9.42% (13.87%)		
2,000,000	Grafton	17,712	2.43

FTF Martin Currie UK Mid Cap Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	RETAIL (Continued)		
8,000,000	Pets at Home	29,520	4.05
2,625,000	Watches of Switzerland	21,407	2.94
		<u>68,639</u>	<u>9.42</u>
	TELECOMMUNICATIONS 3.09% (4.24%)		
13,000,000	Spirent Communications	22,529	3.09
	TOYS, GAMES & HOBBIES 3.57% (1.96%)		
270,000	Games Workshop	26,028	3.57
	TOTAL - EQUITIES	<u>698,723</u>	<u>95.86</u>
	CERTIFICATE OF DEPOSITS 4.48% (0.00%)		
32,700,000	Royal Bank Of Canada, 4.180%, 03/04/2023	32,700	4.48
	TOTAL VALUE OF INVESTMENTS	<u>731,423</u>	<u>100.34</u>
	OTHER LIABILITIES	<u>(2,494)</u>	<u>(0.34)</u>
	TOTAL NET ASSETS	<u>728,929</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie UK Mid Cap Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital losses	2		(71,807)		(36,963)
Revenue	3	26,144		25,562	
Expenses	4	(5,954)		(8,479)	
Interest payable and similar charges		-		-	
Net revenue before taxation		20,190		17,083	
Taxation	5	113		(10)	
Net revenue after taxation			20,303		17,073
Total return before distributions			(51,504)		(19,890)
Distributions	6		(20,302)		(17,215)
Change in net assets attributable to shareholders			(71,806)		(37,105)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		935,640		1,093,518
Amounts received on creation of shares	65,991		187,764	
Amounts paid on cancellation of shares	(210,789)		(316,554)	
		(144,798)		(128,790)
Dilution adjustment		180		178
Change in net assets attributable to shareholders from investment activities (see above)		(71,806)		(37,105)
Retained distribution on accumulation shares		9,713		7,839
Closing net assets attributable to shareholders		728,929		935,640

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		731,423	909,750
Current assets			
Debtors	7	1,956	8,730
Cash and bank balances	8	49	25,243
Total assets		733,428	943,723
Liabilities			
Creditors			
Distributions payable		(2,141)	(2,507)
Other creditors	9	(2,358)	(5,576)
Total liabilities		(4,499)	(8,083)
Net assets attributable to shareholders		728,929	935,640

FTF Martin Currie UK Mid Cap Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities losses	(71,807)	(36,968)
Currency gains	-	5
	<u>(71,807)</u>	<u>(36,963)</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	150	-
Interest from certificates of deposit	12	-
Overseas dividends	1,466	1,467
UK dividends	23,155	24,095
UK property income dividends	1,361	-
	<u>26,144</u>	<u>25,562</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	5,423	7,580
ACD's administration charge	394	683
	<u>5,817</u>	<u>8,263</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	108	132
Safe custody fees	15	24
	<u>123</u>	<u>156</u>
Other expenses:		
Audit fees	14	19
Legal and publication fees	2	-
Printing fees	-	4
Other	(2)	34
	<u>14</u>	<u>60</u>
	<u>5,954</u>	<u>8,479</u>

FTF Martin Currie UK Mid Cap Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the (credit)/charge for the year		
Overseas tax	(113)	10
Total current tax	(113)	10
Total taxation (see Note(b))	(113)	10

(b) Factors affecting the total tax (credit)/charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	20,190	17,083
Corporation tax at 20% (2022: 20%)	4,038	3,417
Effects of:		
Movement in unrecognised tax losses	888	1,589
Overseas tax	(113)	10
Prior year adjustment to unrecognised tax losses	(1)	-
Revenue not subject to tax	(4,925)	(5,006)
Total tax (credit)/charge for the year (see Note 5(a))	(113)	10

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £19,311,000 (£18,423,000 as at 31 March 2022) due to tax losses of £96,553,000 (£92,115,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	7,257	6,435
Accumulation	7,278	5,511
	14,535	11,946
Final dividend distributions		
Income	2,141	2,507
Accumulation	2,440	2,329
	4,581	4,836
Add: Revenue deducted on cancellation of shares	1,536	1,171
Deduct: Revenue received on issue of shares	(350)	(738)
Total distribution	20,302	17,215

FTF Martin Currie UK Mid Cap Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	20,303	17,073
Net revenue (paid)/received on share class conversions	(1)	142
Total distribution	20,302	17,215

Details of the distribution in pence per share for this Fund are set out in the table on page 260.

7. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	1,497	2,164
Amounts receivable for issue of shares	50	1,423
Overseas tax recoverable	409	70
Sales awaiting settlement	-	5,073
	1,956	8,730

8. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	49	25,243
Total cash and bank balances	49	25,243

9. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	528	633
Amounts payable for cancellation of shares	1,830	4,943
	2,358	5,576

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £483,000 (£538,000 as at 31 March 2022).

During the year the Fund received £1,000 (£6,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £1,000 (£1,000 as at 31 March 2022).

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF Martin Currie UK Mid Cap Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.01% (2022: 0.01%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 100.34% (2022: 97.23%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 10.03% (2022: 9.72%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	1 April 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	55,550	32	281	55,863	0.06	0.51
Sales						
Equities	193,016	(115)	-	192,901	(0.06)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.04%</u>			
	1 April 2021 to 31 March 2022					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	130,609	73	580	131,262	0.06	0.44
Sales						
Equities	250,894	(129)	-	250,765	(0.05)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.05%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.14% (2022: 0.18%).

FTF Martin Currie UK Mid Cap Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
S – Accumulation shares	81,554,151	3,027,392	(14,792,460)	(485,124)	69,303,959
S – Income shares	173,793,080	1,096,837	(56,873,521)	(1,284,702)	116,731,694
W – Accumulation shares	132,890,512	20,115,432	(31,531,316)	204,665	121,679,293
W – Income shares	152,840,119	5,257,188	(32,806,851)	823,191	126,113,647
Y – Income shares	2,972	-	(2,972)	-	-

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	698,723	-	909,750	-
Level 2	32,700	-	-	-
Level 3	-	-	-	-
Total	731,423	-	909,750	-

FTF Martin Currie UK Mid Cap Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	2.6203	-	2.6203	1.8389
Group 2	0.9618	1.6585	2.6203	1.8389
S Income Shares				
Group 1	1.9628	-	1.9628	1.4031
Group 2	0.8641	1.0987	1.9628	1.4031
W Accumulation Shares				
Group 1	4.4457	-	4.4457	3.0073
Group 2	2.0266	2.4191	4.4457	3.0073
W Income Shares				
Group 1	3.2726	-	3.2726	2.2476
Group 2	1.7074	1.5652	3.2726	2.2476
Y Income Shares				
Group 1	0.0000	-	0.0000	2.3630
Group 2	0.0000	0.0000	0.0000	2.3630

For the period 1 October 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	0.9508	-	0.9508	0.8473
Group 2	0.3368	0.6140	0.9508	0.8473
S Income Shares				
Group 1	0.6973	-	0.6973	0.6408
Group 2	0.3623	0.3350	0.6973	0.6408
W Accumulation Shares				
Group 1	1.4597	-	1.4597	1.2323
Group 2	0.3526	1.1071	1.4597	1.2323
W Income Shares				
Group 1	1.0524	-	1.0524	0.9118
Group 2	0.5981	0.4543	1.0524	0.9118
Y Income Shares				
Group 1	0.0000	-	0.0000	1.3240
Group 2	0.0000	0.0000	0.0000	1.3240

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie UK Opportunities Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie UK Opportunities Fund recorded a net return of 3.10% (W Accumulation), outperforming the FTSE All-Share Index, which returned 2.92%.

OVERVIEW

The ongoing conflict in Ukraine remained at the forefront of investors' minds throughout 2022, as supply chain difficulties contributed to spiralling inflationary pressures across the global economy. Hawkish rhetoric from the Bank of England (BoE) and other central banks continued, with policymakers attempting to balance the risks of tightening policy too far and condemning economies to a longer, and deeper, recession. Consumer-focused sectors bore the brunt of investor worries, as earnings projections began to reflect a weaker position for UK household budgets, triggering a cost-of-living crisis.

Following the victory of Liz Truss in the Conservative leadership race, her government's plans for fiscal policy in the United Kingdom (UK) led to extreme volatility in the UK Gilt market. The 'mini-budget' from Chancellor Kwasi Kwarteng prompted a broad selloff of UK assets amid intensifying inflationary pressures. The 'pro-growth' measures adopted appeared at odds with the mandate of the BoE, tasked with asserting financial stability amongst market participants and moderating inflation. Gilt yields spiked to heights not seen in decades as defined benefit pension schemes were forced into liquidity mode by margin calls for liability driven investment strategies.

In the aftermath, Liz Truss was forced to appoint Jeremy Hunt as Chancellor and herself was soon replaced as prime minister by Rishi Sunak, triggering a significant rally in UK domestic equities and fixed income. The new prime minister was welcomed at a time of increased risk for investors as he looked to rebuild the credibility of the UK as an investment destination through a return to orthodoxy.

Strike action continued to make headline news throughout the UK with rail workers, postal workers, and nurses, amongst others, seeking improved pay and working conditions. However, UK employment as a whole remained strong over the year and stronger-than-expected trading updates from retailers at the start of 2023 showed that wage increases and pandemic savings were going at least some way to offset higher prices and weaker sentiment.

Despite the failure of some regional US banks in March and fears over contagion into the European financial system the Bank of England increased the base rate to 4.25% with a market-implied peak expected of around 4.5% in the summer. Although the banking sector derated during March, the spillover effects into appeared limited as a more robust capital position and stickier deposit base of UK banks gave confidence that similar dynamics were unlikely to play out.

At the end of the period, the latest budget announcement from the Chancellor included a relaxation of pension contribution rules and more childcare support. Economic forecasts from the independent Office for Budget Responsibility were also revised to show a -0.2% decline in UK GDP (gross domestic product) for the year, relative to the -1.4% decline previously expected.

SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Anglo American; Rathbones; NatWest; Victrex; and Burberry.

The top five sells during the 12-month period were: Brewin Dolphin; AstraZeneca; BHP; Ferguson; and Shell.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, a lack of exposure to closed end investments and stock selection in oil, gas and coal boosted relative performance. Conversely, stock selection in investment banking and brokerage services and an underweight to banks weighed on relative results.

At the stock level, oil and gas major BP was the greatest contributor to fund performance. The shares were up 42.2% over the period. Associated British Food was also amongst the significant contributors to returns. The shares advanced 19.7% over the 12 months.

Conversely, homebuilder Persimmon was the largest detractor from relative results with the shares declining 38.4%. Despite posting solid interim numbers, the sector remains under pressure from the deteriorating outlook for the consumer and from concerns that we may be seeing a peak in house-price growth.

OUTLOOK

Long-standing geopolitical and economic imbalances show no sign of resolution but as we look to the rest of 2023, we may see some certainty develop in specific areas.

The predominant uncertainty weighing on sentiment relates to how much financial conditions have tightened after recent concerns over banking sector solvency. Terminal rate expectations have fallen in the wake of the regional bank insolvencies in the United States (US) despite inflation remaining at 6.0% in the US and 10.4% in the UK. If we assume that market pricing for the fed funds rate and UK base rate are correct, this leaves two potential outcomes as we look out to the end of the year: Either inflation will remain higher as central banks refrain from tightening to avoid further systemic issues arising or it will be curtailed due to weaker growth, higher unemployment and tighter credit conditions as banks pull back from lending.

FTF Martin Currie UK Opportunities Fund

INVESTMENT REVIEW *(Continued)*

Domestically, market expectations are for the BoE to raise rates by at least 0.25% before beginning to cut in the final quarter of 2023. With inflation at such high levels and issues across the banking sector seemingly contained, the backdrop strengthens our view of modestly 'higher for longer' interest rates over the medium term, and inflation remaining above target for some time to come. Furthermore, given seemingly structurally tighter labour markets and higher household cash levels, we think any downturn in the economy will likely be shallow and with the cost-of-living shock moderating, the consumer should remain well supported.

As much as we have a more benign view over the short to medium term, big trends in geopolitics and deglobalisation show no sign of reverting to pre-pandemic norms. There will clearly be big winners from the associated reshoring of manufacturing, increased spending on defence and the transition to renewable energy (to name a few) and we think the UK market offers considerable opportunity to gain exposure to these themes.

Ben Russon, CFA, Mark Hall & Colin Morton
Fund Managers
31 March 2023

FTF Martin Currie UK Opportunities Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	220.48	191.73	156.27
Return before operating charges ¹	7.95	29.85	36.43
Operating charges ²	(1.18)	(1.10)	(0.97)
Return after operating charges ³	6.77	28.75	35.46
Distributions	(7.66)	(7.48)	(5.62)
Retained distributions on accumulation shares	7.66	7.48	5.62
Closing net asset value per share	227.25	220.48	191.73
After direct transaction costs of ⁴	(0.17)	(0.15)	(0.23)
Performance			
Return after charges ⁵	3.07%	15.00%	22.69%
Other information			
Closing net asset value (£)	13,785,424	13,113,112	11,029,310
Closing number of shares	6,066,152	5,947,472	5,752,616
Operating charges ratio ⁶	0.54%	0.53%	0.55%
Direct transaction costs ⁴	0.08%	0.07%	0.13%
Prices (p)			
Highest share price	237.00	220.56	191.65
Lowest share price	198.39	191.21	149.51
W – Income shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	122.03	109.99	92.51
Return before operating charges ¹	4.05	16.91	21.37
Operating charges ²	(0.65)	(0.62)	(0.58)
Return after operating charges ³	3.40	16.29	20.79
Distributions	(4.20)	(4.25)	(3.31)
Closing net asset value per share	121.23	122.03	109.99
After direct transaction costs of ⁴	(0.09)	(0.08)	(0.13)
Performance			
Return after charges ⁵	2.79%	14.81%	22.47%
Other information			
Closing net asset value (£)	24,838,634	26,697,108	18,576,289
Closing number of shares	20,489,223	21,878,117	16,889,713
Operating charges ratio ⁶	0.54%	0.53%	0.55%
Direct transaction costs ⁴	0.08%	0.07%	0.13%
Prices (p)			
Highest share price	128.31	123.98	111.67
Lowest share price	107.41	109.68	88.39

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

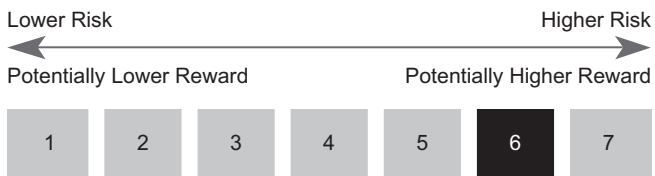
4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

FTF Martin Currie UK Opportunities Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie UK Opportunities Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 98.61% (99.59%)		
	ADVERTISING 1.86% (1.82%)		
75,000	WPP	719	1.86
	AGRICULTURE 5.36% (5.37%)		
46,000	British American Tobacco.....	1,307	3.38
41,000	Imperial Brands	764	1.98
		2,071	5.36
	APPAREL 1.54% (0.00%)		
23,000	Burberry	595	1.54
	BANKS 1.34% (0.00%)		
197,000	NatWest	519	1.34
	BEVERAGES 4.07% (4.16%)		
77,000	Britvic.....	686	1.78
24,500	Diageo	885	2.29
		1,571	4.07
	BUILDING MATERIALS 2.22% (1.64%)		
21,000	CRH	857	2.22
	CHEMICALS 1.11% (0.00%)		
27,000	Victrex.....	430	1.11
	COMMERCIAL SERVICES 6.19% (6.66%)		
19,300	Experian	513	1.33
195,000	QinetiQ.....	633	1.64
47,500	RELX.....	1,243	3.22
		2,389	6.19
	COMPUTERS 1.61% (1.68%)		
405,000	Serco.....	621	1.61
	COSMETICS & PERSONAL CARE 4.99% (4.15%)		
46,000	Unilever.....	1,927	4.99
	DISTRIBUTION & WHOLESALE 1.66% (3.33%)		
21,000	Bunzl	642	1.66
	DIVERSIFIED FINANCIAL SERVICES 4.30% (5.21%)		
48,000	Liontrust Asset Management	490	1.27
29,000	Rathbones	554	1.43
51,000	St James's Place	618	1.60
		1,662	4.30
	ELECTRICITY 5.12% (5.24%)		
95,000	National Grid	1,041	2.69
52,000	SSE.....	938	2.43
		1,979	5.12
	FOOD PRODUCERS 5.15% (5.21%)		
34,000	Associated British Foods	660	1.71
20,000	Cranswick	601	1.56
273,000	Tesco	725	1.88
		1,986	5.15
	HEALTHCARE PRODUCTS 1.52% (1.62%)		
52,500	Smith & Nephew.....	589	1.52
	HOME BUILDERS 1.33% (1.56%)		
41,000	Persimmon.....	515	1.33
	HOUSEHOLD PRODUCTS 2.52% (2.34%)		
15,800	Reckitt Benckiser.....	973	2.52

FTF Martin Currie UK Opportunities Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	INSURANCE 3.22% (3.14%)		
287,000	Legal & General	686	1.78
102,000	Phoenix	557	1.44
		<u>1,243</u>	<u>3.22</u>
	MEDIA 1.94% (1.94%)		
108,000	Informa.....	748	1.94
	METAL & HARDWARE 1.59% (1.39%)		
94,000	Bodycote	613	1.59
	MINING 5.41% (6.34%)		
30,000	Anglo American	803	2.08
23,500	Rio Tinto	1,287	3.33
		<u>2,090</u>	<u>5.41</u>
	MISCELLANEOUS MANUFACTURING 1.91% (1.57%)		
43,000	Smiths.....	738	1.91
	OIL & GAS PRODUCERS 11.95% (10.97%)		
408,000	BP.....	2,084	5.40
14,000	DCC	660	1.71
81,000	Shell	1,870	4.84
		<u>4,614</u>	<u>11.95</u>
	PACKAGING & CONTAINERS 1.77% (1.30%)		
218,000	DS Smith	685	1.77
	PHARMACEUTICALS 8.28% (10.73%)		
18,100	AstraZeneca.....	2,033	5.26
81,500	GSK	1,165	3.02
		<u>3,198</u>	<u>8.28</u>
	PRIVATE EQUITY 1.45% (1.78%)		
46,000	Intermediate Capital	559	1.45
	REAL ESTATE INVESTMENT TRUSTS 2.87% (3.38%)		
288,000	LondonMetric Property.....	505	1.31
63,000	UNITE.....	603	1.56
		<u>1,108</u>	<u>2.87</u>
	RETAIL 3.50% (4.30%)		
27,584	Dunelm	305	0.79
57,000	Grafton.....	505	1.30
8,300	Next.....	545	1.41
		<u>1,355</u>	<u>3.50</u>
	SOFTWARE 1.61% (1.43%)		
80,000	Sage.....	620	1.61
	TELECOMMUNICATIONS 1.22% (1.33%)		
271,000	Spirent Communications	470	1.22
	TOTAL - EQUITIES	<u>38,086</u>	<u>98.61</u>
	CERTIFICATE OF DEPOSITS 1.81% (0.00%)		
700,000	Royal Bank Of Canada 4.180%,03/04/2023	700	1.81
	TOTAL VALUE OF INVESTMENTS	<u>38,786</u>	<u>100.42</u>
	OTHER LIABILITIES	<u>(162)</u>	<u>(0.42)</u>
	TOTAL NET ASSETS	<u>38,624</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie UK Opportunities Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(247)		4,458
Revenue	3	1,552		1,755	
Expenses	4	(209)		(256)	
Interest payable and similar charges		-		-	
Net revenue before taxation		1,343		1,499	
Taxation	5	3		1	
Net revenue after taxation			1,346		1,500
Total return before distributions			1,099		5,958
Distributions	6		(1,346)		(1,517)
Change in net assets attributable to shareholders			(247)		4,441

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		39,810		43,404
Amounts received on creation of shares	3,481		1,897	
Amounts paid on cancellation of shares	(4,881)		(10,412)	
		(1,400)		(8,515)
Dilution adjustment		-		21
Change in net assets attributable to shareholders from investment activities (see above)		(247)		4,441
Retained distribution on accumulation shares		461		459
Closing net assets attributable to shareholders		38,624		39,810

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		38,786	39,647
Current assets			
Debtors	7	347	274
Cash and bank balances	8	8	416
Total assets		39,141	40,337
Liabilities			
Creditors			
Distributions payable		(370)	(417)
Other creditors	9	(147)	(110)
Total liabilities		(517)	(527)
Net assets attributable to shareholders		38,624	39,810

FTF Martin Currie UK Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(247)	4,461
Currency losses	-	(3)
	<u>(247)</u>	<u>4,458</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	2	-
Overseas dividends	141	153
UK dividends	1,371	1,602
UK property income dividends	38	-
	<u>1,552</u>	<u>1,755</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	173	197
ACD's administration charge	19	36
	<u>192</u>	<u>233</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	5	8
Safe custody fees	1	1
	<u>6</u>	<u>9</u>
Other expenses:		
Audit fees	14	17
Expense Cap	(6)	(8)
Other	3	5
	<u>11</u>	<u>14</u>
	<u>209</u>	<u>256</u>

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the credit for the year		
Overseas tax	(3)	(1)
Total current tax	(3)	(1)
Total taxation (see Note(b))	<u>(3)</u>	<u>(1)</u>

FTF Martin Currie UK Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation (Continued)

(b) Factors affecting the total tax credit for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	1,343	1,499
Corporation tax at 20% (2022: 20%)	269	300
Effects of:		
Movement in unrecognised tax losses	35	48
Overseas tax	(3)	(1)
Prior year adjustment to unrecognised tax losses	(2)	-
Revenue not subject to tax	(302)	(348)
Total tax credit for the year (see Note 5(a))	(3)	(1)

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £2,067,000 (£2,032,000 as at 31 March 2022) due to tax losses of £10,333,000 (£10,160,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	507	537
Accumulation	259	257
	766	794
Final dividend distributions		
Income	370	417
Accumulation	202	202
	572	619
Add: Revenue deducted on cancellation of shares	35	115
Deduct: Revenue received on issue of shares	(27)	(11)
Total distribution	1,346	1,517
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	1,346	1,500
ACD's periodic charge taken from capital account	-	(1)
Net revenue received on share class conversions	-	18
Total distribution	1,346	1,517

FTF Martin Currie UK Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

Details of the distribution in pence per share for this Fund are set out in the table on page 273.

7. Debtors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Accrued income	225	246
Accrued Manager's charge rebates	3	1
Amounts receivable for issue of shares	36	21
Overseas tax recoverable	21	6
Sales awaiting settlement	62	-
	<u>347</u>	<u>274</u>

8. Cash and bank balances

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Cash and bank balances	8	416
Total cash and bank balances	<u>8</u>	<u>416</u>

9. Other creditors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	38	34
Amounts payable for cancellation of shares	109	76
	<u>147</u>	<u>110</u>

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £17,000 (£14,000 as at 31 March 2022).

During the year the Fund received £6,000 (£2,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £3,000 (£Nil as at 31 March 2022).

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.13% (2022: 0.01%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

FTF Martin Currie UK Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 100.42% (2022: 99.59%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 10.04% (2022: 9.96%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	1 April 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	4,719	2	25	4,746	0.04	0.53
Sales						
Equities	5,035	(2)	-	5,033	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.07%</u>			
	1 April 2021 to 31 March 2022					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	6,548	3	24	6,575	0.05	0.37
Sales						
Equities	14,603	(6)	-	14,597	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.05%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.05% (2022: 0.07%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

FTF Martin Currie UK Opportunities Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	5,947,472	1,236,655	(1,121,833)	3,858	6,066,152
W – Income shares	21,878,117	678,251	(2,060,075)	(7,070)	20,489,223

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	38,086	-	39,647	-
Level 2	700	-	-	-
Level 3	-	-	-	-
Total	38,786	-	39,647	-

FTF Martin Currie UK Opportunities Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	4.3279	-	4.3279	4.0861
Group 2	2.2060	2.1219	4.3279	4.0861
W Income Shares				
Group 1	2.3959	-	2.3959	2.3459
Group 2	1.2576	1.1383	2.3959	2.3459

For the period 1 October 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	3.3363	-	3.3363	3.3925
Group 2	1.8786	1.4577	3.3363	3.3925
W Income Shares				
Group 1	1.8060	-	1.8060	1.9061
Group 2	1.0261	0.7799	1.8060	1.9061

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie UK Rising Dividends Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie UK Rising Dividends Fund recorded a net return of 6.10% (W Accumulation), outperforming the FTSE All-Share Index, which returned 2.92%.

OVERVIEW

The ongoing conflict in Ukraine remained at the forefront of investors' minds throughout 2022, as supply chain difficulties contributed to spiralling inflationary pressures across the global economy. Hawkish rhetoric from the Bank of England (BoE) and other central banks continued, with policymakers attempting to balance the risks of tightening policy too far and condemning economies to a longer, and deeper, recession. Consumer-focused sectors bore the brunt of investor worries, as earnings projections began to reflect a weaker position for UK household budgets, triggering a cost-of-living crisis.

Following the victory of Liz Truss in the Conservative leadership race, her government's plans for fiscal policy in the United Kingdom (UK) led to extreme volatility in the UK Gilt market. The 'mini-budget' from Chancellor Kwasi Kwarteng prompted a broad selloff of UK assets amid intensifying inflationary pressures. The 'pro-growth' measures adopted appeared at odds with the mandate of the BoE, tasked with asserting financial stability amongst market participants and moderating inflation. Gilt yields spiked to heights not seen in decades as defined benefit pension schemes were forced into liquidity mode by margin calls for liability driven investment strategies.

In the aftermath, Liz Truss was forced to appoint Jeremy Hunt as Chancellor and herself was soon replaced as prime minister by Rishi Sunak, triggering a significant rally in UK domestic equities and fixed income. The new prime minister was welcomed at a time of increased risk for investors as he looked to rebuild the credibility of the UK as an investment destination through a return to orthodoxy.

Strike action continued to make headline news throughout the UK with rail workers, postal workers, and nurses, amongst others, seeking improved pay and working conditions. However, UK employment as a whole remained strong over the year and stronger-than-expected trading updates from retailers at the start of 2023 showed that wage increases and pandemic savings were going at least some way to offset higher prices and weaker sentiment.

Despite the failure of some regional US banks in March and fears over contagion into the European financial system the Bank of England increased the base rate to 4.25% with a market-implied peak expected of around 4.5% in the summer. Although the banking sector derated during March, the spillover effects appeared limited as a more robust capital position and stickier deposit base of UK banks gave confidence that similar dynamics were unlikely to play out.

At the end of the period, the latest budget announcement from the Chancellor included a relaxation of pension contribution rules and more childcare support. Economic forecasts from the independent Office for Budget Responsibility were also revised to show a -0.2% decline in UK GDP (gross domestic product) for the year, relative to the -1.4% decline previously expected.

SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Legal & General; Intertek; Derwent London; UNITE; and British American Tobacco.

The top five sells during the 12-month period were: Brewin Dolphin; AstraZeneca; Euromoney; Dunelm; and WPP.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in and an underweight to real estate investment trusts boosted relative performance, as did stock selection in and an overweight to media. In contrast, stock selection in and an underweight to oil, gas and coal, as well as stock selection in and an underweight to investment banking and brokerage services weighed on relative results.

At the stock level, luxury retailer Burberry was a significant contributor to portfolio performance in the 12-month period. The company, which generates a significant proportion of revenue from mainland China as well as from Chinese tourists, rallied 58.9% as China removed its zero-Covid restrictions.

In contrast, Videndum was the largest detractor from performance over the period. Its shares declined 32.5%. Alternative asset manager Intermediate Capital Group was also amongst the largest detractors over the period. The shares declined during a difficult period for the sector, which has been buffeted by higher interest rates.

OUTLOOK

Long-standing geopolitical and economic imbalances show no sign of resolution but as we look to the rest of 2023, we may see some certainty develop in specific areas.

FTF Martin Currie UK Rising Dividends Fund

INVESTMENT REVIEW *(Continued)*

The predominant uncertainty weighing on sentiment relates to how much financial conditions have tightened after recent concerns over banking sector solvency. Terminal rate expectations have fallen in the wake of the regional bank insolvencies in the United States (US) despite inflation remaining at 6.0% in the US and 10.4% in the UK. If we assume that market pricing for the Fed funds rate and UK base rate are correct, this leaves two potential outcomes as we look out to the end of the year: Either inflation will remain higher as central banks refrain from tightening to avoid further systemic issues arising or it will be curtailed due to weaker growth, higher unemployment and tighter credit conditions as banks pull back from lending.

Domestically, market expectations are for the BoE to raise rates by at least 0.25% before beginning to cut in the final quarter of 2023. With inflation at such high levels and issues across the banking sector seemingly contained, the backdrop strengthens our view of modestly 'higher for longer' interest rates over the medium term, and inflation remaining above target for some time to come. Furthermore, given seemingly structurally tighter labour markets and higher household cash levels, we think any downturn in the economy will likely be shallow and with the cost-of-living shock moderating, the consumer should remain well supported.

As much as we have a more benign view over the short to medium term, big trends in geopolitics and deglobalisation show no sign of reverting to pre-pandemic norms. There will clearly be big winners from the associated reshoring of manufacturing, increased spending on defence and the transition to renewable energy (to name a few) and we think the UK market offers considerable opportunity to gain exposure to these themes.

Ben Russon, CFA, Will Bradwell & Joanne Rands
Fund Managers
31 March 2023

FTF Martin Currie UK Rising Dividends Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	245.60	222.41	177.92
Return before operating charges ¹	16.08	24.46	45.56
Operating charges ²	(1.32)	(1.27)	(1.07)
Return after operating charges ³	14.76	23.19	44.49
Distributions	(8.55)	(8.10)	(5.65)
Retained distributions on accumulation shares	8.55	8.10	5.65
Closing net asset value per share	260.36	245.60	222.41
After direct transaction costs of ⁴	(0.44)	(0.26)	(0.39)
Performance			
Return after charges ⁵	6.01%	10.43%	25.01%
Other information			
Closing net asset value (£)	122,207,372	110,541,244	105,027,260
Closing number of shares	46,938,364	45,008,733	47,221,627
Operating charges ratio ⁶	0.53%	0.53%	0.54%
Direct transaction costs ⁴	0.18%	0.11%	0.21%
Prices (p)			
Highest share price	268.26	252.57	222.33
Lowest share price	226.03	219.90	169.68
W – Income shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	125.57	117.59	96.70
Return before operating charges ¹	7.88	12.87	24.53
Operating charges ²	(0.66)	(0.66)	(0.60)
Return after operating charges ³	7.22	12.21	23.93
Distributions	(4.31)	(4.23)	(3.04)
Closing net asset value per share	128.48	125.57	117.59
After direct transaction costs of ⁴	(0.22)	(0.14)	(0.21)
Performance			
Return after charges ⁵	5.75%	10.38%	24.75%
Other information			
Closing net asset value (£)	35,367,520	34,667,970	29,216,960
Closing number of shares	27,528,302	27,609,387	24,846,026
Operating charges ratio ⁶	0.53%	0.53%	0.54%
Direct transaction costs ⁴	0.18%	0.11%	0.21%
Prices (p)			
Highest share price	133.45	130.68	118.30
Lowest share price	113.29	113.47	92.22

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

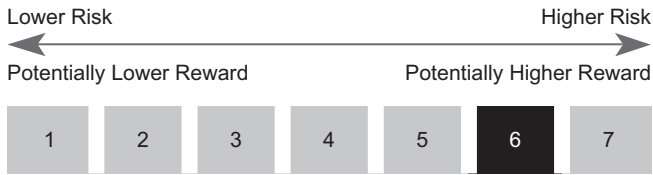
4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

FTF Martin Currie UK Rising Dividends Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

This indicator has changed during the reporting period. The previous indicator for this share class up until 30 November 2022 was 5.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie UK Rising Dividends Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 97.39% (94.70%)		
	ADVERTISING 1.93% (2.11%)		
318,000	WPP	3,048	1.93
	AEROSPACE & DEFENCE 2.21% (2.22%)		
355,000	BAE Systems	3,488	2.21
	AGRICULTURE 5.33% (4.93%)		
196,000	British American Tobacco	5,567	3.53
152,000	Imperial Brands	2,833	1.80
		8,400	5.33
	APPAREL 2.18% (1.70%)		
133,000	Burberry	3,438	2.18
	BEVERAGES 5.65% (5.86%)		
310,000	Britvic	2,762	1.75
170,000	Diageo	6,143	3.90
		8,905	5.65
	CHEMICALS 1.50% (1.46%)		
148,000	Victrex	2,356	1.50
	COMMERCIAL SERVICES 9.93% (9.84%)		
152,000	Experian	4,043	2.56
77,000	Intertek	3,121	1.98
700,000	QinetiQ	2,274	1.44
238,000	RELX	6,228	3.95
		15,666	9.93
	COSMETICS & PERSONAL CARE 4.47% (4.36%)		
168,000	Unilever	7,038	4.47
	DISTRIBUTION & WHOLESALE 1.78% (1.88%)		
92,000	Bunzl	2,812	1.78
	DIVERSIFIED FINANCIAL SERVICES 8.12% (9.98%)		
278,000	Close Brothers	2,505	1.59
330,000	IG	2,305	1.46
122,000	Rathbones	2,333	1.48
600,000	Schroders	2,759	1.75
240,000	St James's Place	2,906	1.84
		12,808	8.12
	ELECTRICITY 4.38% (4.55%)		
380,000	National Grid	4,165	2.64
152,000	SSE	2,741	1.74
		6,906	4.38
	ELECTRONICS 1.86% (1.50%)		
80,000	Spectris	2,927	1.86
	ENTERTAINMENT 2.23% (1.70%)		
24,000	Flutter Entertainment	3,511	2.23
	FOOD PRODUCERS 3.46% (3.71%)		
144,300	Associated British Foods	2,799	1.78
88,000	Cranwick	2,644	1.68
		5,443	3.46
	HEALTHCARE PRODUCTS 1.57% (1.98%)		
220,000	Smith & Nephew	2,468	1.57
	HOME BUILDERS 1.72% (1.46%)		
123,000	Bellway	2,715	1.72
	HOUSEHOLD PRODUCTS 3.28% (2.64%)		
84,000	Reckitt Benckiser	5,173	3.28

FTF Martin Currie UK Rising Dividends Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	INSURANCE 5.84% (3.83%)		
455,000	Beazley	2,719	1.73
1,450,000	Legal & General	3,464	2.20
550,000	Phoenix	3,005	1.91
		<u>9,188</u>	<u>5.84</u>
	MACHINERY DIVERSIFIED 1.85% (1.28%)		
190,000	IMI	2,913	1.85
	MEDIA 1.35% (1.48%)		
480,000	Bloomsbury Publishing.....	2,126	1.35
	METAL & HARDWARE 1.74% (1.29%)		
420,000	Bodycote	2,741	1.74
	MISCELLANEOUS MANUFACTURING 2.72% (2.96%)		
85,000	Diploma.....	2,387	1.51
215,000	Videndum	1,903	1.21
		<u>4,290</u>	<u>2.72</u>
	OIL & GAS PRODUCERS 6.58% (6.76%)		
67,000	DCC	3,161	2.01
312,000	Shell.....	7,201	4.57
		<u>10,362</u>	<u>6.58</u>
	PHARMACEUTICALS 5.19% (8.11%)		
41,000	AstraZeneca.....	4,605	2.92
250,000	GSK	3,572	2.27
		<u>8,177</u>	<u>5.19</u>
	PRIVATE EQUITY 1.66% (2.07%)		
215,000	Intermediate Capital	2,614	1.66
	REAL ESTATE INVESTMENT TRUSTS 3.15% (0.00%)		
107,000	Derwent London	2,521	1.60
255,000	UNITE.....	2,439	1.55
		<u>4,960</u>	<u>3.15</u>
	RETAIL 2.70% (3.33%)		
150,075	Dunelm	1,658	1.05
39,500	Next.....	2,596	1.65
		<u>4,254</u>	<u>2.70</u>
	SOFTWARE 2.02% (1.71%)		
410,000	Sage.....	3,178	2.02
	TELECOMMUNICATIONS 0.99% (0.00%)		
900,000	Spirent Communications	1,560	0.99
	TOTAL - EQUITIES	<u>153,465</u>	<u>97.39</u>
	CERTIFICATE OF DEPOSITS 2.79% (0.00%)		
4,400,000	Royal Bank of Canada, 4.180%, 03/04/2023	4,400	2.79
	TOTAL VALUE OF INVESTMENTS	<u>157,865</u>	<u>100.18</u>
	OTHER LIABILITIES	<u>(290)</u>	<u>(0.18)</u>
	TOTAL NET ASSETS	<u>157,575</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie UK Rising Dividends Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital gains	2		5,419		10,113
Revenue	3	4,931		5,205	
Expenses	4	(754)		(804)	
Interest payable and similar charges		-		-	
Net revenue before taxation		4,177		4,401	
Taxation	5	21		(20)	
Net revenue after taxation			4,198		4,381
Total return before distributions			9,617		14,494
Distributions	6		(4,840)		(5,057)
Change in net assets attributable to shareholders			4,777		9,437

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		145,209		141,735
Amounts received on creation of shares	56,068		32,424	
Amounts paid on cancellation of shares	(52,462)		(42,207)	
		3,606		(9,783)
Dilution adjustment		110		11
Change in net assets attributable to shareholders from investment activities (see above)		4,777		9,437
Retained distribution on accumulation shares		3,873		3,809
Closing net assets attributable to shareholders		157,575		145,209

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		157,865	137,506
Current assets			
Debtors	7	1,915	4,736
Cash and bank balances	8	20	3,646
Total assets		159,800	145,888
Liabilities			
Creditors			
Distributions payable		(287)	(323)
Other creditors	9	(1,938)	(356)
Total liabilities		(2,225)	(679)
Net assets attributable to shareholders		157,575	145,209

FTF Martin Currie UK Rising Dividends Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	5,420	10,118
Currency losses	(1)	(5)
	<u>5,419</u>	<u>10,113</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	17	-
Interest from certificates of deposit	2	-
Overseas dividends	155	197
UK dividends	4,754	5,008
UK property income dividends	3	-
	<u>4,931</u>	<u>5,205</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	642	674
ACD's administration charge	71	80
	<u>713</u>	<u>754</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	20	25
Safe custody fees	4	3
	<u>24</u>	<u>28</u>
Other expenses:		
Audit fees	14	16
Expense Cap	-	(4)
Printing fees	-	2
Other	3	8
	<u>17</u>	<u>22</u>
	<u>754</u>	<u>804</u>

FTF Martin Currie UK Rising Dividends Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the (credit)/charge for the year		
Overseas tax	(21)	20
Total current tax	(21)	20
Total taxation (see Note(b))	(21)	20

(b) Factors affecting the total tax (credit)/charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	4,177	4,401
Corporation tax at 20% (2022: 20%)	835	880
Effects of:		
Movement in unrecognised tax losses	624	161
Overseas tax	(21)	20
Prior year adjustment to unrecognised tax losses	(477)	-
Revenue not subject to tax	(982)	(1,041)
Total tax (credit)/charge for the year (see Note 5(a))	(21)	20

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £1,623,000 (£999,000 as at 31 March 2022) due to tax losses of £8,112,000 (£4,995,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	863	885
Accumulation	2,892	2,788
	3,755	3,673
Final dividend distributions		
Income	286	323
Accumulation	981	1,022
	1,267	1,345
Add: Revenue deducted on cancellation of shares	58	169
Deduct: Revenue received on issue of shares	(240)	(130)
Total distribution	4,840	5,057

FTF Martin Currie UK Rising Dividends Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	4,198	4,381
Expense charge taken to capital	642	674
Net revenue received on share class conversions	-	2
Total distribution	4,840	5,057

Details of the distribution in pence per share for this Fund are set out in the table on pages 286 and 287.

7. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	716	508
Amounts receivable for issue of shares	814	488
Overseas tax recoverable	45	4
Sales awaiting settlement	340	3,736
	1,915	4,736

8. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	20	3,646
Total cash and bank balances	20	3,646

9. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	94	79
Amounts payable for cancellation of shares	36	277
Purchases awaiting settlement	1,808	-
	1,938	356

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £66,000 (£52,000 as at 31 March 2022).

During the year the Fund received £Nil (2022: owed £2,000 to the ACD in respect of an over-reimbursement of expenses) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £Nil (£Nil as at 31 March 2022).

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF Martin Currie UK Rising Dividends Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.03% (2022: 0.00%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 100.18% (2022: 94.70%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 10.02% (2022: 9.47%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	1 April 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	46,258	17	224	46,499	0.04	0.48
Sales						
Equities	35,968	(12)	-	35,956	(0.03)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.16%</u>			

	1 April 2021 to 31 March 2022					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	29,128	14	129	29,271	0.05	0.44
Sales						
Equities	41,064	(17)	-	41,047	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.09%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.07% (2022: 0.11%).

FTF Martin Currie UK Rising Dividends Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	45,008,733	20,765,999	(18,825,853)	(10,515)	46,938,364
W – Income shares	27,609,387	4,271,494	(4,373,549)	20,970	27,528,302

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	153,465	-	137,506	-
Level 2	4,400	-	-	-
Level 3	-	-	-	-
Total	157,865	-	137,506	-

FTF Martin Currie UK Rising Dividends Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 June 2022

	Net Income	Equalisation	30 June 2022 Pence per Share	30 June 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	2.3183	-	2.3183	2.0674
Group 2	1.1297	1.1886	2.3183	2.0674
W Income Shares				
Group 1	1.1838	-	1.1838	1.0940
Group 2	0.6966	0.4872	1.1838	1.0940

For the period 1 July 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased in the period 1 July 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	2.2645	-	2.2645	2.3350
Group 2	1.1070	1.1575	2.2645	2.3350
W Income Shares				
Group 1	1.1464	-	1.1464	1.2241
Group 2	0.6186	0.5278	1.1464	1.2241

For the period 1 October 2022 to 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share	31 December 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	1.8804	-	1.8804	1.4296
Group 2	1.0150	0.8654	1.8804	1.4296
W Income Shares				
Group 1	0.9422	-	0.9422	0.7419
Group 2	0.5556	0.3866	0.9422	0.7419

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	2.0905	-	2.0905	2.2691
Group 2	1.1799	0.9106	2.0905	2.2691
W Income Shares				
Group 1	1.0400	-	1.0400	1.1715
Group 2	0.6379	0.4021	1.0400	1.1715

FTF Martin Currie UK Rising Dividends Fund

DISTRIBUTION TABLES *(Continued)*

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie UK Smaller Companies Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie UK Smaller Companies Fund recorded a net return of -24.21% (W Accumulation), underperforming the Numis Smaller Companies Index (ex Investment Trusts), which returned -7.91%.

OVERVIEW

The ongoing conflict in Ukraine remained at the forefront of investors' minds throughout 2022, as supply chain difficulties contributed to spiralling inflationary pressures across the global economy. Hawkish rhetoric from the Bank of England (BoE) and other central banks continued, with policymakers attempting to balance the risks of tightening policy too far and condemning economies to a longer, and deeper, recession. Consumer-focused sectors bore the brunt of investor worries, as earnings projections began to reflect a weaker position for UK household budgets, triggering a cost-of-living crisis.

Following the victory of Liz Truss in the Conservative leadership race, her government's plans for fiscal policy in the United Kingdom (UK) led to extreme volatility in the UK Gilt market. The 'mini-budget' from Chancellor Kwasi Kwarteng prompted a broad selloff of UK assets amid intensifying inflationary pressures. The 'pro-growth' measures adopted appeared at odds with the mandate of the BoE, tasked with asserting financial stability amongst market participants and moderating inflation. Gilt yields spiked to heights not seen in decades as defined benefit pension schemes were forced into liquidity mode by margin calls for liability driven investment strategies.

In the aftermath, Liz Truss was forced to appoint Jeremy Hunt as Chancellor and herself was soon replaced as prime minister by Rishi Sunak, triggering a significant rally in UK domestic equities and fixed income. The new prime minister was welcomed at a time of increased risk for investors as he looked to rebuild the credibility of the UK as an investment destination through a return to orthodoxy.

Strike action continued to make headline news throughout the UK with rail workers, postal workers, and nurses, amongst others, seeking improved pay and working conditions. However, UK employment as a whole remained strong over the year and stronger-than-expected trading updates from retailers at the start of 2023 showed that wage increases and pandemic savings were going at least some way to offset higher prices and weaker sentiment.

Despite the failure of some regional US banks in March and fears over contagion into the European financial system the Bank of England increased the base rate to 4.25% with a market-implied peak expected of around 4.5% in the summer. Although the banking sector derated during March, the spillover effects appeared limited as a more robust capital position and stickier deposit base of UK banks gave confidence that similar dynamics were unlikely to play out.

At the end of the period, the latest budget announcement from the Chancellor included a relaxation of pension contribution rules and more childcare support. Economic forecasts from the independent Office for Budget Responsibility were also revised to show a -0.2% decline in UK GDP (gross domestic product) for the year, relative to the -1.4% decline previously expected.

SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Bytes Technology; Bodycote; Ebiquity; Calnex Solutions; and Devolver Digital.

The top five sells during the 12-month period were: NCC; Chemring; A.G. Barr; Urban Logistics; and Conduit.

POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in leisure goods, industrial support services, and software and computer services all detracted from relative returns. Conversely, stock selection in and underweight position in travel and leisure and construction and materials, as well as a lack of exposure to precious metals and mining all contributed to relative returns.

At a stock level, tinyBuild was the largest detractor from fund returns, with the shares declining 70.5% over the period. In January, the company reported a full-year trading update broadly in line with expectations, although a weaker-than-expected cash balance (due to increased investment in the pipeline) and negative sentiment towards the video game sector sent the shares 28.9% lower over the month. We believe the structural growth drivers are still in place for the video games sector with PC games platform Steam reaching an all-time high of 32.4 million concurrent players in January 2023, 12% year-on-year growth. Strong hardware sales were reported from Sony, Microsoft and Nintendo, and subscription services continue to grow, with Microsoft reporting that its Game Pass subscriber count had reached a new high and Sony reporting a growth in subscriber numbers to 46.4m for PS Plus.

Conversely, holiday tour operator Jet2 was the largest contributor to fund performance over the period. The shares advanced 15.2% during the period after a positive trading update in which management increased their guidance for the full year due to strong booking trends, allowing the business to take advantage of increased capacity. Summer bookings appeared to be performing well, with a higher proportion of package holiday versus flight-only bookings and load factors increasing on previous years, despite the extra capacity added.

FTF Martin Currie UK Smaller Companies Fund

INVESTMENT REVIEW *(Continued)*

OUTLOOK

Long-standing geopolitical and economic imbalances show no sign of resolution but as we look to the rest of 2023, we may see some certainty develop in specific areas.

The predominant uncertainty weighing on sentiment relates to how much financial conditions have tightened after recent concerns over banking sector solvency. Terminal rate expectations have fallen in the wake of the regional bank insolvencies in the United States (US) despite inflation remaining at 6.0% in the US and 10.4% in the UK. If we assume that market pricing for the fed funds rate and UK base rate are correct, this leaves two potential outcomes as we look out to the end of the year: Either inflation will remain higher as central banks refrain from tightening to avoid further systemic issues arising or it will be curtailed due to weaker growth, higher unemployment and tighter credit conditions as banks pull back from lending.

Domestically, market expectations are for the BoE to raise rates by at least 0.25% before beginning to cut in the final quarter of 2023. With inflation at such high levels and issues across the banking sector seemingly contained, the backdrop strengthens our view of modestly 'higher for longer' interest rates over the medium term, and inflation remaining above target for some time to come. Furthermore, given seemingly structurally tighter labour markets and higher household cash levels, we think any downturn in the economy will likely be shallow and with the cost-of-living shock moderating, the consumer should remain well supported.

As much as we have a more benign view over the short to medium term, big trends in geopolitics and deglobalisation show no sign of reverting to pre-pandemic norms. There will clearly be big winners from the associated reshoring of manufacturing, increased spending on defence and the transition to renewable energy (to name a few) and we think the UK market offers considerable opportunity to gain exposure to these themes.

Richard Bullas, Dan Green, CFA, Marcus Tregoning & Mark Hall

Fund Managers

31 March 2023

FTF Martin Currie UK Smaller Companies Fund

COMPARATIVE TABLES As at 31 March 2023

<u>S – Accumulation shares*</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
Change in net assets per share (p)		
Opening net asset value per share	944.58	1,000.00
Return before operating charges ¹	(218.95)	(48.71)
Operating charges ²	(5.91)	(6.71)
Return after operating charges ³	(224.86)	(55.42)
Distributions	(11.27)	(8.64)
Retained distributions on accumulation shares	11.27	8.64
Closing net asset value per share	719.72	944.58
After direct transaction costs of ⁴	(0.46)	(0.82)
Performance		
Return after charges ⁵	(23.81)%	(5.54)%
Other information		
Closing net asset value (£)	23,685,760	34,205,877
Closing number of shares	3,290,982	3,621,289
Operating charges ratio ⁶	0.72%	0.65%
Direct transaction costs ⁴	0.06%	0.08%
Prices (p)		
Highest share price	963.90	1,164.90
Lowest share price	715.13	851.37
<u>S – Income shares*</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
Change in net assets per share (p)		
Opening net asset value per share	936.51	1,000.00
Return before operating charges ¹	(216.82)	(48.19)
Operating charges ²	(5.84)	(6.71)
Return after operating charges ³	(222.66)	(54.90)
Distributions	(11.14)	(8.59)
Closing net asset value per share	702.71	936.51
After direct transaction costs of ⁴	(0.45)	(0.82)
Performance		
Return after charges ⁵	(23.78)%	(5.49)%
Other information		
Closing net asset value (£)	38,255,223	9,363,705
Closing number of shares	5,443,992	999,848
Operating charges ratio ⁶	0.72%	0.66%
Direct transaction costs ⁴	0.06%	0.08%
Prices (p)		
Highest share price ⁷	955.72	1,164.85
Lowest share price ⁷	703.05	848.16

FTF Martin Currie UK Smaller Companies Fund

COMPARATIVE TABLES (Continued)

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	346.23	340.75	216.57
Return before operating charges ¹	(80.22)	8.64	126.47
Operating charges ²	(2.47)	(3.16)	(2.29)
Return after operating charges ³	(82.69)	5.48	124.18
Distributions	(3.83)	(2.85)	(0.76)
Retained distributions on accumulation shares	3.83	2.85	0.76
Closing net asset value per share	263.54	346.23	340.75
After direct transaction costs of ⁴	(0.17)	(0.31)	(0.25)
Performance			
Return after charges ⁵	(23.88)%	1.61%	57.34%
Other information			
Closing net asset value (£)	83,641,284	145,958,699	171,897,835
Closing number of shares	31,737,365	42,156,359	50,446,996
Operating charges ratio ⁶	0.82%	0.82%	0.82%
Direct transaction costs ⁴	0.06%	0.08%	0.09%
Prices (p)			
Highest share price	353.31	427.23	343.99
Lowest share price	261.87	312.09	212.92
W – Income shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	163.44	162.09	103.25
Return before operating charges ¹	(37.83)	4.20	60.30
Operating charges ²	(1.16)	(1.50)	(1.10)
Return after operating charges ³	(38.99)	2.70	59.20
Distributions	(1.80)	(1.35)	(0.36)
Closing net asset value per share	122.65	163.44	162.09
After direct transaction costs of ⁴	(0.08)	(0.15)	(0.12)
Performance			
Return after charges ⁵	(23.86)%	1.67%	57.34%
Other information			
Closing net asset value (£)	23,708,321	86,377,337	121,275,444
Closing number of shares	19,330,248	52,850,651	74,819,786
Operating charges ratio ⁶	0.82%	0.83%	0.82%
Direct transaction costs ⁴	0.06%	0.08%	0.09%
Prices (p)			
Highest share price ⁷	166.78	203.23	163.99
Lowest share price ⁷	122.64	147.94	101.51

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

FTF Martin Currie UK Smaller Companies Fund

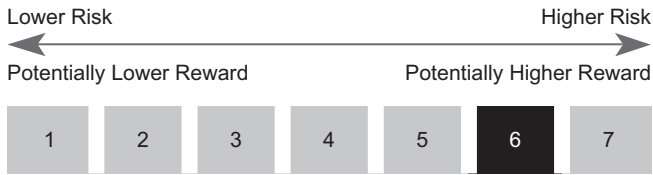
COMPARATIVE TABLES *(Continued)*

7 The “closing net asset value per share” figure is based on the bid-market prices as at 12pm, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

* This share class launched on 30 April 2021.

FTF Martin Currie UK Smaller Companies Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie UK Smaller Companies Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 97.22% (97.04%)		
	AEROSPACE & DEFENCE 1.97% (2.89%)		
1,200,000	Chemring	3,336	1.97
	AIRLINES 3.88% (2.60%)		
500,000	JET2#	6,562	3.88
	BEVERAGES 2.52% (3.69%)		
32,107	Barr	162	0.10
570,000	Young & Co's Brewery Non Voting Rights#	3,762	2.22
32,934	Young & Co's Brewery Voting Rights#	336	0.20
		<u>4,260</u>	<u>2.52</u>
	COMMERCIAL SERVICES 11.48% (11.41%)		
1,757,837	Fintel#	3,349	1.98
1,559,193	Restore#	4,288	2.53
700,000	Robert Walters	3,087	1.82
1,900,000	RWS#	5,681	3.36
9,000,000	Speedy Hire	3,024	1.79
		<u>19,429</u>	<u>11.48</u>
	COMPUTERS 7.58% (6.96%)		
1,150,000	Bytes Technology	4,467	2.64
2,100,000	Kin & Carta	1,619	0.96
780,000	Midwich#	3,830	2.26
2,850,000	NCC	2,907	1.72
		<u>12,823</u>	<u>7.58</u>
	COSMETICS & PERSONAL CARE 1.86% (1.60%)		
1,700,000	PZ Cussons	3,148	1.86
	DIVERSIFIED FINANCIAL SERVICES 19.42% (15.91%)		
480,000	Alpha FX#	9,264	5.47
1,966,479	Foresight	7,748	4.58
750,000	JTC	5,243	3.10
1,300,000	Polar Capital#	5,883	3.47
2,200,000	Premier Miton#	2,222	1.31
580,000	Tatton Asset Management	2,523	1.49
		<u>32,883</u>	<u>19.42</u>
	ELECTRONICS 3.87% (3.01%)		
850,000	DiscoverIE	6,553	3.87
	FOOD PRODUCERS 2.51% (2.15%)		
2,400,000	Hotel Chocolat#	4,248	2.51
	HOME BUILDERS 2.55% (2.12%)		
1,000,000	MJ Gleeson	4,320	2.55
	INTERNET 3.84% (2.36%)		
551,011	Auction Technology	3,383	2.00
6,115,000	Ebiquity#	3,119	1.84
		<u>6,502</u>	<u>3.84</u>
	INVESTMENT COMPANIES 4.62% (3.53%)		
1,029,525	Gresham House#	7,824	4.62
	MEDIA 1.44% (1.97%)		
3,202,386	LBG Media	2,434	1.44
	METAL & HARDWARE 2.03% (0.00%)		
526,952	Bodycote	3,438	2.03
	MISCELLANEOUS MANUFACTURING 7.66% (10.04%)		
300,000	Avon Protection	2,778	1.64

FTF Martin Currie UK Smaller Companies Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	MISCELLANEOUS MANUFACTURING (Continued)		
665,000	Videndum	5,885	3.48
1,000,000	Volution	4,305	2.54
		<u>12,968</u>	<u>7.66</u>
	PHARMACEUTICALS 1.45% (2.19%)		
240,000	Ergomed [#]	2,453	1.45
	REAL ESTATE INVESTMENT & SERVICES 1.68% (3.02%)		
3,200,000	Watkin Jones [#]	2,838	1.68
	REAL ESTATE INVESTMENT TRUSTS 1.66% (3.11%)		
2,200,000	Urban Logistics	2,816	1.66
	RETAIL 1.85% (4.28%)		
2,300,000	DFS Furniture	3,133	1.85
1,077,428	Patisserie ¹	-	0.00
		<u>3,133</u>	<u>1.85</u>
	SOFTWARE 12.26% (14.20%)		
2,700,000	Big Technologies [#]	7,236	4.27
8,500,000	Devolver Digital [#]	2,720	1.61
4,000,000	dotdigital [#]	3,812	2.25
5,500,000	tinyBuild [#]	2,585	1.53
500,000	Tracsis [#]	4,400	2.60
		<u>20,753</u>	<u>12.26</u>
	TELECOMMUNICATIONS 1.09% (0.00%)		
1,700,000	Calnex Solutions [#]	1,853	1.09
	TOTAL - EQUITIES	<u>164,574</u>	<u>97.22</u>
	CERTIFICATE OF DEPOSITS 2.95% (0.00%)		
5,000,000	Royal Bank Of Canada, 4.180%, 03/04/2023	5,000	2.95
	TOTAL VALUE OF INVESTMENTS	<u>169,574</u>	<u>100.17</u>
	OTHER LIABILITIES	<u>(283)</u>	<u>(0.17)</u>
	TOTAL NET ASSETS	<u>169,291</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

¹ These securities are fair valued by the manager.

[#] Traded on an alternative investment market.

FTF Martin Currie UK Smaller Companies Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(63,624)		2,952
Revenue	3	4,614		4,939	
Expenses	4	(1,731)		(2,626)	
Interest payable and similar charges		-		-	
Net revenue before taxation		2,883		2,313	
Taxation	5	-		39	
Net revenue after taxation			2,883		2,352
Total return before distributions			(60,741)		5,304
Distributions	6		(2,885)		(2,392)
Change in net assets attributable to shareholders			(63,626)		2,912

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		275,906		307,058
Amounts received on creation of shares	12,979		102,818	
Amounts paid on cancellation of shares	(58,002)		(138,893)	
		(45,023)		(36,075)
Dilution adjustment		268		456
Change in net assets attributable to shareholders from investment activities (see above)		(63,626)		2,912
Retained distribution on accumulation shares		1,766		1,555
Closing net assets attributable to shareholders		169,291		275,906

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		169,574	267,729
Current assets			
Debtors	7	779	1,338
Cash and bank balances	8	71	8,998
Total assets		170,424	278,065
Liabilities			
Creditors			
Distributions payable		(414)	(411)
Other creditors	9	(719)	(1,748)
Total liabilities		(1,133)	(2,159)
Net assets attributable to shareholders		169,291	275,906

FTF Martin Currie UK Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(63,624)	2,952
	<u>(63,624)</u>	<u>2,952</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	20	-
Interest from certificates of deposit	1	-
Overseas dividends	383	573
UK dividends	4,138	4,366
UK property income dividends	72	-
	<u>4,614</u>	<u>4,939</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	1,571	2,365
ACD's administration charge	110	182
	<u>1,681</u>	<u>2,547</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	30	43
Safe custody fees	5	6
	<u>35</u>	<u>49</u>
Other expenses:		
Audit fees	14	17
Printing fees	-	1
Other	1	12
	<u>15</u>	<u>30</u>
	<u>1,731</u>	<u>2,626</u>

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge/(credit) for the year		
Irrecoverable overseas tax	-	(39)
Total current tax	-	(39)
Total taxation (see Note(b))	<u>-</u>	<u>(39)</u>

FTF Martin Currie UK Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation (Continued)

(b) Factors affecting the total tax charge/(credit) for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	2,883	2,313
Corporation tax at 20% (2022: 20%)	577	463
Effects of:		
Movement in unrecognised tax losses	327	486
Irrecoverable overseas tax	-	(39)
Prior year adjustment to unrecognised tax losses	1	-
Revenue not subject to tax	(905)	(949)
Total tax credit for the year (see Note 5(a))	-	(39)

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £3,919,000 (£3,592,000 as at 31 March 2022) due to tax losses of £19,593,440 (£17,960,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	548	413
Accumulation	1,076	775
	1,624	1,188
Final dividend distributions		
Income	414	411
Accumulation	690	779
	1,104	1,190
Add: Revenue deducted on cancellation of shares	210	175
Deduct: Revenue received on issue of shares	(53)	(161)
Total distribution	2,885	2,392

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	2,883	2,352
Net revenue received on share class conversions	2	37
Revenue deficit payable from capital	-	3
Total distribution	2,885	2,392

FTF Martin Currie UK Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

Details of the distribution in pence per share for this Fund are set out in the table on page 302.

7. Debtors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Accrued income	267	388
Amounts receivable for issue of shares	21	629
Sales awaiting settlement	491	321
	<u>779</u>	<u>1,338</u>

8. Cash and bank balances

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Cash and bank balances	71	8,998
Total cash and bank balances	<u>71</u>	<u>8,998</u>

9. Other creditors

	<u>31 March 2023</u>	<u>31 March 2022</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	145	204
Amounts payable for cancellation of shares	574	819
Purchases awaiting settlement	-	725
	<u>719</u>	<u>1,748</u>

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £123,000 (£166,000 as at 31 March 2022).

During the year the Fund received £1,000 (£Nil for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £1,000 (£Nil as at 31 March 2022).

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 0.00% (2022: 0.00%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

FTF Martin Currie UK Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures (Continued)

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 100.17% (2022: 97.04%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 10.02% (2022: 9.70%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	1 April 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	33,253	19	61	33,333	0.06	0.18
Sales						
Equities	72,272	(42)	-	72,230	(0.06)	-
Total cost of the Fund's average net asset value (%)		<u>0.03%</u>	<u>0.03%</u>			
	1 April 2021 to 31 March 2022					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	89,291	35	137	89,463	0.04	0.15
Sales						
Equities	128,895	(75)	-	128,820	(0.06)	-
Total cost of the Fund's average net asset value (%)		<u>0.04%</u>	<u>0.04%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 1.25% (2022: 1.62%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

FTF Martin Currie UK Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
S – Accumulation shares	3,621,289	101,054	(646,806)	215,445	3,290,982
S – Income shares	999,848	362,321	(1,062,852)	5,144,675	5,443,992
W – Accumulation shares	42,156,359	1,972,764	(11,800,646)	(591,112)	31,737,365
W – Income shares	52,850,651	2,552,989	(6,595,501)	(29,477,891)	19,330,248

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	164,574	-	267,729	-
Level 2	5,000	-	-	-
Level 3 ¹	-	-	-	-
Total	169,574	-	267,729	-

¹Includes securities fair valued by the ACD. Level 3 assets held in the Fund have been identified on the portfolio statement.

FTF Martin Currie UK Smaller Companies Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	6.3513	-	6.3513	4.1163
Group 2	4.3146	2.0367	6.3513	4.1163
S Income Shares				
Group 1	6.3039	-	6.3039	4.0819
Group 2	4.3106	1.9933	6.3039	4.0819
W Accumulation Shares				
Group 1	2.1689	-	2.1689	1.3922
Group 2	0.8378	1.3311	2.1689	1.3922
W Income Shares				
Group 1	1.0230	-	1.0230	0.6624
Group 2	0.4836	0.5394	1.0230	0.6624

For the period 1 October 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	4.9225	-	4.9225	4.5251
Group 2	1.2863	3.6362	4.9225	4.5251
S Income Shares				
Group 1	4.8391	-	4.8391	4.5073
Group 2	1.8097	3.0294	4.8391	4.5073
W Accumulation Shares				
Group 1	1.6607	-	1.6607	1.4601
Group 2	0.5312	1.1295	1.6607	1.4601
W Income Shares				
Group 1	0.7776	-	0.7776	0.6926
Group 2	0.4635	0.3141	0.7776	0.6926

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Martin Currie US Unconstrained Fund

INVESTMENT REVIEW

PERFORMANCE

In the 12 months to 31 March 2023, the FTF Martin Currie US Unconstrained Fund delivered a net return of -3.30%¹ (W Accumulation), performing broadly in line with the MSCI USA index, which returned -3.02%.

OVERVIEW

The markets over the last 12 months have been defined by the significant rotation into value stocks for most of the first 9 months, the Russian invasion of Ukraine, and actions of central banks to tackle inflation, despite a backdrop of reduced economic growth. The tragic events in Ukraine have continued to exacerbate inflation through rising energy and commodity prices (notably food). China's zero tolerance policy on Covid also brought fears of a renewed supply shock globally across many parts of the supply chain, while also leading to a slowdown in economic activity in the world's second-largest economy. In December 2022, however, China unexpectedly lifted its zero Covid policy, which led to a recovery in sentiment and a less pessimistic economic outlook. The first quarter of 2023 saw a rotation back into Growth stocks as inflation eased and markets expected an earlier 'pivot' from central banks. The failures of US regional banks in March 2023 (SVB and Signature) and the Swiss regulator's enforced take-over of Credit Suisse by UBS to avoid a banking confidence crisis have led to heightened volatility for financial stocks, especially in the US and Europe. We have not held any banks, and overall, have limited financial exposure. This is driven by our belief that banks struggle to create value for shareholders and have unfavourable industry dynamics.

Over the period, inflation and monetary policies have been a significant driver of both market volatility, and leadership between growth and value stocks. To combat inflation, the US Federal Reserve went on a tightening cycle that has been the fastest in four decades. The Bank of England (BoE) and Europe Central Bank (ECB) both followed. With concerns over valuations and a detachment from stock fundamentals, quality and growth stocks have sold off, a significant headwind for the portfolio. This trend has reversed in Q1 2023. Uncertainty around China's covid policy and economic forecasts also led to volatility in our cyclical exposure.

Whilst the portfolio underperformed the index primarily on the back of the style headwind during 2022, it has significantly outperformed during Q1 2023, driven not only by a style tailwind but also strong stock selection.

As long-term investors, we continue to focus on companies with the following characteristics in an uncertain environment:

(i) Resilient earnings, given risk of further downgrades, (ii) strong pricing power that helps protect margins, given the higher inflation; (iii) solid balance sheets, in case we head into a recessionary period, and (iv) exposed to structural growth themes, given the lower growth environment in general.

On valuations, we still see more supportive valuations in European and Asian equities, rather than US equities at the aggregate level. It is, however, important to continue to focus on valuation attraction on a stock-specific and case by case basis, through detailed and structured fundamental analysis, to which our valuation discipline remains critical.

SIGNIFICANT CHANGES

Purchases

Starbucks: We opened a new position in the multinational coffee house. After a period of heavy investment, we believe the company is well positioned for a recovery in margins and increased revenue growth.

Sales

Farfetch: Our conviction in the online luxury retailer was reduced following disappointing guidance delivered at the recent Capital Market Day. We see further risk from the Off White brand partnership with LVMH, that could negatively impact the firm's cashflow.

EPAM: Previously, in May 2022, we identified two execution risks at the IT services provider: the ramp-up in new business, and the implementation of increased pricing after expanding into more expensive geographies. Incremental evidence of these two risks has come through in EPAM's last two sets of results. The most recent (Q4 2022) results mentioned pricing challenges that were, in our view, company-specific and were not highlighted by other high-end IT services providers. The key debate amongst investors was whether these challenges were macro driven or temporary. We exited the stock as we concluded that our original investment case was challenged. In our view, if in the past, EPAM was a go-to provider for the low-priced Eastern European talent – EPAM was facing issues of sustaining its supply advantage.

POSITIVE/NEGATIVE CONTRIBUTORS

Notable contributors:

Masimo, the medical technology firm, has raised guidance since the initial negative market reaction to its takeover of Sound United, a consumer audio firm. This has helped restore confidence in the company's performance.

FTF Martin Currie US Unconstrained Fund

INVESTMENT REVIEW *(Continued)*

Nvidia's share price was under pressure during the growth sell-off but rallied significantly since Q4 2022 amid improved sentiment, and the bullish outlook for AI-fuelled demand. The company highlighted in March 2023 that AI has hit an inflection point, in the sense that generative AI is making inroads into various industries. Nvidia is a key enabler of Generative AI, and therefore expected to play an instrumental role in driving various technological waves.

Mettler-Toledo International performed strongly since Q4 2022, which was supported by strong sets of results, continuing its track record of beating consensus expectations.

Notable detractors:

Amazon.com detracted over the period. In addition to the style headwind, weaker profitability in its North America and International operations, as well as slowing demand for AWS (the Cloud business) as we moved into the second half of the year impacted its performance. In our view, the company is making good progress in improving the efficiency of its retail operations, while the cloud business remains a large structural growth opportunity.

Adobe experienced difficulties following growing evidence of longer sales cycles in some parts of the software market. In addition, Adobe announced its acquisition of Figma for USD 20 billion, which caused concerns over capital allocation.

Illumina's share price has been under pressure, largely due to the ongoing legal challenges to its acquisition of Grail, a cancer blood test developer. We believe Illumina's impending new product cycle should drive upgrades on an underlying basis as clarity around Grail should be achieved by early 2024 which will remove uncertainty and increase focus on execution in the core.

OUTLOOK

While much of the positive investor sentiment during the first quarter of 2023 came from expectations that the U.S. federal funds rate might be close to peaking, we believe inflation could remain higher and longer lasting generally. As such, we anticipate risk of disappointment and further volatility for investors who are expecting an early end to the hiking cycle. We still believe central banks are unlikely to pivot until the first half of 2024. However, the wide range of possible monetary policy outcomes is what will drive an important bull-bear debate across asset classes. An early end to the hiking cycle would be supportive for markets and for the quality and growth equity style. In any case, whether we see a pivot later in 2023 or the first half of 2024, we are closer to the end of the rate hike cycle, which should itself be supportive for Quality and Growth stocks. In terms of the macroeconomic cycle, with the reopening of China, we expect the Chinese leading indicators to continue to show a supportive picture in the months to come. The recovery of the world's second-largest economy also has the potential to be supportive for global leading indicators, which have been improving slightly.

Zehrid Osmani & Robbie McNab, CFA

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Martin Currie US Unconstrained Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	643.90
Return before operating charges ¹	74.16
Operating charges ²	(2.87)
Return after operating charges ³	71.29
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	715.19
After direct transaction costs of ⁴	(0.03)
Performance	
Return after charges ⁵	11.07%
Other information	
Closing net asset value (£)	131,498,071
Closing number of shares	18,386,439
Operating charges ratio ⁶	0.84%
Direct transaction costs ⁴	0.01%
Prices (p)	
Highest share price	710.35
Lowest share price	610.38

<u>W – H2 Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	293.54
Return before operating charges ¹	67.61
Operating charges ²	(1.40)
Return after operating charges ³	66.21
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	359.75
After direct transaction costs of ⁴	(0.01)
Performance	
Return after charges ⁵	22.56%
Other information	
Closing net asset value (£)	601,261
Closing number of shares	167,133
Operating charges ratio ⁶	0.84%
Direct transaction costs ⁴	0.01%
Prices (p)	
Highest share price	354.97
Lowest share price	283.21

- 1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
- 2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
- 3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
- 4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
- 5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
- 6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

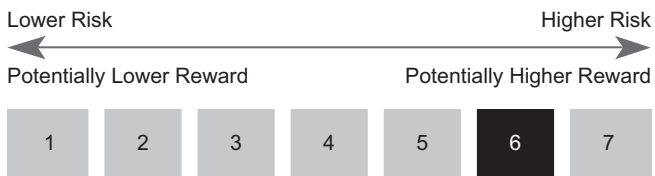
FTF Martin Currie US Unconstrained Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Martin Currie US Unconstrained Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Martin Currie US Unconstrained Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 99.39%		
	APPAREL 4.38%		
58,409	NIKE	5,785	4.38
	BIOTECHNOLOGY 2.80%		
19,693	Illumina	3,700	2.80
	CHEMICALS 5.91%		
27,206	Linde	7,807	5.91
	COSMETICS & PERSONAL CARE 7.50%		
49,760	Estee Lauder Cos	9,906	7.50
	DIVERSIFIED FINANCIAL SERVICES 7.72%		
19,641	Mastercard	5,766	4.36
24,369	Visa	4,438	3.36
		10,204	7.72
	ELECTRONICS 4.47%		
4,782	Mettler-Toledo International	5,903	4.47
	HEALTHCARE PRODUCTS 12.63%		
43,068	Masimo	6,422	4.86
58,003	ResMed	10,260	7.77
		16,682	12.63
	INTERNET 3.57%		
56,488	Amazon.com	4,714	3.57
	PHARMACEUTICALS 4.60%		
45,169	Zoetis	6,071	4.60
	RETAIL 3.35%		
52,645	Starbucks	4,430	3.35
	SEMICONDUCTORS 14.02%		
58,058	NVIDIA	13,030	9.86
63,359	Teradyne	5,502	4.16
		18,532	14.02
	SOFTWARE 28.44%		
18,759	Adobe	5,838	4.42
24,296	ANSYS	6,535	4.95
30,772	Autodesk	5,175	3.92
4,235	Constellation Software Inc/Canada	6,413	4.86
41,178	Microsoft	9,590	7.26
26,959	Veeva Systems	4,002	3.03
		37,553	28.44
	TOTAL - EQUITIES	131,287	99.39
	HEDGE SHARE CLASS DERIVATIVES 0.00%		
	HEDGE FORWARD CURRENCY CONTRACTS		
CAD 769	Buy CAD 769 sell GBP (459) dated 28/04/2023	-	0.00
CAD 8	Buy CAD 8 sell GBP (5) dated 28/04/2023	-	0.00
CAD 342	Buy CAD 342 sell GBP (204) dated 28/04/2023	-	0.00
CAD 5	Buy CAD 5 sell GBP (3) dated 28/04/2023	-	0.00
GBP 29,514	Buy GBP 29,514 sell CAD (49,622) dated 28/04/2023	-	0.00
GBP 980	Buy GBP 980 sell CAD (1,640) dated 28/04/2023	-	0.00
GBP 563,949	Buy GBP 563,949 sell USD (696,608) dated 28/04/2023	1	0.00
GBP 3	Buy GBP 3 sell USD (3) dated 28/04/2023	-	0.00
USD 10,825	Buy USD 10,825 sell GBP (8,775) dated 28/04/2023	-	0.00

FTF Martin Currie US Unconstrained Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
USD 66	Buy USD 66 sell GBP (54) dated 28/04/2023	-	0.00
USD 4,858	Buy USD 4,858 sell GBP (3,920) dated 28/04/2023	-	0.00
		1	0.00
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	1	0.00
	TOTAL VALUE OF INVESTMENTS	131,288	99.39
	OTHER ASSETS	811	0.61
	TOTAL NET ASSETS	132,099	100.00

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Martin Currie US Unconstrained Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital gains	2		13,810
Revenue	3	321	
Expenses	4	(562)	
Interest payable and similar charges	5	(1)	
Net expense before taxation		(242)	
Taxation	6	(40)	
Net expense after taxation			(282)
Total return before distributions			13,528
Distributions	7		-
Change in net assets attributable to shareholders			13,528

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	137,085	
Amounts received on creation of shares	2,255	
Amounts paid on cancellation of shares	(20,769)	
		118,571
Change in net assets attributable to shareholders from investment activities (see above)		13,528
Retained distribution on accumulation shares		-
Closing net assets attributable to shareholders		132,099

¹The Franklin Templeton Funds II FTF Martin Currie US Unconstrained Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		131,288
Current assets		
Debtors	8	417
Cash and bank balances	9	812
Total assets		132,517
Liabilities		
Creditors		
Other creditors	10	(418)
Total liabilities		(418)
Net assets attributable to shareholders		132,099

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Martin Currie US Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

The net capital gains during the period comprise:

Non-derivative securities gains

Currency losses

Forward currency contracts

23 September 2022
to 31 March 2023

£000

13,849

(91)

52

13,810

3. Revenue

23 September 2022
to 31 March 2023

£000

Bank and other interest

2

Overseas dividends

319

321

4. Expenses

23 September 2022
to 31 March 2023

£000

Payable to the ACD, associates of the ACD and agents of either of them:

ACD's annual management charge

501

ACD's administration charge

33

ACD Waiver

(8)

526

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee

9

Safe custody fees

4

13

Other expenses:

Audit fees

11

Legal and publication fees

5

Other

7

23

562

5. Interest payable and similar charges

23 September 2022
to 31 March 2023

£000

Interest on bank overdrafts

1

Total interest payable and similar charges

1

FTF Martin Currie US Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	40
Total current tax	40
Total taxation (see Note(b))	40

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net expenses before taxation	(242)
Corporation tax at 20%	(48)
Effects of:	
Movement in unrecognised tax losses	112
Overseas tax	40
Revenue not subject to tax	(64)
Total tax charge for the period (see Note 6(a))	40

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £112,000 due to tax losses of £561,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Final dividend distributions	
Income	-
Accumulation	-
	-
Add: Revenue deducted on cancellation of shares	-
Deduct: Revenue received on issue of shares	-
Total distribution	-

FTF Martin Currie US Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net expense after taxation	(282)
Revenue deficit payable from capital	282
Total distribution	-

Details of the distribution in pence per share for this Fund are set out in the table on page 316.

8. Debtors

	31 March 2023
	£000
Accrued income	14
Accrued Manager's charge rebates	5
Amounts receivable for issue of shares	136
Currency spot awaiting settlement	14
Overseas tax recoverable	17
Sales awaiting settlement	231
	417

9. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	812
Total cash and bank balances	812

10. Other creditors

	31 March 2023
	£000
Accrued expenses	118
Amounts payable for cancellation of shares	286
Currency purchases awaiting settlement	14
	418

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £88,000.

