



**FRANKLIN  
TEMPLETON**

# Annual Report & Audited Financial Statements

1 April 2023 to  
31 March 2024

# 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**

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## 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

### INVESTMENT MANAGERS (Continued)

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

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

Martin Currie Investment Management Limited  
5 Morrison Street  
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

# Table of Contents

General Information* .....	2	FTF Martin Currie European Unconstrained Fund.....	200
Report of the Authorised Corporate Director* .....	4	FTF Martin Currie Global Unconstrained Fund .	217
Statement of Authorised Corporate Director's Responsibilities* .....	7	FTF Martin Currie Japan Equity Fund .....	234
Statement of the Depositary's Responsibilities* .....	8	FTF Martin Currie UK Equity Income Fund .....	250
Independent Auditors' Report .....	9	FTF Martin Currie UK Managers' Focus Fund ..	270
Notes to the Financial Statements Applicable to all Sub-Funds .....	12	FTF Martin Currie UK Mid Cap Fund .....	286
Franklin Templeton Funds		FTF Martin Currie UK Opportunities Fund .....	303
Franklin Mutual Shares Fund .....	17	FTF Martin Currie UK Rising Dividends Fund ...	319
FTF Brandywine Global Income Optimiser Fund.....	23	FTF Martin Currie UK Smaller Companies Fund.....	336
FTF Clearbridge Global Infrastructure Income Fund.....	47	FTF Martin Currie US Unconstrained Fund.....	352
FTF ClearBridge US Equity Income Fund .....	78	FTF Royce US Smaller Companies Fund .....	368
FTF ClearBridge US Value Fund.....	100	FTF Templeton Global Emerging Markets Fund.....	386
FTF Franklin Sterling Corporate Bond Fund .....	119	FTF Templeton Global Leaders Fund.....	404
FTF Franklin UK Gilt Fund .....	136	FTF Templeton Global Total Return Bond Fund.....	420
FTF Franklin US Opportunities Fund .....	151	FTF Western Asset Global Multi Strategy Bond Fund.....	443
FTF Martin Currie Asia Unconstrained Fund.....	167	Further Information* .....	471
FTF Martin Currie Emerging Markets Fund.....	183		

\* Collectively these comprise, together with the Investment Reviews and Portfolio Statements within each Fund section, the Report of the Authorised Corporate Director as required by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

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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 2024 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.

As of noon on 13 June 2024, FTF Western Asset Global Multi Strategy Bond Fund was no longer available for investment. Franklin Templeton Fund Management Limited, the Authorised Corporate Director ("ACD"), wrote to investors in FTF Martin Currie UK Opportunities Fund on 4 June 2024 proposing a merger of FTF Martin Currie UK Opportunities Fund into FTF Martin Currie UK Rising Dividends Fund. The merger will require investor approval at an Extraordinary General Meeting ("EGM") that is scheduled to take place on 18 July 2024.

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 2001 (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.

The 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 within each respective Fund's report.

### 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 2023, which is the year end of the ACD.

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## REPORT OF THE AUTHORISED CORPORATE DIRECTOR *(Continued)*

### 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.

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 2023 the total remuneration paid to 11 individuals whose actions may have a material impact on the risk profile of the ACD and Funds was £4,367,000. The fixed element of remuneration was £2,327,000 and the variable element was £2,040,000. Of this, total remuneration to Senior Management was £2,777,000, of which £1,365,000 was fixed remuneration and £1,412,000 was variable remuneration. The total remuneration related to Control Functions was £1,590,000, of which £962,000 was fixed remuneration and £628,000 was variable remuneration.

### ASSESSMENT OF VALUE

The UK Financial Conduct Authority ("FCA") has recently introduced rules that requires 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>.

The reference date of the Assessment of Value is 31 March 2024 and this will be available no later than 31 July 2024.

### 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 2024 the Funds did not partake in Securities Financing Transactions.

### DIRECTORS OF THE ACD

Nigel Anderson  
David Brigstocke (Independent Director)  
Fionnuala Doris (Independent Director)  
Martyn Gilbey  
William Jackson (Non-Executive Director)  
Henrietta Jowitt (Independent Director)  
Penelope Kyle  
Gwen Shaneyfelt  
Euan Wilson

### FUNDAMENTAL OR SIGNIFICANT CHANGES

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

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**REPORT OF THE AUTHORISED CORPORATE DIRECTOR** *(Continued)*

**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").

Director, Franklin Templeton Fund Management Limited, Authorised Corporate Director  
26 June 2024

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## 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](http://www.franklintempleton.co.uk).

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## 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 2024.

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 ACD:

- 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  
26 June 2024



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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FRANKLIN TEMPLETON FUNDS

### 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 2024 and of the net revenue/expense and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; 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 2024; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (in the notes to the Financial Statements applicable to all sub-funds section) and the notes to the financial statements.

#### 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 a 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 for the Franklin Mutual Shares Fund, FTF Western Asset Global Multi Strategy Bond Fund and FTF Martin Currie UK Opportunities Fund (the "terminating sub-funds"), sub-funds of Franklin Templeton Funds, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

#### Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, based on the work we have performed, 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-funds, 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 its continuing 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.

#### 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.

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FRANKLIN TEMPLETON FUNDS *(Continued)*

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 year 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. 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FRANKLIN TEMPLETON FUNDS *(Continued)*

### *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  
26 June 2024

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## 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. FTF Western Asset Global Multi Strategy Bond Fund is no longer available for investment as of 12 noon on 13 June 2024. Franklin Templeton Fund Management Limited, the Authorised Corporate Director ("ACD"), wrote to investors in FTF Martin Currie UK Opportunities Fund on 4 June 2024 proposing a merger of FTF Martin Currie UK Opportunities Fund into FTF Martin Currie UK Rising Dividends Fund. The merger will require investor approval at an Extraordinary General Meeting ("EGM") on 18 July 2024. As such, the financial statements of these three funds 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 the closure of these Funds 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.

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

### 1. Accounting Policies *(Continued)*

#### *(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, 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

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

### 1. Accounting Policies *(Continued)*

#### *(i) Distribution Policy* *(Continued)*

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.

#### *(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

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

### 3. Derivatives and Other Financial Instruments (Continued)

#### (a) Market risk (Continued)

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.

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 financial statements 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 financial statements 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 financial statements 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

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

### 3. Derivatives and Other Financial Instruments *(Continued)*

#### *(a) Market risk* *(Continued)*

##### *Other price risk* *(Continued)*

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 financial statements for details of other price risk sensitivity analysis.

#### *(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 financial statements 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 OBJECTIVE & POLICY

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### WHAT THE FUND AIMS TO DELIVER (FUND OBJECTIVE) (no longer available for investment)

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.

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 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.**

# Franklin Mutual Shares Fund

## INVESTMENT REVIEW

Franklin Mutual Shares Fund ceased trading on 31 January 2020.

## PORTFOLIO OF INVESTMENTS As at 31 March 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>BONDS 0.00% (0.00%)</b>		
	<b>NORTH AMERICA 0.00% (0.00%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
102,000	Walter Energy Inc., Escrow Account , 0.000%, <sup>1,†</sup> .....	-	0.00
	TOTAL - NORTH AMERICA	-	0.00
	TOTAL - BONDS	-	0.00
	<b>TOTAL VALUE OF INVESTMENTS .....</b>	<b>-</b>	<b>0.00</b>
	<b>OTHER ASSETS .....</b>	<b>-</b>	<b>0.00</b>
	<b>TOTAL NET ASSETS .....</b>	<b>-</b>	<b>0.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>1</sup> These securities are fair valued by the manager.

<sup>†</sup> 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.

# Franklin Mutual Shares Fund

## STATEMENT OF TOTAL RETURN For the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains	2		1		10
Revenue	3	2		2	
Expenses	4	-		(3)	
Interest payable and similar charges		-		-	
Net revenue/(expense) before taxation		2		(1)	
Taxation	5	-		1	
Net revenue after taxation			2		-
<b>Total return before distributions</b>			<b>3</b>		<b>10</b>
Distributions	6		-		-
<b>Change in net assets attributable to shareholders</b>			<b>3</b>		<b>10</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		-		-
Amounts received on creation of shares	-		-	
Amounts paid on cancellation of shares	-		-	
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		3		10
Retained distribution on accumulation shares		-		-
Change in provision for fund closure		(3)		(10)
<b>Closing net assets attributable to shareholders</b>		-		-

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Current assets			
Cash and bank balances		19	16
Total assets		19	16
<b>Liabilities</b>			
Creditors			
Other creditors	7	(19)	(16)
Total liabilities		(19)	(16)
<b>Net assets attributable to shareholders</b>		-	-

# Franklin Mutual Shares Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	1	10
	<u>1</u>	<u>10</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	-	2
Overseas dividends	2	-
	<u>2</u>	<u>2</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£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>-</u>	<u>3</u>
	<u>-</u>	<u>3</u>

### 5. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
(a) Analysis of the credit for the year		
Overseas tax	-	(1)
Total current tax	-	(1)
Total taxation (see Note 5(b))	<u>-</u>	<u>(1)</u>

# Franklin Mutual Shares 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 (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue/(expenses) before taxation	2	(1)
Corporation tax at 20% (2023: 20%)	1	-
Effects of:		
Overseas tax	-	(1)
Revenue not subject to tax	(1)	-
<b>Total tax credit for the year (see Note 5(a))</b>	<b>-</b>	<b>(1)</b>

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 no potential deferred tax asset (2023: £272) due to no tax losses (2023: £1,359). Accordingly, no 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 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	-	-
Accumulation	-	-
	-	-
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
<b>Total distribution</b>	<b>-</b>	<b>-</b>

### 7. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	6	9
Residual payment due in respect of ongoing fund closure	13	7
	<b>19</b>	<b>16</b>

# Franklin Mutual Shares Fund

## NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

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### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 7.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £0 (2023: £0).

### 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% (2023: 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £0 (2023: £0). A 10% decrease would have an equal and opposite effect.

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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, including China
- 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 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.

#### *Other investments*

The Fund may also invest 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.

#### *Geographic locations (where we invest)*

The Fund may invest anywhere in the world including emerging markets.

#### *How we select investments (investment strategy)*

- This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.
- 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.

# FTF Brandywine Global Income Optimiser Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

In selecting the majority of the Fund's investments, the Investment Manager assesses prospective investments against various ESG factors, to identify whether the issuer's ESG practices present a financial opportunity or risk. The Investment Manager focuses 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.

In addition to the integration of ESG factors described above, the Investment Manager also applies these factors to establish a scoring methodology based on external data sources which it uses to screen the universe of potential investments for the Fund. At least 90% of the issuers in the Fund's portfolio are assigned a score, and at least 80% of the Fund's investment universe is screened and scored. Ratings are reviewed quarterly for government debt securities, and daily for all other debt securities, and the Fund's managers make changes to the Fund's portfolio on a monthly basis.

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 these issuers for improvement 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 Fund will not invest in issuers that the Investment Manager considers have significant direct involvement in any of the following activities:

- Tobacco;
- Thermal coal;
- Nuclear energy; and
- Adult entertainment materials.

The Fund will not invest in any issuer if the issuer:

- Is assessed as 'fail' under the United Nations Global Compact; or
- Is a sovereign issuer identified in the United Nations Security Council Sanctions or as a high-risk jurisdiction by the Financial Action Task Force; or
- Is involved in the production, sales and distribution of controversial weapons.

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.



# FTF Brandywine Global Income Optimiser Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Brandywine Global Income Optimiser Fund (W Accumulation) returned 6.45%, whilst its benchmark - the Bloomberg Multiverse Index (100% UK sterling Hedged) - returned 3.81% (both returns in UK sterling). The Bloomberg Multiverse Index (100% UK sterling Hedged) replaced the SONIA Compounded Index as the Fund's benchmark on 29 March 2024. The SONIA Compounded Index returned 5.05% for the 12 months ended 31 March 2024 (in UK sterling).

### OVERVIEW

The global fixed income market experienced periods of volatility, but ultimately generated a modest positive return during the twelve months ended March 31, 2024. Looking back, the market declined over the first seven months of the reporting period. The market's weakness was partially due to inflation that remained elevated and triggered expectations for a "higher for longer" interest rate environment. The market then rallied sharply over the last two months of 2023, as the U.S. Federal Reserve (Fed) "pivoted" by indicating an end to its monetary tightening campaign and announcing its intention to cut rates three times in 2024. Moderating inflation and hopes that the Fed would orchestrate a "soft landing" for the economy also supported investor sentiment. The market again declined over the first quarter of 2024. With inflation still above the Fed's 2% target, there were concerns that the central bank may keep rates high for longer, or possibly reduce its number of rate cuts in 2024. All told, most spread sectors (non-U.S. Treasuries), including investment-grade and high-yield corporate bonds, as well as mortgage-backed securities, generated positive returns during the reporting period.

On the monetary policy front, as discussed, toward the end of 2023 the Fed signalled the likely end to rate hikes. Similar trends occurred in several other developed market countries. The European Central Bank (ECB) raised rates to a record high in September 2023 and the Bank of England (BoE) hiked rates to a 16-year high in August 2023. With inflation moderating, both central banks have since held rates steady, and suggested that rates cuts were possible in 2024. Elsewhere, the Bank of Japan (BoJ) finally abandoned its negative rate stance in March 2024, as it raised rates from -0.1% to 0.0%-0.1%, the first hike since 2007.

In the currency market, the U.S. dollar fluctuated during the reporting period. Over the 12-month period, the U.S. dollar rose 1.9%. Meanwhile, the euro and pound returned -0.4% and 2.3%, respectively, against the U.S. dollar. Elsewhere, the Japanese yen fell 12.2%, given the given the BoJ's ultra-loose monetary policy for most of the period. This prompted Japanese authorities to express their readiness to intervene in the currency markets. Finally, the majority of emerging market currencies weakened versus the U.S. dollar.