During the year the Fund received £8,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £5,000.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

FTF Martin Currie US Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
<u>Currency</u>	<u>£000</u>
Canadian Dollar	6,611
United States Dollar	124,338
	<u>130,949</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.39% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange and forward contracts. If the market value were to change by 10%, the value of the Fund would change by 9.94%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

	<u>23 September 2022 to 31 March 2023</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>% of principal</u>	<u>% of principal</u>
Purchases						
Equities	5,385	3	-	5,388	0.06	-
Inspecie transfers	136,809	-	-	136,809	-	-
	<u>142,194</u>	<u>3</u>	<u>-</u>	<u>142,197</u>		
Sales						
Equities	24,686	(8)	(1)	24,677	(0.03)	(-)
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.00%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.04%.

FTF Martin Currie US Unconstrained Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Portfolio Transaction Costs (Continued)

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation	-	21,527,701	(3,141,262)	-	18,386,439
W – H2 Accumulation	-	220,151	(53,018)	-	167,133

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	131,287	-
Level 2	1	-
Level 3	-	-
Total	131,288	-

16. Counterparty and Collateral Exposure

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of New York Mellon International	-	1	-	-	-	-	1

FTF Martin Currie US Unconstrained Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 March 2023

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
W Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000
W H2 Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Royce US Smaller Companies Fund

INVESTMENT REVIEW

PERFORMANCE

For the period 1 April 2022 through 31 March 2023, the FTF Royce US Smaller Companies Fund made a return of 1.61%¹ (W Accumulation), compared to a return of -5.87% for the Russell 2000 Index (GBP). The Fund also beat the small-cap benchmark for the 3 and 5-year periods ended 31 March 2023.

OVERVIEW

The Russell 2000 Index gained 2.7% in Q1 of 2023, a small gain that masked some noteworthy extremes. Small caps first advanced 13.7% year-to-date through 2 February 2023 before continued US Federal Reserve (Fed) hawkishness and a resurgence of recession fears combined to drive stock prices lower. The failures of Silicon Valley and Signature Banks then exacerbated these losses, along with related worries over the fragile condition of First Republic Bank and Credit Suisse. Investors were concerned, for understandable reasons, that the banking industry might be facing the kind of contagion that threatened the stability of the global economy and financial markets in 2008. (Their sizable weightings in regional banks pressured quarterly returns for both the Russell 2000 and Russell 2000 Value Indexes).

Of course, these wide-ranging moves are becoming something of a norm for the Russell 2000: in five of the last six quarters, the index experienced an increase of at least 10% and a decline of at least 10% intra-quarter, while for the last six consecutive quarters small caps have seen either an advance or a loss of at least 10%.

With Treasury yields behaving with the sort of high volatility we're used to seeing in speculative equities, it was perhaps not surprising that investors flocked back to the, perceived in our view, safety of mega-cap stocks, such as Meta Platforms, Apple, Microsoft, and Alphabet, all of which rallied through the end of March. The upshot was that small caps were behind their larger and more growth-oriented peers for the quarter, with the Russell 1000 Index up 7.5%, the Russell Top 50 Mega Cap Index up 12.9%, and the Nasdaq Composite up 17.0%.

The dynamic outside the U.S. was similar as far as large caps outpaced small caps, but the spread was considerably narrower. The MSCI ACWI ex USA Small Cap Index gained 4.7% in Q1 of 2023 while the MSCI ACWI ex USA Large Cap Index advanced 7.0%. The absence of mega-cap tech stocks in the latter index and smaller regional banking stocks in the former likely had an impact on respective returns for each index.

SIGNIFICANT CHANGES

Although there were a few tweaks in total sector weights, the Fund's overall sector weights remained nearly unchanged from 2022's fourth quarter. The Fund maintained its bottom-up, stock selection-driven, and cyclical bent. We reduced our exposure to Information Technology slightly by exiting two holdings and trimming into price strength in some higher-weighted positions while increasing exposure to the Consumer Discretionary sector due to the addition of one new name and incremental purchases of existing holdings. In Health Care, we added one new name and added to existing ones whose stock prices pulled back on what we believe are near-term concerns rather than any change in the investment case and long-term earnings power for the companies.

POSITIVE/NEGATIVE CONTRIBUTORS

Eight of the Fund's 10 equity sectors had a positive impact on first-quarter performance, with the largest contributions coming from Industrials, Information Technology, and Consumer Discretionary. At the industry level, the top three contributors were semiconductors & semiconductor equipment (Information Technology), machinery (Industrials), and personal care products (Consumer Discretionary). Health Care and Energy were the only sectors that detracted from first-quarter results. At the industry level, two areas within Health Care—pharmaceuticals and biotechnology—were among the top three detractors, along with energy equipment & services from the Energy sector.

The top contributor at the position level was **Inter Parfums**, a global developer and designer of prestige fragrances, primarily under licenses of high-end brands such as Mont Blanc, Coach, Jimmy Choo, and Guess. The company reported strong results for Q4 of 2022, and management raised both its 2023 net sales (for the second time) and earnings-per-share guidance. The company has a solid launch schedule of extension products for most of its key brands, while the DKNY and Ferragamo licenses it took control of last year are poised to become material contributors as the year progresses. The company also detailed expectations that its recently signed 15-year license with LaCoste will likely be another \$100 million sales brand after Inter Parfums gains control and introduces products in late 2024. Finally, there could be additional upside to 2023 guidance if the China reopening accelerates faster than the conservative pace management is assuming this year. In any event, with only 3% fragrance penetration in China, and those consumers that do wear fragrance being both younger and higher-end shoppers, runway for above-average growth long-term is promising.

The top detractor at the position level was **Harmony Biosciences Holdings**, which specializes in the development and delivery of often overlooked neurological diseases. Its shares fell precipitously after a short seller announced a plan to file a citizen's petition with the U.S. Food and Drug Administration (FDA), asking for the withdrawal of a drug Harmony makes that treats narcolepsy. In light of this development, we were performing due diligence and reevaluating our investment at the end of March.

FTF Royce US Smaller Companies Fund

INVESTMENT REVIEW *(Continued)*

For the 12-month period ended 31 March 2023, five of the Fund's 10 equity sectors had a negative impact on performance, with Information Technology, Real Estate, and Consumer Discretionary detracting most while Industrials, Consumer Staples, and Financials made the largest positive contribution. At the industry level, professional services (Industrials), real estate management & development (Real Estate), and hotels, restaurants, & leisure (Consumer Discretionary) detracted most while machinery (Industrials), personal care products (Consumer Discretionary), and insurance (Financials) contributed most.

The position that detracted most for the 12-month period was **MKS Instruments**, which makes components, subsystems, and process control solutions that measure, control, power, and monitor semiconductor manufacturing processes. The company reduced earnings guidance on continued shipment delays due to industry supply chain issues, followed by a drop-off in orders as slowing consumer electronics demand and more cautious IT spending looked likely to cause declines in wafer fabrication equipment spending in 2023 as semiconductor manufacturers rebalance chip inventories. While it will take several quarters to work through these cyclical pressures, longer-term secular tailwinds remain intact. Semiconductor usage continues to proliferate and at the leading edge are becoming more complex to manufacture. With roughly 40% of its sales from consumables, we believe MKS should continue to generate solid free cash flow that it will use to deleverage after its most recent acquisition, following a playbook it has successfully executed in the past.

Inter Parfums (which we discuss above) was the top-contributor at the position level for the 12-month period.

Relative to the Russell 2000, the Fund's relative advantage for the 12-month period came almost entirely from stock selection. At the sector level, Industrials, Health Care, and Financials all had a relative edge due primarily to stock selection. Conversely, the Fund's stock picks and lower weighting in Energy detracted from relative performance, as did its lack of exposure to Utilities.

OUTLOOK

Recent turmoil in U.S. regional banks has given rise to concerns that these institutions may tighten lending standards, adding more fuel to economists' consensus view that the U.S. will enter a recession this year. The Russell 2000 remained in a bear market, down 24.7% from its November 8, 2021 peak, such that U.S. small-cap valuations appear to have incorporated a fair degree of the expected economic contraction, and as a result present what we see as an increasingly attractive buying opportunity, particularly among the high-quality company cohort in which the Fund invests. Small-cap quality being "on sale" at a time of economic uncertainty seems counterintuitive, but investors are often irrational actors in the short term. The upcoming earnings season should provide additional datapoints about the state of consumer and business spending. If a U.S. economic slowdown occurs as expected, we believe that investors will likely begin anticipating the end of the Fed's rate hikes and focus on repositioning for a recovery as the year progresses, with small caps historically having led coming out of economic downturns.

Lauren Romeo CFA
Fund Manager
31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Royce US Smaller Companies Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	277.48
Return before operating charges ¹	19.07
Operating charges ²	(2.21)
Return after operating charges ³	16.86
Distributions	(0.40)
Retained distributions on accumulation shares	0.40
Closing net asset value per share	294.34
After direct transaction costs of ⁴	(0.20)
Performance	
Return after charges ⁵	6.08%
Other information	
Closing net asset value (£)	247,366,669
Closing number of shares	84,041,508
Operating charges ratio ⁶	0.82%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	322.71
Lowest share price	270.58

<u>W – H2 Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	156.21
Return before operating charges ¹	28.54
Operating charges ²	(1.33)
Return after operating charges ³	27.21
Distributions	-
Retained distributions on accumulation shares	-
Closing net asset value per share	183.42
After direct transaction costs of ⁴	(0.12)
Performance	
Return after charges ⁵	17.42%
Other information	
Closing net asset value (£)	753,364
Closing number of shares	410,738
Operating charges ratio ⁶	0.82%
Direct transaction costs ⁴	0.07%
Prices (p)	
Highest share price	197.09
Lowest share price	152.55

- 1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
- 2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
- 3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
- 4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
- 5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
- 6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

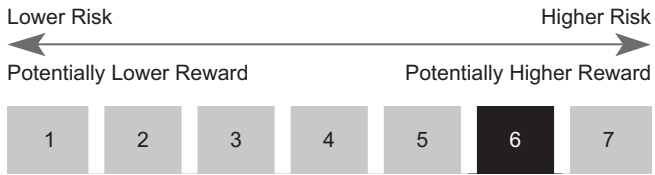
FTF Royce US Smaller Companies Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Royce US Smaller Companies Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Royce US Smaller Companies Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 96.44%		
	AEROSPACE & DEFENCE 1.33%		
314,908	Leonardo DRS	3,300	1.33
	APPAREL 2.71%		
30,000	Carter's	1,743	0.70
67,200	Steven Madden	1,954	0.79
219,535	Wolverine World Wide	3,021	1.22
		<u>6,718</u>	<u>2.71</u>
	AUTOMOBILE PARTS & EQUIPMENT 3.66%		
206,220	Gentex	4,671	1.88
154,500	Miller Industries Inc	4,404	1.78
		<u>9,075</u>	<u>3.66</u>
	BUILDING MATERIALS 2.04%		
115,800	Louisiana-Pacific	5,073	2.04
	CHEMICALS 3.44%		
66,800	Innospec	5,533	2.23
18,800	Quaker Chemical	3,004	1.21
		<u>8,537</u>	<u>3.44</u>
	COMMERCIAL SERVICES 8.36%		
26,700	AMN Healthcare Services	1,789	0.72
450,416	Computer Task	2,639	1.06
454,900	Dun & Bradstreet	4,312	1.74
193,827	Forrester Research	5,051	2.04
126,615	Korn Ferry	5,290	2.13
36,838	Ritchie Bros Auctioneers	1,675	0.67
		<u>20,756</u>	<u>8.36</u>
	COSMETICS & PERSONAL CARE 2.01%		
43,418	Inter Parfums	4,987	2.01
	DISTRIBUTION & WHOLESALE 1.03%		
362,200	Hudson Technologies	2,549	1.03
	DIVERSIFIED FINANCIAL SERVICES 7.30%		
183,200	Air Lease	5,824	2.35
194,660	Artisan Partners Asset Management	5,029	2.03
84,792	Houlihan Lokey	5,994	2.42
46,179	Lazard	1,234	0.50
		<u>18,081</u>	<u>7.30</u>
	ELECTRONICS 5.76%		
91,355	Brady	3,965	1.60
116,030	FARO Technologies	2,303	0.93
205,131	Kimball Electronics	3,983	1.61
119,750	Vishay Precision	4,029	1.62
		<u>14,280</u>	<u>5.76</u>
	ENGINEERING & CONSTRUCTION 2.22%		
108,250	Arcosa	5,518	2.22
	ENVIRONMENTAL CONTROL 0.85%		
73,500	Heritage-Crystal Clean	2,113	0.85
	HEALTHCARE PRODUCTS 6.01%		
118,680	Bio-Techne	7,112	2.87
139,486	Enovis	6,026	2.43
16,890	UFP Technologies	1,769	0.71
		<u>14,907</u>	<u>6.01</u>

FTF Royce US Smaller Companies Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	HOME BUILDERS 3.93%		
41,964	LCI Industries	3,722	1.50
99,000	Skyline Champion	6,017	2.43
		<u>9,739</u>	<u>3.93</u>
	INSURANCE 4.91%		
47,933	RLI	5,147	2.07
6,350	White Mountains Insurance	7,043	2.84
		<u>12,190</u>	<u>4.91</u>
	INTERNET 3.05%		
119,968	Ziff Davis	7,562	3.05
	LEISURE TIME 1.57%		
58,800	Brunswick Corporation	3,896	1.57
	LODGING 1.57%		
660,223	Century Casinos	3,905	1.57
	MACHINERY DIVERSIFIED 3.49%		
7,900	CRANE CO	248	0.10
91,986	Esab	4,390	1.77
23,900	Kadant	4,021	1.62
		<u>8,659</u>	<u>3.49</u>
	METAL & HARDWARE 0.52%		
51,350	Northwest Pipe	1,292	0.52
	MISCELLANEOUS MANUFACTURING 5.80%		
14,593	EnPro Industries	1,223	0.49
82,110	ESCO Technologies	6,333	2.55
77,717	John Bean Technologies	6,853	2.76
		<u>14,409</u>	<u>5.80</u>
	OIL & GAS SERVICES 1.39%		
477,350	Pason Systems	3,445	1.39
	PHARMACEUTICALS 3.06%		
109,605	Catalyst Pharmaceuticals	1,468	0.59
115,550	Harmony Biosciences	3,048	1.23
362,800	Ironwood Pharmaceuticals	3,084	1.24
		<u>7,600</u>	<u>3.06</u>
	REAL ESTATE INVESTMENT & SERVICES 3.84%		
538,370	Kennedy-Wilson	7,213	2.91
89,253	Marcus & Millichap	2,316	0.93
		<u>9,529</u>	<u>3.84</u>
	RETAIL 1.38%		
147,600	Movado	3,427	1.38
	SEMICONDUCTORS 8.41%		
97,200	Cohu	3,014	1.21
229,002	FormFactor	5,886	2.37
100,511	MKS Instruments	7,193	2.90
67,368	Onto Innovation	4,777	1.93
		<u>20,870</u>	<u>8.41</u>
	SOFTWARE 3.10%		
169,413	Avid Technology	4,372	1.76
93,873	Simulations Plus	3,330	1.34
		<u>7,702</u>	<u>3.10</u>

FTF Royce US Smaller Companies Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
TRANSPORTATION 3.70%			
43,900	Forward Air.....	3,818	1.54
36,970	Landstar System	5,355	2.16
		<u>9,173</u>	<u>3.70</u>
	TOTAL - EQUITIES	<u>239,292</u>	<u>96.44</u>
COLLECTIVE INVESTMENT SCHEMES 1.84%			
41,200	iShares Russell 2000 Value ETF	4,561	1.84
	TOTAL - COLLECTIVE INVESTMENT SCHEMES	<u>4,561</u>	<u>1.84</u>
HEDGE SHARE CLASS DERIVATIVES 0.00%			
HEDGE FORWARD CURRENCY CONTRACTS			
CAD 1,175	Buy CAD 1,175 sell GBP (701) dated 28/04/2023.....	-	0.00
GBP 9,632	Buy GBP 9,632 sell CAD (16,195) dated 28/04/2023	-	0.00
GBP 123	Buy GBP 123 sell CAD (207) dated 28/04/2023	-	0.00
GBP 621	Buy GBP 621 sell CAD (1,040) dated 28/04/2023.....	-	0.00
GBP 36	Buy GBP 36 sell CAD (60) dated 28/04/2023	-	0.00
GBP 623	Buy GBP 623 sell CAD (1,042) dated 28/04/2023.....	-	0.00
GBP 4	Buy GBP 4 sell CAD (6) dated 28/04/2023.....	-	0.00
GBP 166	Buy GBP 166 sell CAD (278) dated 28/04/2023	-	0.00
GBP 9,105	Buy GBP 9,105 sell USD (11,247) dated 28/04/2023.....	-	0.00
GBP 705,247	Buy GBP 705,247 sell USD (871,144) dated 28/04/2023.....	2	0.00
GBP 45,461	Buy GBP 45,461 sell USD (56,082) dated 28/04/2023	-	0.00
GBP 246	Buy GBP 246 sell USD (305) dated 28/04/2023	-	0.00
GBP 11,422	Buy GBP 11,422 sell USD (14,155) dated 28/04/2023	-	0.00
GBP 54	Buy GBP 54 sell USD (66) dated 28/04/2023	-	0.00
USD 140	Buy USD 140 sell GBP (113) dated 28/04/2023	-	0.00
USD 45	Buy USD 45 sell GBP (37) dated 28/04/2023	-	0.00
USD 59,845	Buy USD 59,845 sell GBP (48,289) dated 28/04/2023	-	0.00
		<u>2</u>	<u>0.00</u>
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	<u>2</u>	<u>0.00</u>
	TOTAL VALUE OF INVESTMENTS	<u>243,855</u>	<u>98.28</u>
	OTHER ASSETS	<u>4,265</u>	<u>1.72</u>
	TOTAL NET ASSETS	<u>248,120</u>	<u>100.00</u>

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

FTF Royce US Smaller Companies Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital gains	2		11,849
Revenue	3	1,495	
Expenses	4	(880)	
Interest payable and similar charges	5	(2)	
Net revenue before taxation		613	
Taxation	6	(208)	
Net revenue after taxation			405
Total return before distributions			12,254
Distributions	7		(311)
Change in net assets attributable to shareholders			11,943

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	204,937	
Amounts received on creation of shares	41,268	
Amounts paid on cancellation of shares	(10,387)	
		235,818
Dilution adjustment		24
Change in net assets attributable to shareholders from investment activities (see above)		11,943
Retained distribution on accumulation shares		335
Closing net assets attributable to shareholders		248,120

¹The Franklin Templeton Funds II FTF Royce US Smaller Companies Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		243,855
Current assets		
Debtors	8	1,693
Cash and bank balances	9	4,321
Total assets		249,869
Liabilities		
Creditors		
Other creditors	10	(1,749)
Total liabilities		(1,749)
Net assets attributable to shareholders		248,120

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Royce US Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital gains

The net capital gains during the period comprise:

	23 September 2022 to 31 March 2023
	£000
Non-derivative securities gains	11,894
Currency losses	(95)
Forward currency contracts	50
	<u>11,849</u>

3. Revenue

	23 September 2022 to 31 March 2023
	£000
Bank and other interest	15
Overseas dividends	1,480
	<u>1,495</u>

4. Expenses

Payable to the ACD, associates of the ACD and agents of either of them:

	23 September 2022 to 31 March 2023
	£000
ACD's annual management charge	880
ACD's administration charge	59
ACD Waiver	(7)
	<u>932</u>

Payable to the Depositary, associates of the Depositary and agents of either of them:

Depositary fee	16
Safe custody fees	2
	<u>18</u>

Other expenses:

Audit fees	11
Research Fee	(94)
Printing fees	1
Other	12
	<u>(70)</u>
	<u>880</u>

5. Interest payable and similar charges

	23 September 2022 to 31 March 2023
	£000
Interest on bank overdrafts	2
Total interest payable and similar charges	<u>2</u>

FTF Royce US Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	23 September 2022 to 31 March 2023
	£000
(a) Analysis of the charge for the period	
Overseas tax	208
Total current tax	208
Total taxation (see Note(b))	208

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	23 September 2022 to 31 March 2023
	£000
Net revenue before taxation	613
Corporation tax at 20%	123
Effects of:	
Movement in unrecognised tax losses	173
Overseas tax	208
Revenue not subject to tax	(296)
Total tax charge for the period (see Note 6(a))	208

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £173,000 due to tax losses of £867,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	23 September 2022 to 31 March 2023
	£000
Final dividend distributions	
Income	-
Accumulation	336
	336
Add: Revenue deducted on cancellation of shares	2
Deduct: Revenue received on issue of shares	(27)
Total distribution	311

FTF Royce US Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions (Continued)

	23 September 2022 to 31 March 2023
	£000
(b) Difference between net revenue and distribution:	
Net revenue after taxation	405
Expense charge taken to capital	(94)
Total distribution	311

Details of the distribution in pence per share for this Fund are set out in the table on page 331.

8. Debtors

	31 March 2023
	£000
Accrued income	147
Accrued Manager's charge rebates	5
Amounts receivable for issue of shares	772
Currency spot awaiting settlement	269
Overseas tax recoverable	14
Sales awaiting settlement	486
	1,693

9. Cash and bank balances

	31 March 2023
	£000
Cash and bank balances	4,321
Total cash and bank balances	4,321

10. Other creditors

	31 March 2023
	£000
Accrued expenses	187
Amounts payable for cancellation of shares	38
Currency purchases awaiting settlement	270
Purchases awaiting settlement	1,254
	1,749

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £159,000.

During the year the Fund received £7,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £5,000.

FTF Royce US Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities)
	£000
Currency	
Canadian Dollar	3,434
Norwegian Krone	14
United States Dollar	239,956
	<u>243,404</u>

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 98.28% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange and forward contracts. If the market value were to change by 10%, the value of the Fund would change by 9.83%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

	<u>23 September 2022 to 31 March 2023</u>					
	<u>Principal</u>	<u>Commissions</u>	<u>Taxes and other</u>	<u>Total cost</u>	<u>Commissions</u>	<u>Taxes and other</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>% of principal</u>	<u>% of principal</u>
Purchases						
Equities	81,261	87	-	81,348	0.11	-
Collective Investment schemes	2,457	1	-	2,458	0.04	-
Inspecie transfers	191,566	-	-	191,566	-	-
	<u>275,284</u>	<u>88</u>	<u>-</u>	<u>275,372</u>		
Sales						
Equities	54,984	(45)	(1)	54,938	(0.08)	(-)
Collective Investment schemes	1,771	(1)	-	1,770	(0.06)	-
	<u>56,755</u>	<u>(46)</u>	<u>(1)</u>	<u>56,708</u>		
Total cost of the Fund's average net asset value (%)		<u>0.07%</u>	<u>0.00%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

FTF Royce US Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Portfolio Transaction Costs (Continued)

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.07%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation	-	87,577,805	(3,536,297)	-	84,041,508
W – H2 Accumulation	-	491,954	(81,216)	-	410,738

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	243,853	-
Level 2	2	-
Level 3	-	-
Total	243,855	-

16. Counterparty and Collateral Exposure

Counterparty	31 March 2023						Total
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	
	£000	£000	£000	£000	£000	£000	
Bank of New York Mellon International	-	2	-	-	-	-	2

FTF Royce US Smaller Companies Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 March 2023

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
W Accumulation Shares			
Group 1	0.4003	-	0.4003
Group 2	0.2039	0.1964	0.4003
W H2 Accumulation Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Templeton Global Emerging Markets Fund

INVESTMENT REVIEW

PERFORMANCE

For the 12-month period ended 31 March 2023, FTF Templeton Global Emerging Markets Fund returned 1.68% (W Accumulation), whilst the MSCI Emerging Markets Index returned -4.91% (both returns in UK sterling).

OVERVIEW

Emerging markets (“EMs”) collectively declined over the 12 months under review as market sentiment swung between optimism and caution. For a large part of the year, rising inflationary pressures and resultant rate hikes, the ongoing Russia-Ukraine war and supply chain challenges pressed on both consumer and investor sentiment. However, several bright spots emerged towards the end of the period under review—signs of receding inflation, policy support to spur domestic consumption and China’s pivot away from Zero-COVID restored investor confidence and helped to cap losses.

SIGNIFICANT CHANGES

In the last 12 months, the portfolio increased its holdings in Chile, the United Arab Emirates and Thailand as we continued to identify companies with sustainable earnings power trading at a discount to their intrinsic worth. In terms of sectors, purchases were undertaken in health care, energy and utilities. We added to our existing high-conviction portfolio holdings with increments in Mexico-based banking and financial services firm Banco Santander Mexico, China-based commercial bank China Merchants Bank, chip maker Taiwan Semiconductor Manufacturing and online music entertainment platform in China, Tencent Music Entertainment. We also added leading private sector bank in India HDFC Bank into the portfolio.

The Fund reduced its investments in China/Hong Kong, South Korea and India in favour of opportunities that we found more compelling. Sectors which experienced the largest sales were information technology (“IT”), financials and materials. Within the period of review, whilst we continue to hold sizeable positions, we trimmed positions in semiconductor firms Samsung Electronics and Taiwan Semiconductor Manufacturing. We also reduced our holdings in India-based retail bank ICICI Bank, Mexico-based banking and financial services firm Banco Santander Mexico and Chinese e-commerce company Alibaba.

POSITIVE/NEGATIVE CONTRIBUTORS

The Fund finished the reporting period higher in absolute terms. From a relative perspective, the fund’s performance exceeded that of the benchmark index, which moved lower over the 12-month period.

From a sector perspective, stock selection in the financials sector was a key driver of relative returns. Also aiding performance was stock selection in the consumer discretionary and materials sectors. Within the financials sector, India-based ICICI Bank and Mexico-based provider of banking and financial services Banco Santander Mexico were amongst the key contributors to relative performance. ICICI Bank gained during the period following several consistently strong quarters of loan growth, net interest margins and non-interest income. The bank remains well positioned with its healthy capital adequacy ratios and strong franchise. Shares of Banco Santander Mexico rose on the back of positive earnings results. The bank’s parent company Santander Group (not a portfolio holding) has announced a tender offer for the remaining 4% stake that it does not already own, in order to delist the company.

Within the consumer discretionary sector, Brilliance China Automotive and Prosus were significant contributors to performance relative to the benchmark index in the review period. Brilliance China Automotive is a Chinese car maker noted for its association with German luxury car maker BMW. The company paid out a special dividend of the proceeds from a stake sale in its affiliate BMW Brilliance Automotive, but uncertainties over further dividends weighed on the stock price. Prosus is a leading global investment company and the largest shareholder of Tencent, a Chinese technology company. Prosus’ share price tracked Tencent’s, which ended the period higher on hopes of China’s reopening, better-than-expected third quarter results and easing of restrictions for the Chinese internet industry.

There were no sectors that detracted from relative performance—all sectors were contributors. Amongst individual holdings, Naver, a South Korean internet search and advertising company was a considerable detractor. Naver was negatively impacted by slower growth in a post-COVID environment. Concerns that expansion into unprofitable new businesses in uncertain macroeconomic conditions and weak earnings (which fell short of consensus estimates) pressured the stock. However, we believe that Naver is in a good position to build a thriving ecosystem integrating e-commerce, payments and digital content based on its solid foundation in search and advertising. Brazilian e-commerce company and operator of convenience stores Americanas also detracted. Disappointing results for the third quarter of 2022, news of accounting inconsistencies and the departure of its new leadership team pressured its share price. High inflation and elevated interest rates also made for a difficult environment. We divested our position in the stock in January 2023. Also in Brazil, leading private sector bank Banco Bradesco also hurt the portfolio. Weak fourth quarter results and exposure to Brazilian e-commerce company Americanas also weighed on stock prices. An off-benchmark holding in India-based, US-listed business process outsourcing company Cognizant Technology Solutions was also a detractor as the stock traded lower for the period. The stock traded lower over lukewarm results and lowered its guidance for several quarters.

FTF Templeton Global Emerging Markets Fund

INVESTMENT REVIEW *(Continued)*

OUTLOOK

Markets have started to recover from the volatility created by the liquidity crisis in select banks in the US and Switzerland. Looking ahead, uncertainty towards EM banks also looks to be contained. This follows swift statements of reassurance by EM regulators regarding the robustness of their banking systems and limited exposure to the affected banks. In our view, EM banks in the portfolio are resilient due to their high capital levels as well as granular deposit bases.

Banks in China, India and Brazil carry between 3 to 6 percentage points of capital above local Tier 1 capital requirements and hold more capital than the minimum required under Basel III regulations. Furthermore, our thorough due diligence process emphasises resilience and sustainability of corporate earnings. As such, the banking stocks held in our portfolios are leading local banks with strong business models and stand to benefit from growing penetration of financial products in their respective markets.

We continue to focus on how the companies we invest in navigate these near-term issues as well as longer-term structural trends including digitalisation, urbanisation and premiumisation which we believe are likely to be the source of continued investment opportunities. Besides strong bank names, we also favour technology enablers such as semiconductors, IT services, batteries and renewable energy-related holdings. We believe that these companies are benefitting from disruption, digitalisation and new energy trends.

Whilst investment sentiment has recovered somewhat since the banking crisis, we remain watchful for developments that could change our overall outlook, especially those that could spill over to EMs. Our on-the-ground teams benefit from timely and ongoing insights from company management and business leaders. This active engagement ultimately relates to a high conviction, well-diversified portfolio with low directional bias, focused on the longer term.

Chetan Sehgal, CFA & Andrew Ness, CFA

Fund Managers

31 March 2023

FTF Templeton Global Emerging Markets Fund

COMPARATIVE TABLES As at 31 March 2023

S – Accumulation shares*	31 March 2023	31 March 2022	
Change in net assets per share (p)			
Opening net asset value per share	821.69	1,000.00	
Return before operating charges ¹	20.04	(172.52)	
Operating charges ²	(5.62)	(5.79)	
Return after operating charges ³	14.42	(178.31)	
Distributions	(24.74)	(10.89)	
Retained distributions on accumulation shares	24.74	10.89	
Closing net asset value per share	836.11	821.69	
After direct transaction costs of ⁴	(1.82)	(0.92)	
Performance			
Return after charges ⁵	1.75%	(17.83)%	
Other information			
Closing net asset value (£)	32,608	2,951	
Closing number of shares	3,900	359	
Operating charges ratio ⁶	0.70%	0.63%	
Direct transaction costs ⁴	0.23%	0.10%	
Prices (p)			
Highest share price	886.58	1,005.70	
Lowest share price	717.37	741.83	
W – Accumulation shares	31 March 2023	31 March 2022	31 March 2021
Change in net assets per share (p)			
Opening net asset value per share	150.44	179.23	119.00
Return before operating charges ¹	3.71	(27.10)	61.83
Operating charges ²	(1.47)	(1.69)	(1.60)
Return after operating charges ³	2.24	(28.79)	60.23
Distributions	(4.09)	(1.45)	(1.66)
Retained distributions on accumulation shares	4.09	1.45	1.66
Closing net asset value per share	152.68	150.44	179.23
After direct transaction costs of ⁴	(0.33)	(0.17)	(0.13)
Performance			
Return after charges ⁵	1.49%	(16.06)%	50.61%
Other information			
Closing net asset value (£)	14,811,616	16,344,645	17,028,822
Closing number of shares	9,701,203	10,864,583	9,501,033
Operating charges ratio ⁶	1.00%	1.00%	1.00%
Direct transaction costs ⁴	0.23%	0.10%	0.08%
Prices (p)			
Highest share price	161.89	185.50	194.54
Lowest share price	131.09	135.83	115.93

FTF Templeton Global Emerging Markets Fund

COMPARATIVE TABLES (Continued)

<u>Y – Income shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	139.69	168.19	112.60
Return before operating charges ¹	3.38	(25.53)	58.70
Operating charges ²	(0.14)	(0.22)	(0.16)
Return after operating charges ³	3.24	(25.75)	58.54
Distributions	(4.99)	(2.75)	(2.95)
Closing net asset value per share	137.94	139.69	168.19
After direct transaction costs of ⁴	(0.31)	(0.16)	(0.12)
Performance			
Return after charges ⁵	2.32%	(15.31)%	51.99%
Other information			
Closing net asset value (£)	7,629	14,502,691	19,176,657
Closing number of shares	5,531	10,381,795	11,401,763
Operating charges ratio ⁶	0.10%	0.14%	0.11%
Direct transaction costs ⁴	0.23%	0.10%	0.08%
Prices (p)			
Highest share price	151.42	174.26	185.54
Lowest share price	122.34	128.58	109.69

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

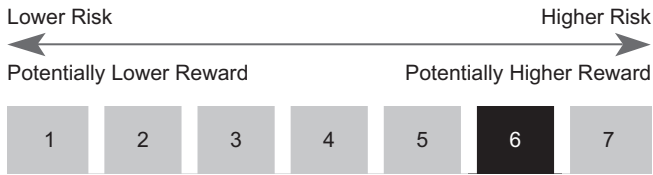
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* This share class launched on 30 April 2021.

FTF Templeton Global Emerging Markets Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Templeton Global Emerging Markets Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 97.06% (100.07%)		
	AFRICA 0.81% (0.87%)		
	KENYA		
25,302	East African Breweries	27	0.18
	SOUTH AFRICA		
140,393	Netcare	94	0.63
	TOTAL - AFRICA	121	0.81
	ASIA 76.64% (80.54%)		
	CAMBODIA		
63,471	NagaCorp	40	0.27
	CHINA		
76,778	Alibaba	793	5.34
615	Alibaba ADR [†]	51	0.34
110,416	BAIC Motor	25	0.17
15,628	Baidu	239	1.61
18,500	Beijing Oriental Yuhong Waterproof Technology	73	0.49
82,199	China Merchants Bank	331	2.23
3,777	Daqo New Energy [†]	143	0.96
41,817	Greentown Service	21	0.14
64,702	Guangzhou Tinci Materials Technology	319	2.15
954	JD.com	17	0.11
9,189	Meituan	136	0.91
10,346	NetEase	147	0.99
59,195	Ping An Bank	87	0.59
32,626	Ping An Insurance of China	171	1.15
13,589	Tencent	540	3.64
8,471	Tencent Music Entertainment [†]	56	0.38
178,018	Uni-President China	145	0.98
26,364	Weifu High-Technology	39	0.26
24,073	Wuxi Biologics Cayman	120	0.81
		3,453	23.25
	HONG KONG		
887,492	Brilliance China Automotive	315	2.12
189,987	China Resources Cement	75	0.51
10,654	China Resources Land	39	0.26
78,839	COSCO SHIPPING Ports	43	0.29
52,067	Health & Happiness H&H International	70	0.47
19,661	Techtronic Industries	172	1.16
		714	4.81
	INDIA		
2,245	Bajaj & Investment	131	0.88
16,784	HDFC Bank	266	1.79
95,022	ICICI Bank	820	5.52
8,002	Infosys	112	0.76
14,655	One 97 Communications	91	0.61
8,151	PB Fintech	51	0.34
2,325	Tata Consultancy Services	73	0.49
185,877	Zomato	93	0.63
		1,637	11.02
	INDONESIA		
383,235	Astra International	124	0.84
	PHILIPPINES		
11,083	BDO Unibank	21	0.14

FTF Templeton Global Emerging Markets Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
SOUTH KOREA			
4,857	Doosan Bobcat	132	0.89
5,176	Fila	117	0.79
372	Hankook Tire & Technology.....	8	0.05
7,984	KT Skylife	39	0.26
3,193	LegoChem Biosciences.....	73	0.49
7,646	LG.....	393	2.65
153	LG Chem.....	68	0.46
3,559	NAVER.....	446	3.00
1,005	POSCO	229	1.54
21,181	Samsung Electronics	840	5.66
8,451	Samsung Life Insurance.....	329	2.21
137	Samsung SDI	62	0.42
1,334	Soulbrain	194	1.31
		2,930	19.73
TAIWAN			
29,512	Hon Hai Precision Industry.....	82	0.55
24,803	MediaTek	517	3.48
104,499	Taiwan Semiconductor Manufacturing	1,478	9.95
1,799	Yageo	25	0.17
		2,102	14.15
THAILAND			
55,542	Kasikornbank.....	174	1.17
41,859	Kiatnakin Phatra Bank	62	0.42
240,564	Star Petroleum Refining	61	0.41
166,775	Thai Beverage	64	0.43
		361	2.43
	TOTAL - ASIA	11,382	76.64
CENTRAL AMERICA 1.85% (1.92%)			
MEXICO			
44,640	Banco Santander Mexico Institucion de Banca Multiple Grupo Financiero Santand [†]	242	1.63
157,969	Nemak	33	0.22
		275	1.85
	TOTAL - CENTRAL AMERICA	275	1.85
EUROPE - NON EU 0.00% (0.00%)			
RUSSIA			
14,020	LUKOIL ^{1,*}	-	0.00
173,460	Sberbank of Russia ^{1,*}	-	0.00
14,388	Yandex ^{1,*}	-	0.00
		-	0.00
	TOTAL - EUROPE - NON EU	-	0.00
EUROPE - OTHER EU 3.78% (0.87%)			
HUNGARY			
8,529	Richter Gedeon Nyrt.....	145	0.97
NETHERLANDS			
6,607	Prosus	417	2.81
	TOTAL - EUROPE - OTHER EU	562	3.78
MIDDLE EAST 0.46% (0.36%)			
UNITED ARAB EMIRATES			
178,884	Emirates Central Cooling Systems.....	69	0.46
	TOTAL - MIDDLE EAST	69	0.46

FTF Templeton Global Emerging Markets Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	NORTH AMERICA 3.31% (3.34%)		
	UNITED STATES OF AMERICA		
4,769	Cognizant Technology Solutions.....	235	1.58
6,862	Genpact	256	1.73
		491	3.31
	TOTAL - NORTH AMERICA	491	3.31
	SOUTH AMERICA 8.64% (10.70%)		
	BRAZIL		
115,754	Banco Bradesco [†]	244	1.64
73,522	Itau Unibanco [†]	289	1.95
78,911	Petroleo Brasileiro.....	294	1.98
1,383	TOTVS.....	6	0.04
19,237	Vale.....	245	1.65
1,677	XP.....	16	0.11
		1,094	7.37
	CHILE		
8,901	Banco Santander Chile [†]	128	0.86
	PERU		
3,292	Intercorp Financial Services	61	0.41
	TOTAL - SOUTH AMERICA	1,283	8.64
	UNITED KINGDOM 1.57% (1.47%)		
5,557	Unilever.....	233	1.57
	TOTAL - UNITED KINGDOM	233	1.57
	TOTAL - EQUITIES	14,416	97.06
	TOTAL VALUE OF INVESTMENTS	14,416	97.06
	OTHER ASSETS.....	436	2.94
	TOTAL NET ASSETS	14,852	100.00

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

¹ These securities are fair valued by the manager.