All told, the Bloomberg Global Aggregate Bond Index returned 0.50% during the twelve months ended March 31, 2024. Investors who took on additional risk were rewarded over the reporting period. Global high-yield corporate bonds, as measured by the Bloomberg Global High Yield Index (USD hedged) returned 13.36%. Meanwhile, the JPMorgan Emerging Markets Bond Global Diversified Index returned 4.91%.

### SIGNIFICANT CHANGES

The Fund decreased overall portfolio duration during the reporting period, primarily by trimming U.S. Treasury duration exposure after the strong fourth quarter 2023 duration rally. Given the recent strong relative growth outperformance in the U.S. and the potential for fewer interest rate cuts in the country, we instead favour duration where the growth slowdown is more evident. There are now potentially other developed market central banks where earlier and more aggressive rate cuts are more likely. U.K. duration was therefore added as the country fell into a technical recession (two consecutive quarters of negative growth) in the fourth quarter of 2023, while inflation continues to dissipate. We also initiated exposure to German bunds and Spanish government bonds during the reporting period. With a continued growth slowdown in the euro area and a surprise rate cut by the Swiss central bank, we believe it is likely that the European Central Bank (ECB) will begin its rate cutting cycle soon.

The Fund removed a short to Japanese government bonds during the reporting period. We also removed exposure to the Japanese yen. The Fund also slightly decreased its exposure to Brazilian local-currency sovereign bonds in favour of Colombian and Mexican local currency bonds where valuations are more favourable. The Fund initiated exposure to Panamanian hard currency government bonds in the first quarter of 2024 after spread widening in the country. We also initiated exposure to Egyptian hard currency sovereign bonds later in the reporting period.

The Fund rotated out of longer duration U.S. agency pass-through exposure in favour of prime residential mortgage-backed security (RMBS) exposure. This was in tandem with our decision to trim U.S. duration exposure. The Fund also trimmed its allocation to investment-grade corporate credits given valuations. As spreads have continued to narrow in investment-grade credits, the asset class does not have the yield cushion to protect it from spread widening that may occur. We instead prefer short-dated U.S. high-yield corporate credits with substantial yield cushion.

# FTF Brandywine Global Income Optimiser Fund

## INVESTMENT REVIEW *(Continued)*

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### POSITIVE/NEGATIVE CONTRIBUTORS

The top contributor to the Fund was emerging market local currency sovereign bonds, including to Colombia, Mexico, and Brazil. These countries were early and aggressive in their rate hiking and therefore inflation continued to decline in these markets and with it their yields. Their currencies also held up well versus the U.S. dollar, as these countries had idiosyncratic growth drivers. Hard currency Egyptian sovereign bonds that were added later in the reporting period were slightly accretive to performance.

U.S. high-yield corporate credits also contributed, spreads narrowed and the asset class also benefited from higher starting yields. All sectors the Fund was invested broadly performed well, with exposures to energy consumer cyclicals, financials, and communications performing the best. Select ex-U.S. high-yield names also contributed, specifically smaller high-yield allocations to Brazil and Canada. U.S. investment-grade corporate credit was also accretive, but to a lesser extent versus high-yield, with an overweight to financials outperforming. MBS exposure also was accretive, with agency pass throughs and prime RMBS both contributing to returns.

U.K. gilt exposure also contributed to performance. The Bank of England (BoE) hiked rates to a 16-year high in August 2023. With inflation moderating, the BoE has since held rates steady, and suggested that rates cuts were possible in 2024. However, exposure to U.S. Treasury duration detracted from returns. The fourth quarter rally in 2023 was not enough to offset the selloff during the other parts of the reporting period. Exposure to the Japanese yen also detracted. The Japanese yen fell given the Bank of Japan's ultra-loose monetary policy for most of the period. This prompted Japanese authorities to express their readiness to intervene in the currency markets. Finally, select European corporate credit exposure was a headwind for performance.

### OUTLOOK

In our view, with inflation falling and the Fed about to embark on a rate cutting cycle, the macro environment is generally favourable for bonds. Given recent relative U.S. growth outperformance, a U.S. economic soft landing seems like the most likely scenario. However, other developed market countries are seeing more of a relative growth slowdown. Although spreads are tight, higher starting yields offer a compelling total return opportunity, in the manager's opinion. Technical market factors and diminishing evidence of a pending recession are also constructive. We remain defensive, looking to take additional risk on an individual, idiosyncratic basis where opportunities arise. The high-yield market is fundamentally stronger, with higher credit quality. Meanwhile, defaults are currently below their long-term averages. While tight monetary policy may become more problematic for the economy over time, many high-yield issuers are intensely focused on improving credit quality and debt levels.

**Michael Arno, Tracy Chen, CFA, Brian Kloss, Renato Latini, CFA, Jack P. McIntyre & Anujeet Sareen**

Fund Managers

31 March 2024

# FTF Brandywine Global Income Optimiser Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	110.93	108.11
Return before operating charges <sup>1</sup>	6.89	3.01
Operating charges <sup>2</sup>	(0.37)	(0.19)
Return after operating charges <sup>3</sup>	6.52	2.82
Distributions	(7.75)	(3.58)
Retained distributions on accumulation shares	7.75	3.58
Closing net asset value per share	117.45	110.93
After direct transaction costs of <sup>4</sup>	(0.01)	-
<b>Performance</b>		
Return after charges <sup>5</sup>	5.88%	2.61%
<b>Other information</b>		
Closing net asset value (£)	112,265,824	90,262,188
Closing number of shares	95,587,759	81,367,934
Operating charges ratio <sup>6</sup>	0.33%	0.33%
Direct transaction costs <sup>4</sup>	0.01%	-
<b>Prices (p)</b>		
Highest share price	118.75	114.06
Lowest share price	106.16	101.96
<b>EB Income</b>		
	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	90.78	91.40
Return before operating charges <sup>1</sup>	5.46	2.49
Operating charges <sup>2</sup>	(0.30)	(0.16)
Return after operating charges <sup>3</sup>	5.16	2.33
Distributions	(6.19)	(2.95)
Closing net asset value per share	89.75	90.78
After direct transaction costs of <sup>4</sup>	-	-
<b>Performance</b>		
Return after charges <sup>5</sup>	5.68%	2.55%
<b>Other information</b>		
Closing net asset value (£)	24,203,137	27,602,408
Closing number of shares	26,966,558	30,405,360
Operating charges ratio <sup>6</sup>	0.33%	0.33%
Direct transaction costs <sup>4</sup>	0.01%	-
<b>Prices (p)</b>		
Highest share price	93.05	94.84
Lowest share price	83.92	86.20