[†] American Depositary Receipt.

* All companies included in this country are valued at zero.

FTF Templeton Global Emerging Markets Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital losses	2		(1,124)		(6,711)
Revenue	3	833		868	
Expenses	4	(150)		(248)	
Interest payable and similar charges		-		-	
Net revenue before taxation		683		620	
Taxation	5	(149)		(242)	
Net revenue after taxation			534		378
Total return before distributions			(590)		(6,333)
Distributions	6		(602)		(490)
Change in net assets attributable to shareholders			(1,192)		(6,823)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		30,850		43,219
Amounts received on creation of shares	5,259		3,055	
Amounts paid on cancellation of shares	(20,491)		(8,779)	
		(15,232)		(5,724)
Dilution adjustment		28		21
Change in net assets attributable to shareholders from investment activities (see above)		(1,192)		(6,823)
Retained distribution on accumulation shares		398		157
Closing net assets attributable to shareholders		14,852		30,850

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		14,416	30,872
Current assets			
Debtors	7	223	191
Cash and bank balances	8	474	311
Total assets		15,113	31,374
Liabilities			
Creditors			
Bank overdrafts		(27)	-
Distributions payable		-	(285)
Other creditors	9	(234)	-
Total liabilities		(261)	(524)
Net assets attributable to shareholders		14,852	30,850

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the year comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Non-derivative securities losses	(1,146)	(6,699)
Currency gains/(losses)	22	(12)
	<u>(1,124)</u>	<u>(6,711)</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	1	1
Interest on capital	-	46
Overseas dividends	748	799
Stock dividends	74	-
UK dividends	10	22
	<u>833</u>	<u>868</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	132	191
ACD's administration charge	7	16
	<u>139</u>	<u>207</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	3	8
Safe custody fees	9	14
	<u>12</u>	<u>22</u>
Other expenses:		
Audit fees	14	15
Expense Cap	(23)	(8)
Printing fees	-	1
Other	8	11
	<u>(1)</u>	<u>19</u>
	<u>150</u>	<u>248</u>

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge for the year		
Overseas tax	81	143
Overseas tax on capital gains	68	99
Total current tax	149	242
Total taxation (see Note(b))	149	242

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	683	620
Corporation tax at 20% (2022: 20%)	137	124
Effects of:		
Movement in unrecognised tax losses	363	18
Overseas tax	81	143
Overseas tax on capital gains	68	99
Prior year adjustment to unrecognised tax losses	(343)	-
Relief on overseas tax expensed	(2)	(4)
Revenue not subject to tax	(155)	(138)
Total tax charge for the year (see Note 5(a))	149	242

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £862,000 (£499,000 as at 31 March 2022) due to tax losses of £4,312,000 (£2,495,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Final dividend distributions		
Income	-	285
Accumulation	398	157
	398	442
Add: Revenue deducted on cancellation of shares	217	61
Deduct: Revenue received on issue of shares	(13)	(13)
Total distribution	602	490

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	534	378
Net revenue received on share class conversions	-	13
Tax charge taken from capital account	68	99
Total distribution	602	490

Details of the distribution in pence per share for this Fund are set out in the table on page 348.

7. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	55	128
Accrued Manager's charge rebates	2	-
Amounts receivable for issue of shares	87	9
Capped expenses	-	2
Currency spot awaiting settlement	45	-
Sales awaiting settlement	34	52
	223	191

8. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	474	311
Total cash and bank balances	474	311

9. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	32	37
Amounts payable for cancellation of shares	49	38
Currency purchases awaiting settlement	45	-
Overseas capital gains tax provision	68	150
Purchases awaiting settlement	40	14
	234	239

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £12,000 (£12,000 as at 31 March 2022).

During the year the Fund received £23,000 (£4,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £2,000 (£Nil as at 31 March 2022).

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. Related parties *(Continued)*

As at 31 March 2023 Templeton Global Advisors Limited ("TGAL") held 100% (100% as at 31 March 2022) of the shares in issue of Y Income shares and 0% (100% as at 31 March 2022) of the shares in issue of S Accumulation shares.

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

Currency	31 March 2023	31 March 2022
	Total net foreign currency assets and (liabilities)	Total net foreign currency assets and (liabilities)
	£000	£000
Brazilian Real	545	1,684
China Yuan Renminbi	809	-
Chinese Yuan (offshore)	-	2,253
Euro	418	563
Hong Kong Dollar	3,147	5,597
Hungarian Forint	145	268
Indian Rupee	1,637	3,071
Indonesian Rupiah	124	288
Kenyan Shilling	-	48
Korean Won	2,946	7,281
Mexican Peso	33	60
New Taiwan Dollar	2,142	4,606
Pakistan Rupee	-	127
Philippines Peso	21	34
Singapore Dollar	64	57
South African Rand	94	223
Thailand Baht	298	539
Turkish Lira	-	66
United Arab Emirates Dirham	69	-
United States Dollar	1,725	3,769
	14,217	30,534

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 97.06% (2022: 100.07%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.71% (2022: 10.01%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs

	1 April 2022 to 31 March 2023					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	4,350	2	3	4,355	0.05	0.07
Sales						
Equities	19,606	(10)	(26)	19,570	(0.05)	(0.13)
Total cost of the Fund's average net asset value (%)		<u>0.07%</u>	<u>0.16%</u>			

	1 April 2021 to 31 March 2022					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	8,139	6	3	8,148	0.07	0.04
Sales						
Equities	12,918	(7)	(19)	12,892	(0.05)	(0.15)
Total cost of the Fund's average net asset value (%)		<u>0.04%</u>	<u>0.06%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.13% (2022: 0.18%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
S – Accumulation shares	359	13,145	(9,604)	-	3,900
W – Accumulation shares	10,864,583	364,387	(1,527,767)	-	9,701,203
Y – Income shares	10,381,795	-	(10,376,264)	-	5,531

FTF Templeton Global Emerging Markets Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	14,416	-	30,538	-
Level 2	-	-	-	-
Level 3 ¹	-	-	334	-
Total	14,416	-	30,872	-

¹Includes securities fair valued by the ACD. Level 3 assets held in the Fund have been identified on the portfolio statement.

FTF Templeton Global Emerging Markets Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
S Accumulation Shares				
Group 1	24.7444	-	24.7444	10.8855
Group 2	0.0000	24.7444	24.7444	10.8855
W Accumulation Shares				
Group 1	4.0946	-	4.0946	1.4473
Group 2	1.1978	2.8968	4.0946	1.4473
Y Income Shares				
Group 1	4.9877	-	4.9877	2.7462
Group 2	4.9877	0.0000	4.9877	2.7462

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Templeton Global Leaders Fund

INVESTMENT REVIEW

PERFORMANCE

For the 12 months ended 31 March 2023, the FTF Templeton Global Leaders Fund returned -3.35% (W Accumulation), whilst its benchmark—the MSCI All Country World (Net Dividends) Index—returned -1.43%, both in UK sterling terms.

OVERVIEW

Global developed and emerging market equities, as measured by the MSCI All Country World Index, declined slightly for the 12 months ended 31 March 2023. Inflation increased substantially in most parts of the world, especially during the first half of the period, and remained elevated despite some signs of slowing in the second half of the period. This inflationary pressure led many of the world's central banks to tighten monetary policy, which pressured stocks and negatively impacted the outlook for economic growth. Russia's ongoing war with Ukraine and related disruptions to the global economy also increased investor uncertainty and led to substantial volatility in commodity markets. In China, COVID-19-related lockdowns sharply restricted economic activity until the government began easing the restrictions in the fourth quarter of 2022 and soon abandoned its Zero-COVID policy.

In more recent months, financial markets worldwide experienced heightened volatility during the second and third weeks of March due to banking turmoil in the United States and Switzerland. However, fairly quick actions by authorities in both countries to stem potential contagion reassured many investors. Despite the banking sector woes, expectations for less hawkish central bank policies gave the market a stronger footing in the second half of the year under review, especially the first quarter of 2023. As a result, the fund's benchmark returned 6.34% between October 2022 and March 2023.

In the United States, gross domestic product (GDP) recovered from a slight contraction during the first half of the year, expanding in the second half of 2022 amidst rising government spending and private investment. The labour market remained strong as hiring continued at a brisk pace, and unemployment reached its lowest level in over 50 years. To control inflation, the US Federal Reserve (Fed) raised the federal funds target rate at each of its eight meetings during the period to end at a range of 4.75%–5.00%, a full 450 basis points (bps) higher than at the beginning of the period. However, the Fed has been “stepping down” its rate hikes, which moderated to just 25 bps in March 2023, even as Fed chair Jerome Powell continued to signal a hawkish bias going forward amidst still-elevated inflation.

Economic growth in the eurozone was tepid during 2022, ending with zero growth in the fourth quarter. The ongoing war in Ukraine disrupted supply chains, weakened the economic outlook and contributed to record-high inflation across the eurozone, as energy prices soared in the first half of the period. However, governments spent significant sums to subsidise consumers and find alternative supplies. Consequently, the price of natural gas in Europe declined notably in the period's second half, providing a tailwind for European stocks. The European Central Bank (ECB) increased interest rates in July 2022 for the first time in 11 years to curtail growing inflation, and it further raised rates in five subsequent meetings. In this environment, European equities collectively advanced during the 12 months under review.

Asian equities were mixed during the 12-month period. Economic activity in Japan remained slow, alternating between positive quarterly GDP growth and contraction before stalling in 2022's fourth quarter with flat growth. Nonetheless, Japan's accommodative monetary policies and post-COVID reopening have somewhat supported sentiment, allowing Japanese equities to end the period with a marginal gain. Asia ex-Japan equities however weakened over the period, with China often dominating the sentiment. China's economic growth also stalled in the fourth quarter of 2022, hindered by investor concerns about the solvency of several large property developers and a period of strict COVID-19 lockdowns. The eventual end of the Zero-COVID policy in the fourth quarter has however stirred market excitement, helping Chinese and Hong Kong equities recover from the period's low in October 2022.

SIGNIFICANT CHANGES

During the year under review, the fund's top five purchases (by monetary value of transactions) were Rolls-Royce Holdings, Alphabet Inc., JD.com, Booking Holdings and Infineon Technologies. Many of these trades reflected our aim to add more quality growth exposures at favourable valuations.

In contrast, the top five sales during the period were Toyota Industries, Albemarle Corporation, American Express, Hitachi, Ltd. and Bayer AG. With these trades, we realised profit and trimmed or closed the positions, rotating capital to companies or sectors that commanded a higher conviction and better risk-reward profiles.

For more information on our portfolio positioning, please refer to the sections below.

POSITIVE/NEGATIVE CONTRIBUTORS

The fund's performance was behind its benchmark over the 12 months ended 31 March 2023, when stock selection in the information technology and consumer staples sectors detracted from relative performance; underweight exposure to the consumer staples and energy sectors also detracted.

FTF Templeton Global Leaders Fund

INVESTMENT REVIEW *(Continued)*

In the information technology sector, the key detracting stocks included Micron Technology, Samsung Electronics and F5. Broadly, tech stocks—especially those in the semiconductor and hardware sub-sectors—were under pressure for much of the period under review, as macroeconomic headwinds tend to impact end-market demand. We are cognisant of the cyclical risks faced by the sector and have adjusted the portfolio where necessary, exiting Samsung Electronics and F5, for instance. However, we maintain our long-term conviction in the sector, which remains key for us to position for the structural growth trends of the increasingly digitalised world.

At the individual stock level, Chinese e-commerce company JD.com in the consumer discretionary sector was the top detractor. Shares of JD.com struggled for much of 2022 as the company was vulnerable to the pandemic disruptions, economic slowdown and policy uncertainties in China. We have exited JD.com—and with that, reducing our direct China exposure to zero—but we are ready to revisit the stock and the market again under more favourable conditions.

Other detracting stocks included Walt Disney and Alphabet. We stay positive on these two companies. Google owner Alphabet, for instance, is a position that we have increased over the period and it is now our largest holding. Recently, Alphabet has faced concerns that Microsoft's artificial intelligence (AI) push via the ChatGPT-Bing integration may disrupt Google's core search business. We currently do not expect ChatGPT-Bing to displace Google, which commands the advantage of a world-leading data ecosystem. Alphabet's margins may be impacted as it ramps up its own AI investments, but the overall investment case—including its dominant position in digital advertising and earnings upside driven by cloud, amongst other factors—remains valid to us.

In contrast, stock selection in the consumer discretionary and industrials sectors contributed to relative performance; our overweight exposure to the health care sector also supported performance

The top contributing stock during the 12 months under review was Rolls-Royce in the industrials sector. Shares of the UK-based jet engine maker soared in February 2023 after its 2022 full-year profit significantly beat market expectations. The robust results are in line with our investment view: Rolls-Royce is strongly positioned to grow on the recovery of international travel demand, especially in Asia where the post-COVID reopening is in full swing.

In the consumer discretionary sector, Deckers Outdoor, LVMH and Booking Holdings were the key contributors. We have exited Deckers, taking profit and rotating the capital to ideas with better risk-reward profiles. Conversely, we added luxury giant LVMH amidst the market volatility in the second half of 2022. This is amongst the key positions that signify our focus on adding more quality and growth to the portfolio on favourable valuations. In our view, LVMH—which had a record year in 2022 with revenue and profit from recurring operations both up 23%—is one of the “leaders”-type companies that are more likely to sustain growth, free cash flow generation and shareholder returns throughout the economic cycle, due to their proven management expertise and strong competitive advantages. In the same vein, T-Mobile, another major performance contributor during the period under review, is a leading company in the communication services sector that stands out with a strong network advantage in the US wireless industry, given its superior spectrum assets following the Sprint acquisition. Additionally, T-Mobile should also benefit from around US\$70 billion in synergies brought on from the acquisition.

OUTLOOK

When examining the performance of Templeton Global Leaders Fund, we think it's worth bearing in mind that this is a value investing strategy with a quality orientation, characterised by our ramped-up focus in 2022 on adding positions in predominantly industry leaders or high-quality companies that have strong balance sheets and are highly cash generative. We believe these “leaders” can anchor the portfolio to offer enduring value in the coming years.

In much of 2022, rate hikes and recessionary concerns caused a market rotation to value stocks. Quality and growth stocks somewhat struggled as a result, creating a challenging environment for the portfolio. However, the market volatility and overselling that we saw in 2022 provided us with what we believe to be a once-in-a-decade opportunity to access quality stocks that were previously too expensive based on our valuation discipline. We believe our efforts to upgrade portfolio quality and mitigate risk exposures in 2022 have given us a solid foundation to deliver enhanced returns.

Indeed, we were heartened to see the improvement in the strategy's performance in the second half of the year under review, especially in the first quarter of 2023 when prospects of a potential moderation in monetary policy tightening and lower terminal rates (the point at which central banks stop hiking) drove a strong market rotation back into growth stocks. We will stay firmly on track and explore further opportunities to enhance our portfolio quality in the coming months, again paying close attention to the valuation discipline that frames our investment approach.

Having said that, we are not complacent. The positive market performance hasn't changed our view that sentiment remains vulnerable to news flow. As indicated by the banking sector volatility, market confidence is fragile and investors are still prone to a flight-to-safety mindset at the first sign of trouble. At the same time, we do not think corporate earnings and margins have seen the full impact of higher interest rates, slower growth and potential credit tightening resulted from the banking sector woes. In our view, now is the time to be selective with stock and sector positioning.

FTF Templeton Global Leaders Fund

INVESTMENT REVIEW *(Continued)*

Building on what we think is an already balanced portfolio that can fare relatively well amidst the uncertainties, we have further enhanced our resilience with the recent decisions to trim our cyclical and growth-oriented positions whilst adding defensive names. Our new position in Colgate-Palmolive is an example. The company is one of the global leaders in personal care products, and we think it offers the safety of market dominance in highly defensive product categories.

Meanwhile, in terms of sector exposures, we maintain no exposure to the banking sector and are underweight the financials sector overall compared to the benchmark, which has supported our relative performance in recent months. But we do have a high conviction in our selected positions, mainly financial and capital market services providers. These are robust institutions that we believe can better withstand market shocks with strong balance sheets and diversified funding.

Information technology remains the portfolio's largest sector by absolute weighting and here we stay slightly overweight compared to the benchmark. On this front, the semiconductor sub-sector, whilst cyclical in nature, is increasingly offering defensive exposures to the long-term growth underpinned by digitalisation trends, such as cloud, artificial intelligence and smart driving. In the near term, we are encouraged by the earnings upgrades for some of our positions in the software and semiconductor sub-sectors. Salesforce is one example, with the leader in customer relationship management (CRM) solutions benefitting from cost-cutting measures. As a growing number of tech sector majors continue to cut cost and streamline businesses, we will monitor what that means for our portfolio positions in terms of margins and earnings improvements.

Peter Sartori, Warren Pustam, CFA, Alan Chua, CFA & Ferdinand Cheuk, CFA
Fund Managers
31 March 2023

FTF Templeton Global Leaders Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	319.30	293.87	208.39
Return before operating charges ¹	(6.29)	27.89	87.78
Operating charges ²	(2.32)	(2.46)	(2.30)
Return after operating charges ³	(8.61)	25.43	85.48
Distributions	(1.73)	(0.75)	(3.87)
Retained distributions on accumulation shares	1.73	0.75	3.87
Closing net asset value per share	310.69	319.30	293.87
After direct transaction costs of ⁴	(0.25)	(0.58)	(0.36)
Performance			
Return after charges ⁵	(2.70)%	8.65%	41.02%
Other information			
Closing net asset value (£)	32,623,425	34,960,483	17,246,288
Closing number of shares	10,500,356	10,948,950	5,868,642
Operating charges ratio ⁶	0.79%	0.80%	0.88%
Direct transaction costs ⁴	0.09%	0.14%	0.14%
Prices (p)			
Highest share price	316.96	325.53	302.26
Lowest share price	273.66	288.81	202.21

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

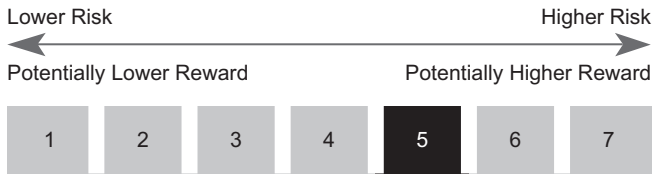
4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

FTF Templeton Global Leaders Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Templeton Global Leaders Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 92.69% (95.43%)		
	ASIA 16.00% (22.25%)		
	INDIA		
21,695	Reliance Industries [^]	988	3.03
	JAPAN		
34,400	Asics.....	782	2.40
31,545	KDDI.....	782	2.40
1,837	Keyence	717	2.20
7,869	Tokyo Electron	765	2.34
		<u>3,046</u>	<u>9.34</u>
	TAIWAN		
83,761	Taiwan Semiconductor Manufacturing	1,185	3.63
	TOTAL - ASIA	<u>5,219</u>	<u>16.00</u>
	EUROPE - NON EU 1.06% (3.46%)		
	NORWAY		
57,531	Norsk Hydro	346	1.06
	TOTAL - EUROPE - NON EU	<u>346</u>	<u>1.06</u>
	EUROPE - OTHER EU 16.65% (14.76%)		
	DENMARK		
26,554	Vestas Wind Systems	622	1.91
	FRANCE		
682	LVMH Moet Hennessy Louis Vuitton.....	506	1.55
9,378	Schneider Electric	1,262	3.87
		<u>1,768</u>	<u>5.42</u>
	GERMANY		
4,487	Deutsche Boerse	709	2.17
20,304	Infineon Technologies	672	2.06
7,647	SAP	780	2.39
		<u>2,161</u>	<u>6.62</u>
	IRELAND		
5,109	ICON	882	2.70
	TOTAL - EUROPE - OTHER EU	<u>5,433</u>	<u>16.65</u>
	NORTH AMERICA 49.30% (50.84%)		
	UNITED STATES OF AMERICA		
17,153	Alphabet.....	1,437	4.41
13,056	Amazon.com	1,090	3.34
4,588	American Express.....	611	1.87
9,057	Applied Materials	899	2.76
483	Booking	1,036	3.18
10,664	Colgate-Palmolive.....	647	1.98
1,962	Equifax.....	321	0.98
17,773	Freeport-McMoRan	588	1.80
5,534	HCA Healthcare	1,178	3.61
7,378	Micron Technology	360	1.10
4,663	Microsoft.....	1,086	3.33
800	NEXTracker.....	23	0.07
4,341	Salesforce.....	701	2.15
4,604	Target	616	1.89
9,255	T-Mobile US	1,083	3.32
2,757	UnitedHealth.....	1,052	3.22
3,893	Visa	709	2.17
8,175	Walt Disney	661	2.03

FTF Templeton Global Leaders Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED STATES OF AMERICA (Continued)			
12,372	Westinghouse Air Brake Technologies	1,010	3.10
9,342	Zimmer Biomet.....	974	2.99
		<u>16,082</u>	<u>49.30</u>
	TOTAL - NORTH AMERICA	<u>16,082</u>	<u>49.30</u>
UNITED KINGDOM 9.68% (4.12%)			
7,691	AstraZeneca	864	2.65
132,080	BP	675	2.07
828,322	Rolls-Royce.....	1,234	3.78
21,341	SSE.....	385	1.18
	TOTAL - UNITED KINGDOM	<u>3,158</u>	<u>9.68</u>
	TOTAL - EQUITIES	<u>30,238</u>	<u>92.69</u>
CERTIFICATE OF DEPOSITS 7.05% (0.00%)			
2,300,000	Royal Bank Of Canada 4.180%,03/04/2023	2,300	7.05
	TOTAL VALUE OF INVESTMENTS	<u>32,538</u>	<u>99.74</u>
	OTHER ASSETS	<u>85</u>	<u>0.26</u>
	TOTAL NET ASSETS	<u>32,623</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

[^] Global Depository Receipt.

FTF Templeton Global Leaders Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(1,182)		2,919
Revenue	3	453		459	
Expenses	4	(251)		(325)	
Interest payable and similar charges		-		-	
Net revenue before taxation		202		134	
Taxation	5	(17)		(93)	
Net revenue after taxation			185		41
Total return before distributions			(997)		2,960
Distributions	6		(185)		(83)
Change in net assets attributable to shareholders			(1,182)		2,877

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		34,960		37,808
Amounts received on creation of shares	202		595	
Amounts paid on cancellation of shares	(1,541)		(6,409)	
Dilution adjustment		(1,339)		(5,814)
Change in net assets attributable to shareholders from investment activities (see above)		-		5
Retained distribution on accumulation shares		(1,182)		2,877
Retained distribution on accumulation shares		184		84
Closing net assets attributable to shareholders		32,623		34,960

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023	31 March 2022
		£000	£000
Assets			
Fixed assets			
Investments		32,538	33,364
Current assets			
Debtors	7	43	64
Cash and bank balances	8	96	2,303
Total assets		32,677	35,731
Liabilities			
Creditors			
Other creditors	9	(54)	(771)
Total liabilities		(54)	(771)
Net assets attributable to shareholders		32,623	34,960

FTF Templeton Global Leaders Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(1,201)	2,931
Derivative losses	-	(8)
Currency gains/(losses)	19	(4)
	<u>(1,182)</u>	<u>2,919</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	-	3
Interest from certificates of deposit	55	-
Overseas dividends	335	406
Scrip dividends	-	6
Stock dividends	12	-
UK dividends	51	44
	<u>453</u>	<u>459</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	221	266
ACD's administration charge	16	38
ACD Waiver	(7)	-
	<u>230</u>	<u>304</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	4	7
Safe custody fees	1	3
	<u>5</u>	<u>10</u>
Other expenses:		
Audit fees	14	15
Expense Cap	-	(7)
Printing fees	-	1
Other	2	2
	<u>16</u>	<u>11</u>
	<u>251</u>	<u>325</u>

FTF Templeton Global Leaders Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge for the year		
Overseas tax	17	93
Total current tax	17	93
Total taxation (see Note(b))	17	93

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	202	134
Corporation tax at 20% (2022: 20%)	40	27
Effects of:		
Movement in unrecognised tax losses	8,154	64
Overseas tax	17	93
Prior year adjustment to unrecognised tax losses	(8,115)	-
Revenue not subject to tax	(79)	(90)
Stock dividends from Contracts for Differences	-	(1)
Total tax charge for the year (see Note 5(a))	17	93

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £11,938,000 (£3,784,000 as at 31 March 2022) due to tax losses of £59,693,000 (£18,920,000 as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

6. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Accumulation	133	70
	133	70
Final dividend distributions		
Accumulation	51	13
	51	13
Add: Revenue deducted on cancellation of shares	1	-
Deduct: Revenue received on issue of shares	-	-
Total distribution	185	83

FTF Templeton Global Leaders Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) Distributions (Continued)

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	185	41
Net revenue received on share class conversions	-	5
Revenue deficit payable from capital	-	37
Total distribution	185	83

Details of the distribution in pence per share for this Fund are set out in the table on page 362.

7. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	30	58
Accrued Manager's charge rebates	2	-
Amounts receivable for issue of shares	4	1
Capped expenses	-	(2)
Overseas tax recoverable	7	7
	43	64

8. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	96	2,303
Total cash and bank balances	96	2,303

9. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	42	40
Amounts payable for cancellation of shares	12	34
Purchases awaiting settlement	-	697
	54	771

10. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £21,000 (£20,000 as at 31 March 2022).

During the year the Fund received £10,000 (£3,000 for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £2,000 (£Nil as at 31 March 2022).

FTF Templeton Global Leaders Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

An analysis of monetary assets and liabilities (including equity investments), in foreign currencies at the year end is shown below.

Currency	31 March 2023	31 March 2022
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Danish Krone	623	604
Euro	3,936	4,667
Japanese Yen	3,070	4,992
Korean Won	-	1,034
New Taiwan Dollar	1,190	1,008
Norwegian Krone	346	478
Swiss Franc	-	731
United States Dollar	17,953	18,474
	27,118	31,988

With reference to the foreign currency assets and liabilities table above, any movement in exchange rates would lead to a corresponding change in the value of the assets.

Interest Rate Risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

Other price risk

At the year end date, 99.74% (2022: 95.43%) of the net assets of the Fund were invested in certificate of deposits as well as ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10% (2022: 10%), the value of the Fund would change by 9.97% (2022: 9.54%).

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

12. Portfolio Transaction Costs

	1 April 2022 to 31 March 2023					
	Principal £000	Commissions £000	Taxes and other £000	Total cost £000	Commissions % of principal	Taxes and other % of principal
Purchases						
Equities	21,049	4	14	21,067	0.02	0.07
Sales						
Equities	22,994	(5)	(4)	22,985	(0.02)	(0.02)
Total cost of the Fund's average net asset value (%)		0.03%	0.06%			

FTF Templeton Global Leaders Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Portfolio Transaction Costs (Continued)

	1 April 2021 to 31 March 2022					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
Purchases						
Equities	28,270	12	21	28,303	0.04	0.08
Sales						
Equities	34,095	(9)	(10)	34,076	(0.03)	(0.03)
Total cost of the Fund's average net asset value (%)		<u>0.06%</u>	<u>0.09%</u>			

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.06% (2022: 0.06%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	10,948,950	68,389	(516,983)	-	10,500,356

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	30,238	-	33,364	-
Level 2	2,300	-	-	-
Level 3	-	-	-	-
Total	<u>32,538</u>	<u>-</u>	<u>33,364</u>	<u>-</u>

FTF Templeton Global Leaders Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	1.2368	-	1.2368	0.6256
Group 2	0.7640	0.4728	1.2368	0.6256

For the period 1 October 2022 to 31 March 2023

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	0.4887	-	0.4887	0.1222
Group 2	0.4313	0.0574	0.4887	0.1222

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Templeton Global Total Return Bond Fund

INVESTMENT REVIEW

PERFORMANCE

For the 12-month period ended 31 March 2023, the FTF Templeton Global Total Return Bond Fund (W (Accumulation) - H3 shares) returned -13.04% (in UK sterling), while the benchmark Bloomberg Multiverse Index returned -7.90% (in US dollars).

OVERVIEW

Russia invaded Ukraine, precipitating a war, in late February 2022. The dominant themes of the past 12 months—high inflation, tighter monetary policy, rising bond yields, a stronger US dollar (“USD”), and increasing concerns about global growth—were thus in the shadow of the war, which has encompassed the entirety of the review period. Indeed, in some instances these factors were exacerbated by the war, but towards the latter part of the period the war’s effects on both goods and financial markets were diminishing.

The Russia-Ukraine war disrupted the flow of energy, food, commodities and goods throughout Europe. Ripple effects impacted other parts of the world to varying degrees, with particularly pronounced implications for major importers of food and energy. The initial sharply negative effects started dissipating later in the year, as Russia and Ukraine reached an agreement to allow safe passage of grain exports through the Black Sea and as Europe swiftly moved to reduce dependence on Russian energy imports. Beyond direct market impacts, the geopolitical landscape in Europe has been permanently altered by the war in Ukraine, unifying the West after years of strains to the coalition, as countries renewed their commitments to both the European Union and the North Atlantic Treaty Organization. The war has also accelerated global trends towards regionalisation of trade and the reduction of global interdependencies.

Inflation rates across many countries pushed higher over the earlier part of the 12-month period under review, often reaching a multi-decade or multi-year high, with energy and food prices a significant impetus in the already-rising trend after Russia’s invasion of Ukraine. Many headline inflation rates peaked or receded late in the calendar year as the effects of the food and energy price spikes dissipated. In general, however, even where headline inflation rates have slowed with energy prices, core inflation measures (which exclude volatile food and energy prices) have thus far either continued rising or been sticky due to services prices.

As the worst of the pandemic effects on the global economy ebbed and inflation started rising sharply during 2022, central banks’ focus turned to inflation, even at the expense of short-term growth considerations. Some central banks, mainly in emerging markets, were early and sometimes aggressive movers on interest rates, having already begun their hiking cycles in 2021. Major developed market central banks were mostly latecomers to this policy shift. The US Federal Reserve (“Fed”) started hiking rates in March 2022, followed by the European Central Bank in July 2022. More recently, differences between the stances of central banks have set in, and it seems increasingly the case that we are now in the latter stages of the global hiking cycle. A number of emerging market central banks have now paused hiking and indicated that rates may have peaked. Developed market central banks mostly remain in hiking cycles, although most of them have moderated the pace of hikes compared to the earlier part of the period under review and some have even signalled pauses.

The USD gained against almost all other currencies over the past year, supported by factors that included continued Fed rate hikes, differences in economic growth that favoured the United States (as US growth benefitted from post-pandemic reopening/normalisation, while continued COVID lockdowns disadvantaged Asian growth and the war affected growth in Europe), and geopolitical concerns. As some of these factors started diminishing towards the latter part of the period, the USD slid off its highs of 2022, while still ending the period stronger than where it began.

Sovereign bond yields rose sharply over most of the past 12 months on the combination of the withdrawal of direct financial market support by central banks, higher inflation, rising policy rates and central bank commentary that indicated a determination to tame inflation. Yields on US Treasuries and other sovereign bonds surged to multi-year highs during the period. However, once financial markets became more comfortable with pricing in terminal policy rates and inflation rates started slowing, bond yields generally softened later in the period.

Fears about global economic growth were prevalent throughout the 12 months, although they lessened somewhat later in the period as actual outcomes indicated that worst-case scenarios had been avoided. Concerns had arisen from a host of issues, including tighter monetary policy; the reduction of fiscal stimulus from prior years; the disruption of activity and trade following Russia’s invasion of Ukraine; continued supply-chain disruptions (even while bottlenecks from COVID lessened, the war started impacting various supply chains); the economic strains of refugee flight in Europe; volatile and elevated commodity prices (exacerbated by the war); and the effect of COVID-related lockdowns in China. Towards period-end, however, bottlenecks were easing, Europe had escaped a worst-case outcome in terms of constrained energy supply, and both Japan and China reopened their economies after their COVID lockdowns, which benefitted their regional neighbours too.

FTF Templeton Global Total Return Bond Fund

INVESTMENT REVIEW *(Continued)*

SIGNIFICANT CHANGES

The top five buys during the 12-month period were:

- Malaysia Government Bond, 3.899%, 16/11/2027
- Indonesia Treasury Bond, 7.000%, 15/02/2033
- Japan Treasury Discount Bill, 0.000%, 20/09/2023
- India Government Bond, 7.260%, 22/08/2032
- United Kingdom Gilt, 0.125%, 31/01/2023

The top five sells during the 12-month period were:

- Singapore Government Bond 2.75% 01/07/23
- Brazil Letras do Tesouro Nacional, 0.000%, 01/07/2024
- Korea Treasury Bond, 0.875%, 12/10/2023
- Indonesia Treasury Bond, 5.500%, 15/04/2026
- India Government Bond, 7.270%, 08/04/2026

POSITIVE/NEGATIVE CONTRIBUTORS

For the 12-month period ended 31 March 2023, currency positions detracted from the Fund's relative performance, as did overall credit exposures. Interest-rate strategies contributed to relative results.

Amongst currencies, overweighted positions in the Ghanaian cedi, Argentine peso, Colombian peso, Brazilian real, South Korean won and Indian rupee detracted from relative performance, as did the Fund's overweighted position in the Norwegian krone against the euro. However, tactical positioning in the Japanese yen contributed to relative results, as did the Fund's underweighted exposure to the euro.

Amongst credit exposures, overweighted exposure to sub investment-grade sovereign credits detracted from relative return, while underweighted exposure to investment-grade corporate bonds contributed.

The Fund maintained duration exposures primarily in select emerging markets, and also had duration exposures in select developed markets. Underweighted duration exposures in the euro area, the United States and the United Kingdom contributed to relative performance, as did overweighted duration exposure in Brazil.

OUTLOOK

Although inflation is expected to generally remain above both historical averages and inflation targets during most of the year, we also broadly expect it to decline over the course of 2023.

The global monetary tightening cycle is showing signs of rolling over, and while many developed market central banks are still raising rates, most have started moderating the magnitude of rate hikes compared to last year. Certain emerging markets that were able to stay ahead of the curve by maintaining already high rates or hiking rates ahead of others (such as areas of Latin America) are now in a relatively strong policy position, and a number of them have been able to signal pauses or peaks in their cycles. However, other countries are more vulnerable to persistent inflation and weaker fundamentals that may impede their ability to keep pace. Heterogeneity in fundamental conditions and monetary policy should create relative valuation opportunities amongst countries.

We believe the USD bull market that had been in place since mid-2021 will continue the unwinding that began in late 2022. In their view, the USD is still at historically stretched levels against select developed and emerging market currencies. As US gross domestic product slows, growth differentials are moving more in favour of other regions, especially Asia where economies will benefit from reopening. Interest-rate differentials are also expected to be less supportive of the USD.

On a regional basis, areas of Asia continue to stand out. There are indications in the data that both Japan and China have already started to see positive economic impacts from reopening. The impact on economic activity is expected to have positive spillover effects for regional neighbours too.

A year on from its inception, the Russia-Ukraine war continues to generate some uncertainty about the outlook for global growth and financial markets. Risks remain from ongoing disruptions to the flow of energy, food, and commodities, although the initial sharp supply and price effects have faded. The path of the war and any future risk events arising from it remain uncertain, and we continue to closely monitor developments.

FTF Templeton Global Total Return Bond Fund

INVESTMENT REVIEW *(Continued)*

We also continue to monitor other geopolitical risks, chief amongst them the deteriorating state of US-China relations, which have plumbed their worst depths in decades. The rest of Asia would likely be affected by an escalation of US-China tension and potential conflict in the region.

Michael Hasenstab, PhD & Calvin Ho, PhD

Fund Managers

31 March 2023

FTF Templeton Global Total Return Bond Fund

COMPARATIVE TABLES As at 31 March 2023

<u>W – Accumulation shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	105.34	101.95	116.59
Return before operating charges ¹	(5.35)	4.19	(13.74)
Operating charges ²	(0.72)	(0.80)	(0.90)
Return after operating charges ³	(6.07)	3.39	(14.64)
Distributions	(4.67)	(7.54)	(6.24)
Retained distributions on accumulation shares	4.67	7.54	6.24
Closing net asset value per share	99.27	105.34	101.95
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(5.76)%	3.33%	(12.56)%
Other information			
Closing net asset value (£)	11,040,297	14,087,870	21,670,470
Closing number of shares	11,121,691	13,373,949	21,255,390
Operating charges ratio ⁶	0.71%	0.79%	0.79%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	107.00	105.61	119.10
Lowest share price	95.20	100.82	101.77
W – Accumulation H3 shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	85.04	86.44	89.37
Return before operating charges ¹	(10.45)	(0.74)	(2.21)
Operating charges ²	(0.53)	(0.66)	(0.72)
Return after operating charges ³	(10.98)	(1.40)	(2.93)
Distributions	(3.57)	(6.22)	(5.01)
Retained distributions on accumulation shares	3.57	6.22	5.01
Closing net asset value per share	74.06	85.04	86.44
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(12.91)%	(1.62)%	(3.28)%
Other information			
Closing net asset value (£)	10,631,211	11,056,867	3,139,230
Closing number of shares	14,355,810	13,001,358	3,631,585
Operating charges ratio ⁶	0.71%	0.79%	0.79%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	86.31	90.56	89.89
Lowest share price	66.09	82.03	86.45

FTF Templeton Global Total Return Bond Fund

COMPARATIVE TABLES (Continued)

<u>W – Income shares</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	66.51	69.26	83.95
Return before operating charges ¹	(3.37)	2.75	(9.65)
Operating charges ²	(0.45)	(0.53)	(0.64)
Return after operating charges ³	(3.82)	2.22	(10.29)
Distributions	(2.91)	(4.97)	(4.40)
Closing net asset value per share	59.78	66.51	69.26
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(5.74)%	3.21%	(12.26)%
Other information			
Closing net asset value (£)	2,778,105	4,074,956	6,191,876
Closing number of shares	4,646,832	6,127,128	8,939,527
Operating charges ratio ⁶	0.71%	0.79%	0.79%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	67.54	70.60	85.76
Lowest share price	58.65	64.68	70.40
W – Income H3 shares			
	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	60.40	66.20	72.75
Return before operating charges ¹	(7.43)	(0.54)	(2.00)
Operating charges ²	(0.37)	(0.51)	(0.56)
Return after operating charges ³	(7.80)	(1.05)	(2.56)
Distributions	(2.40)	(4.75)	(3.99)
Closing net asset value per share	50.20	60.40	66.20
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(12.91)%	(1.59)%	(3.52)%
Other information			
Closing net asset value (£)	5,254,660	11,347,694	24,507,990
Closing number of shares	10,467,287	18,787,113	37,020,256
Operating charges ratio ⁶	0.72%	0.79%	0.79%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	61.32	69.37	73.17
Lowest share price	45.82	59.23	67.42

FTF Templeton Global Total Return Bond Fund

COMPARATIVE TABLES (Continued)

<u>Y – Income shares*</u>	<u>31 March 2023</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Change in net assets per share (p)			
Opening net asset value per share	72.64	75.67	91.76
Return before operating charges ¹	(1.53)	2.96	(10.61)
Operating charges ²	(0.03)	(0.12)	(0.07)
Return after operating charges ³	(1.56)	2.84	(10.68)
Distributions	(0.88)	(5.87)	(5.41)
Closing net asset value per share	70.20	72.64	75.67
After direct transaction costs of ⁴	-	-	-
Performance			
Return after charges ⁵	(2.15)%	3.75%	(11.64)%
Other information			
Closing net asset value (£)	-	2,159	2,249
Closing number of shares	-	2,972	2,972
Operating charges ratio ⁶	-	0.16%	0.09%
Direct transaction costs ⁴	-	-	-
Prices (p)			
Highest share price	73.79	77.25	93.82
Lowest share price	66.75	70.66	77.01

1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".

2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.

3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".

4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.

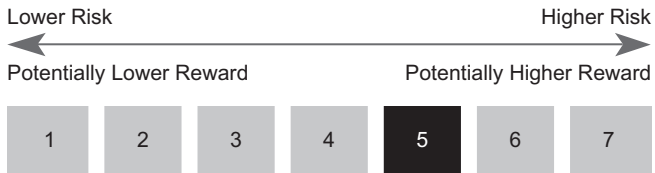
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

* Share class closed on 12 August 2022.

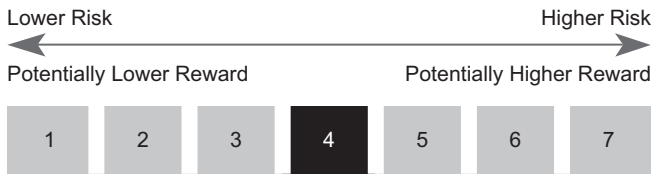
FTF Templeton Global Total Return Bond Fund

RISK PROFILE (W Income Shares) As at 31 March 2023



This indicator has changed during the reporting period. The previous indicator for this share class up until 30 November 2022 was 4.

RISK PROFILE (W Accumulation - H3 Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Templeton Global Total Return Bond Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 0.00% (0.00%)		
	AFRICA 0.00% (0.00%)		
	SOUTH AFRICA		
60,579	K2016470219 South Africa Ltd. ¹	-	0.00
12,082,204	K2016470219 South Africa Ltd., A ¹	-	0.00
1,447,454	K2016470219 South Africa Ltd., B ¹	-	0.00
	TOTAL - AFRICA	-	0.00
	TOTAL - EQUITIES	-	0.00
	BONDS 92.54% (82.74%)		
	AFRICA 5.21% (5.94%)		
	EGYPT		
400,000	Egypt Government International Bond, 8.500%, 31/01/2047	188	0.64
200,000	Egypt Government International Bond, 7.903%, 21/02/2048	89	0.30
390,000	Egypt Government International Bond, 8.700%, 01/03/2049	184	0.62
200,000	Egypt Government International Bond, 8.875%, 29/05/2050	95	0.32
570,000	Egypt Government International Bond, 8.750%, 30/09/2051	268	0.90
200,000	Egypt Government International Bond, 7.500%, 16/02/2061	87	0.29
		911	3.07
	GHANA		
1,418,220	Republic of Ghana Government Bonds, 8.350%, 16/02/2027	86	0.29
1,418,220	Republic of Ghana Government Bonds, 8.500%, 15/02/2028	88	0.30
1,343,998	Republic of Ghana Government Bonds, 8.650%, 13/02/2029	81	0.27
1,343,998	Republic of Ghana Government Bonds, 8.800%, 12/02/2030	79	0.27
1,310,124	Republic of Ghana Government Bonds, 8.950%, 11/02/2031	76	0.26
1,310,124	Republic of Ghana Government Bonds, 9.100%, 10/02/2032	75	0.25
1,310,124	Republic of Ghana Government Bonds, 9.250%, 08/02/2033	75	0.25
270,998	Republic of Ghana Government Bonds, 9.400%, 07/02/2034	15	0.05
270,998	Republic of Ghana Government Bonds, 9.550%, 06/02/2035	15	0.05
270,998	Republic of Ghana Government Bonds, 9.700%, 05/02/2036	15	0.05
270,998	Republic of Ghana Government Bonds, 9.850%, 03/02/2037	15	0.05
270,998	Republic of Ghana Government Bonds, 10.000%, 02/02/2038	15	0.05
		635	2.14
	SOUTH AFRICA		
1,047,052	K2016470219 South Africa Ltd., Reg S, 3.000%, 31/12/2049 ¹	-	0.00
523,181	K2016470219 South Africa Ltd., Reg S, 8.000%, 31/12/2049 ¹	-	0.00
555,265	K2016470219 South Africa Ltd., Reg S, 25.000%, 31/12/2049 ¹	-	0.00
	TOTAL - AFRICA	1,546	5.21
	ASIA 43.71% (34.28%)		
	INDIA		
17,100,000	India Government Bond, 8.330%, 09/07/2026	173	0.58
101,100,000	India Government Bond, 7.260%, 22/08/2032	990	3.34
		1,163	3.92
	INDONESIA		
27,150,000,000	Indonesia Treasury Bond, 5.500%, 15/04/2026	1,429	4.81
21,810,000,000	Indonesia Treasury Bond, 7.000%, 15/02/2033	1,191	4.01
		2,620	8.82
	JAPAN		
24,700,000	Japan Treasury Discount Bill, 0.000%, 10/04/2023	150	0.50
60,000,000	Japan Treasury Discount Bill, 0.000%, 10/05/2023	364	1.23
134,000,000	Japan Treasury Discount Bill, 0.000%, 12/06/2023	813	2.74

FTF Templeton Global Total Return Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
JAPAN (Continued)			
187,800,000	Japan Treasury Discount Bill, 0.000%, 20/09/2023	1,139	3.83
33,200,000	Japan Treasury Discount Bill, 0.000%, 20/10/2023	201	0.68
		<u>2,667</u>	<u>8.98</u>
MALAYSIA			
430,000	Malaysia Government Bond, 3.882%, 14/03/2025	80	0.27
1,800,000	Malaysia Government Bond, 3.955%, 15/09/2025	335	1.13
3,280,000	Malaysia Government Bond, 3.906%, 15/07/2026	610	2.05
860,000	Malaysia Government Bond, 3.900%, 30/11/2026	160	0.54
30,000	Malaysia Government Bond, 3.892%, 15/03/2027	6	0.02
210,000	Malaysia Government Bond, 3.502%, 31/05/2027	38	0.13
7,110,000	Malaysia Government Bond, 3.899%, 16/11/2027	1,322	4.45
1,180,000	Malaysia Government Bond, 3.733%, 15/06/2028	217	0.73
350,000	Malaysia Government Bond, 4.498%, 15/04/2030	68	0.23
		<u>2,836</u>	<u>9.55</u>
MONGOLIA			
350,000	Mongolia Government International Bond, 3.500%, 07/07/2027	226	0.76
200,000	Mongolia Government International Bond, 4.450%, 07/07/2031	119	0.40
		<u>345</u>	<u>1.16</u>
SOUTH KOREA			
2,179,000,000	Korea Treasury Bond, 0.875%, 10/12/2023	1,330	4.48
SRI LANKA			
200,000	Sri Lanka Government International Bond, 5.750%, 18/04/2023*	57	0.19
400,000	Sri Lanka Government International Bond, 6.350%, 28/06/2024*	113	0.38
600,000	Sri Lanka Government International Bond, 6.850%, 03/11/2025*	176	0.59
200,000	Sri Lanka Government International Bond, 6.750%, 18/04/2028*	57	0.19
200,000	Sri Lanka Government International Bond, 7.850%, 14/03/2029*	56	0.19
		<u>459</u>	<u>1.54</u>
THAILAND			
12,980,000	Bank of Thailand Bond, 0.660%, 22/11/2023	305	1.03
30,930,000	Thailand Government Bond, 0.750%, 17/09/2024	720	2.42
23,680,000	Thailand Government Bond, 1.000%, 17/06/2027	538	1.81
		<u>1,563</u>	<u>5.26</u>
	TOTAL - ASIA	<u>12,983</u>	<u>43.71</u>
AUSTRALIA 0.94% (0.00%)			
AUSTRALIA			
140,000	Australia Government Bond, 0.250%, 21/11/2025	71	0.24
170,000	Australia Government Bond, 4.250%, 21/04/2026	95	0.32
230,000	Australia Government Bond, 0.500%, 21/09/2026	114	0.38
		<u>280</u>	<u>0.94</u>
	TOTAL - AUSTRALIA	<u>280</u>	<u>0.94</u>
CENTRAL AMERICA 5.69% (1.87%)			
DOMINICAN REPUBLIC			
510,000	Dominican Republic International Bond, 5.300%, 21/01/2041	321	1.08
300,000	Dominican Republic International Bond, 6.400%, 05/06/2049	202	0.68
490,000	Dominican Republic International Bond, 5.875%, 30/01/2060	302	1.02
		<u>825</u>	<u>2.78</u>
MEXICO			
3,200,000	Mexican Bonos, 8.500%, 31/05/2029	141	0.47
17,790,000	Mexican Bonos, 7.500%, 26/05/2033	725	2.44
		<u>866</u>	<u>2.91</u>
	TOTAL - CENTRAL AMERICA	<u>1,691</u>	<u>5.69</u>

FTF Templeton Global Total Return Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
EUROPE - OTHER EU 9.61% (0.00%)			
GERMANY			
227,000	Bundesobligation, 0.000%, 18/10/2024	192	0.64
222,000	Bundesrepublik Deutschland Bundesanleihe, 6.250%, 04/01/2024	200	0.67
492,000	Bundesschatzanweisungen, 0.400%, 13/09/2024	418	1.41
133,000	German Treasury Bill, 0.000%, 20/09/2023	115	0.39
611,000	German Treasury Bill, 0.000%, 18/10/2023	528	1.78
		1,453	4.89
HUNGARY			
276,300,000	Hungary Government Bond, 1.000%, 26/11/2025	501	1.69
23,800,000	Hungary Government Bond, 3.000%, 27/10/2027	42	0.14
490,300,000	Hungary Government Bond, 4.750%, 24/11/2032	858	2.89
		1,401	4.72
TOTAL - EUROPE - OTHER EU		2,854	9.61
NORTH AMERICA 7.73% (11.97%)			
UNITED STATES OF AMERICA			
750,000	Fed Home Loan Bank 0% Disc NTS 03/04/23 USD, 0.000%, 03/04/2023	606	2.04
2,085,000	United States Treasury Note/Bond, 4.500%, 30/11/2024	1,691	5.69
		2,297	7.73
TOTAL - NORTH AMERICA		2,297	7.73
SOUTH AMERICA 19.65% (28.68%)			
BRAZIL			
520,000	Brazil Letras do Tesouro Nacional, 0.000%, 01/07/2024	71	0.24
10,230,000	Brazil Letras do Tesouro Nacional, 0.000%, 01/01/2025	1,328	4.47
4,330,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2027	662	2.23
2,810,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2031	401	1.35
		2,462	8.29
COLOMBIA			
176,000,000	Colombia Government International Bond, 9.850%, 28/06/2027	28	0.10
4,296,600,000	Colombian TES, 10.000%, 24/07/2024	740	2.49
618,000,000	Colombian TES, 6.250%, 26/11/2025	96	0.32
4,670,700,000	Colombian TES, 7.500%, 26/08/2026	730	2.46
445,000,000	Colombian TES, 5.750%, 03/11/2027	63	0.21
954,000,000	Colombian TES, 6.000%, 28/04/2028	133	0.45
1,333,000,000	Colombian TES, 7.750%, 18/09/2030	189	0.64
1,544,900,000	Colombian TES, 7.000%, 26/03/2031	206	0.69
1,180,000,000	Colombian TES, 7.000%, 30/06/2032	152	0.51
370,000,000	Colombian TES, 6.250%, 09/07/2036	41	0.14
		2,378	8.01
ECUADOR			
973,000	Ecuador Government International Bond, 5.500%, 31/07/2030	366	1.23
2,197,000	Ecuador Government International Bond, 2.500%, 31/07/2035	568	1.91
265,000	Ecuador Government International Bond, 1.500%, 31/07/2040	62	0.21
		996	3.35
TOTAL - SOUTH AMERICA		5,836	19.65
TOTAL - BONDS		27,487	92.54
DERIVATIVES 0.46% ((3.12%))			
SWAPS			
187,500	Interest Rate Swap J.P. Morgan Pay fixed 2.64% Receive floating SOFR 1 day 16/05/2032	8	0.03
252,000	Interest Rate Swap J.P. Morgan Pay fixed 2.67% Receive floating SOFR 1 day 02/06/2032	11	0.04
187,500	Interest Rate Swap J.P. Morgan Pay fixed 2.74% Receive floating SOFR 1 day 19/05/2032	7	0.02
360,000	Interest Rate Swap J.P. Morgan Pay fixed 2.18% Receive floating SOFR 1 day 28/03/2032	25	0.08

FTF Templeton Global Total Return Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
SWAPS (Continued)			
360,000	Interest Rate Swap J.P. Morgan Pay fixed 2.25% Receive floating SOFR 1 day 31/03/2032	23	0.08
460,000	Interest Rate Swap J.P. Morgan Pay fixed 2.46% Receive floating SOFR 1 day 18/04/2032	25	0.08
360,000	Interest Rate Swap J.P. Morgan Pay fixed 2.26% Receive floating SOFR 1 day 30/03/2032	23	0.08
500,000	Receive OIS Short Sell JP Morgan Chase	46	0.15
		168	0.56
FORWARD CURRENCY CONTRACTS			
AUD 1,020,000	Buy AUD 1,020,000 sell USD (726,725) dated 28/04/2023	(35)	(0.12)
AUD 890,000	Buy AUD 890,000 sell USD (613,999) dated 08/05/2023	(14)	(0.05)
AUD 890,000	Buy AUD 890,000 sell USD (616,601) dated 09/05/2023	(16)	(0.05)
AUD 885,000	Buy AUD 885,000 sell USD (612,686) dated 22/05/2023	(16)	(0.05)
AUD 945,000	Buy AUD 945,000 sell USD (653,628) dated 22/05/2023	(16)	(0.05)
AUD 1,030,000	Buy AUD 1,030,000 sell USD (695,971) dated 11/09/2023	(2)	(0.01)
CAD 925,447	Buy CAD 925,447 sell EUR (680,171) dated 03/05/2023	(46)	(0.16)
CAD 925,000	Buy CAD 925,000 sell USD (677,625) dated 03/05/2023	4	0.01
CAD 1,447,526	Buy CAD 1,447,526 sell USD (1,084,907) dated 19/07/2023	(12)	(0.04)
CAD 1,187,000	Buy CAD 1,187,000 sell USD (861,443) dated 11/09/2023	14	0.05
CLP 67,100,000	Buy CLP 67,100,000 sell USD (83,661) dated 10/04/2023	1	0.00
CLP 267,060,000	Buy CLP 267,060,000 sell USD (319,350) dated 18/04/2023	15	0.05
CLP 143,349,641	Buy CLP 143,349,641 sell USD (174,859) dated 20/04/2023	5	0.02
CLP 252,350,359	Buy CLP 252,350,359 sell USD (313,206) dated 08/05/2023	4	0.01
CLP 461,407,663	Buy CLP 461,407,663 sell USD (568,411) dated 09/05/2023	11	0.04
CLP 164,418,190	Buy CLP 164,418,190 sell USD (164,418) dated 26/07/2023	33	0.11
CLP 176,727,788	Buy CLP 176,727,788 sell USD (177,082) dated 26/07/2023	35	0.12
CNH 3,784,810	Buy CNH 3,784,810 sell USD (549,950) dated 07/06/2023	2	0.01
EUR 637,287	Buy EUR 637,287 sell CAD (925,447) dated 03/05/2023	9	0.03
EUR 280,000	Buy EUR 280,000 sell USD (293,870) dated 25/04/2023	9	0.03
EUR 102,500	Buy EUR 102,500 sell USD (107,463) dated 25/04/2023	3	0.01
EUR 50,000	Buy EUR 50,000 sell USD (53,116) dated 25/04/2023	1	0.00
EUR 314,750	Buy EUR 314,750 sell USD (340,593) dated 25/04/2023	2	0.01
EUR 314,750	Buy EUR 314,750 sell USD (342,517) dated 25/04/2023	-	0.00
GBP 51,686	Buy GBP 51,686 sell USD (63,356) dated 05/07/2023	1	0.00
GBP 470,223	Buy GBP 470,223 sell USD (583,227) dated 10/07/2023	-	0.00
INR 48,220,000	Buy INR 48,220,000 sell USD (579,024) dated 10/04/2023	6	0.02
INR 92,855,675	Buy INR 92,855,675 sell USD (1,117,720) dated 15/05/2023	7	0.02
INR 69,811,650	Buy INR 69,811,650 sell USD (846,407) dated 21/06/2023	(1)	0.00
JPY 47,000,000	Buy JPY 47,000,000 sell USD (352,311) dated 14/06/2023	3	0.01
JPY 177,057,720	Buy JPY 177,057,720 sell USD (1,332,513) dated 15/06/2023	8	0.03
JPY 230,464,030	Buy JPY 230,464,030 sell USD (1,718,215) dated 15/06/2023	23	0.08
JPY 100,118,560	Buy JPY 100,118,560 sell USD (756,783) dated 21/06/2023	2	0.01
JPY 52,272,640	Buy JPY 52,272,640 sell USD (394,109) dated 21/06/2023	2	0.01
JPY 97,787,050	Buy JPY 97,787,050 sell USD (748,408) dated 20/09/2023	3	0.01
KRW 1,725,900,000	Buy KRW 1,725,900,000 sell USD (1,398,849) dated 25/04/2023	(60)	(0.20)
KRW 830,000,000	Buy KRW 830,000,000 sell USD (632,960) dated 05/06/2023	4	0.01
KRW 1,385,200,000	Buy KRW 1,385,200,000 sell USD (1,050,484) dated 15/06/2023	12	0.04
KRW 1,010,000,000	Buy KRW 1,010,000,000 sell USD (766,313) dated 15/06/2023	9	0.03
NOK 19,243,000	Buy NOK 19,243,000 sell USD (1,840,115) dated 11/09/2023	10	0.03
USD 19,943	Buy USD 19,943 sell CLP (16,000,000) dated 10/04/2023	-	0.00
USD 555,381	Buy USD 555,381 sell CNH (3,784,810) dated 07/06/2023	2	0.01
USD 310,994	Buy USD 310,994 sell EUR (280,000) dated 25/04/2023	5	0.02
USD 779,634	Buy USD 779,634 sell EUR (782,000) dated 25/04/2023	(58)	(0.20)
		(31)	(0.10)
	TOTAL - DERIVATIVES	137	0.46

FTF Templeton Global Total Return Bond Fund

PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGED SHARE CLASS DERIVATIVES 1.64% (0.00%)			
HEDGE FORWARD CURRENCY CONTRACTS			
GBP 5,436,333	Buy GBP 5,436,333 sell USD (6,525,261) dated 17/04/2023.....	165	0.56
GBP 10	Buy GBP 10 sell USD (12) dated 17/04/2023	-	0.00
GBP 10,927,046	Buy GBP 10,927,046 sell USD (13,115,795) dated 17/04/2023.....	332	1.12
GBP 152,768	Buy GBP 152,768 sell USD (185,858) dated 17/04/2023.....	2	0.01
GBP 8	Buy GBP 8 sell USD (10) dated 17/04/2023	-	0.00
GBP 291	Buy GBP 291 sell USD (354) dated 17/04/2023	-	0.00
GBP 75,863	Buy GBP 75,863 sell USD (92,295) dated 17/04/2023	1	0.00
GBP 9	Buy GBP 9 sell USD (11) dated 17/04/2023	-	0.00
GBP 1,650	Buy GBP 1,650 sell USD (1,992) dated 17/04/2023	-	0.00
GBP 5	Buy GBP 5 sell USD (6) dated 17/04/2023.....	-	0.00
GBP 11	Buy GBP 11 sell USD (13) dated 17/04/2023.....	-	0.00
GBP 62	Buy GBP 62 sell USD (75) dated 17/04/2023	-	0.00
GBP 1,476	Buy GBP 1,476 sell USD (1,786) dated 17/04/2023	-	0.00
GBP 42	Buy GBP 42 sell USD (50) dated 17/04/2023	-	0.00
GBP 7	Buy GBP 7 sell USD (9) dated 17/04/2023.....	-	0.00
GBP 1,440	Buy GBP 1,440 sell USD (1,750) dated 17/04/2023	-	0.00
GBP 946	Buy GBP 946 sell USD (1,160) dated 17/04/2023.....	-	0.00
GBP 8	Buy GBP 8 sell USD (10) dated 17/04/2023	-	0.00
GBP 107	Buy GBP 107 sell USD (131) dated 17/04/2023	-	0.00
GBP 699	Buy GBP 699 sell USD (855) dated 17/04/2023	-	0.00
GBP 138	Buy GBP 138 sell USD (169) dated 17/04/2023	-	0.00
GBP 119,283	Buy GBP 119,283 sell USD (146,123) dated 17/04/2023.....	1	0.00
GBP 5	Buy GBP 5 sell USD (6) dated 17/04/2023.....	-	0.00
GBP 105,297	Buy GBP 105,297 sell USD (129,836) dated 17/04/2023.....	-	0.00
GBP 43	Buy GBP 43 sell USD (53) dated 17/04/2023	-	0.00
GBP 233	Buy GBP 233 sell USD (287) dated 17/04/2023	-	0.00
GBP 205,334	Buy GBP 205,334 sell USD (253,187) dated 17/04/2023.....	1	0.00
GBP 20	Buy GBP 20 sell USD (25) dated 17/04/2023	-	0.00
GBP 84	Buy GBP 84 sell USD (102) dated 17/04/2023.....	-	0.00
GBP 35	Buy GBP 35 sell USD (43) dated 17/04/2023	-	0.00
GBP 50	Buy GBP 50 sell USD (61) dated 17/04/2023	-	0.00
GBP 106	Buy GBP 106 sell USD (131) dated 17/04/2023	-	0.00
GBP 804	Buy GBP 804 sell USD (990) dated 17/04/2023	-	0.00
GBP 20	Buy GBP 20 sell USD (25) dated 17/04/2023	-	0.00
GBP 25	Buy GBP 25 sell USD (31) dated 17/04/2023	-	0.00
GBP 18	Buy GBP 18 sell USD (23) dated 17/04/2023	-	0.00
GBP 900	Buy GBP 900 sell USD (1,114) dated 17/04/2023.....	-	0.00
GBP 38	Buy GBP 38 sell USD (48) dated 17/04/2023	-	0.00
GBP 1	Buy GBP 1 sell USD (1) dated 17/04/2023.....	-	0.00
GBP 15	Buy GBP 15 sell USD (18) dated 17/04/2023	-	0.00
GBP 279	Buy GBP 279 sell USD (345) dated 17/04/2023	-	0.00
USD 1,308	Buy USD 1,308 sell GBP (1,081) dated 17/04/2023	-	0.00
USD 214	Buy USD 214 sell GBP (177) dated 17/04/2023	-	0.00
USD 2,652	Buy USD 2,652 sell GBP (2,181) dated 17/04/2023	-	0.00
USD 1,451	Buy USD 1,451 sell GBP (1,193) dated 17/04/2023	-	0.00
USD 1,747	Buy USD 1,747 sell GBP (1,436) dated 17/04/2023	-	0.00
USD 10,105	Buy USD 10,105 sell GBP (8,307) dated 17/04/2023	-	0.00
USD 2,073	Buy USD 2,073 sell GBP (1,717) dated 17/04/2023	-	0.00
USD 18	Buy USD 18 sell GBP (15) dated 17/04/2023	-	0.00
USD 9,013	Buy USD 9,013 sell GBP (7,450) dated 17/04/2023	-	0.00
USD 21,260	Buy USD 21,260 sell GBP (17,573) dated 17/04/2023.....	(1)	0.00
USD 156,269	Buy USD 156,269 sell GBP (128,979) dated 17/04/2023.....	(3)	(0.01)
USD 77,657	Buy USD 77,657 sell GBP (64,096) dated 17/04/2023.....	(2)	(0.01)
USD 16	Buy USD 16 sell GBP (13) dated 17/04/2023	-	0.00
USD 43	Buy USD 43 sell GBP (35) dated 17/04/2023	-	0.00

FTF Templeton Global Total Return Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
HEDGE FORWARD CURRENCY CONTRACTS (Continued)			
USD 6,914	Buy USD 6,914 sell GBP (5,688) dated 17/04/2023	-	0.00
USD 16,266	Buy USD 16,266 sell GBP (13,382) dated 17/04/2023	-	0.00
USD 1	Buy USD 1 sell GBP (1) dated 17/04/2023	-	0.00
USD 10,224	Buy USD 10,224 sell GBP (8,341) dated 17/04/2023	-	0.00
USD 1,397	Buy USD 1,397 sell GBP (1,140) dated 17/04/2023	-	0.00
USD 11,767	Buy USD 11,767 sell GBP (9,626) dated 17/04/2023	-	0.00
USD 77	Buy USD 77 sell GBP (63) dated 17/04/2023	-	0.00
USD 31	Buy USD 31 sell GBP (25) dated 17/04/2023	-	0.00
USD 29,543	Buy USD 29,543 sell GBP (24,169) dated 17/04/2023	-	0.00
USD 757,456	Buy USD 757,456 sell GBP (619,658) dated 17/04/2023	(8)	(0.03)
USD 12	Buy USD 12 sell GBP (10) dated 17/04/2023	-	0.00
USD 1,801	Buy USD 1,801 sell GBP (1,470) dated 17/04/2023	-	0.00
USD 6,770	Buy USD 6,770 sell GBP (5,526) dated 17/04/2023	-	0.00
USD 8	Buy USD 8 sell GBP (7) dated 17/04/2023	-	0.00
USD 13,596	Buy USD 13,596 sell GBP (11,099) dated 17/04/2023	-	0.00
USD 8,491	Buy USD 8,491 sell GBP (6,893) dated 17/04/2023	-	0.00
USD 14,934	Buy USD 14,934 sell GBP (12,123) dated 17/04/2023	-	0.00
USD 1	Buy USD 1 sell GBP (0) dated 17/04/2023	-	0.00
USD 205	Buy USD 205 sell GBP (167) dated 17/04/2023	-	0.00
USD 35,523	Buy USD 35,523 sell GBP (29,050) dated 17/04/2023	-	0.00
USD 9,388	Buy USD 9,388 sell GBP (7,677) dated 17/04/2023	-	0.00
USD 5,433	Buy USD 5,433 sell GBP (4,443) dated 17/04/2023	-	0.00
USD 1,045	Buy USD 1,045 sell GBP (851) dated 17/04/2023	-	0.00
USD 18,169	Buy USD 18,169 sell GBP (14,799) dated 17/04/2023	-	0.00
USD 35	Buy USD 35 sell GBP (28) dated 17/04/2023	-	0.00
USD 9,757	Buy USD 9,757 sell GBP (7,947) dated 17/04/2023	-	0.00
USD 255	Buy USD 255 sell GBP (207) dated 17/04/2023	-	0.00
USD 92	Buy USD 92 sell GBP (74) dated 17/04/2023	-	0.00
USD 10,458	Buy USD 10,458 sell GBP (8,495) dated 17/04/2023	-	0.00
USD 3,415	Buy USD 3,415 sell GBP (2,773) dated 17/04/2023	-	0.00
USD 29,271	Buy USD 29,271 sell GBP (23,775) dated 17/04/2023	-	0.00
USD 21	Buy USD 21 sell GBP (17) dated 17/04/2023	-	0.00
USD 7,044	Buy USD 7,044 sell GBP (5,714) dated 17/04/2023	-	0.00
USD 7,608	Buy USD 7,608 sell GBP (6,171) dated 17/04/2023	-	0.00
USD 8	Buy USD 8 sell GBP (7) dated 17/04/2023	-	0.00
USD 48,409	Buy USD 48,409 sell GBP (39,104) dated 17/04/2023	-	0.00
USD 22,975	Buy USD 22,975 sell GBP (18,559) dated 17/04/2023	-	0.00
USD 3,951	Buy USD 3,951 sell GBP (3,192) dated 17/04/2023	-	0.00
USD 13,393	Buy USD 13,393 sell GBP (10,809) dated 17/04/2023	-	0.00
USD 46,953	Buy USD 46,953 sell GBP (37,895) dated 17/04/2023	-	0.00
		<u>488</u>	<u>1.64</u>
	TOTAL - HEDGED SHARE CLASS DERIVATIVES	<u>488</u>	<u>1.64</u>
	TOTAL VALUE OF INVESTMENTS	<u>28,112</u>	<u>94.64</u>
	OTHER ASSETS	<u>1,592</u>	<u>5.36</u>
	TOTAL NET ASSETS	<u>29,704</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2022.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

¹ These securities are fair valued by the manager.

* Security in Default

FTF Templeton Global Total Return Bond Fund

STATEMENT OF TOTAL RETURN For the year ended 31 March 2023

	Notes	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
		£000	£000	£000	£000
Income					
Net capital losses	2		(4,346)		(3,280)
Revenue	3	1,921		4,152	
Expenses	4	(248)		(405)	
Interest payable and similar charges	5	(11)		(3)	
Net revenue before taxation		1,662		3,744	
Taxation	6	(39)		(43)	
Net revenue after taxation			1,623		3,701
Total return before distributions			(2,723)		421
Distributions	7		(1,628)		(3,670)
Change in net assets attributable to shareholders			(4,351)		(3,249)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2023

	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
	£000	£000	£000	£000
Opening net assets attributable to shareholders		40,570		64,409
Amounts received on creation of shares	14,363		8,120	
Amounts paid on cancellation of shares	(21,987)		(30,729)	
		(7,624)		(22,609)
Dilution adjustment		-		14
Change in net assets attributable to shareholders from investment activities (see above)		(4,351)		(3,249)
Retained distribution on accumulation shares		1,109		2,005
Closing net assets attributable to shareholders		29,704		40,570

BALANCE SHEET As at 31 March 2023

Notes	31 March 2023	31 March 2022
	£000	£000
Assets		
Fixed assets		
Investments	28,402	34,261
Current assets		
Debtors	3,371	1,637
Cash and bank balances	1,481	7,192
Total assets	33,254	43,090
Liabilities		
Investment liabilities	(290)	(1,958)
Creditors		
Amounts due to futures clearing houses and brokers	(170)	-
Distributions payable	(90)	(257)
Other creditors	(3,000)	(305)
Total liabilities	(3,550)	(2,520)
Net assets attributable to shareholders	29,704	40,570

FTF Templeton Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital (losses)/gains

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities losses	(951)	(652)
Derivative gains/(losses)	210	(2,557)
Currency losses	(417)	(71)
Forward currency contracts	(3,188)	-
	<u>(4,346)</u>	<u>3,280</u>

3. Revenue

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Bank and other interest	15	484
Interest on debt securities	1,884	3,668
Interest on margin deposits	6	-
Interest rate swap income	16	-
	<u>1,921</u>	<u>4,152</u>

4. Expenses

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's annual management charge	192	300
ACD's administration charge	17	37
	<u>209</u>	<u>337</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fee	5	10
Safe custody fees	15	29
	<u>20</u>	<u>39</u>
Other expenses:		
Audit fees	18	20
Expense Cap	-	(5)
Other	1	14
	<u>19</u>	<u>29</u>
	<u>248</u>	<u>405</u>

5. Interest payable and similar charges

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interest on bank overdrafts	11	3
Total interest payable and similar charges	<u>11</u>	<u>3</u>

FTF Templeton Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Taxation

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(a) Analysis of the charge for the year		
Overseas tax	34	82
Overseas tax on capital gains	5	(39)
Total current tax	39	43
Total taxation (see Note(b))	39	43

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2022: 20%)).

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Net revenue before taxation	1,662	3,744
Corporation tax at 20% (2022: 20%)	332	749
Effects of:		
Movement in unrecognised tax losses	7	-
Overseas tax	34	82
Overseas tax on capital gains	5	(39)
Tax deductible interest distributions	(332)	(749)
Relief on overseas tax expensed	(7)	-
Total tax charge for the year (see Note 6(a))	39	43

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £6,725 (£Nil as at 31 March 2022) due to tax losses of £33,624 (£Nil as at 31 March 2022). It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

FTF Templeton Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
Interim dividend distributions		
Income	422	1,200
Accumulation	867	1,615
	<u>1,289</u>	<u>2,815</u>
Final dividend distributions		
Income	90	257
Accumulation	242	391
	<u>332</u>	<u>648</u>
Add: Revenue deducted on cancellation of shares	62	310
Deduct: Revenue received on issue of shares	(55)	(103)
Total distribution	<u><u>1,628</u></u>	<u><u>3,670</u></u>
	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
	£000	£000
(b) Difference between net revenue and distribution:		
Net revenue after taxation	1,623	3,701
Net revenue received on share class conversions	-	8
Tax charge taken from capital account	5	(39)
Total distribution	<u><u>1,628</u></u>	<u><u>3,670</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 383 and 384.

8. Debtors

	31 March 2023	31 March 2022
	£000	£000
Accrued income	361	498
Amounts receivable for issue of shares	15	1,139
Amounts receivable from counterparties in respect of collateral on derivatives	180	-
Currency spot awaiting settlement	525	-
Sales awaiting settlement	2,290	-
	<u>3,371</u>	<u>1,637</u>

9. Cash and bank balances

	31 March 2023	31 March 2022
	£000	£000
Cash and bank balances	1,481	7,192
Total cash and bank balances	<u><u>1,481</u></u>	<u><u>7,192</u></u>

FTF Templeton Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Other creditors

	31 March 2023	31 March 2022
	£000	£000
Accrued expenses	50	63
Amounts payable for cancellation of shares	146	239
Currency purchases awaiting settlement	526	-
Overseas capital gains tax provision	5	3
Purchases awaiting settlement	2,273	-
	<u>3,000</u>	<u>305</u>

11. Related parties

During the year, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £16,000 (£18,000 as at 31 March 2022).

During the year the Fund received £Nil (£Nil for the year to 31 March 2022) in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £Nil (£6,000 as at 31 March 2022).

12. Portfolio Transaction Costs

During the year bond purchases amounted to £34,447,000 (2022: £51,341,000) and bond sales amounted to £39,461,000 (2022: £73,685,000). No direct transaction costs were incurred during the current or prior year.

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.40% (2022: 0.45%).

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

13. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
W – Accumulation shares	13,373,949	531,826	(2,784,084)	-	11,121,691
W – Accumulation H3 shares	13,001,358	6,886,763	(5,532,311)	-	14,355,810
W – Income shares	6,127,128	869,790	(2,350,086)	-	4,646,832
W – Income H3 shares	18,787,113	967,141	(9,286,967)	-	10,467,287
Y – Income shares	2,972	-	(2,972)	-	-

FTF Templeton Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023		31 March 2022	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	-	-	-	-
Level 2	28,402	290	33,569	1,267
Level 3 ¹	-	-	-	-
Total	28,402	290	33,569	1,267

¹Includes securities fair valued by the ACD. Level 3 assets held in the Fund have been identified on the portfolio statement.

15. Portfolio Statement by Credit Rating

Standard & Poor's Rating			Market Value	% of
			£000	Net Assets
31 March 2023				
Investment grade		BBB or higher	7,333	24.69
Non-investment grade		below BBB	4,226	14.23
Not rated		Not rated	15,928	53.62
Total Value of Bonds			27,487	92.54
31 March 2022				
Investment grade		BBB or higher	21,457	52.89
Non-investment grade		below BBB	6,873	16.94
Not rated		Not rated	5,240	12.91
Total Value of Bonds			33,570	82.74

16. Counterparty and Collateral Exposure

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of America Merrill Lynch	24	-	-	-	-	-	24
Bank of New York Mellon International	-	488	-	-	-	-	488
Barclays Bank	14	-	-	-	-	-	14
BNP Paribas AG	15	-	-	-	-	-	15
Citigroup Global Markets Limited	(62)	-	-	-	-	-	(62)
Deutsche Bank	(51)	-	-	-	-	-	(51)
Goldman Sachs International	98	-	-	-	-	-	98
HSBC Bank	13	-	-	-	-	-	13
J.P. Morgan Securities Plc	(48)	-	-	168	-	-	120
Morgan Stanley International	(34)	-	-	-	-	-	(34)

FTF Templeton Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Counterparty and Collateral Exposure (Continued)

31 March 2022							
Counterparty	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaption	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of America Merrill Lynch	(64)	-	-	-	-	-	(64)
Barclays Bank	(175)	-	-	-	-	-	(175)
Citigroup Global Markets Limited	(238)	-	-	-	-	-	(238)
Deutsche Bank	(281)	-	-	-	-	-	(281)
Goldman Sachs International	45	-	-	-	-	-	45
HSBC Bank	26	-	-	-	-	-	26
J.P. Morgan Securities Plc	(599)	-	-	16	-	-	(583)

Collateral pledged to these counterparties in respect of derivative contracts was £180,267 (2022 - £1,678,565) in the form of cash.

17. Calculation Method of the Risk Exposure

The risk management policies are on pages 13 to 15.