# FTF Brandywine Global Income Optimiser Fund

## COMPARATIVE TABLES (Continued)

<b>S Accumulation</b>	<b>31 March 2024</b>	<b>31 March 2023*</b>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	111.11	108.34
Return before operating charges <sup>1</sup>	6.90	3.01
Operating charges <sup>2</sup>	(0.49)	(0.24)
Return after operating charges <sup>3</sup>	6.41	2.77
Distributions	(7.76)	(3.53)
Retained distributions on accumulation shares	7.76	3.53
Closing net asset value per share	117.52	111.11
After direct transaction costs of <sup>4</sup>	(0.01)	-
<b>Performance</b>		
Return after charges <sup>5</sup>	5.77%	2.56%
<b>Other information</b>		
Closing net asset value (£)	164,270,836	34,407,628
Closing number of shares	139,775,510	30,966,273
Operating charges ratio <sup>6</sup>	0.43%	0.43%
Direct transaction costs <sup>4</sup>	0.01%	-
<b>Prices (p)</b>		
Highest share price	118.83	114.27
Lowest share price	106.28	102.17
<b>S Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	90.56	91.22
Return before operating charges <sup>1</sup>	5.45	2.48
Operating charges <sup>2</sup>	(0.39)	(0.20)
Return after operating charges <sup>3</sup>	5.06	2.28
Distributions	(6.17)	(2.94)
Closing net asset value per share	89.45	90.56
After direct transaction costs of <sup>4</sup>	-	-
<b>Performance</b>		
Return after charges <sup>5</sup>	5.59%	2.50%
<b>Other information</b>		
Closing net asset value (£)	106,727,565	124,595,891
Closing number of shares	119,321,587	137,581,201
Operating charges ratio <sup>6</sup>	0.43%	0.43%
Direct transaction costs <sup>4</sup>	0.01%	-
<b>Prices (p)</b>		
Highest share price	92.76	94.62
Lowest share price	83.67	86.03

# FTF Brandywine Global Income Optimiser Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	120.08	117.20
Return before operating charges <sup>1</sup>	7.45	3.26
Operating charges <sup>2</sup>	(0.65)	(0.38)
Return after operating charges <sup>3</sup>	6.80	2.88
Distributions	(8.38)	(3.81)
Retained distributions on accumulation shares	8.38	3.81
Closing net asset value per share	126.88	120.08
After direct transaction costs of <sup>4</sup>	(0.01)	-
<b>Performance</b>		
Return after charges <sup>5</sup>	5.66%	2.46%
<b>Other information</b>		
Closing net asset value (£)	8,558,228	9,525,669
Closing number of shares	6,744,965	7,932,633
Operating charges ratio <sup>6</sup>	0.53%	0.62%
Direct transaction costs <sup>4</sup>	0.01%	-
<b>Prices (p)</b>		
Highest share price	128.30	123.53
Lowest share price	114.79	110.51
<b>W Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	97.47	98.29
Return before operating charges <sup>1</sup>	5.85	2.66
Operating charges <sup>2</sup>	(0.51)	(0.31)
Return after operating charges <sup>3</sup>	5.34	2.35
Distributions	(6.63)	(3.17)
Closing net asset value per share	96.18	97.47
After direct transaction costs of <sup>4</sup>	(0.01)	-
<b>Performance</b>		
Return after charges <sup>5</sup>	5.48%	2.39%
<b>Other information</b>		
Closing net asset value (£)	177,573,284	170,675,850
Closing number of shares	184,634,194	175,098,852
Operating charges ratio <sup>6</sup>	0.53%	0.62%
Direct transaction costs <sup>4</sup>	0.01%	-
<b>Prices (p)</b>		
Highest share price	99.76	101.87
Lowest share price	90.00	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.

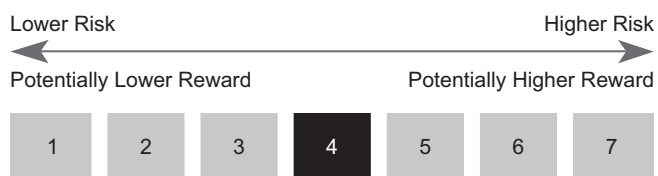
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Brandywine Global Income Optimiser Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>BONDS 94.07% (88.60%)</b>		
	<b>AFRICA 2.01% (0.00%)</b>		
	<b>EGYPT</b>		
18,340,000	Egypt Government International Bond, 8.875%, 29/05/2050 .....	11,902	2.01
	TOTAL - AFRICA	11,902	2.01
	<b>ASIA 0.00% (3.94%)</b>		
	<b>AUSTRALIA 0.91% (0.00%)</b>		
870,000	Mineral Resources, 8.125%, 01/05/2027 .....	697	0.12
5,620,000	Mineral Resources, 9.250%, 01/10/2028 .....	4,681	0.79
	TOTAL - AUSTRALIA	5,378	0.91
	<b>CENTRAL AMERICA 9.55% (4.51%)</b>		
	<b>CAYMAN ISLANDS</b>		
2,000,000	Seagate HDD Cayman, 4.125%, 15/01/2031 .....	1,401	0.24
	<b>MEXICO</b>		
1,920,000	Braskem Idesa SAPI, 7.450%, 15/11/2029 .....	1,243	0.21
1,545,000	Braskem Idesa SAPI, 6.990%, 20/02/2032 .....	950	0.16
4,000,000	Grupo Posadas, 7.000%, 30/12/2027 .....	2,917	0.49
481,700,000	Mexican Bonos, 7.500%, 26/05/2033 .....	20,419	3.44
292,600,000	Mexican Bonos, 8.000%, 31/07/2053 .....	11,910	2.01
2,507,000	Trust Fibra Uno, 5.250%, 30/01/2026 .....	1,937	0.32
	TOTAL - MEXICO	39,376	6.63
	<b>PANAMA</b>		
4,389,965	AES Panama Generation, 4.375%, 31/05/2030 .....	3,021	0.51
13,520,000	Panama Government International Bond, 3.870%, 23/07/2060 .....	6,154	1.04
12,985,000	Panama Government International Bond, 4.500%, 19/01/2063 .....	6,721	1.13
	TOTAL - PANAMA	15,896	2.68
	TOTAL - CENTRAL AMERICA	56,673	9.55
	<b>EUROPE - NON EU 0.79% (0.41%)</b>		
	<b>SWITZERLAND</b>		
5,620,000	UBS, 6.537%, 12/08/2033 .....	4,691	0.79
	TOTAL - EUROPE - NON EU	4,691	0.79
	<b>EUROPE - OTHER EU 6.45% (3.18%)</b>		
	<b>IRELAND</b>		
3,170,000	Avolon Funding, 5.750%, 01/03/2029 .....	2,497	0.42
5,250,000	GGAM Finance, 7.750%, 15/05/2026 .....	4,241	0.71
3,610,000	GGAM Finance, 8.000%, 15/02/2027 .....	2,951	0.50
	TOTAL - IRELAND	9,689	1.63
	<b>LUXEMBOURG</b>		
1,420,000	Altice Financing, 5.750%, 15/08/2029 .....	900	0.15
2,800,000	Connect Finco Sarl / Connect US Finco, 6.750%, 01/10/2026 .....	2,175	0.37
4,360,000	Minerva Luxembourg, 8.875%, 13/09/2033 .....	3,632	0.61
1,490,000	Raizen Fuels Finance, 6.450%, 05/03/2034 .....	1,211	0.20
	TOTAL - LUXEMBOURG	7,918	1.33
	<b>NETHERLANDS</b>		
3,825,000	Braskem Netherlands Finance, 8.500%, 12/01/2031 .....	3,141	0.53
	<b>SPAIN</b>		
29,920,000	Spain Government Bond, 1.900%, 31/10/2052 .....	17,560	2.96
	TOTAL - EUROPE - OTHER EU	38,308	6.45