Global Exposure using VaR Approach

Market Risk	Limit	Lowest	Highest	Average	Reference Portfolio	Model Type	Confidence Interval	Holding period	Observation period
31 March 2023									
Relative VaR	200%	49.81%	71.80%	58.89%	50% Barclays Capital Multiverse Index + 25% Barclays Capital Global High-Yield Index + 12.5% JP Morgan Emerging Markets Bond Index Global (EMBIG) + 12.5% JP Morgan Government Bond Index-Emerging Markets (GBI-EM)	Monte Carlo Simulation	99th Percentile	20-Day	1 April 2022 to 31 March 2023
31 March 2022									
Relative VaR	0%	99.00%	116.00%	106.00%	50% Barclays Capital Multiverse Index + 25% Barclays Capital Global High-Yield Index + 12.5% JP Morgan Emerging Markets Bond Index Global (EMBIG) + 12.5% JP Morgan Government Bond Index-Emerging Markets (GBI-EM)	Monte Carlo Simulation	99th Percentile	20-Day	1 April 2021 to 31 March 2022

FTF Templeton Global Total Return Bond Fund

DISTRIBUTION TABLES For the year ended 31 March 2023

For the period 1 April 2022 to 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased in the period 1 April 2022 to 30 June 2022

	Net Income	Equalisation	30 June 2022 Pence per Share	30 June 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	1.1164	-	1.1164	2.1267
Group 2	0.4653	0.6511	1.1164	2.1267
W Accumulation H3 shares				
Group 1	0.9998	-	0.9998	1.8334
Group 2	0.2446	0.7552	0.9998	1.8334
W Income Shares				
Group 1	0.7210	-	0.7210	1.4449
Group 2	0.5668	0.1542	0.7210	1.4449
W Income H3 shares				
Group 1	0.6139	-	0.6139	1.4044
Group 2	0.3341	0.2798	0.6139	1.4044
Y Income Shares				
Group 1	0.8778	-	0.8778	1.6988
Group 2	0.8778	0.0000	0.8778	1.6988

For the period 1 July 2022 to 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased in the period 1 July 2022 to 30 September 2022

	Net Income	Equalisation	30 September 2022 Pence per Share	30 September 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	1.2806	-	1.2806	2.0545
Group 2	0.7436	0.5370	1.2806	2.0545
W Accumulation H3 shares				
Group 1	0.9168	-	0.9168	1.7452
Group 2	0.1505	0.7663	0.9168	1.7452
W Income Shares				
Group 1	0.7994	-	0.7994	1.3671
Group 2	0.3469	0.4525	0.7994	1.3671
W Income H3 shares				
Group 1	0.6445	-	0.6445	1.3082
Group 2	0.4251	0.2194	0.6445	1.3082
Y Income Shares				
Group 1	0.0000	-	0.0000	1.6201
Group 2	0.0000	0.0000	0.0000	1.6201

FTF Templeton Global Total Return Bond Fund

DISTRIBUTION TABLES (Continued)

For the period 1 October 2022 to 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased in the period 1 October 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share	31 December 2021 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	1.1615	-	1.1615	1.6651
Group 2	0.5068	0.6547	1.1615	1.6651
W Accumulation H3 shares				
Group 1	0.8329	-	0.8329	1.3742
Group 2	0.4114	0.4215	0.8329	1.3742
W Income Shares				
Group 1	0.7158	-	0.7158	1.0868
Group 2	0.5323	0.1835	0.7158	1.0868
W Income H3 shares				
Group 1	0.5774	-	0.5774	1.0257
Group 2	0.2956	0.2818	0.5774	1.0257
Y Income Shares				
Group 1	0.0000	-	0.0000	1.2708
Group 2	0.0000	0.0000	0.0000	1.2708

For the period 1 January 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share	31 March 2022 Pence per Share
	p	p	p	p
W Accumulation Shares				
Group 1	1.1136	-	1.1136	1.6894
Group 2	0.3237	0.7899	1.1136	1.6894
W Accumulation H3 shares				
Group 1	0.8217	-	0.8217	1.2697
Group 2	0.2832	0.5385	0.8217	1.2697
W Income Shares				
Group 1	0.6782	-	0.6782	1.0686
Group 2	0.3869	0.2913	0.6782	1.0686
W Income H3 shares				
Group 1	0.5631	-	0.5631	1.0166
Group 2	0.2867	0.2764	0.5631	1.0166
Y Income Shares				
Group 1	0.0000	-	0.0000	1.2799
Group 2	0.0000	0.0000	0.0000	1.2799

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FTF Western Asset Global Multi Strategy Bond Fund

INVESTMENT REVIEW

PERFORMANCE

In the period 1 April 2022 through 31 March 2023, the FTF Western Asset Global Multi Strategy Bond Fund made a return of -6.88%¹ (W Accumulation), compared to a return of 2.25% for the SONIA Compounded Index (sterling).

OVERVIEW

The global economy weakened during the first part of the reporting period, as it continued to be impacted by COVID-19 and its variants, elevated inflation, central bank monetary policy tightening, supply chain issues, and the repercussions from the war in Ukraine. During the second half, a softening of inflation pressures led to a more balanced and supportive macroeconomic backdrop and offered policymakers some optimism. However in March, the focus on inflation and the continued central bank policy tightening became overshadowed by the onset of turmoil in the banking sector. The collapse of Signature Bank and Silicon Valley Bank in the US, and Credit Suisse in Europe pushed global government bond yields lower and saw spread sectors sell off sharply. Notably, the Federal Reserve (Fed) acted promptly to provide the US banking system with essential liquidity through the discount window and the introduction of the Bank Term Funding Program (BTFP). Fears of contagion and of further knock-on effects from rapid monetary tightening remained however, and led to a sharp shift in policy rate trajectories, in particular for the Fed.

During the review period, central banks continued to tighten monetary policy. The Federal Reserve (Fed) hiked the federal funds rate by 450 basis points to a target rate to 4.75%-5.00%. The European Central Bank (ECB) hiked the deposit facility rate by 350 basis points to 3.00% and began its quantitative tightening in March 2023, while the Bank of England (BoE) hiked the Bank Rate by 350 basis points to 4.25%.

SIGNIFICANT CHANGES

A number of changes were made to the portfolio during the reporting period. The Fund increased its allocations to investment-grade financial bonds and its cash position. Examples of the largest purchases in the reporting period where we were increasing exposure to investment grade corporates include US Dollar denominated Credit Suisse Group 6.373% 15 July 2026, Sterling denominated Wells Fargo & Co 3.473% 26 April 2028 and Whitbread 2.375% 31 May 2027.

In contrast, the Fund reduced its allocations to high-yield bonds and bank loans, emerging markets and mortgage backed securities. The duration of the portfolio was also reduced during the period. Examples of the largest sales where we reduced allocations include the Franklin Templeton Qualified Investor Funds II - Western Asset European Loan Fund for reduction in bank loans, and US Dollar denominated Sprint 8.75% March 2032 and Ardagh Packaging Finance 5.25% 15 August 2027 for reduction in high yield.

The Fund's foreign exchange ("FX") exposure was also more diversified.

POSITIVE/NEGATIVE CONTRIBUTORS

A long position in developed market duration detracted the most from performance, as rates moved sharply higher amid elevated inflation and aggressive central bank rate hikes. Security selection was also a meaningful headwind for returns. The Fund's investment-grade and high-yield bond exposures negatively impacted results, as investor risk aversion and rising rates caused their spreads to widen. Elsewhere, the Fund's emerging market and asset-back security exposures detracted from returns. On the upside, yield-curve and income positioning contributed to performance. The Fund's allocation to bank loans was also beneficial.

OUTLOOK

In line with our expectations, global growth appears to be downshifting and inflation is trending lower. Declining new order activity, rising inventories and improving supply chains worldwide have resulted in lower manufacturing inflation. Signs of moderating price pressures are also evident across service sectors, globally. These trends, combined with the major central banks continuing to advocate for tight monetary policy, should further temper growth and inflation.

In the US, ongoing rate hikes and the Fed's intent to maintain a restrictive policy stance are weighing on inflation expectations, wage growth and housing activity. That stated, our view is that the Fed is in a position to pause and that the US will avoid a recession. In Europe, the outlook is mixed as demand has improved and the labour market remains buoyant, albeit with forward-looking growth indicators pointing to additional softening. Meanwhile, macro conditions in the UK continue to deteriorate—deeply negative real wage growth and higher costs of living (e.g., energy and food prices) have crimped discretionary spending and pushed consumer confidence to all-time lows. The one bright spot in the global picture is China, where we see broad policy accommodation (to support the reopening of its economy following the end of its zero-Covid strategy) acting as a positive growth catalyst for Asia and emerging markets (EM) as a whole.

FTF Western Asset Global Multi Strategy Bond Fund

INVESTMENT REVIEW *(Continued)*

As global growth and inflation continue to moderate, and recent concern over the stability of the US and EU banking systems abates, we expect developed market (DM) government bond yields to trend lower. In such an environment, we anticipate that the US dollar will weaken modestly and that EM –where central banks are at the end of their tightening cycle–will outperform. Credit markets currently offer attractive value but we acknowledge that they remain vulnerable to unanticipated shifts in macro-related sentiment, geopolitical developments and the risk of central bank overtightening.

Annabel Rudebeck, Gordon Brown, Ian Edmonds, S. Kenneth Leech & Michael Buchanan

Fund Managers

31 March 2023

¹The performance returns noted are for the period 1 April 2022 to 31 March 2023 and therefore include a period whilst the fund was under the Franklin Templeton Funds II umbrella before merging to the Franklin Templeton Funds umbrella on 23 September 2022.

FTF Western Asset Global Multi Strategy Bond Fund

COMPARATIVE TABLES As at 31 March 2023

<u>S – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	130.67
Return before operating charges ¹	0.73
Operating charges ²	(0.38)
Return after operating charges ³	0.35
Distributions	(4.26)
Retained distributions on accumulation shares	4.26
Closing net asset value per share	131.02
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	0.27%
Other information	
Closing net asset value (£)	3,574,806
Closing number of shares	2,728,451
Operating charges ratio ⁶	0.56%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	136.11
Lowest share price	124.84
 S – Income*	
31 March 2023	
Change in net assets per share (p)	
Opening net asset value per share	89.16
Return before operating charges ¹	0.52
Operating charges ²	(0.26)
Return after operating charges ³	0.26
Distributions	(2.87)
Closing net asset value per share	86.55
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	0.29%
Other information	
Closing net asset value (£)	62,542,066
Closing number of shares	72,262,442
Operating charges ratio ⁶	0.56%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	90.90
Lowest share price	85.18

FTF Western Asset Global Multi Strategy Bond Fund

COMPARATIVE TABLES (Continued)

<u>W – Accumulation*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	100.17
Return before operating charges ¹	0.56
Operating charges ²	(0.40)
Return after operating charges ³	0.16
Distributions	(3.23)
Retained distributions on accumulation shares	3.23
Closing net asset value per share	100.33
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	0.16%
Other information	
Closing net asset value (£)	39,394
Closing number of shares	39,266
Operating charges ratio ⁶	0.77%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	104.27
Lowest share price	95.68

<u>W – Income*</u>	<u>31 March 2023</u>
Change in net assets per share (p)	
Opening net asset value per share	68.64
Return before operating charges ¹	0.39
Operating charges ²	(0.27)
Return after operating charges ³	0.12
Distributions	(2.19)
Closing net asset value per share	66.57
After direct transaction costs of ⁴	-
Performance	
Return after charges ⁵	0.17%
Other information	
Closing net asset value (£)	4,019,116
Closing number of shares	6,037,221
Operating charges ratio ⁶	0.77%
Direct transaction costs ⁴	-
Prices (p)	
Highest share price	69.94
Lowest share price	65.57

- 1 The "return before operating charges" is calculated as the "return after operating charges" plus the "operating charges".
- 2 The "operating charges" are calculated with reference to the total expenses for the year divided by the number of shares in issue at each valuation point.
- 3 The "return after operating charges" is calculated as the "closing net asset value per share" plus the "distributions" (for income share classes only) minus the "opening net asset value per share".
- 4 The direct transaction costs include all fees and expenses which relate directly to the sales and purchases of securities which include commissions, transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The "direct transaction costs" ratio is calculated by dividing the total transaction costs by the average net assets.
- 5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.
- 6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. The operating charges are annualised for share classes launched during the year.

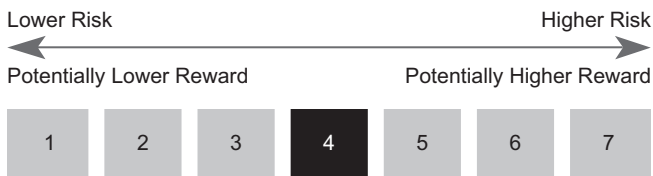
FTF Western Asset Global Multi Strategy Bond Fund

COMPARATIVE TABLES *(Continued)*

* The Fund launched on 23 September 2022, consequently there is no comparative data for the Fund. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

FTF Western Asset Global Multi Strategy Bond Fund

RISK PROFILE (W Accumulation Shares) As at 31 March 2023



This indicator, disclosed in the Key Investor Information Document (“KIID”), provides a measure of the price movement of the Fund based on historical behaviour. Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Factors” section of the current prospectus of Franklin Templeton Funds.

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2023

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	EQUITIES 0.28%		
	NORTH AMERICA 0.28%		
	UNITED STATES OF AMERICA		
30,718	Berry.....	194	0.28
	TOTAL - NORTH AMERICA	194	0.28
	TOTAL - EQUITIES	194	0.28
	BONDS 87.41%		
	AFRICA 4.28%		
	CÔTE D'IVOIRE		
310,000	Ivory Coast Government International Bond, 5.250%, 22/03/2030.....	223	0.32
	EGYPT		
550,000	Egypt Government International Bond, 3.875%, 16/02/2026.....	327	0.46
550,000	Egypt Government International Bond, 6.375%, 11/04/2031.....	288	0.41
		615	0.87
	GABON		
240,000	Gabon Government International Bond, 7.000%, 24/11/2031.....	148	0.21
	NIGERIA		
600,000	Nigeria Government International Bond, 7.625%, 28/11/2047.....	307	0.44
	SOUTH AFRICA		
42,810,000	Republic of South Africa Government Bond, 6.500%, 28/02/2041.....	1,221	1.74
830,000	Republic of South Africa Government International Bond, 5.750%, 30/09/2049.....	491	0.70
		1,712	2.44
	TOTAL - AFRICA	3,005	4.28
	ASIA 1.47%		
	INDONESIA		
12,635,000,000	Indonesia Treasury Bond, 7.000%, 15/05/2027.....	695	0.99
	KAZAKHSTAN		
230,000	KazMunayGas National JSC, 5.375%, 24/04/2030.....	166	0.23
	MACAU		
260,000	Sands China, 3.350%, 08/03/2029.....	174	0.25
	TOTAL - ASIA	1,035	1.47
	CENTRAL AMERICA 5.21%		
	DOMINICAN REPUBLIC		
560,000	Dominican Republic International Bond, 4.875%, 23/09/2032.....	386	0.55
	GUATEMALA		
550,000	Central American Bottling / CBC Bottling Holdco SL / Beliv Holdco SL, 5.250%, 27/04/2029.....	413	0.59
	MEXICO		
67,256,400	Mexican Bonos, 7.750%, 13/11/2042.....	2,624	3.74
330,000	Orbia Advance, 5.875%, 17/09/2044.....	230	0.33
		2,854	4.07
	TOTAL - CENTRAL AMERICA	3,653	5.21
	EUROPE - NON EU 2.15%		
	JERSEY		
310,000	Wheel Bidco, 6.750%, 15/07/2026.....	258	0.37
	NORWAY		
100,000	Adevinta, 3.000%, 15/11/2027.....	79	0.11
	RUSSIA		
152,473,000	Russian Federal Bond - OFZ, 7.050%, 19/01/2028 ¹	95	0.13

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	RUSSIA (Continued)		
146,870,000	Russian Federal Bond - OFZ, 6.900%, 23/05/2029 ¹	92	0.13
74,952,000	Russian Federal Bond - OFZ, 7.250%, 10/05/2034 ¹	47	0.07
		234	0.33
	SWITZERLAND		
490,000	Credit Suisse, 6.373%, 15/07/2026	383	0.55
440,000	Credit Suisse, 7.500%, Perpetual	18	0.03
700,000	UBS, 7.000%, Perpetual	536	0.76
		937	1.34
	TOTAL - EUROPE - NON EU	1,508	2.15
	EUROPE - OTHER EU 16.28%		
	BELGIUM		
185,000	Ideal Standard International, 6.375%, 30/07/2026	89	0.13
	DENMARK		
110,000	Orsted, 2.500%, 18/02/3021	75	0.11
	FINLAND		
100,000	Huhtamaki, 4.250%, 09/06/2027	85	0.12
	FRANCE		
200,000	Accor, 2.375%, 29/11/2028	155	0.22
310,000	Altice France SA/France, 2.125%, 15/02/2025	252	0.36
100,000	BNP Paribas, 2.500%, 31/03/2032	79	0.11
380,000	BNP Paribas, 7.000%, Perpetual	280	0.40
350,000	BNP Paribas, 7.375%, Perpetual	269	0.38
260,000	CAB SELAS, 3.375%, 01/02/2028	187	0.27
210,000	Goldstory SASU, 5.375%, 01/03/2026	169	0.24
100,000	Kapla SAS, FRN, 7.982%, 15/07/2027	88	0.13
		1,479	2.11
	GERMANY		
1,000,000	Allianz, 3.200%, Perpetual	567	0.81
310,000	APCOA Parking, 4.625%, 15/01/2027	232	0.33
60,000	Bundesrepublik Deutschland Bundesanleihe, 0.250%, 15/02/2029	47	0.07
300,000	ZF Finance, 5.750%, 03/08/2026	264	0.37
		1,110	1.58
	GIBRALTAR		
270,000	888 Acquisitions, 7.558%, 15/07/2027	201	0.29
	IRELAND		
230,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust, 3.300%, 30/01/2032	154	0.22
420,000	Ardagh Packaging Finance / Ardagh USA, 5.250%, 15/08/2027	268	0.38
1,070,000	Park Aerospace, 5.500%, 15/02/2024	856	1.22
		1,278	1.82
	ITALY		
340,000	Castor, 6.000%, 15/02/2029	265	0.38
160,000	International Design, FRN, 6.904%, 15/05/2026	137	0.20
280,000	Intesa Sanpaolo, 6.500%, 14/03/2029	276	0.39
		678	0.97
	LUXEMBOURG		
300,000	Altice Financing, 2.250%, 15/01/2025	248	0.35
340,000	Cidron Aida Finco Sarl, 6.250%, 01/04/2028	291	0.42
432,000	Millicom International Cellular, 5.125%, 15/01/2028	312	0.44
		851	1.21
	NETHERLANDS		
200,000	Cooperatieve Rabobank UA, 4.875%, Perpetual	151	0.22

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
NETHERLANDS (Continued)			
200,000	Cooperatieve Rabobank UA, 3.250%, Perpetual	142	0.20
400,000	ING Groep, 5.000%, 30/08/2026	393	0.56
200,000	IPD 3, 5.500%, 01/12/2025	172	0.24
450,000	Prosus, 3.832%, 08/02/2051	233	0.33
200,000	Telefonica Europe, 2.376%, Perpetual	138	0.20
100,000	Telefonica Europe, 3.875%, Perpetual	81	0.12
300,000	Teva Pharmaceutical Finance Netherlands III, 3.150%, 01/10/2026	219	0.31
520,000	Teva Pharmaceutical Finance Netherlands III, 4.750%, 09/05/2027	392	0.56
270,000	Trivium Packaging Finance, 5.500%, 15/08/2026	209	0.30
540,000	United, 5.250%, 01/02/2030	338	0.48
740,000	UPC, 5.500%, 15/01/2028	536	0.76
610,000	VZ Secured Financing, 5.000%, 15/01/2032	400	0.57
		<u>3,404</u>	<u>4.85</u>
POLAND			
8,210,000	Republic of Poland Government Bond, 1.750%, 25/04/2032	1,092	1.55
ROMANIA			
330,000	Romanian Government International Bond, 2.000%, 14/04/2033	197	0.28
SPAIN			
290,000	Lorca Telecom Bondco, 4.000%, 18/09/2027	235	0.33
290,000	Via Celere Desarrollos Inmobiliarios, 5.250%, 01/04/2026	228	0.33
		<u>463</u>	<u>0.66</u>
SWEDEN			
330,000	Heimstaden Bostad, 3.625%, Perpetual	145	0.21
200,000	Verisure, 7.125%, 01/02/2028	176	0.25
140,000	Verisure Midholding, 5.250%, 15/02/2029	102	0.14
		<u>423</u>	<u>0.60</u>
TOTAL - EUROPE - OTHER EU		<u>11,425</u>	<u>16.28</u>
MIDDLE EAST 0.79%			
UNITED ARAB EMIRATES			
710,000	DP World Ltd/United Arab Emirates, 5.625%, 25/09/2048	554	0.79
TOTAL - MIDDLE EAST		<u>554</u>	<u>0.79</u>
NORTH AMERICA 38.25%			
CANADA			
230,000	First Quantum Minerals, 6.875%, 01/03/2026	180	0.26
760,000	MEG Energy, 7.125%, 01/02/2027	627	0.89
		<u>807</u>	<u>1.15</u>
UNITED STATES OF AMERICA			
210,000	AbbVie, 4.850%, 15/06/2044	163	0.23
290,973	Alterra Mountain, FRN, 8.340%, 30/07/2028	234	0.33
470,000	American Airlines Inc/AAAdvantage Loyalty IP, 5.500%, 20/04/2026	374	0.53
280,000	American Axle & Manufacturing, 5.000%, 01/10/2029	191	0.27
290,000	American Express, 3.550%, Perpetual	198	0.28
266,608	Asurion, FRN, 8.090%, 31/07/2027	197	0.28
56,545	Asurion, FRN, 8.907%, 17/08/2028	42	0.06
630,000	Bank of America, 3.311%, 22/04/2042	394	0.56
530,000	Bausch Health Americas, 9.250%, 01/04/2026	318	0.45
680,000	BBVA Bancomer SA/Texas, 5.125%, 18/01/2033	470	0.67
270,000	Braskem America Finance, 7.125%, 22/07/2041	199	0.28
790,000	CCO / CCO Capital, 4.500%, 15/08/2030	539	0.77
550,000	CCO / CCO Capital, 4.500%, 01/06/2033	358	0.51
390,000	Centene, 4.625%, 15/12/2029	299	0.43
130,000	Charles Schwab, 4.000%, Perpetual	82	0.12

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED STATES OF AMERICA (Continued)			
130,000	Cigna Group/The, 4.800%, 15/08/2038	102	0.15
480,000	Citigroup, 6.300%, Perpetual	368	0.52
414,152	Clarios Global LP, FRN, 8.090%, 30/04/2026	332	0.47
448,000	Comcast, 2.937%, 01/11/2056	240	0.34
350,000	Connecticut Avenue Trust 2021-R01, FRN, 7.660%, 25/10/2041	267	0.38
348,630	Conseco Finance, FRN, 7.750%, 15/06/2027	280	0.40
760,000	Continental Resources, 4.900%, 01/06/2044	475	0.68
234,648	CSMC Mortgage-Backed Trust Series 2006-1, FRN, 3.876%, 25/02/2036	191	0.27
325,000	DCP Midstream Operating LP, 6.450%, 03/11/2036	272	0.39
620,000	Delta Air Lines, 7.000%, 01/05/2025	513	0.73
422,000	Delta Air Lines / SkyMiles IP, 4.500%, 20/10/2025	335	0.48
160,000	Delta Air Lines / SkyMiles IP, 4.750%, 20/10/2028	125	0.18
248,000	Devon Energy, 5.250%, 15/10/2027	200	0.28
590,000	Directv Financing / Directv Financing Co-Obligor, 5.875%, 15/08/2027	429	0.61
570,000	DISH DBS, 7.750%, 01/07/2026	303	0.43
340,000	DISH DBS, 5.750%, 01/12/2028	205	0.29
170,000	Diversified Healthcare Trust, 9.750%, 15/06/2025	132	0.19
210,000	Enterprise Products Operating, 4.800%, 01/02/2049	155	0.22
520,000	EQT, 5.000%, 15/01/2029	398	0.57
309,503	Focus Financial Partners, FRN, 8.057%, 30/06/2028	247	0.35
450,000	Ford Motor Credit, 2.748%, 14/06/2024	427	0.61
200,000	Ford Motor Credit, 3.815%, 02/11/2027	145	0.21
335,000	Ford Motor Credit, 2.900%, 10/02/2029	224	0.32
340,000	Freddie Mac STACR REMIC Trust 2021-DNA3, FRN, 8.060%, 25/10/2033	262	0.37
280,000	Freeport-McMoRan, 5.450%, 15/03/2043	212	0.30
120,000	Fugue Finance, FRN, 9.374%, 25/01/2028	97	0.14
336,662	Garda World, FRN, 9.109%, 30/10/2026	268	0.38
740,889	Global Medical Response, FRN, 9.236%, 24/09/2025	417	0.59
230,000	Goldman Sachs, 3.625%, 29/10/2029	208	0.30
144,000	Goldman Sachs Capital II, FRN, 5.730%, Perpetual	88	0.13
290,000	Hilton USA Trust 2016-HHV, FRN, 4.333%, 05/11/2038	210	0.30
360,000	Hilton Worldwide Finance / Hilton Worldwide Finance, 4.875%, 01/04/2027	287	0.41
1,810,000	J.P. Morgan Chase Commercial Mortgage Trust 2018-PHMZ, FRN, 13.192%, 15/06/2035 ²	-	0.00
445,000	JPMorgan Chase &, 3.328%, 22/04/2052	262	0.37
100,000	Kinder Morgan, 7.750%, 15/01/2032	94	0.13
260,000	Kraft Heinz Foods, 5.200%, 15/07/2045	203	0.29
125,000	Lehman Brothers Capital Trust VII, FRN, 5.857%, Perpetual ²	-	0.00
82,483	LifePoint Health, FRN, 8.575%, 16/11/2025	63	0.09
266,625	Liftoff, FRN, 8.590%, 30/09/2028	151	0.21
420,000	Match II, 5.000%, 15/12/2027	321	0.46
110,000	McDonald's, 4.200%, 01/04/2050	78	0.11
297,750	Medline, FRN, 8.090%, 30/09/2028	234	0.33
150,000	MetLife, 6.400%, 15/12/2066	117	0.17
80,000	Morgan Stanley, 5.597%, 24/03/2051	68	0.10
470,000	Netflix, 6.375%, 15/05/2029	408	0.58
560,000	NGPL PipeCo, 7.768%, 15/12/2037	498	0.71
310,000	Occidental Petroleum, 3.500%, 15/08/2029	227	0.32
20,000	Occidental Petroleum, 7.875%, 15/09/2031	18	0.03
740,000	Range Resources, 4.750%, 15/02/2030	545	0.78
630,000	Sasol Financing USA, 5.500%, 18/03/2031	425	0.61
473,955	Sedgwick Claims Management, FRN, 8.557%, 24/02/2028	378	0.54
360,000	Southern Copper, 5.250%, 08/11/2042	279	0.40
330,000	Southwestern Energy, 4.750%, 01/02/2032	235	0.33
723,000	Sprint Capital, 8.750%, 15/03/2032	712	1.01
340,000	Targa Resources Partners LP / Targa Resources Partners Finance, 5.500%, 01/03/2030	268	0.38
320,000	T-Mobile USA, 3.875%, 15/04/2030	242	0.34

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED STATES OF AMERICA (Continued)			
660,000	United Airlines, 4.625%, 15/04/2029	483	0.69
150,000	United Rentals North America, 3.875%, 15/02/2031	107	0.15
1,230,000	United States Treasury Note/Bond, 0.250%, 30/09/2023	973	1.39
610,000	United States Treasury Note/Bond, 2.250%, 15/02/2027	467	0.67
1,070,000	United States Treasury Note/Bond, 2.875%, 15/05/2032	822	1.17
590,000	United States Treasury Note/Bond, 4.125%, 15/11/2032	501	0.71
70,000	United States Treasury Note/Bond, 1.750%, 15/08/2041	41	0.06
110,000	United States Treasury Note/Bond, 2.000%, 15/11/2041	67	0.10
260,000	United States Treasury Note/Bond, 4.000%, 15/11/2042	215	0.31
1,314,000	United States Treasury Note/Bond, 3.000%, 15/11/2045	921	1.31
80,000	United States Treasury Note/Bond, 3.125%, 15/05/2048	58	0.08
120,000	United States Treasury Note/Bond, 3.375%, 15/11/2048	90	0.13
300,000	United States Treasury Note/Bond, 3.000%, 15/02/2049	211	0.30
210,000	United States Treasury Note/Bond, 2.875%, 15/05/2049	145	0.21
100,000	United States Treasury Note/Bond, 1.250%, 15/05/2050	47	0.07
500,000	United States Treasury Note/Bond, 1.375%, 15/08/2050	243	0.35
140,000	United States Treasury Note/Bond, 2.375%, 15/05/2051	87	0.12
70,000	United States Treasury Note/Bond, 3.000%, 15/08/2052	49	0.07
296,174	US Renal Care, FRN, 9.875%, 26/07/2026	161	0.23
780,000	VOC Escrow, 5.000%, 15/02/2028	559	0.80
80,000	Warnermedia, 4.279%, 15/03/2032	58	0.08
100,000	Warnermedia, 5.050%, 15/03/2042	68	0.10
180,000	Warnermedia, 5.141%, 15/03/2052	117	0.17
340,000	Wells Fargo &, 3.473%, 26/04/2028	312	0.44
210,000	Wells Fargo &, 5.013%, 04/04/2051	159	0.23
320,000	Western Midstream Operating LP, 5.500%, 15/08/2048	223	0.32
700,000	Williams Cos, 5.750%, 24/06/2044	553	0.79
		<u>26,035</u>	<u>37.10</u>
	TOTAL - NORTH AMERICA	<u>26,842</u>	<u>38.25</u>
	SOUTH AMERICA 4.19%		
	ARGENTINA		
1,406,629	Provincia de Buenos Aires/Government Bonds, 5.250%, 01/09/2037	398	0.57
560,000	YPF, 8.500%, 28/07/2025	397	0.56
		<u>795</u>	<u>1.13</u>
	BRAZIL		
5,204,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2027	795	1.13
370,000	Suzano Austria, 3.750%, 15/01/2031	260	0.37
260,000	Vale Overseas, 6.250%, 10/08/2026	216	0.31
		<u>1,271</u>	<u>1.81</u>
	CHILE		
200,000	Antofagasta, 2.375%, 14/10/2030	129	0.19
	COLOMBIA		
640,000	Colombia Government International Bond, 5.625%, 26/02/2044	389	0.55
220,000	Ecopetrol, 8.875%, 13/01/2033	180	0.26
		<u>569</u>	<u>0.81</u>
	PERU		
340,000	Petroleos del Peru, 5.625%, 19/06/2047	178	0.25
	TOTAL - SOUTH AMERICA	<u>2,942</u>	<u>4.19</u>
	UNITED KINGDOM 14.79%		
290,000	Barclays, 7.125%, Perpetual	254	0.36
290,000	Bellis Acquisition, 4.500%, 16/02/2026	245	0.35
70,000	British Telecommunications, 9.625%, 15/12/2030	70	0.10
210,000	Galaxy Bidco, 6.500%, 31/07/2026	188	0.27

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
UNITED KINGDOM (Continued)			
380,000	Gatwick Airport Finance, 4.375%, 07/04/2026	349	0.50
299,000	Greene King Finance, FRN, 6.357%, 15/03/2036	224	0.32
480,000	HSBC, 6.375%, Perpetual.....	356	0.51
590,000	Lloyds Banking, 4.716%, 11/08/2026	464	0.66
845,000	Marston's Issuer, FRN, 6.532%, 16/07/2035	653	0.93
200,000	NatWest, 3.619%, 29/03/2029	181	0.26
770,000	NatWest, 4.500%, Perpetual	565	0.80
200,000	Pinewood Finance, 3.250%, 30/09/2025	187	0.27
163,000	Saga, 3.375%, 12/05/2024	148	0.21
390,000	Saga, 5.500%, 15/07/2026	305	0.43
286,145	Tesco Property Finance 5, 5.661%, 13/10/2041	280	0.40
455,322	Tesco Property Finance 6, 5.411%, 13/07/2044	433	0.62
4,410,000	United Kingdom Gilt, 0.750%, 22/07/2023	4,363	6.22
290,000	United Kingdom Gilt, 0.625%, 31/07/2035	203	0.29
170,000	Victoria, 3.625%, 24/08/2026	120	0.17
380,000	Vmed O2 UK Financing I, 4.500%, 15/07/2031	303	0.43
470,000	Whitbread, 2.375%, 31/05/2027	405	0.58
100,000	Whitbread, 3.000%, 31/05/2031	80	0.11
	TOTAL - UNITED KINGDOM	10,376	14.79
	TOTAL - BONDS	61,340	87.41
COLLECTIVE INVESTMENT SCHEMES 0.01%			
109	Franklin Templeton Qualified Investor Funds II - Western Asset European Loan ³	10	0.01
	TOTAL - COLLECTIVE INVESTMENT SCHEMES	10	0.01
DERIVATIVES 1.61%			
FORWARD CURRENCY CONTRACTS			
AUD 1,289,145	Buy AUD 1,289,145 sell GBP (738,071) dated 16/05/2023	(41)	(0.06)
EUR 330,000	Buy EUR 330,000 sell GBP (291,549) dated 16/05/2023.....	(1)	0.00
EUR 270,000	Buy EUR 270,000 sell GBP (236,941) dated 16/05/2023.....	1	0.00
EUR 360,000	Buy EUR 360,000 sell GBP (316,230) dated 16/05/2023.....	1	0.00
GBP 7,051,318	Buy GBP 7,051,318 sell EUR (7,833,910) dated 16/05/2023.....	159	0.23
GBP 168,028	Buy GBP 168,028 sell EUR (190,000) dated 16/05/2023.....	1	0.00
GBP 275,213	Buy GBP 275,213 sell EUR (310,000) dated 16/05/2023.....	2	0.00
GBP 249,124	Buy GBP 249,124 sell EUR (280,000) dated 16/05/2023.....	3	0.00
GBP 157,961	Buy GBP 157,961 sell EUR (180,000) dated 16/05/2023.....	-	0.00
GBP 1,222,628	Buy GBP 1,222,628 sell MXN (28,465,835) dated 16/05/2023.....	(40)	(0.06)
GBP 957,211	Buy GBP 957,211 sell PLN (5,070,000) dated 16/05/2023.....	9	0.01
GBP 23,070,473	Buy GBP 23,070,473 sell USD (27,845,000) dated 16/05/2023	590	0.84
GBP 735,922	Buy GBP 735,922 sell USD (888,590) dated 16/05/2023.....	19	0.03
GBP 20,573,022	Buy GBP 20,573,022 sell USD (24,820,507) dated 16/05/2023	534	0.76
GBP 1,424,426	Buy GBP 1,424,426 sell USD (1,721,688) dated 16/05/2023.....	34	0.05
JPY 131,441,000	Buy JPY 131,441,000 sell GBP (832,316) dated 16/05/2023.....	(31)	(0.04)
JPY 115,573,288	Buy JPY 115,573,288 sell USD (886,156) dated 16/05/2023	(11)	(0.01)
USD 100,000	Buy USD 100,000 sell GBP (83,374) dated 16/05/2023	(3)	0.00
USD 250,000	Buy USD 250,000 sell GBP (203,028) dated 16/05/2023.....	(1)	0.00
USD 300,000	Buy USD 300,000 sell GBP (242,297) dated 16/05/2023.....	-	0.00
USD 1,049,967	Buy USD 1,049,967 sell TWD (31,772,000) dated 13/06/2023	1	0.00
		1,226	1.75
FUTURES			
18	Euro-Bund Future June 2023, 08/06/2023	(12)	(0.02)
(51)	US 10 Year Note (CBT) Future June 2023, 21/06/2023.....	(126)	(0.18)
8	US 2 Year Note (CBT) Future June 2023, 30/06/2023	15	0.02
(3)	US 5 Year Note (CBT) Future June 2023, 30/06/2023	(6)	(0.01)

FTF Western Asset Global Multi Strategy Bond Fund

PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
FUTURES (Continued)			
5	US Long Bond (CBT) Future June 2023, 21/06/2023	24	0.03
3	US Ultra Bond CBT Future June 2023,	11	0.02
		(94)	(0.14)
	TOTAL - DERIVATIVES	1,132	1.61
	TOTAL VALUE OF INVESTMENTS	62,676	89.31
	OTHER ASSETS	7,499	10.69
	TOTAL NET ASSETS	70,175	100.00

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

Unless otherwise indicated, the holdings in the Portfolio of Investments represents the debt securities, ordinary shares, ordinary stock units or common shares of the relevant companies or issuers admitted to an official stock exchange.

¹ Income currently suspended on security.

² These securities are fair valued by the manager.

³ Related Party.

FTF Western Asset Global Multi Strategy Bond Fund

STATEMENT OF TOTAL RETURN For the period 23 September 2022 to 31 March 2023

	Notes	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000
Income			
Net capital losses	2		(1,976)
Revenue	3	2,425	
Expenses	4	(213)	
Interest payable and similar charges	5	(24)	
Net revenue before taxation		2,188	
Taxation	6	(19)	
Net revenue after taxation			2,169
Total return before distributions			193
Distributions	7		(2,320)
Change in net assets attributable to shareholders			(2,127)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the period 23 September 2022 to 31 March 2023

	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000
Opening net assets attributable to shareholders		-
In-specie transfer ¹	72,494	
Amounts received on creation of shares	2,311	
Amounts paid on cancellation of shares	(2,619)	
		72,186
Change in net assets attributable to shareholders from investment activities (see above)		(2,127)
Retained distribution on accumulation shares		116
Closing net assets attributable to shareholders		70,175

¹The Franklin Templeton Funds II FTF Western Asset Global Multi Strategy Bond Fund merged into this Fund on 23 September 2022.

BALANCE SHEET As at 31 March 2023

	Notes	31 March 2023
		£000
Assets		
Fixed assets		
Investments		62,948
Current assets		
Debtors	8	2,808
Cash and bank balances	9	5,443
Total assets		71,199
Liabilities		
Investment liabilities		(272)
Creditors		
Distributions payable		(369)
Other creditors	10	(383)
Total liabilities		(1,024)
Net assets attributable to shareholders		70,175

The Fund launched on 23 September 2022, consequently there is no comparative information for the Fund.

FTF Western Asset Global Multi Strategy Bond Fund

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The accounting policies are on pages 11 to 13.

2. Net capital losses

The net capital losses during the period comprise:

	23 September 2022 to 31 March 2023
	£000
Non-derivative securities losses	(2,127)
Derivative losses	(334)
Currency losses	(437)
Forward currency contracts	922
	(1,976)

3. Revenue

	23 September 2022 to 31 March 2023
	£000
Bank and other interest	25
Interest on debt securities	2,363
Interest on margin deposits	1
Overseas dividends	24
Returns from bond futures	12
	2,425

4. Expenses

	23 September 2022 to 31 March 2023
	£000
Payable to the ACD, associates of the ACD and agents of either of them:	
ACD's annual management charge	151
ACD's administration charge	19
ACD Waiver	(21)
	149
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary fee	5
Safe custody fees	14
	19
Other expenses:	
Audit fees	14
Legal and publication fees	25
Other	6
	45
	213

FTF Western Asset Global Multi Strategy Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Interest payable and similar charges

	<u>23 September 2022 to 31 March 2023</u>
	£000
Returns from short position bond futures	24
Total interest payable and similar charges	24

6. Taxation

	<u>23 September 2022 to 31 March 2023</u>
	£000
(a) Analysis of the charge for the period	
Overseas tax	19
Total current tax	19
Total taxation (see Note(b))	19

(b) Factors affecting the total tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20%).

	<u>23 September 2022 to 31 March 2023</u>
	£000
Net revenue before taxation	2,188
Corporation tax at 20%	438
Effects of:	
Movement in unrecognised tax losses	3
Overseas tax	19
Tax deductible interest distributions	(433)
Relief on overseas tax expensed	(3)
Revenue not subject to tax	(5)
Total tax charge for the period (see Note 6(a))	19

(c) Provision for deferred tax

At the year end there is a potential deferred tax asset of £3,000 due to tax losses of £15,000. It is considered unlikely the Fund will generate sufficient tax profits in the future to utilise these amounts and therefore no deferred tax assets have been recognised.

FTF Western Asset Global Multi Strategy Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (a) Distributions

The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares, and comprise:

	<u>23 September 2022 to 31 March 2023</u>
	£000
Interim dividend distributions	
Income	1,834
Accumulation	96
	<u>1,930</u>
Final dividend distributions	
Income	369
Accumulation	20
	<u>389</u>
Add: Revenue deducted on cancellation of shares	10
Deduct: Revenue received on issue of shares	(9)
Total distribution	<u><u>2,320</u></u>

	<u>23 September 2022 to 31 March 2023</u>
	£000
(b) Difference between net revenue and distribution:	
Net revenue after taxation	2,169
Expense charge taken to capital	151
Total distribution	<u><u>2,320</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 405 to 407.

8. Debtors

	<u>31 March 2023</u>
	£000
Accrued income	824
Accrued Manager's charge rebates	8
Amounts receivable for issue of shares	220
Amounts receivable from counterparties in respect of collateral on derivatives	301
Currency spot awaiting settlement	242
Sales awaiting settlement	1,213
	<u>2,808</u>

9. Cash and bank balances

	<u>31 March 2023</u>
	£000
Amount held at futures clearing houses and brokers	494
Cash and bank balances	4,949
Total cash and bank balances	<u><u>5,443</u></u>

FTF Western Asset Global Multi Strategy Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Other creditors

	31 March 2023
	£000
Accrued expenses	100
Amounts payable for cancellation of shares	40
Currency purchases awaiting settlement	242
Overseas capital gains tax provision	1
	383

11. Related parties

During the period, Franklin Templeton Fund Management Limited ("ACD"), a related party, acted primarily in all transactions of the Funds. The aggregate amounts received through issues and cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Amounts charged by the ACD and associates of the ACD in respect of the management and administration fees are disclosed in Note 4.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2023 are £27,000.

During the year the Fund received £21,000 in reimbursed expenses from the ACD.

As at 31 March 2023 the Fund was due reimbursed expenses of £8,000.

Any investments in other Franklin Templeton related party entities are individually identified in the portfolio statement.

12. Risk management policies and disclosures

The risks inherent in the Fund's investment portfolio are as follows:

Market Risk

Please refer to the accounting policies note for details on market risk exposure.

Currency Risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

At the year end date, 2.53% of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest Rate Risk

Interest rate profile of financial assets and financial liabilities

The tables below detail the interest rate profile of the Fund's assets / liabilities at the year end.

2023

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	5,221	56,119	1,608	62,948
Investment liabilities	-	-	(272)	(272)

FTF Western Asset Global Multi Strategy Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Risk management policies and disclosures (Continued)

Sensitivity to Interest Rate Risk

A potential interest rate increase of 1.0% has been assumed for the sensitivity analysis and with all other variables held constant, the profit or loss after taxation and equity are expected to change as disclosed below. The actual movements of values could be different due to unpredictable market environment changes impacting the values in parallel.

<u>Category</u>	<u>31 March 2023</u>
	<u>£000</u>
Fixed rate financial assets	(2,374)
Other	-
Total	<u>(2,374)</u>

A potential interest rate decrease of 1.0% has been assumed for the sensitivity analysis and with all other variables held constant, the profit and loss after taxation and equity are expected to change as disclosed below. The actual movements of values could be different due to unpredictable market environment changes impacting the values in parallel.

<u>Category</u>	<u>31 March 2023</u>
	<u>£000</u>
Fixed rate financial assets	2,699
Other	-
Total	<u>2,699</u>

Other price risk

At the year end date, 89.31% of the net assets of the Fund were invested in bonds, preferred shares, ordinary shares or stock units admitted to an official stock exchange and forward contracts. If the market value were to change by 10%, the value of the Fund would change by 8.93%.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance sheet, and their fair values.

13. Portfolio Transaction Costs

During the year bond purchases amounted to £11,797,000, bond sales amounted to £8,738,000, equity purchases amounted to £Nil and equity sales amounted to £25,000. No direct transaction costs were incurred during the current year.

In pursuance of its investment objectives the Fund incurs commissions, taxes and other charges when buying and selling investment securities. Share dealing generally incurs broker commission and stamp duty and these are paid by the Fund on each transaction where appropriate.

In addition, there is a dealing spread between the buying and selling prices of the underlying investments. The average dealing spread which is the difference between the quoted bid and offer prices or internal administrative or holding costs, are not included in the calculation of Direct Transaction Costs. As at 31 March 2023, the average dealing spread for the underlying Fund investments is 0.35%.

Comparing portfolio transaction costs for a range of funds may give a misleading impression of the relative costs of investing in those funds for the following reasons:

- Historic transaction costs are not an effective indicator of the future impact on performance as it may vary from year to year depending on the investment manager;
- Transaction costs for buying and selling investments due to shareholder activity on the fund are recovered from those investors; and
- Transaction costs will vary depending on the types of securities the fund is investing.

FTF Western Asset Global Multi Strategy Bond Fund

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Creations and Cancellations of Shares

	Number of shares in issue as at 23 September 2022	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2023
S – Accumulation	-	2,934,541	(206,090)	-	2,728,451
S – Income	-	74,253,559	(1,988,327)	(2,790)	72,262,442
W – Accumulation	-	39,742	(476)	-	39,266
W – Income	-	6,937,663	(904,068)	3,626	6,037,221

15. Fair Value Disclosure

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Fair Value Hierarchy	31 March 2023	
	Assets	Liabilities
	£000	£000
Level 1	244	144
Level 2	62,704	128
Level 3 ¹	-	-
Total	62,948	272

¹Includes securities fair valued by the ACD. Level 3 assets held in the Fund have been identified on the portfolio statement.

16. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value	% of Net Assets
		£000	
31 March 2023			
Investment grade	BBB or higher	29,943	42.70
Non-investment grade	below BBB	30,505	43.44
Not rated	Not rated	892	1.27
Total Value of Bonds		61,340	87.41

17. Counterparty and Collateral Exposure

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Swaps Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
BNP Paribas AG	575	-	-	-	-	-	575
Goldman Sachs International	129	-	-	-	-	-	129
J.P. Morgan Securities Plc	(13)	-	-	-	-	-	(13)
Merrill Lynch International	-	-	(94)	-	-	-	(94)
Morgan Stanley International	1	-	-	-	-	-	1
Royal Bank of Canada	534	-	-	-	-	-	534

Collateral pledged to these counterparties in respect of derivative contracts was £301,340 in the form of cash.

FTF Western Asset Global Multi Strategy Bond Fund

DISTRIBUTION TABLES For the period 23 September 2022 to 31 March 2023

For the period 23 September 2022 to 31 October 2022

Group 1 Shares purchased prior to 23 September 2022

Group 2 Shares purchased in the period 23 September 2022 to 31 October 2022

	Net Income	Equalisation	31 October 2022 Pence per Share
	p	p	p
S Accumulation Shares			
Group 1	0.7997	-	0.7997
Group 2	0.1910	0.6087	0.7997
S Income Shares			
Group 1	0.5455	-	0.5455
Group 2	0.1240	0.4215	0.5455
W Accumulation Shares			
Group 1	0.6127	-	0.6127
Group 2	0.4589	0.1538	0.6127
W Income Shares			
Group 1	0.4199	-	0.4199
Group 2	0.0799	0.3400	0.4199

For the period 1 November 2022 to 30 November 2022

Group 1 Shares purchased prior to 1 November 2022

Group 2 Shares purchased in the period 1 November 2022 to 30 November 2022

	Net Income	Equalisation	30 November 2022 Pence per Share
	p	p	p
S Accumulation Shares			
Group 1	0.6728	-	0.6728
Group 2	0.6728	0.0000	0.6728
S Income Shares			
Group 1	0.4564	-	0.4564
Group 2	0.4564	0.0000	0.4564
W Accumulation Shares			
Group 1	0.5157	-	0.5157
Group 2	0.5157	0.0000	0.5157
W Income Shares			
Group 1	0.3512	-	0.3512
Group 2	0.3512	0.0000	0.3512

FTF Western Asset Global Multi Strategy Bond Fund

DISTRIBUTION TABLES (Continued)

For the period 1 December 2022 to 31 December 2022

Group 1 Shares purchased prior to 1 December 2022

Group 2 Shares purchased in the period 1 December 2022 to 31 December 2022

	Net Income	Equalisation	31 December 2022 Pence per Share
	p	p	p
S Accumulation Shares			
Group 1	0.6738	-	0.6738
Group 2	0.4463	0.2275	0.6738
S Income Shares			
Group 1	0.4550	-	0.4550
Group 2	0.0157	0.4393	0.4550
W Accumulation Shares			
Group 1	0.5107	-	0.5107
Group 2	0.5107	0.0000	0.5107
W Income Shares			
Group 1	0.3467	-	0.3467
Group 2	0.2312	0.1155	0.3467

For the period 1 January 2023 to 31 January 2023

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased in the period 1 January 2023 to 31 January 2023

	Net Income	Equalisation	31 January 2023 Pence per Share
	p	p	p
S Accumulation Shares			
Group 1	0.6789	-	0.6789
Group 2	0.4247	0.2542	0.6789
S Income Shares			
Group 1	0.4560	-	0.4560
Group 2	-	0.4560	0.4560
W Accumulation Shares			
Group 1	0.5142	-	0.5142
Group 2	0.5142	0.0000	0.5142
W Income Shares			
Group 1	0.3466	-	0.3466
Group 2	0.1697	0.1769	0.3466

FTF Western Asset Global Multi Strategy Bond Fund

DISTRIBUTION TABLES (Continued)

For the period 1 February 2023 to 28 February 2023

Group 1 Shares purchased prior to 1 February 2023

Group 2 Shares purchased in the period 1 February 2023 to 28 February 2023

	Net Income	Equalisation	28 February 2023 Pence per Share
	p	p	p
S Accumulation Shares			
Group 1	0.7095	-	0.7095
Group 2	0.3026	0.4069	0.7095
S Income Shares			
Group 1	0.4739	-	0.4739
Group 2	0.0123	0.4616	0.4739
W Accumulation Shares			
Group 1	0.5369	-	0.5369
Group 2	0.5369	0.0000	0.5369
W Income Shares			
Group 1	0.3600	-	0.3600
Group 2	0.1634	0.1966	0.3600

For the period 1 March 2023 to 31 March 2023

Group 1 Shares purchased prior to 1 March 2023

Group 2 Shares purchased in the period 1 March 2023 to 31 March 2023

	Net Income	Equalisation	31 March 2023 Pence per Share
	p	p	p
S Accumulation Shares			
Group 1	0.7230	-	0.7230
Group 2	0.4460	0.2770	0.7230
S Income Shares			
Group 1	0.4805	-	0.4805
Group 2	0.0524	0.4281	0.4805
W Accumulation Shares			
Group 1	0.5414	-	0.5414
Group 2	0.1210	0.4204	0.5414
W Income Shares			
Group 1	0.3612	-	0.3612
Group 2	0.1551	0.2061	0.3612

Equalisation

All shareholders, within each share category, receive the same distribution per share, although the distribution to shareholders who purchased shares during the distribution period (Group 2 holdings) contains an element of equalisation which is a repayment, at an average rate per share, of the amount of accrued net income which was included in the purchase price of such shares. As the nature of this payment is capital it is not subject to income tax but must be deducted from the purchase price in any capital gains tax computation on the sale of the shares.

FURTHER INFORMATION

INVESTMENT OBJECTIVES AND POLICY

The Company does not intend to have an interest in any immovable property or tangible movable property. Each Fund may, on an ancillary basis, hold liquid assets. Such assets may be kept in the form of cash deposits or in short-term money market instruments.

FRANKLIN MUTUAL SHARES FUND (NO LONGER AVAILABLE FOR INVESTMENT)

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund's primary objective is long-term capital appreciation by investing primarily in US equity and related debt securities. Income generation is a secondary consideration.

HOW WE INVEST (INVESTMENT POLICY)

The Fund will pursue these objectives primarily through investment in equity and debt securities of US corporate issuers that are listed or traded on Eligible Markets which the Investment Manager believes are available at market prices less than their value based on certain recognised or objective criteria ("intrinsic value").

A significant portion of the debt securities in which the Fund invests is expected to be Sub-Investment Grade debt or equivalent unrated securities.

Following this value-orientated strategy, the Fund primarily invests in:

- Undervalued equities – common and preferred stock, and securities convertible into common or preferred stock, trading at a discount to intrinsic value;

to a lesser extent, the Fund also invests in:

- Merger arbitrage and companies undergoing restructuring – equity and debt securities of companies that are involved in restructurings such as mergers, acquisitions, consolidations, liquidations, spin-offs, or tender or exchange offers; and
- Distressed securities – debt securities of companies that are, or are about to be, involved in reorganisations, financial restructurings, or bankruptcy.

The Fund's investments in distressed companies typically involve the purchase of lower-rated (or comparable unrated) or defaulted debt securities or other indebtedness, such as syndicated bank debt, of such companies. The Fund generally invests in such debt instruments to achieve capital appreciation, rather than to seek income. Such investments may be made when the Investment Manager determines that such securities might be subject to an exchange offer or a plan of reorganisation pursuant to which Shareholders of the distressed securities could receive securities or assets in exchange for such securities. Generally, the Fund will invest in such securities at a price which represents a significant discount from the principal amount due at maturity. Investments by the Fund in distressed or defaulted debt securities shall be considered to be investments in securities which are not traded on Eligible Markets and shall therefore be subject to the restriction that such investments, together with other investments which fall into this category, may not exceed 10% of the net asset value of the Fund.

The Investment Manager employs a research-driven fundamental value strategy for the Fund. In choosing equity investments, the Investment Manager focuses on the market price of a company's securities relative to the Investment Manager's own evaluation of the company's asset value, including an analysis of book value, cash flow potential, long term earnings, and multiples of earnings of comparable securities of both public and private companies. Value stock prices are considered "cheap" relative to the company's perceived value and are often out of favour with other investors. The prices of debt obligations of distressed companies also may be "cheap" relative to the value of the company's assets. The Fund invests in such securities if the Investment Manager believes the market may have over-reacted to adverse developments or failed to appreciate positive changes. The Investment Manager examines each investment separately and there are no set criteria as to specific value parameters, asset size, earnings or industry type. A portion of the assets of the Fund, which will generally be not more than 20% of its net asset value, may be invested in the securities of non-US issuers, including issuers in emerging markets.

The Fund will limit its investments in transferable securities which are not traded on one or more Eligible Markets to not more than 10% of its net asset value as of the time of investment.

In addition, at the ACD's discretion, the Fund may also invest a proportion of its portfolio in other types of transferable securities including cash and near cash, money market instruments, and other collective investment schemes.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management (including hedging) of the Fund. However, the Fund may, in the future and subject to the ACD giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as for efficient portfolio management. **It is not intended that the use of derivatives for efficient portfolio management will cause the Fund's existing risk profile to rise. Where the use of**

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

derivatives in pursuit of the Fund's investment objective may cause the Fund to have higher volatility or otherwise cause its existing risk profile to rise, a notification to that effect shall be included within the 60-day prior notice to be sent to shareholders in the Fund.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

The Fund's performance is compared to the S&P 500 Index as it is widely available and reflects investments in the US stock market.

The base currency of the Fund is UK sterling.

FTF BRANDYWINE GLOBAL INCOME OPTIMISER FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund's primary aim is to generate income in all market conditions, over a full market cycle, typically a three to five-year period, after all fees and costs are deducted. The Fund also seeks to preserve capital.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in any of:

- Debt securities or bonds (a type of debt obligation) issued by governments, government-related or supranational organisations and corporations in any industry, anywhere in the world.
- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Bonds whose value is secured by mortgages or other assets (mortgage or asset-backed securities).
- Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.
- Derivatives (investments whose value is linked to another investment or the performance of another variable factor, such as interest rates, currencies of any country or indices), including synthetic short positions (a technique where the Fund seeks to profit from decreases in value of securities, indices, currencies and/or index rates).

The Fund's principal asset class is the bonds and debt securities referred to above, and the 80% exposure may solely be to these investments, or may be to a combination of these investments with the collective investment schemes and derivatives referred to above. The Fund may invest anywhere in the world including emerging markets. As part of this principal asset class, the Fund may invest in bonds issued by the Chinese government, Chinese government-related or supranational organisations and Chinese corporations.

The Fund may invest in bonds and debt securities which are Investment Grade as well as those which are not Investment Grade. Bonds and debt securities which are not Investment Grade generally pay a higher yield (interest rate) but are considered by rating agencies to be lower quality and carry more risk than Investment Grade bonds.

In selecting investments, the Investment Manager seeks to select what it considers to be the most attractive assets, focusing on sectors which have an appropriate risk profile and high yields after inflation. The Investment Manager assesses macro-economic conditions alongside the investment case for specific issuers, including looking at a wide range of factors at the level of the relevant company, its sector, and the broader economy, with the aim of identifying the most attractive investment opportunities. This approach is intended to enable the Investment Manager to best identify potential anomalies in valuations at a company and sector level. The Investment Manager will invest across the global investment universe of the Fund, and will invest flexibly in sectors and in assets with varying durations and investment quality to achieve the Fund's investment objective.

In addition, the Fund may also invest a proportion of its portfolio in other transferable securities, cash and cash equivalents and money market instruments. The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth), as well as for more speculative investment purposes, to help achieve the Fund's investment objectives.

At least 80% of the Fund's assets will be denominated in, or hedged back to, Sterling.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

In selecting the majority of the Fund's investments, the Investment Manager assesses prospective investments against various environmental, social and governance ("ESG") factors, with a particular focus on environmental and social factors, for example:

- Environmental factors, such as deforestation and land usage, climate change vulnerability, greenhouse gas emissions and reliance on fossil fuel exports.
- Social factors, such as safety and environmental standards and breaches, product liabilities, breaches involving potential business risks, civil and political rights and private sector oversight and regulation.

Certain factors will be relevant to specific types of investment, depending on their features, for example government versus corporate bonds.

The Investment Manager applies these factors to establish a proprietary scoring methodology which it uses to screen the universe of potential investments for the Fund. The proprietary scoring methodology incorporates the Investment Manager's own research as well as the use of external data sources.

Investments which are in the bottom 10% of the scoring system are automatically excluded from the Fund's portfolio. Investments in the bottom 10%-20% may be included in the Fund's portfolio, but the Investment Manager continually monitors these investments and engages actively with issuers to seek improvements in environmental and social factors. If such improvement does not materialise in respect of corporate issuers, the Investment Manager may consider reducing or selling such investments. The majority of the Fund's portfolio is, and potential prospective holdings are, tracked and monitored for improvements and deterioration in environmental and social factors.

The Fund does not automatically exclude fossil fuels from the portfolio and such investments are subject to the above assessment criteria. Corporate issuers in the fossil fuel sector could therefore be included in the Fund's portfolio, if they score higher than the bottom 10% according to the Investment Manager's ESG scoring system.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the SONIA Compounded Index (the "Index"), as it is widely available and reflects the performance of investments in similar assets to those in which the Fund will invest. The Index is a measure of the rate at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal. It is based on actual transactions and reflects the average of the interest rates that banks pay to borrow unsecured sterling cash overnight from other financial institutions. The Index, specifically, is equivalent to a series of daily data representing the returns from a rolling unit of investment earning compound interest each day at the SONIA rate, and can be used to calculate the interest rate payable over a period.
- The Fund's performance can also be compared against the Investment Association Sterling Strategic Bond sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF CLEARBRIDGE GLOBAL INFRASTRUCTURE INCOME FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund's primary aim is to generate income. The Fund also seeks to grow in value by more than the OECD G7 Inflation Index + 5.5%, from a combination of income and investment growth, over five year rolling periods, before all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of the Fund's assets in a diverse range of shares of companies listed on the stock exchanges of developed countries. Such companies will operate across a variety of infrastructure sub-sectors, which may include gas, electricity, water, toll-roads, airports, rail and communication, anywhere in the world.

Up to 20% of the Fund's assets may be invested in shares of companies, including depositary receipts (a type of listed security which enables investors to hold shares in foreign companies), issued by companies in emerging markets (countries whose economy and financial markets are still developing).

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

The Fund may also invest in recently issued shares of companies which are not yet listed but which are expected to be listed within 12 months of purchase.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies). Up to 10% of the Fund may be invested in derivatives and recently issued securities.

The Fund usually invests in shares of around 30 – 60 companies, although the Investment Manager may invest in fewer or more companies where it considers this to be in the interests of the Fund.

While the Fund will normally be invested in accordance with the limits set out above, the Investment Manager has the freedom to invest outside of these limits, sometimes significantly, where the Investment Manager considers that, due to prevailing market conditions, it is in the interests of the Fund and its shareholders to do so.

In addition, the Fund may also invest a proportion of its portfolio in other transferable securities, cash and cash equivalents, money market instruments and other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates).

The Investment Manager selects securities based on their potential return and risk characteristics and role in achieving the Fund's investment objective. The portfolio is not constrained by any market index. The Investment Manager seeks to select infrastructure and utility companies which operate under a regulatory regime, or concession arrangement which provides the Investment Manager with a predictable cash flow and minimum yield. In considering yield, the Investment Manager looks at the dividend yield, the dividend per share expectations over a five year period, and the relationship of a company's dividends and cash flows, over an estimated holding period. The Investment Manager has the freedom to choose securities that their research indicates have the strongest potential to meet the Fund's objective. The Investment Manager integrates financial and non-financial considerations in its assessment of a prospective investment. In selecting the Fund's investments, the Investment Manager assesses prospective investments against various environmental, social and governance ("ESG") factors, depending on the sector of the investee company, for example:

- Environmental factors, such as a company's environmental practices, greenhouse gas emissions and energy efficiency initiatives.
- Social factors such as a company's approach to community relations, occupational health and safety and reliability and pricing of services.
- Governance factors such as the governance structure of the company, management incentives and the Fund's alignment with management, board and other shareholders of the company.

These ESG factors are used to inform the Investment Manager's wider assessment of the value and financial attractiveness of each potential investment and exposures are adjusted accordingly. In addition, the Investment Manager assesses an investment's ESG credentials both at the point of proposed investment and in terms of projected credentials in 5 years' time, allowing the Investment Manager to identify investments which are expected to improve ESG credentials over time. The Investment Manager also uses the results of these assessments to inform its strategy for engagement with companies included in the portfolio.

The Fund will not invest in:

- Companies that derive a significant amount of their revenues (10% or more) from the extraction or production of fossil fuels.
- Companies involved in the production, sale or distribution of dedicated and key components of anti-personnel mines and cluster munitions.
- Companies in the following non-infrastructure sectors: mining, explosives, alcohol and gambling.
- Companies that generate more than 5% of their revenues from tobacco.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British Pounds (GBP).

- We measure performance against the fund's performance target, OECD G7 Inflation Index + 5.5%. The OECD G7 Inflation Index is a measure of inflation across the G7 countries (Canada, France, Germany, Italy, Japan, the UK and the US).
- Shareholders should be aware that the performance target does not take fees and costs into account. Accordingly, the return Shareholders will receive will be impacted by the ongoing charges figure applicable to their share class. This information can be obtained in the Fund's Key Investor Information Document (KIID), which also includes the Fund's past performance, net of all fees and costs.
- The Fund's performance can also be compared against the Investment Association Global Infrastructure sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF CLEARBRIDGE US EQUITY INCOME FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value through a combination of income and investment growth, over rolling three to five year periods, after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 70% of its assets in shares of US companies. The Fund typically invests in shares of around 40 – 60 companies of any sector or industry.

The Investment Manager seeks to select investments in companies which it believes may maintain or increase dividends or income distributions over the longer term. In particular, the Investment Manager seeks to select companies which it believes are undervalued (whether in respect of assets or earning power) by the rest of the market. Typically, the Investment Manager seeks to invest in companies with a market capitalisation of US\$ 10 billion or above, although the Investment Manager has the flexibility to invest in companies with a smaller market capitalisation if considered appropriate.

The Fund may also invest a proportion of its portfolio in preference securities (shares where dividends are paid out in advance of dividends due to other shares in the company), convertible securities (a type of corporate debt security which can be exchanged for common stock shares in the same organisation), and debt securities of any quality. The Fund may also invest in cash and cash equivalents, money-market instruments, and other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

Although the Investment Manager does not typically expect to use derivatives on a regular basis, the Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset, e.g. indices, interest rates, share prices or currencies.

No more than 20% of the Fund's assets can be invested in investments issued by non-US companies.

In selecting investments, the Investment Manager also assesses each investee company against various environmental, social and governance ("ESG") factors, depending on the sector of the investee company, for example:

- Environmental factors, such as a company's environmental practices, greenhouse gas emissions, energy efficiency initiatives and climate risk.
- Social factors such as a company's approach to community relations, occupational health and safety, reliability and pricing of services and gender diversity.
- Governance factors such as the governance structure of the company, management incentives, corporate governance risk, data security and the Fund's alignment with management, board and other shareholders of the company.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

These ESG factors are used to inform the Investment Manager's wider assessment of the value and financial attractiveness of each potential investment, and exposures are adjusted accordingly. The Investment Manager also uses the results of these assessments to inform its strategy for engagement with companies included in the portfolio.

The Fund will not invest in companies involved in the production, sale or distribution of dedicated and key components of antipersonnel mines and cluster munitions.

The Fund will not invest in companies that generate 5% or more of their revenues from tobacco.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the S&P 500 Index (the "Index"), as it is widely available and reflects the performance of investments in similar assets to those in which the Fund will invest. The Index is a measure of the performance of 500 large companies listed in the United States. For hedged share classes that attempt to mitigate the impact of changes in foreign exchange rates (ending "H2"), we show performance of the hedged version of the comparable index.
- The Fund's performance can also be compared against the Investment Association North America sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF CLEARBRIDGE US VALUE FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over a full market cycle (typically three to five years) after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of US companies and debt instruments issued by US companies. Typically, the Investment Manager seeks to invest in companies with a market capitalisation of US\$ 5 billion or above, although the Investment Manager has the flexibility to invest in companies with a smaller market capitalisation if considered appropriate.

The Fund typically invests in investments issued by around 40 – 70 companies. At least 50% of the Fund's assets will be shares of companies (equity).

In addition, the Fund may also invest a proportion of its portfolio in other transferable securities, including those issued by non-US issuers, and warrants (a type of security which offers the right to purchase certain securities at a fixed price). The Fund may not invest more than 5% in warrants. The Fund may also invest in cash and cash equivalents, money market instruments and other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset, e.g. indices, interest rates, share prices or currencies. Use of derivatives is typically expected to be limited.

The Investment Manager takes a long-term approach to investment. The Investment Manager selects investments in companies which it believes are undervalued by the rest of the market, and therefore seeks to purchase securities at discounts to the Investment Manager's assessment of a company's intrinsic value. Intrinsic value in this case is the value of the company measured on factors such as, but not limited to, the discounted value of its projected future free cash flows, the company's ability to earn returns on capital in excess of its cost of capital, private market values of similar companies and the costs to replicate the business.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

In selecting investments, the Investment Manager also assesses each investee company against various environmental, social and governance (“ESG”) factors, depending on the sector of the investee company, for example:

- Environmental factors, such as a company’s environmental practices, greenhouse gas emissions, energy efficiency initiatives and climate risk.
- Social factors such as a company’s approach to community relations, occupational health and safety, reliability and pricing of services and gender diversity.
- Governance factors such as the governance structure of the company, management incentives, corporate governance risk, data security and the Fund’s alignment with management, board and other shareholders of the company.

These ESG factors are used to inform the Investment Manager’s wider assessment of the value and financial attractiveness of each potential investment and exposures are adjusted accordingly. The Investment Manager also uses the results of these assessments to inform its strategy for engagement with companies included in the portfolio.

The Fund will not invest in companies involved in the production, sale or distribution of dedicated and key components of antipersonnel mines and cluster munitions.

The Fund will not invest in companies that generate 5% or more of their revenues from tobacco.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Russell 1000 Value Index (the “Index”), as it is widely available and reflects the performance of investments in similar assets to those in which the Fund will invest. The Index is a measure of the performance of the large-cap value segment of the investment universe of shares in US companies.
- The Fund’s performance can also be compared against the Investment Association North America sector average, which reflects the performance of the Fund’s competitors.

The base currency of the Fund is UK sterling.

FTF FRANKLIN STERLING CORPORATE BOND FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to outperform the Markit iBoxx GBP Non-Gilts Index after fees and costs are deducted through a combination of income and investment growth over a three to five-year period.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in corporate bonds (a type of debt obligation issued by a company) denominated in sterling.

The Fund’s assets will normally be held in investment grade securities (bonds from companies that have been rated by independent agencies as high quality); however, up to 15% of the Fund’s assets can be held in bonds that are rated as below investment grade (below BBB- by Standard & Poor’s or Baa3 by Moody’s). These bonds generally pay a high yield (interest rate) but are considered by rating agencies to be lower quality and carry more risk than investment grade bonds. In addition, the Fund’s managers make their own assessment of both investment grade and non-investment grade bonds to determine whether they believe investors will be adequately rewarded for any risk taken.

Up to 10% of the Fund’s investments can be held in bonds that are denominated in currencies other than British pounds.

The Fund uses derivatives to grow or preserve the Fund’s value, manage investment risk and gain cost-effective access to investments. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies). These derivatives include, but are not limited to, futures, currency forwards, options, and credit default and interest rate swaps.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the Markit iBoxx GBP Non-Gilts Index as it is widely available and reflects investments in similar debt-related securities.
- The Fund's performance can also be compared against the Investment Association £ Corporate Bond sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF FRANKLIN UK GILT FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to outperform the FTSE UK Gilts (All) Government Total Return Index over a three to five-year period from a combination of income and investment growth, after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in debt obligations or bonds issued by the United Kingdom Government that pay interest (Gilts).

The Fund's managers do not intend to invest in every security in the FTSE UK Gilts (All) Government Total Return Index and up to 20% of the Fund's value can be invested in bonds (debt obligations) issued by governments of any nation or a lesser extent bonds issued by government-related organisations.

All the investments will be in investment grade securities, (bonds that have been rated by independent agencies as high quality). In addition, the Fund's managers make their own assessment of bonds to determine whether they believe investors will be adequately rewarded for any risk taken.

Up to 10% of the Fund's investments can be held in bonds that are denominated in currencies other than British pounds.

The Fund uses derivatives to grow or preserve the Fund's value, manage investment risk and gain cost-effective access to investments. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies). These derivatives include, but are not limited to, futures, currency forwards, options, and credit default and interest rate swaps.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the FTSE UK Gilts (All) Government Total Return Index, as it is widely available and reflects investments in similar debt-related securities.
- The Fund's performance can also be compared against the Investment Association UK Gilt sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF FRANKLIN US OPPORTUNITIES FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in the shares of companies of any size, listed on the United States' stock markets. The managers focus on those stocks that they believe have the potential to grow faster than the US economy. Typically, these types of companies do not pay a dividend and instead reinvest any earnings to aid future growth.

The Fund's managers can invest in any industry but normally try to keep investment in any specific industry to no more than 25% of the portfolio.

Very occasionally and to a much lesser extent, the Fund may also invest in company bonds (debt obligations) that can be exchanged for shares in the same organisation.

The Fund may also invest a proportion of its portfolio in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

The Fund's performance can be compared against:

- the Russell 3000 Growth IndexTM, as it is widely available and reflects growth-oriented investments in the US stock market
- the S&P 500 Index, which reflects the overall stock market performance of 500 large companies listed in the United States
- the Investment Association North American sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE ASIA UNCONSTRAINED FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value through a combination of income and growth over rolling five-year periods after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of companies (equities) and equity related securities that are:

- Listed or traded on markets located in any of mainland China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam ("Primary Countries"); or
- Listed or traded on any other market, but which are issued by companies that have significant business operations in, or derive the majority of their business profits from, Primary Countries.

Equity-related securities includes:

- American and global depositary receipts (a type of listed security which enables investors to hold shares in foreign companies).
- Convertible bonds (a type of corporate debt security which can be exchanged for shares in the same organisation).
- Warrants (a type of tradeable contract which gives the right to buy a share at an agreed price within a certain timeframe).

The Fund typically invests in 20 – 40 companies of any size or industry, and the portfolio is constructed without reference to any benchmark or index.

The Fund invests in companies which, in the opinion of the Investment Manager, may benefit from the potential growth of Asian economies and translate that growth into returns for shareholders. The Investment Manager will ordinarily focus on companies with a business franchise which it believes can grow in value, as measured by the company's free cash flow and retained earnings. The

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

Investment Manager selects companies that it believes offer sustainable growth, strong management and a strategic market position. The Investment Manager focuses on companies which it considers are reasonably valued and which the Fund looks to hold over the long term.

In assessing potential investments, the Investment Manager has developed a method of valuing investments which is based on assessing the company's long term cash-generating ability. The Investment Manager undertakes due diligence on potential investments including a review of a company's historic financial records and its corporate governance.

In addition, the Fund may also invest a proportion of its portfolio in cash and cash equivalents, money market instruments and other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative investment use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies). Use of derivatives is typically expected to be limited.

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

The ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness. Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate more than 5% of revenue from tobacco production
- Companies which generate more than 5% of revenue from direct involvement in extraction of fossil fuels.
- Companies which generate revenue from mining of metals and minerals as defined by GICS sub-industries Diversified Metals and Mining, Copper, Gold and Precious Metals and Minerals.
- Companies involved in the production, sale or distribution of dedicated and key components of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).
- Companies assessed as 'fail' under the UN Global Compact.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in British pounds (GBP).

- We measure performance against the MSCI AC Asia (excluding Japan) Index, which reflects the performance of investments in similar assets to those in which the Fund will invest.
- The Fund's performance can also be compared against the Investment Association Asia Pacific excluding Japan sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE EMERGING MARKETS FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the MSCI Emerging Markets Index ("Index") over rolling three-year periods, after all fees and costs are deducted.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of companies which are domiciled or conduct their principal activities in emerging markets (countries whose economy and financial markets are still developing). The Fund typically invests in shares of around 40 – 60 companies of any size or industry. The Fund may invest in shares of Chinese companies.

Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments). Indirect investments include:

- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Depositary receipts (a type of listed security which enables investors to hold shares in foreign companies).
- Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund's portfolio may include some overlap with the Index but does not intend to replicate it and may vary considerably. The Fund may include shares and countries that are not included in the Index.

In addition, the Fund may also invest a proportion of its portfolio in other transferable securities including fixed interest and other debt related securities, cash and cash equivalents, money market instruments and other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative investment use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies). Use of derivatives is typically expected to be limited.

In selecting investments, the Investment Manager seeks to identify investment opportunities based on the investment merit of each underlying company. The Investment Manager uses its proprietary research to identify companies with strong management of environmental, social and governance ("ESG") risks and a business strategy directed toward sustaining profit growth over the long term.

The Investment Manager also assesses ESG factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

The ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate more than 5% of revenue from tobacco production, distribution or wholesale trading.
- Companies which generate more than 5% of revenue from the production or distribution of weapons.
- Companies which generate more than 5% of revenue from coal-based power generation or the mining or distribution of thermal coal.
- Companies involved in the production, sale or distribution of dedicated and key components of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).
- Companies assessed as 'fail' under the UN Global Compact.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the MSCI Emerging Markets Index, as it is widely available and reflects investments in stock markets of emerging markets countries.
- The Fund's performance can also be compared against the Investment Association Global Emerging Markets sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE EUROPEAN UNCONSTRAINED FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over five years or more after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of companies which are domiciled, listed or conduct a significant proportion of their business in European countries (excluding the United Kingdom).

The Fund typically invests in shares of around 20-40 companies of any size, industry or market capitalisation although the Investment Manager may invest in fewer or more companies where it considers this to be in the interests of the Fund. The portfolio is constructed without reference to any benchmark or index.

Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments). Indirect investments include:

- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Depositary receipts (a type of listed security which enables investors to hold shares in foreign companies).
- Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund invests in companies which, in the opinion of the Investment Manager:

- have the potential to generate or sustain a return on invested capital where the return is higher than the cost of capital;
- have the potential to develop an attractive growth profile and/or cash flow generation over the long term; and
- have supportive accounting and environmental, social and governance (ESG) practices.

In assessing potential investments, the Investment Manager evaluates the companies for the above characteristics and assesses a company's value by looking at a wide range of financial and economic factors at the level of the relevant company, its sector and the broader economy (a fundamental approach). The Investment Manager focuses on forecasting a company's potential growth and returns, based on research and due diligence and using the Investment Manager's proprietary research platform. In addition, the Investment Manager seeks to identify specific sectors which it believes have the possibility of generating attractive growth or returns.

The Fund aims to hold investments for the long term, with relatively low portfolio turnover. The Investment Manager may also engage with the management of the companies in which the Fund invests or may invest, to discuss potential sources of value creation.

In addition, the Fund may also invest a proportion of its portfolio in shares of other companies, other equity related securities, cash and cash equivalents, money market instruments and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or costs and/or generate extra income or growth). However, the Fund can introduce more speculative investment use of derivatives in the future on 60 days' notice to investors. The Fund will not take short positions (a technique where investors seek to profit from decreases in value of securities, indices, currencies and/or index rates). Use of derivatives is typically expected to be limited.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

In selecting investments, the Investment Manager also assesses ESG factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

The ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio.