# FTF Brandywine Global Income Optimiser Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>MIDDLE EAST 2.94% (0.81%)</b>			
<b>ISRAEL</b>			
4,055,000	Energean Israel Finance, 4.875%, 30/03/2026 .....	3,041	0.51
6,031,000	Energean Israel Finance, 5.375%, 30/03/2028 .....	4,354	0.74
1,730,000	Energean Israel Finance, 8.500%, 30/09/2033 .....	1,354	0.23
6,590,000	Leviathan Bond, 6.125%, 30/06/2025 .....	5,122	0.86
3,450,000	Leviathan Bond, 6.500%, 30/06/2027 .....	2,632	0.44
1,275,000	Leviathan Bond, 6.750%, 30/06/2030 .....	934	0.16
		<u>17,437</u>	<u>2.94</u>
TOTAL - MIDDLE EAST			
		<u>17,437</u>	<u>2.94</u>
<b>NORTH AMERICA 49.62% (62.85%)</b>			
<b>BERMUDA</b>			
2,790,000	Bellemeade Re, FRN, 9.571%, 25/10/2033 .....	2,287	0.39
2,206,698	Oaktown Re VII, FRN, 6.920%, 25/04/2034 .....	1,747	0.29
1,178,000	RenaissanceRe, 5.750%, 05/06/2033 .....	941	0.16
		<u>4,975</u>	<u>0.84</u>
<b>CANADA</b>			
1,543,809	Air Canada Pass-Through Trust, 3.600%, 15/09/2028 .....	1,158	0.19
3,488,186	Air Canada Pass-Through Trust, 5.250%, 01/10/2030 .....	2,714	0.46
3,125,000	Antares, 2.750%, 15/01/2027 .....	2,217	0.37
4,500,000	Baytex Energy, 8.500%, 30/04/2030 .....	3,715	0.63
3,400,000	ERO Copper, 6.500%, 15/02/2030 .....	2,558	0.43
5,500,000	First Quantum Minerals, 6.875%, 15/10/2027 .....	4,172	0.70
1,455,000	Hudbay Minerals, 4.500%, 01/04/2026 .....	1,116	0.19
4,000,000	St Marys Cement Canada, 5.750%, 02/04/2034 .....	3,135	0.53
6,090,000	Taseko Mines, 7.000%, 15/02/2026 .....	4,840	0.82
3,640,000	Teine Energy, 6.875%, 15/04/2029 .....	2,802	0.47
		<u>28,427</u>	<u>4.79</u>
<b>UNITED STATES OF AMERICA</b>			
4,285,000	Aethon United BR / Aethon United Finance, 8.250%, 15/02/2026 .....	3,431	0.58
3,130,000	Affinity Interactive, 6.875%, 15/12/2027 .....	2,315	0.39
1,790,000	Aircastle, 5.250%, Perpetual .....	1,350	0.23
5,175,000	Ally Financial, 4.700%, Perpetual .....	3,248	0.55
4,220,000	Ally Financial, 4.700%, Perpetual .....	2,864	0.48
5,176,000	AmeriTex HoldCo Intermediate, 10.250%, 15/10/2028 .....	4,399	0.74
4,865,000	Ares Capital, 3.250%, 15/07/2025 .....	3,721	0.63
1,775,000	Ares Capital, 2.875%, 15/06/2028 .....	1,253	0.21
12,280,000	Avis Budget Rental Car Funding AESOP, 2.650%, 20/03/2026 .....	9,465	1.59
3,575,000	Bain Capital Specialty Finance, 2.950%, 10/03/2026 .....	2,658	0.45
2,060,000	Blackstone Secured Lending Fund, 3.625%, 15/01/2026 .....	1,560	0.26
2,380,000	Blackstone Secured Lending Fund, 2.125%, 15/02/2027 .....	1,700	0.29
1,160,000	Blackstone Secured Lending Fund, 2.850%, 30/09/2028 .....	810	0.14
2,600,000	Blue Owl Capital, 4.000%, 30/03/2025 .....	2,018	0.34
1,370,000	Blue Owl Credit Income, 7.750%, 16/09/2027 .....	1,111	0.19
3,460,000	Blue Owl Technology Finance, 4.750%, 15/12/2025 .....	2,633	0.44
6,620,000	Blue Owl Technology Finance, 3.750%, 17/06/2026 .....	4,854	0.82
6,475,000	Capital One Financial, 7.624%, 30/10/2031 .....	5,664	0.95
5,430,000	Civitas Resources, 8.375%, 01/07/2028 .....	4,526	0.76
2,415,000	Connecticut Avenue Trust, FRN, 9.785%, 25/07/2031 .....	2,051	0.35
1,186,188	Connecticut Avenue Trust, FRN, 9.535%, 25/07/2039 .....	977	0.16
4,198,080	Connecticut Avenue Trust, FRN, 8.835%, 25/10/2039 .....	3,418	0.58
13,610,000	Connecticut Avenue Trust, FRN, 9.085%, 25/02/2040 .....	11,410	1.92
3,660,000	Connecticut Avenue Trust, FRN, 9.820%, 25/01/2042 .....	3,045	0.51
2,740,000	Connecticut Avenue Trust, FRN, 10.870%, 25/01/2043 .....	2,392	0.40
4,080,000	Connecticut Avenue Trust, FRN, 10.071%, 25/06/2043 .....	3,485	0.59



# FTF Brandywine Global Income Optimiser Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>UNITED STATES OF AMERICA (Continued)</b>			
1,600,000	Connecticut Avenue Trust, FRN, 9.821%, 25/09/2043 .....	1,339	0.23
3,135,000	Consolidated Communications, 5.000%, 01/10/2028.....	2,067	0.35
3,710,000	Credit Acceptance, 9.250%, 15/12/2028.....	3,161	0.53
4,800,000	CSC, 5.500%, 15/04/2027 .....	3,396	0.57
1,000,000	Delta Air Lines Pass-Through Trust, 3.204%, 25/10/2025.....	791	0.13
3,300,000	Discover Financial Services, 7.964%, 02/11/2034.....	2,961	0.50
4,738,000	DISH Network, 3.375%, 15/08/2026 .....	2,335	0.39
5,750,000	DISH Network, 11.750%, 15/11/2027 .....	4,636	0.78
4,000,000	Dream Finders Homes, 8.250%, 15/08/2028 .....	3,309	0.56
1,300,000	Enviri, 5.750%, 31/07/2027 .....	969	0.16
4,085,000	Fannie Mae Connecticut Avenue, FRN, 9.085%, 25/09/2029 .....	3,405	0.57
3,750,000	Fannie Mae Connecticut Avenue, FRN, 8.620%, 25/11/2041 .....	3,061	0.52
4,850,000	Ford Motor Credit, 3.664%, 08/09/2024 .....	3,800	0.64
2,380,000	Ford Motor Credit, 6.950%, 10/06/2026 .....	1,925	0.32
3,235,000	Freddie Mac STACR REMIC Trust, FRN, 9.670%, 25/04/2042 .....	2,744	0.46
1,760,000	Freddie Mac STACR REMIC Trust, FRN, 8.670%, 25/05/2042 .....	1,455	0.25
8,670,000	Freddie Mac STACR REMIC Trust, FRN, 12.071%, 25/06/2042.....	7,779	1.31
1,640,000	Freddie Mac STACR REMIC Trust, FRN, 11.321%, 25/07/2042.....	1,445	0.24
3,200,000	Freddie Mac STACR REMIC Trust, FRN, 11.070%, 25/09/2042.....	2,848	0.48
1,731,644	Freddie Mac STACR REMIC Trust, FRN, 7.320%, 25/06/2043 .....	1,381	0.23
4,240,000	Freddie Mac STACR REMIC Trust, FRN, 8.670%, 25/11/2043 .....	3,513	0.59
3,410,000	Freddie Mac STACR REMIC Trust, FRN, 6.569%, 25/03/2044 .....	2,701	0.46
1,610,000	Freddie Mac STACR REMIC Trust, FRN, 9.635%, 25/02/2047 .....	1,414	0.24
6,916,000	Freddie Mac STACR REMIC Trust, FRN, 9.320%, 25/11/2050 .....	6,151	1.04
6,750,000	Freedom Mortgage, 7.625%, 01/05/2026 .....	5,335	0.90
2,030,000	FS KKR Capital, 3.125%, 12/10/2028 .....	1,404	0.24
3,553,747	Ginnie Mae II Pool, 5.500%, 20/06/2053 .....	2,813	0.47
8,116,572	Ginnie Mae II Pool, 5.500%, 20/08/2053 .....	6,425	1.08
4,735,000	Golub Capital BDC, 2.500%, 24/08/2026.....	3,444	0.58
890,000	Golub Capital BDC, 2.050%, 15/02/2027.....	628	0.11
2,570,000	Golub Capital BDC, 6.000%, 15/07/2029.....	2,000	0.34
4,000,000	Graham, 5.750%, 01/06/2026 .....	3,135	0.53
1,055,000	IRB, 7.000%, 15/06/2025.....	835	0.14
7,085,000	KeyBank, FRN, 5.683%, 14/06/2024 .....	5,605	0.94
1,340,000	Las Vegas Sands, 3.200%, 08/08/2024 .....	1,049	0.18
1,390,000	Liberty Interactive, 8.250%, 01/02/2030 .....	675	0.11
4,975,000	Main Street Capital, 3.000%, 14/07/2026 .....	3,671	0.62
2,236,000	MasTec, 4.500%, 15/08/2028 .....	1,684	0.28
3,408,000	MicroStrategy, 6.125%, 15/06/2028.....	2,606	0.44
7,650,000	Mohegan Tribal Gaming Authority, 8.000%, 01/02/2026 .....	5,939	1.00
9,950,000	New Fortress Energy, 6.750%, 15/09/2025 .....	7,823	1.32
6,110,000	New Fortress Energy, 6.500%, 30/09/2026 .....	4,658	0.78
1,750,000	New Fortress Energy, 8.750%, 15/03/2029 .....	1,381	0.23
1,930,000	Nexstar Media, 4.750%, 01/11/2028 .....	1,392	0.23
1,670,000	Panther Escrow Issuer, 7.125%, 01/06/2031 .....	1,345	0.23
4,883,000	PRA, 5.000%, 01/10/2029 .....	3,257	0.55
780,000	Regal Rexnord, 6.300%, 15/02/2030.....	632	0.11
780,000	Regal Rexnord, 6.400%, 15/04/2033.....	641	0.11
2,948,000	Sabre GBLB, 8.625%, 01/06/2027 .....	2,048	0.34
2,850,000	Star Parent, 9.000%, 01/10/2030.....	2,388	0.40
6,830,000	Synchrony Bank, 5.400%, 22/08/2025 .....	5,359	0.90
3,430,000	Synchrony Financial, 7.250%, 02/02/2033 .....	2,701	0.45
5,550,000	Uber Technologies, 8.000%, 01/11/2026 .....	4,446	0.75
2,353,089	United Airlines Pass-Through Trust, 4.000%, 29/04/2026.....	1,840	0.31
4,775,744	United Airlines Pass-Through Trust, 3.100%, 07/04/2030.....	3,366	0.57
500,000	United States Cellular, 6.700%, 15/12/2033 .....	388	0.07