The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate more than 5% of revenue from tobacco production, distribution or wholesale trading.
- Companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, nuclear weaponry, biological and chemical weaponry and cluster munitions).
- Companies which generate more than 5% of revenue from the production or distribution of conventional weapons.
- Companies which generate more than 5% of revenue from the production or distribution of fossil fuels.
- Companies which generate revenue from mining of metals and minerals as defined by GICS sub-industries Diversified Metals and Mining, Copper, Gold and Precious Metals and Minerals.
- Companies generating more than 5% revenue from coal based power generation or the mining or distribution of thermal coal.
- Companies that generate 15% or more of their revenues from nuclear power generation.
- Companies assessed as 'fail' under the UN Global Compact.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the MSCI Europe ex UK Net Dividends Index, as it is widely available and reflects investments in similar assets to those in which the Fund will invest.
- The Fund's performance can also be compared against the Investment Association Europe (excluding UK) sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE GLOBAL UNCONSTRAINED FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over five years or more after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of companies which are incorporated or domiciled anywhere in the world, including in emerging markets (countries whose economy and financial markets are still developing, such as those which are included within the MSCI Emerging Markets Index).

The Fund typically invests in shares of around 20-40 companies of any size, industry or market capitalisation, although the Investment Manager may invest in fewer or more companies where it considers this to be in the interests of the Fund. The portfolio is constructed without reference to any benchmark or index. The Fund may invest in shares of Chinese companies.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments). Indirect investments include:

- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Depositary receipts (a type of listed security which enables investors to hold shares in foreign companies).
- Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund invests in companies which, in the opinion of the Investment Manager:

- have the potential to generate or sustain a return on invested capital where the return is higher than the cost of capital; and
- have the potential to develop an attractive growth profile and/or cash flow generation over the long term.

In addition, the Fund may also invest a proportion of its portfolio in other collective investment schemes, money market instruments and deposits.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or costs and/or generate extra income or growth). However, the Fund can introduce more speculative investment use of derivatives in the future on 60 days' notice to investors. The Fund will not take short positions (a technique where investors seek to profit from decreases in value of securities, indices, currencies and/or index rates). Use of derivatives is typically expected to be limited.

In assessing potential investments, the Investment Manager evaluates the companies for the above characteristics, and assesses a company's value by looking at a wide range of financial and economic factors at the level of the relevant company, its sector and the broader economy (a fundamental approach). The Investment Manager focuses on forecasting a company's potential growth and returns, based on research and due diligence and using the Investment Manager's proprietary research platform.

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

The ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate more than 5% of revenue from tobacco production, distribution or wholesale trading.
- Companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, nuclear weaponry, biological and chemical weaponry and cluster munitions).
- Companies which generate more than 5% of revenue from the production or distribution of conventional weapons.
- Companies which generate more than 5% of revenue from the production or distribution of fossil fuels.
- Companies which generate revenue from mining of metals and minerals as defined by GICS sub-industries Diversified Metals and Mining, Copper, Gold and Precious Metals and Minerals.
- Companies generating more than 5% revenue from coal based power generation or the mining or distribution of thermal coal.
- Companies that generate 15% or more of their revenues from nuclear power generation.
- Companies assessed as 'fail' under the UN Global Compact.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the MSCI All Countries World (Net Dividends) Index (the “Index”), as it is widely available and reflects the performance of investments in similar assets to those in which the Fund will invest. The term “Net Dividends” in the name of the Index means that the Index returns reflect the deduction of withholding taxes.
- The Fund’s performance can also be compared against the Investment Association Global sector average, which reflects the performance of the Fund’s competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE JAPAN EQUITY FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over the long-term (five years or more) after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of Japanese companies. The Fund invests in companies which, in the opinion of the Investment Manager, have above average growth prospects relative to the shares of Japanese companies as a whole.

The Fund typically invests in shares of around 30 – 60 companies of any size, industry or market capitalisation.

The Fund may from time to time have a bias towards finding growing companies in the smaller and mid-sized part of the market but has the flexibility to invest in companies of all size. The Investment Manager particularly seeks out domestic and service orientated companies which it believes will benefit from growth drivers. The Fund aims to hold investments for the long term, with relatively low portfolio turnover.

In addition, the Fund may also hold a proportion of its portfolio in cash or cash equivalents, where, in the Investment Manager’s opinion, attractive investment opportunities cannot be found or for liquidity management purposes. The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or costs and/or generate extra income or growth). Derivatives are financial contracts whose value is linked to the price of another asset, e.g. indices, interest rates, share prices or currencies. Use of derivatives is typically expected to be limited.

In selecting investments, the Investment Manager also assesses environmental, social and governance (“ESG”) factors that could impact the ability of an issuer to generate future sustainable growth. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

The ESG assessment is quantitative and qualitative, using the Investment Manager’s proprietary ESG rating system and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager’s assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. The Investment Manager’s assessment of a company’s ESG characteristics may impact the Investment Manager’s view of that company’s financial valuation and attractiveness.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Japan TSE 1st Section (TOPIX) Index (the “Index”), as it is widely available and reflects investments in similar assets to those in which the Fund will invest. For hedged share classes that attempt to mitigate the impact of changes in foreign exchange rates (ending “H2”), we show performance of the hedged version of the comparable index.
- The Fund’s performance can also be compared against the Investment Association Japan sector average, which reflects the performance of the Fund’s competitors.

The base currency of the Fund is UK sterling.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

FTF MARTIN CURRIE UK EQUITY INCOME FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund's primary aim is to generate an income that is higher than that of the FTSE All-Share Index, together with investment growth over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in the shares of companies listed on the London Stock Exchange. These companies are incorporated/domiciled in the UK or which have significant business operations in the UK.

Typically, the number of holdings in the Fund will vary between 40 to 60 company shares and most of these will be the shares of large (such as those making up the FTSE 100 Index) companies.

The Investment Manager does not intend to invest in every company in the FTSE All-Share Index and have the freedom to invest up to 10% of the Fund's assets outside of it.

Any proportion of the Fund can be invested into specific industry sectors, but the Investment Manager seeks to avoid any unintentional emphasis on a sector in a way that could increase the level of risk.

The Investment Manager tries to further reduce risk by making sure no single company share dominates the Fund's investments. Normally, the Investment Manager tries to keep shareholdings in any individual large company to no more than 5% of the Fund's total value, while a shareholding in any individual medium- and small-sized company would typically be no more than 2%.

Very occasionally and to a much lesser extent, the Fund may also invest in debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations or convertibles, a type of corporate bond that can be exchanged for shares in the same organisation.

The Fund may also invest in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

This ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

Where the Investment Manager identifies potential violations of UN Global Compact principles, the Investment Manager will establish a structured engagement process with companies to encourage improvement.

The Fund will not invest in companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the FTSE All-Share Index, as it is widely available and reflects investments in the UK stock market.
- The Fund's performance can also be compared against the Investment Association UK Equity Income sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE UK MANAGERS' FOCUS FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the FTSE All-Share Index, from a combination of income and investment growth over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in shares of companies listed on the London Stock Exchange that are incorporated/domiciled in the UK or which have significant business operations in the UK.

The Fund usually invests in the shares of up to 50 companies consisting of:

- 10–20 large companies (such as those making up the FTSE 100 Index)
- 10–20 medium sized companies (such as those making up the FTSE 250 Index)
- 20 smaller companies (such as those making up the Numis Smaller Companies ex-Investment Trusts Index or the Alternative Investment Market (AIM)).

While the Investment Manager has the freedom to invest up to 10% of the Fund's assets outside of these indices, this would be very unusual, and the result of a very strong opportunity identified in their research or to protect capital in unusual market conditions.

Any proportion of the Fund can be invested into specific industry sectors, but the Investment Manager seeks to avoid any unintentional emphasis on a sector in a way that could increase the level of risk.

The Investment Manager tries to further reduce risk by making sure no single company share dominates the Fund's investments. Normally, the Investment Manager tries to keep shareholdings in any individual company to between 1% and 3% of the Fund's assets.

Very occasionally and to a much lesser extent, the Fund may also invest in debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations or convertibles, a type of corporate bond that can be exchanged for shares in the same organisation.

The Fund may also invest a proportion of its portfolio in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

This ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

Where the Investment Manager identifies potential violations of UN Global Compact principles, the Investment Manager will establish a structured engagement process with companies to encourage improvement.

The Fund will not invest in companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pound (GBP).

- We measure performance against the Fund's performance target, the FTSE All-Share Index, as it is widely available and reflects investments in the UK stock market.
- The Fund's performance can also be compared against the Investment Association UK All Companies sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE UK MID CAP FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the FTSE 250 (ex-Investment Trusts) Index, from a combination of income and investment growth over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in the shares of medium-sized companies that are constituents of the FTSE 250 (ex-Investment Trusts) Index and that are incorporated/domiciled in the UK or which have significant business operations in the UK. This will typically be around 30–50 companies.

The Investment Manager tries to further reduce risk by making sure no single company share dominates the Fund's investments. Normally, the Investment Manager tries to keep shareholdings in any individual company between 1.5% and 5% of the Fund's total value.

The Investment Manager does not intend to invest in every company in the FTSE 250 (ex-Investment Trusts) Index and, while the Investment Manager has the freedom to invest up to 10% of the Fund's assets outside of it, this is rare and typically has been because of changes to an index composition.

Any proportion of the Fund can be invested into specific industry sectors, but the Investment Manager seeks to avoid any unintentional emphasis on a sector in a way that could increase the level of risk.

Very occasionally and to a much lesser extent, the Fund may also invest in debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations or convertibles, a type of corporate bond that can be exchanged for shares in the same organisation.

The Fund may also invest a proportion of its portfolio in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

In selecting investments, the Investment Manager also assesses environmental, social and governance (“ESG”) factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

This ESG assessment is quantitative and qualitative, using the Investment Manager’s proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager’s assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager’s assessment of a company’s ESG characteristics may impact the Investment Manager’s view of that company’s financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).
- Companies assessed as ‘fail’ under the UN Global Compact.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British Pounds (GBP).

- The FTSE 250 (ex-Investment Trusts) Index is the Fund’s performance target and constrains the Fund’s investment universe. It is widely available and reflects the performance of medium-sized companies.
- The Fund’s performance may also be compared against the Investment Association UK All Companies sector average, which reflects the performance of the Fund’s competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE UK OPPORTUNITIES FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the FTSE All-Share Index, from a combination of income and investment growth over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in the shares of companies listed on the London Stock Exchange that are incorporated/domiciled in the UK or which have significant business operations in the UK. This will typically be around 30–50 companies.

The Investment Manager seeks to achieve the growth objective while maintaining volatility (a measure of the size of short-term changes in the value of an investment) at lower levels than that of the FTSE All-Share Index. This often means that the Fund invests in large- or medium-sized companies listed on the London Stock Exchange.

Any proportion of the Fund can be invested into specific industry sectors, but the Investment Manager seeks to avoid any unintentional emphasis on a sector in a way that could increase the level of risk.

The Investment Manager tries to further reduce risk by making sure no single company share dominates Fund investments. Normally, the Investment Manager tries to keep a shareholding in any individual company to between 1.5% and 5% of the Fund’s assets.

The Investment Manager does not intend to invest in every company in the FTSE All-Share Index and, while the Investment Manager has the freedom to invest up to 10% of the Fund’s assets in Continental European companies, this has historically been a rare occurrence.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

Very occasionally and to a much lesser extent, the Fund may also invest in debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations or convertibles, a type of corporate bond that can be exchanged for shares in the same organisation.

The Fund may also invest a proportion of its portfolio in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

This ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

Where the Investment Manager identifies potential violations of UN Global Compact principles, the Investment Manager will establish a structured engagement process with companies to encourage improvement.

The Fund will not invest in companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the FTSE All-Share Index, as it is widely available and reflects investments in the UK stock market.
- The Fund's performance can also be compared against the Investment Association UK All Companies sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE UK RISING DIVIDENDS FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the FTSE All-Share Index by generating a growing level of income, together with investment growth over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in the shares of companies listed on the London Stock Exchange that are incorporated/domiciled in the UK or which have significant business operations in the UK. The Fund usually invests in 30–50 companies that have grown their dividend in at least 8 of the past 10 years. Typically, most of these investments will be in the shares of large or medium sized companies (such as those making up the FTSE 350 Index).

The Investment Manager will select only those companies from the FTSE All-Share Index that its research suggests will help the Investment Manager to meet the Fund's objective. The Investment Manager does not intend to invest in every company in the FTSE All-Share Index and has the freedom to invest up to 10% of the Fund's assets outside of it.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

Any proportion of the Fund can be invested into specific industry sectors, but the Investment Manager seeks to avoid any unintentional emphasis on a sector in a way that could increase the level of risk. The Investment Manager tries to further reduce risk by making sure no single company share dominates Fund investments. Normally, the Investment Manager tries to keep shareholdings in any individual large company to no more than 5% of the Fund's total value, while a shareholding in any individual medium-sized company would typically be between 2% and 2.5% and small-sized companies would typically be no more than 1.5%.

Very occasionally and to a much lesser extent, the Fund may also invest in debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations or convertibles, a type of corporate bond that can be exchanged for shares in the same organisation.

The Fund may also invest a proportion of its portfolio in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

This ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

Where the Investment Manager identifies potential violations of UN Global Compact principles, the Investment Manager will establish a structured engagement process with companies to encourage improvement.

The Fund will not invest in companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the FTSE All-Share Index, as it is widely available and reflects investments in the UK stock market.
- The Fund's performance can also be compared against the Investment Association UK All Companies sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE UK SMALLER COMPANIES FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the Numis Smaller Companies ex-Investment Trusts Index over a three to five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in shares of smaller companies which are constituents of the Numis Smaller Companies ex-Investment Trusts Index or are listed on the Alternative Investment Market (AIM) exchange and that are incorporated/domiciled in the UK or which have significant business operations in the UK.

The Investment Manager does not intend to invest in every company in the Numis Smaller Companies ex-Investment Trusts Index or AIM but using its expertise and research, select around 40–50 companies it believes will achieve the Fund's objective.

The Investment Manager tries to further reduce risk by making sure no single company share dominates the Fund's investments. Normally, the Investment Manager tries to keep shareholdings in any individual company between 1% and 5% of the Fund's total value.

Any proportion of the Fund can be invested into specific industry sectors, but the Investment Manager seeks to avoid any unintentional emphasis on a sector in a way that could increase the level of risk.

The Fund may also invest a proportion of its portfolio in other types of transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns. These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

This ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system, and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).
- Companies assessed as 'fail' under the UN Global Compact.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pound (GBP).

- The Numis Smaller Companies ex- Investment Trusts Index is the Fund's performance target and constrains the Fund's investment universe. It reflects the performance of smaller companies.
- We may also compare the performance of the Fund to the Investment Association UK Smaller Companies sector average as it reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF MARTIN CURRIE US UNCONSTRAINED FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over five years or more after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in shares of US companies.

The Fund typically invests in shares of around 20-40 companies of any size, industry or market capitalisation, although the Investment Manager may invest in fewer or more companies where it considers this to be in the interests of the Fund. The portfolio is constructed without reference to any benchmark or index.

Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments). Indirect investments include:

- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Depositary receipts (a type of listed security which enables investors to hold shares in foreign companies).
- Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund invests in companies which, in the opinion of the Investment Manager:

- have the potential to generate a return on invested capital where the return is higher than the cost of capital; and
- have the potential to develop an attractive growth profile and/or cash flow generation.

In assessing potential investments, the Investment Manager evaluates the companies for the above characteristics and assesses a company's value by looking at a wide range of financial and economic factors at the level of the relevant company, its sector and the broader economy (a fundamental approach). The Investment Manager focuses on forecasting a company's potential growth and returns, based on research and due diligence and using the Investment Manager's proprietary research platform.

In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact the ability of an issuer to generate future sustainable returns.

These may include shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution/hazardous waste policies, water usage and climate change policies.

The ESG assessment is quantitative and qualitative, using the Investment Manager's proprietary ESG rating system and its direct research and engagement process. The proprietary ESG assessment captures forward looking analysis. Investments are assigned a risk rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of 1 to 5 in respect of each of governance and sustainability (meaning environmental and social factors), with 5 denoting high risk. Investments with a governance or sustainability risk rating of 4 or above will not be selected for the portfolio. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness.

Where the Investment Manager identifies areas that do not meet expectations of best practice on material governance or sustainability issues, the Investment Manager will engage with companies to encourage improvement.

The Fund will not invest in:

- Companies which generate more than 5% of revenue from tobacco production, distribution or wholesale trading.
- Companies which generate revenue from the production or distribution of controversial weapons (i.e. antipersonnel mines, nuclear weaponry, biological and chemical weaponry and cluster munitions).
- Companies which generate more than 5% of revenue from the production or distribution of conventional weapons.
- Companies which generate more than 5% of revenue from the production or distribution of fossil fuels.
- Companies which generate revenue from mining of metals and minerals as defined by GICS sub-industries Diversified Metals and Mining, Copper, Gold and Precious Metals and Minerals.
- Companies generating more than 5% revenue from coal based power generation or the mining or distribution of thermal coal.
- Companies that generate 15% or more of their revenues from nuclear power generation.
- Companies assessed as 'fail' under the UN Global Compact.

In addition, the Fund may also invest a proportion of its portfolio in money market instruments and deposits.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or costs and/or generate extra income or growth). However, the Fund can introduce more speculative investment use of derivatives in the future on 60 days' notice to investors. The Fund will not take short positions (a technique where investors seek to profit from decreases in value of securities, indices, currencies and/or index rates). Use of derivatives is typically expected to be limited.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the MSCI USA (Net Dividends) Index (the "Index"), as it is widely available and reflects investments in similar assets to those in which the Fund will invest. The term "Net Dividends" in the name of the Index means that the Index returns reflect the deduction of withholding taxes. For hedged share classes that attempt to mitigate the impact of changes in foreign exchange rates (ending "H2"), we show performance of the hedged version of the comparable index.
- The Fund's performance can also be compared against the Investment Association North America sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF ROYCE US SMALLER COMPANIES FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value over a period of three years or more.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in the shares and preference shares of smaller companies (i.e. those with market capitalisations not greater than that of the largest company in the Russell 2000 Index (the "Index") at the time of its most recent reconstitution) headquartered in the U.S. Preference shares are shares where dividends are paid out in advance of dividends due to other shares in the company. The Fund typically invests in shares of fewer than 100 companies.

The Fund does not intend to replicate the issuer, sector and industry composition or weightings of the Index. The issuer, sector and industry composition and weightings of the Fund's portfolio are likely to vary considerably from those of the Index. To the extent the Fund is more heavily invested in a particular issuer, sector or industry relative to the Index, its performance may be tied more directly to the success or failure of a relatively smaller or less well-diversified group of portfolio holdings than that of the Index. The Fund may also include shares of companies which are not included in the Index.

The Investment Manager seeks to invest in companies which it believes possess excellent business strengths or prospects, high internal rates of return and whose securities are trading significantly below the Investment Manager's estimate of their current worth. In addition, the Investment Manager looks for companies which it considers have an attractive financial profile, including companies with: (i) conservative balance sheets with low leverage; (ii) prudent capital allocation; and (iii) attractive reinvestment opportunities. In selecting investments, the Investment Manager also assesses environmental, social and governance ("ESG") factors that could impact an issuer's business risk profile and corporate performance. These may include risk factors such as a company's approach to shareholder rights, accounting standards, remuneration, board structure, labour relations, supply chain, data protection, pollution / hazardous waste policies, water usage and climate change policies. The Investment Manager's assessment of a company's ESG characteristics may impact the Investment Manager's view of that company's financial valuation and attractiveness. Where the Investment Manager identifies areas that do not meet expectations of best practice on material ESG issues, the Investment Manager will engage with companies to encourage improvement.

In addition, the Fund may invest a proportion of its assets in shares, preference shares, convertible bonds (a type of corporate debt security which can be exchanged for shares in the same organisation), other debt securities and warrants issued by companies in any jurisdiction and of any size. The Fund may hold cash, cash equivalents and money market instruments. The Fund may also invest up to a maximum of 10% of its assets in other collective investment schemes, which may include those operated by the ACD or any of its associates.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). Derivatives are investments whose value is linked to another investment or the performance of another variable factor, such as interest rates, currencies of any country or indices. The Fund may introduce more speculative use of derivatives in the future, on 60 days' notice to investors.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- The Fund's performance can be compared against the Russell 2000 Index, as it is widely available and reflects the overall stock market performance of small-cap companies listed in the United States of America. For hedged share classes that attempt to mitigate the impact of changes in foreign exchange rates (ending "H2"), we show performance of the hedged version of the comparable index.
- The Fund's performance can also be compared against the Investment Association North America Smaller Companies sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF TEMPLETON GLOBAL EMERGING MARKETS FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the MSCI Emerging Markets (Net Dividends) Index over a five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least two thirds (but typically significantly more) in emerging markets (countries whose economy and financial markets are still developing). The Fund typically invests in around 60–80 companies of any size or industry that:

- are listed on an emerging markets stock exchange, or
- are domiciled or conduct a significant proportion of their business in emerging markets, or
- receive a significant amount of their revenues from emerging markets.

To a lesser extent, the Fund may also invest in frontier markets, these are markets that are at earlier stages of their economic and financial market development than emerging markets.

The Fund's managers use research and experience to identify companies that show more potential to deliver sustainable growth over the long-term (5 years) than their market price would suggest.

The Fund's portfolio may include some overlap with the Index but does not intend to replicate it and may vary considerably. The Fund may include shares and countries that are not included in the MSCI Emerging Markets (Net Dividends) Index.

Typically, to help manage risk, the Fund's managers aim to keep exposure to any single company in a range of 5% more or less than the Index and industry and country exposure in a range of 10% more or less than the MSCI Emerging Markets (Net Dividends) Index.

In addition, the Fund may also invest a proportion of its portfolio in other transferable securities including fixed interest and other debt related securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). However, the Fund can introduce more speculative use of derivatives in the future on 60 days' notice to investors. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the MSCI Emerging Markets (Net Dividends) Index, as it is widely available and reflects investments in stock markets of emerging markets countries. The term 'Net Dividends' in the name of the Index means that the Index returns reflect the deduction of withholding taxes.
- The Fund's performance can also be compared against the Investment Association Emerging Markets sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

FTF TEMPLETON GLOBAL LEADERS FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value by more than the MSCI All Country World (Net Dividends) Index over a five-year period after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

HOW WE INVEST (INVESTMENT POLICY)

The Fund will invest at least two thirds (but typically significantly more) in the shares of a range of companies anywhere in the world that the Fund's portfolio management team regard as established leaders. These are companies with dominant market positions, strong competitive advantages, high quality management, solid balance sheets, and positive returns on capital in growing industries that show potential to deliver sustainable growth over the long term (5 years) than their market price would suggest. This includes how growth may be affected by environmental, social or governance risks and opportunities.

The Fund will also invest in companies that the Fund's portfolio management team believe are emerging leaders, these are companies that are in earlier stages of growth that the team believe will become established leaders over time. No more than 30% of the Fund's total value will typically be invested in shares of companies that the Fund's portfolio management team consider to be emerging leaders.

Typically, the number of holdings in the Fund will vary between 25-35 companies' shares but the Fund may hold up to 50 companies' shares. These holdings will typically be the shares of companies that have a market capitalisation of over \$10bn. However, the Fund may also invest in companies with market capitalisations of between \$1bn and \$10bn.

The Fund's portfolio may include some overlap with the MSCI All Countries World (Net Dividends) Index but does not intend to replicate it and may vary considerably. It seeks to manage risk by avoiding any unintentional emphasis on a single company, industry or country.

In addition, the Fund may also invest a proportion of its portfolio in other transferable securities including fixed interest and other debt related securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund uses derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth, within the Fund's existing risk profile), as well as for more speculative investment purposes, to help achieve the Fund's investment objective. It is anticipated that where the Fund uses derivatives for speculative purposes, this will be limited to part of the overall strategy.

Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies). These derivatives include, but are not limited to, futures, currency forwards and options.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the Fund's performance target, the MSCI All Country World (Net Dividends) Index, as it is widely available and reflects investments across global stock markets. The term 'Net Dividends' in the name of the Index means that the Index returns reflect the deduction of withholding taxes.
- The Fund's performance can also be compared against the Investment Association Global Equity sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FTF TEMPLETON GLOBAL TOTAL RETURN BOND FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value from a combination of income, capital growth and currency gains over a three to five-year period.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

FURTHER INFORMATION (Continued)

INVESTMENT OBJECTIVES AND POLICY (Continued)

HOW WE INVEST (INVESTMENT POLICY)

The Fund intends to achieve its objective by investing at least two thirds (but typically significantly more) in:

- debt securities or bonds, (a type of debt obligation) issued by governments, government-related, supranational organisations and corporations in any industry, anywhere in the world. As part of this asset class, the Fund may invest in bonds issued by the Chinese government, Chinese government-related or supranational organisations and Chinese corporations.
- derivatives, investments whose value is linked to another investment or the performance of another variable factor, such as interest rates, currencies of any country or indices. The types of derivatives used include but are not limited to: options, futures, forward currency contracts, credit default swaps, interest rate swaps, total return swaps and contracts for difference.

The Fund will typically limit exposure to bonds that are rated as below investment grade (below BBB- by Standard & Poor's or Baa3 by Moody's) to no more than 50% of the total portfolio. These bonds generally pay a high yield (interest rate) but are considered by rating agencies to be lower quality and carry more risk than investment grade bonds.

The Fund can also invest in distressed securities (those whose issuers may be in or close to bankruptcy or administration), but still present diverse opportunities to grow in value.

To a lesser extent the Fund may also invest in:

- bonds whose value is secured by mortgages or other assets (mortgage or asset-backed securities);
- bonds that can be exchanged for shares in the same organisation (convertibles);
- structured products (a type of fixed-term investment whose payout depends on the performance of something else, such as another security or currency);
- other transferable securities, cash and cash equivalents, money market instruments, and other collective investment schemes.

The Fund's managers have the freedom to choose securities that their research indicates have the strongest potential to meet the Fund's objective. They are not constrained by any index.

HOW WE MEASURE PERFORMANCE

- We measure performance against the Bloomberg Barclays Multiverse Index*, which reflects investments in similar debt-related securities.
- The Fund's performance can also be compared against the Investment Association Global Bond sector average, which reflects the performance of the Fund's competitors.

We measure performance and price shares in the Fund in British pounds (GBP).

For hedged share classes that attempt to remove the impact of changes in foreign exchange rates (ending GBP-H3), we show performance of the comparable index in US dollars (US\$).

The base currency of the Fund is UK sterling.

*Previously known as the Bloomberg Barclays Multiverse Index.

FTF WESTERN ASSET GLOBAL MULTI STRATEGY BOND FUND

WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE)

The Fund aims to grow in value from a combination of income and capital growth, in excess of SONIA Compounded Index + 3.5%, over rolling five year periods, before fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

HOW WE INVEST (INVESTMENT POLICY)

The Fund invests at least 80% of its assets in debt securities or bonds (a type of debt obligation) issued anywhere in the world, including emerging markets (countries whose economy and financial markets are still developing), in each case which are denominated in Sterling or hedged back to Sterling. These securities can include:

- Bonds or debt securities issued by governments, government-related or supranational organisations, or corporate issuers, including loans.
- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Bonds whose value is secured by mortgages or other assets with a return dependent on the cash flow or interest arising from such assets (mortgage or asset-backed securities).
- Securities which are indexed to inflation (inflation-protected securities).
- Debt securities that do not pay interest but instead trade at a significant discount and which are redeemed at maturity for the full face-value (zero-coupon bonds).
- Written orders or agreements to pay fixed sums of money either at a pre-determined date or on demand (bills of exchange, banker's acceptances and promissory notes).

At least 40% of the debt securities and bonds will be investment grade at the time of investment i.e. either rated as high as or higher than the following standards or their equivalent by one or more nationally recognized statistical rating organizations (or, where not rated, where the Investment Manager considers to the issuer be of at least equal in credit quality to the following standards):

- Standard & Poor's: BBB- or A-2; or
- Moody's: Baa3 or Prime-2; or
- Fitch: BBB- or F-2.

The Fund may invest in debt securities and bonds which are not investment grade. These securities generally pay a higher yield (interest rate) but are considered by rating agencies to be lower quality and carry more risk than investment grade bonds.

It is expected that, under normal market conditions, the Fund will maintain an overall weighted average credit rating of at least BBB- or equivalent.

In addition, the Fund may also invest up to 10% of the portfolio in equity securities acquired as a result of a corporate action or as part of a company restructure or conversion (via convertible bonds) and in preference shares (shares where dividends are paid out in advance of dividends due to other shares in the company). The Fund may also invest up to 10% of the portfolio in units in other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). Additionally, the Fund may invest in other non-Sterling denominated debt securities or bonds, cash and cash equivalents and money market instruments.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). The Fund may also use derivatives for more speculative investment purposes to help achieve the Fund's investment objectives. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

The Fund is a multi-sector strategy which seeks to achieve its investment objective by diversifying across a range of sectors, securities, and currencies. The Investment Manager develops investment ideas and uses a disciplined research programme to add value by rotating actively among and within the global investment universe as valuations change. The Investment Manager identifies securities within each sector which they believe are undervalued or mispriced based upon internal research and analysis. In selecting investments, the Investment Manager also assesses each investee company against various environmental, social, and governance ("ESG") factors. The Fund will not invest in:

- Companies which, in the opinion of the Investment Manager, do not follow good governance practices.
- Issuers which MSCI have identified as failing the principles set out in the UN "Global Compact", unless the Investment Manager considers a "fail" grade to be inaccurate.
- Companies which manufacture controversial weapons (such as anti-personnel landmines, biochemical weapons, blinding laser weapons, depleted uranium, incendiary weapons) or which are in the same group as a company manufacturing such weapons.
- Companies which derive over 10% of revenue from:

FURTHER INFORMATION *(Continued)*

INVESTMENT OBJECTIVES AND POLICY *(Continued)*

- The manufacture or supply of civilian firearms.
- Involvement in conventional weapons.
- The mining, production or distribution of thermal coal.
- Companies which derive over 5% of revenue from tobacco production and / or distribution.
- Companies which derive over 5% of revenue from the production of nuclear weapons.

HOW WE MEASURE PERFORMANCE

We measure performance and price shares in the Fund in British Pounds (GBP).

- We measure performance against the fund's performance target, SONIA Compounded Index + 3.5%. SONIA Compounded Index (the "Index") is a measure of the rate at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal. It is based on actual transactions and reflects the average of the interest rates that banks pay to borrow unsecured sterling cash overnight from other financial institutions. The Index is equivalent to a series of daily data representing the returns from a rolling unit of investment earning compound interest each day at the SONIA rate and can be used to calculate the interest rate payable over a period.
- Shareholders should be aware that the performance target does not take fees and costs into account. Accordingly, the return Shareholders will receive will be impacted by the ongoing charges figure applicable to their share class. This information can be obtained in the Fund's Key Investor Information Document (KIID), which also includes the Fund's past performance, net of all fees and costs.
- The Fund's performance can also be compared against the Investment Association Global Mixed Bond sector average, which reflects the performance of the Fund's competitors.

The base currency of the Fund is UK sterling.

FURTHER INFORMATION *(Continued)*

Accounting reference and other dates

Subject to the FCA Rules, the accounting reference dates, interim accounting reference dates, distribution pay dates, grouping periods and dates of publication of annual and interim reports of each of the Funds are as follows:

Accounting Reference Date (i.e. the financial year end) and Interim Accounting Period: 31 March and 1 April to 30 September.

Publication of Annual and Interim Reports: by 31 July and 30 November.

Distribution pay dates*

	31 May	31 August	30 November	28 February **
Franklin Mutual Shares Fund				
FTF Brandywine Global Income Optimiser Fund	X	X	X	X
FTF Clearbridge Global Infrastructure Income Fund	X	X	X	X
FTF ClearBridge US Equity Income Fund	X	X	X	X
FTF ClearBridge US Value Fund	X			
FTF Franklin Sterling Corporate Bond Fund	X	X	X	X
FTF Franklin UK Gilt Fund	X	X	X	X
FTF Franklin US Opportunities Fund	X			
FTF Martin Currie Asia Unconstrained Fund	X	X	X	X
FTF Martin Currie Emerging Markets Fund	X			
FTF Martin Currie European Unconstrained Fund	X	X	X	X
FTF Martin Currie Global Unconstrained Fund	X	X	X	X
FTF Martin Currie Japan Equity Fund	X			
FTF Martin Currie UK Equity Income Fund	X	X	X	X
FTF Martin Currie UK Managers' Focus Fund	X		X	
FTF Martin Currie UK Mid Cap Fund	X		X	
FTF Martin Currie UK Opportunities Fund	X		X	
FTF Martin Currie UK Rising Dividends Fund	X	X	X	X
FTF Martin Currie UK Smaller Companies Fund	X		X	
FTF Martin Currie US Unconstrained Fund	X			
FTF Royce US Smaller Companies Fund	X			
FTF Templeton Global Emerging Markets Fund	X			
FTF Templeton Global Leaders Fund	X		X	
FTF Templeton Global Total Return Bond Fund	X	X	X	X
FTF Western Asset Global Multi Strategy Bond Fund***				

*or the last Business Day of the relevant period if the Distribution Pay Dates are not Business Days in any particular year.

**29 February in a leap year.

***Fund distributes monthly at the end of each month.

Shares

A summary of Shares Classes which are launched and available for investment can be found detailed in the prospectus.

A Net Income Share is a Share in respect of which net income is to be distributed in accordance with its share in the property of the relevant Fund. Cash distributions of income are made in respect of Net Income Shares.

A Net Accumulation Share is a Share in respect of which the net income allocated after the date of issue thereof is to be accumulated in the proportion of the value of the property of the relevant Fund as may from time to time apply thereto. Where net Accumulation Shares are in issue, no cash distributions are made and no additional Shares are issued. Instead, the income available for distribution is re-invested and the re-investment reflected in the price of the Net Accumulation Share.

Charges

The ACD's periodic remuneration

The ACD is entitled to receive out of the scheme property of each Fund for its own account, monthly on the last Business Day of each month or as soon as possible thereafter, the amount of the annual management charge accrued to it during that month. Under current VAT legislation, no VAT is payable on the ACD's remuneration. This annual management charge is calculated daily based on the assets of each Fund at the Valuation Point on the previous business day adjusted for capital movements due to unit dealing.

FURTHER INFORMATION *(Continued)*

Charges *(Continued)*

The ACD's periodic remuneration *(Continued)*

The table below summarises the rates of the ACD's annual management charge for each of the Funds.

	EB Shares (per annum) %	S Shares (per annum) %	W Shares (per annum) %	Charge taken from Income or Capital
Franklin Mutual Shares Fund	N/A	N/A	N/A	N/A
FTF Brandywine Global Income Optimiser Fund	0.25	0.35	0.45	Capital
FTF Clearbridge Global Infrastructure Income Fund	0.40	0.60	0.75	Capital
FTF ClearBridge US Equity Income Fund	0.45	N/A	0.75	Capital
FTF ClearBridge US Value Fund	N/A	N/A	0.675	Income
FTF Franklin Sterling Corporate Bond Fund	N/A	N/A	0.35	Capital
FTF Franklin UK Gilt Fund	N/A	N/A	0.25	Capital
FTF Franklin US Opportunities Fund	N/A	N/A	0.75	Income
FTF Martin Currie Asia Unconstrained Fund	N/A	N/A	0.75	Income
FTF Martin Currie Emerging Markets Fund	0.55	N/A	0.75	Income
FTF Martin Currie European Unconstrained Fund	0.35	N/A	0.75	Income
FTF Martin Currie Global Unconstrained Fund	0.40	N/A	0.75	Income
FTF Martin Currie Japan Equity Fund	N/A	N/A	0.75	Income
FTF Martin Currie UK Equity Income Fund	N/A	N/A	0.45	Capital
FTF Martin Currie UK Managers' Focus Fund	N/A	0.55	0.75	Income
FTF Martin Currie UK Mid Cap Fund	N/A	0.55	0.75	Income
FTF Martin Currie UK Opportunities Fund	N/A	N/A	0.45	Income
FTF Martin Currie UK Rising Dividends Fund	N/A	N/A	0.45	Capital
FTF Martin Currie UK Smaller Companies Fund	N/A	0.65	0.75	Income
FTF Martin Currie US Unconstrained Fund	N/A	N/A	0.75	Income
FTF Royce US Smaller Companies Fund	N/A	N/A	0.75	Income
FTF Templeton Global Emerging Markets Fund	N/A	0.60	0.90	Income
FTF Templeton Global Leaders Fund	N/A	N/A	0.70	Income
FTF Templeton Global Total Return Bond Fund	N/A	N/A	0.55	Income
FTF Western Asset Global Multi Strategy Bond Fund	N/A	0.40	0.55	Capital

Such periodic remuneration is taken in each case at the rate of one-twelfth thereof each month. These rates are calculated by reference to the Net Asset Value of a Fund referable to the S Shares, and W Shares respectively.

The ACD is entitled to receive a monthly administration charge out of property of each Fund to be calculated, accrued and payable in the same manner and at the same time as the ACD's annual management charge.

The current administration charge in respect of all Class EB, Class S, and Class W Shares is 0.05% per annum (plus any VAT or any equivalent tax thereon), and the maximum permitted administration charge in the case of all Funds is 0.10% (plus any VAT or any equivalent tax thereon).

Any increase of the ACD's annual management charge may be made by the ACD, if it is deemed by the ACD to be a significant rather than a fundamental change (as set out in the provisions of the FCA Rules) only after:

- giving 60 days' written notice to all Shareholders (in the case of an increase of the annual management charge) or to regular savers (in the case of the preliminary charge), and
- the ACD revises the prospectus to reflect the proposed increase.

If such a change is deemed fundamental it will require the approval of the Shareholders.

Contingent liabilities

There are no Contingent Liability/Capital commitments in the current year or prior year.

Subsequent events

There are no subsequent events in the current year or prior year.

FURTHER INFORMATION *(Continued)*

Additional Information

Full written details of the terms of Franklin Templeton Funds are contained in the Prospectus, Instrument of Incorporation and Key Investor Information Documents, copies of which are available free of charge from:

Franklin Templeton Investments
Cannon Place
78 Cannon Street
London, EC4N 6HL
United Kingdom

Client Dealer Services

Freefone:	0800 305 306
Telephone:	+44 (0)20 7073 8690
Fax:	+44 (0)131 242 4440

Note for Investors

The value of shares and the income therefrom may go down as well as up and is not guaranteed. Past performance is not necessarily a guide to future performance.

In particular, some investments held may be designated in currencies other than Sterling and so may rise and fall purely on account of exchange rate fluctuations.

Investors should be aware of the risks associated with this type of investment and should take a medium to long-term view of returns.

Emerging markets can be riskier than developed markets.



Franklin Templeton Funds
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www.franklintempleton.co.uk