# FTF Brandywine Global Income Optimiser Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>UNITED STATES OF AMERICA (Continued)</b>			
1,000,000	Univision Communications, 8.000%, 15/08/2028 .....	806	0.14
7,715,000	Venture Global LNG, 8.125%, 01/06/2028 .....	6,239	1.05
7,380,000	Viasat, 5.625%, 15/04/2027 .....	5,522	0.93
620,000	VICI Properties / VICI Note, 4.625%, 15/06/2025 .....	483	0.08
2,910,000	Viking Cruises, 5.875%, 15/09/2027 .....	2,261	0.38
		<u>261,168</u>	<u>43.99</u>
	TOTAL - NORTH AMERICA	<u>294,570</u>	<u>49.62</u>
<b>SOUTH AMERICA 12.02% (10.94%)</b>			
<b>ARGENTINA</b>			
3,150,000	YPF, 8.500%, 28/07/2025 .....	2,442	0.41
2,055,384	YPF, 9.000%, 12/02/2026 .....	1,639	0.28
3,430,000	YPF, 9.500%, 17/01/2031 .....	2,774	0.47
		<u>6,855</u>	<u>1.16</u>
<b>BRAZIL</b>			
85,090,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2027 .....	13,404	2.26
36,330,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2029 .....	5,757	0.97
3,255,000	CSN Resources, 8.875%, 05/12/2030 .....	2,657	0.45
738,000	CSN Resources, 4.625%, 10/06/2031 .....	479	0.08
3,895,000	XP, 3.250%, 01/07/2026 .....	2,887	0.48
		<u>25,184</u>	<u>4.24</u>
<b>COLOMBIA</b>			
133,270,000,000	Colombian TES, 7.000%, 26/03/2031 .....	23,553	3.97
77,696,000,000	Colombian TES, 7.250%, 26/10/2050 .....	11,206	1.88
2,970,000	Ecopetrol, 8.875%, 13/01/2033 .....	2,486	0.42
2,885,000	Geopark, 5.500%, 17/01/2027 .....	2,074	0.35
		<u>39,319</u>	<u>6.62</u>
	TOTAL - SOUTH AMERICA	<u>71,358</u>	<u>12.02</u>
<b>UNITED KINGDOM 9.78% (1.96%)</b>			
2,360,000	Allwyn Entertainment Financing UK, 7.875%, 30/04/2029 .....	1,919	0.32
2,100,000	Macquarie Airfinance, 8.375%, 01/05/2028 .....	1,762	0.30
5,060,000	Nationwide Building Society, 5.750%, Perpetual .....	4,788	0.81
2,465,000	NatWest, 4.600%, Perpetual .....	1,518	0.25
52,500,000	United Kingdom Gilt, 3.750%, 22/10/2053 .....	46,813	7.89
1,850,000	Vmed O2 UK Financing I, 4.750%, 15/07/2031 .....	1,263	0.21
	TOTAL - UNITED KINGDOM	<u>58,063</u>	<u>9.78</u>
	TOTAL - BONDS	<u>558,380</u>	<u>94.07</u>
<b>DERIVATIVES 0.41% (3.34%)</b>			
<b>SWAPS</b>			
(50,290,000)	Credit Default Swap Markit CDX.NA.IG.34, 1.000%, 20/06/2025 .....	434	0.07
(9,665,000)	Credit Default Swap Markit iTraxx, 1.000%, 20/12/2024 .....	58	0.01
(55,870,000)	Credit Default Swap Markit iTraxx Europe, 1.000%, 20/06/2025 .....	531	0.09
(4,700,000)	Credit Default Swap Republic of Panama, 1.000%, 20/12/2028 .....	(87)	(0.01)
(4,800,000)	Credit Default Swap Republic of Panama, 1.000%, 20/12/2028 .....	(89)	(0.02)
		<u>847</u>	<u>0.14</u>
<b>FORWARD CURRENCY CONTRACTS</b>			
EUR 1,390,000	Buy EUR 1,390,000 sell USD (1,504,103) dated 07/05/2024 .....	(1)	0.00
GBP 543,610,000	Buy GBP 543,610,000 sell USD (685,689,540) dated 10/06/2024 .....	1,017	0.17
GBP 4,360,000	Buy GBP 4,360,000 sell USD (5,588,537) dated 10/06/2024 .....	(62)	(0.01)
MXN 42,600,000	Buy MXN 42,600,000 sell USD (2,443,221) dated 29/04/2024 .....	87	0.01
USD 18,915,192	Buy USD 18,915,192 sell EUR (17,400,000) dated 07/05/2024 .....	77	0.01
USD 2,956,857	Buy USD 2,956,857 sell EUR (2,700,000) dated 07/05/2024 .....	29	0.01
USD 1,896,300	Buy USD 1,896,300 sell EUR (1,750,000) dated 07/05/2024 .....	3	0.00

# FTF Brandywine Global Income Optimiser Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>FORWARD CURRENCY CONTRACTS (Continued)</b>			
USD 9,242,316	Buy USD 9,242,316 sell GBP (7,270,000) dated 10/06/2024 .....	44	0.01
USD 5,876,915	Buy USD 5,876,915 sell GBP (4,590,000) dated 10/06/2024 .....	60	0.01
USD 3,678,496	Buy USD 3,678,496 sell GBP (2,920,000) dated 10/06/2024 .....	(9)	0.00
		<u>1,245</u>	<u>0.21</u>
<b>FUTURES</b>			
75	Euro-Buxl 30 Year Bond Future June 2024 .....	177	0.03
410	US 10 Year Ultra Future June 2024 .....	169	0.03
		<u>346</u>	<u>0.06</u>
	TOTAL - DERIVATIVES	<u>2,438</u>	<u>0.41</u>
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b><u>560,818</u></b>	<b><u>94.48</u></b>
	<b>OTHER ASSETS</b> .....	<b><u>32,781</u></b>	<b><u>5.52</u></b>
	<b>TOTAL NET ASSETS</b> .....	<b><u>593,599</u></b>	<b><u>100.00</u></b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital losses	2		(4,025)		(3,583)
Revenue	3	35,103		15,689	
Expenses	4	(2,143)		(1,190)	
Interest payable and similar charges	5	(1,430)		(192)	
Net revenue before taxation		31,530		14,307	
Taxation	6	(155)		(27)	
Net revenue after taxation			31,375		14,280
<b>Total return before distributions</b>			<b>27,350</b>		<b>10,697</b>
Distributions	7		(33,518)		(15,470)
<b>Change in net assets attributable to shareholders</b>			<b>(6,168)</b>		<b>(4,773)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		457,070		-
In-specie transfer	-		534,176	
Amounts received on creation of shares	200,243		60,327	
Amounts paid on cancellation of shares	(71,617)		(136,964)	
		128,626		457,539
Dilution adjustment		185		35
Change in net assets attributable to shareholders from investment activities (see above)		(6,168)		(4,773)
Retained distribution on accumulation shares		13,886		4,269
<b>Closing net assets attributable to shareholders</b>		<b>593,599</b>		<b>457,070</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		561,066	422,702
Current assets			
Debtors	8	17,009	11,369
Cash and bank balances	9	36,528	35,072
Total assets		614,603	469,143
<b>Liabilities</b>			
Investment liabilities		(248)	(2,488)
Creditors			
Distributions payable		(5,598)	(5,167)
Other creditors	10	(15,158)	(4,418)
Total liabilities		(21,004)	(12,073)
<b>Net assets attributable to shareholders</b>		<b>593,599</b>	<b>457,070</b>

# FTF Brandywine Global Income Optimiser Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital losses

	<u>1 April 2023 to 31 March 2024</u>	<u>23 September 2022 to 31 March 2023</u>
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities gains/(losses)	4,814	(49,170)
Derivative losses	(15,083)	(13,996)
Currency losses	(18,400)	(7,337)
Forward currency contracts	24,644	66,920
	<u>(4,025)</u>	<u>(3,583)</u>

### 3. Revenue

	<u>1 April 2023 to 31 March 2024</u>	<u>23 September 2022 to 31 March 2023</u>
	£000	£000
Bank and other interest	991	357
Interest on debt securities	33,906	15,265
Interest on balances held at futures clearing houses and brokers	206	67
	<u>35,103</u>	<u>15,689</u>

### 4. Expenses

	<u>1 April 2023 to 31 March 2024</u>	<u>23 September 2022 to 31 March 2023</u>
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	1,759	994
ACD's administration charge	243	123
ACD Waiver	(1)	(25)
	<u>2,001</u>	<u>1,092</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	45	33
Safe custody fees	106	19
	<u>151</u>	<u>52</u>
<b>Other expenses:</b>		
Audit fees	20	12
Legal and publication fees	(36)	25
VAT Reclaim	(1)	-
Other	8	9
	<u>(9)</u>	<u>46</u>
	<u>2,143</u>	<u>1,190</u>

# FTF Brandywine Global Income Optimiser Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	1	10
Interest on bond futures	1,353	182
Interest paid on margin deposits	76	-
<b>Total interest payable and similar charges</b>	<b>1,430</b>	<b>192</b>

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Corporation tax	36	-
Double taxation relief	(36)	-
Overseas tax	155	27
Total current tax	155	27
<b>Total taxation (see Note 6(b))</b>	<b>155</b>	<b>27</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	31,530	14,307
Corporation tax at 20% (2023: 20%)	6,306	2,861
Effects of:		
Double taxation relief	(36)	-
Movement in unrecognised tax losses	(5)	5
Overseas tax	155	27
Tax deductible interest distributions	(6,270)	(2,861)
Prior year adjustment	5	-
Relief on overseas tax expensed	-	(5)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>155</b>	<b>27</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £0 (2023: £5,000) due to tax losses of £0 (2023: £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.

# FTF Brandywine Global Income Optimiser 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 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	15,740	5,526
Accumulation	8,807	2,157
	<u>24,547</u>	<u>7,683</u>
<b>Final dividend distributions</b>		
Income	5,598	5,167
Accumulation	5,079	2,112
	<u>10,677</u>	<u>7,279</u>
Add: Revenue deducted on cancellation of shares	622	858
Deduct: Revenue received on issue of shares	(2,328)	(350)
<b>Total distribution</b>	<u><u>33,518</u></u>	<u><u>15,470</u></u>
	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	31,375	14,280
Capitalised amounts	2,143	1,190
<b>Total distribution</b>	<u><u>33,518</u></u>	<u><u>15,470</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 44 to 46.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	8,013	3,946
Accrued Manager's charge rebates	-	8
Amounts receivable for issue of shares	1,160	282
Amounts receivable from counterparties in respect of collateral on derivatives	3,442	3,630
Currency sales awaiting settlement	4,380	-
Sales awaiting settlement	14	3,503
	<u><u>17,009</u></u>	<u><u>11,369</u></u>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Amount held at futures clearing houses and brokers	2,015	8,242
Cash and bank balances	34,513	26,830
<b>Total cash and bank balances</b>	<u><u>36,528</u></u>	<u><u>35,072</u></u>

# FTF Brandywine Global Income Optimiser Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	259	254
Amounts payable for cancellation of shares	334	275
Currency purchases awaiting settlement	4,382	-
Overseas capital gains tax provision	166	-
Purchases awaiting settlement	10,017	3,889
	<u>15,158</u>	<u>4,418</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £208,000 (2023: £159,000).

### 12. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Bonds	681,155	-	-	681,155	-	-
<b>Sales</b>						
Bonds	537,403	-	-	537,403	-	-
<b>Derivative Transaction Costs</b>		25				
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.00%</u>			
	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
<b>Purchases</b>						
Bonds	239,170	-	-	239,170	-	-
Inspecie transfers	518,862	-	-	518,862	-	-
	<u>758,032</u>	-	-	<u>758,032</u>		
<b>Sales</b>						
Bonds	310,925	-	-	310,925	-	-
<b>Derivative Transaction Costs</b>		10				
Total cost of the Fund's average net asset value (%)		<u>0.00%</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 Brandywine Global Income Optimiser 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 2024, the average dealing spread for the underlying Fund investments is 0.32% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Accumulation	81,367,934	21,051,337	(6,793,013)	(38,499)	95,587,759
EB Income	30,405,360	1,576,995	(5,069,812)	54,015	26,966,558
S Accumulation	30,966,273	122,112,615	(13,297,718)	(5,660)	139,775,510
S Income	137,581,201	9,073,173	(27,305,179)	(27,608)	119,321,587
W Accumulation	7,932,633	1,295,361	(2,648,279)	165,250	6,744,965
W Income	175,098,852	28,423,467	(18,708,836)	(179,289)	184,634,194

# 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	47,159	-	4,105	1,739
Level 2	513,907	248	418,597	749
Level 3	-	-	-	-
<b>Total</b>	<b>561,066</b>	<b>248</b>	<b>422,702</b>	<b>2,488</b>

### 15. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value	% of Net Assets
		£000	
<b>31 March 2024</b>			
Investment grade	BBB or higher	294,787	49.65
Non-investment grade	below BBB	260,676	43.93
Not rated	Not rated	2,917	0.49
<b>Total Value of Bonds</b>		<b>558,380</b>	<b>94.07</b>
<b>31 March 2023</b>			
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
<b>Total Value of Bonds</b>		<b>404,977</b>	<b>88.60</b>

### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Barclays Bank	3	-	-	(89)	-	-	(86)
Citigroup Global Markets Limited	1,133	-	346	1,023	-	-	2,502
HSBC Bank	(18)	-	-	-	-	-	(18)
J.P. Morgan Securities Plc	77	-	-	(87)	-	-	(10)
Morgan Stanley International	(1)	-	-	-	-	-	(1)
Standard Chartered Bank	60	-	-	-	-	-	60
UBS	(9)	-	-	-	-	-	(9)

# FTF Brandywine Global Income Optimiser Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 16. Counterparty and Collateral Exposure (Continued)

31 March 2023							
Counterparty	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaptions £000	Total £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 £0 (2023 - £1,000) in the form of cash.

Collateral pledged to these counterparties in respect of derivative contracts was £3,442,000 (2023 - £4,503,000) in the form of cash.

### 17. Calculation Method of the Risk Exposure

The risk management policies are on pages 14 to 16.

#### Global Exposure using VaR Approach

Market Risk	Limit	Lowest	Highest	Average	Reference Portfolio	Model Type	Confidence Interval	Holding period	Observation period
<b>31 March 2024</b>									
Absolute VaR	20%	18.40%	29.05%	23.76%	N/A	Parametric VaR	99th Percentile	20-Day	1 April 2023 to 31 March 2024
<b>31 March 2023</b>									
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 year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	1.8543	-	1.8543	n/a
Group 2	1.2728	0.5815	1.8543	n/a
<b>EB Income</b>				
Group 1	1.5185	-	1.5185	n/a
Group 2	0.6239	0.8946	1.5185	n/a
<b>S Accumulation</b>				
Group 1	1.8571	-	1.8571	n/a
Group 2	1.5725	0.2846	1.8571	n/a
<b>S Income</b>				
Group 1	1.5144	-	1.5144	n/a
Group 2	0.8146	0.6998	1.5144	n/a
<b>W Accumulation</b>				
Group 1	2.0068	-	2.0068	n/a
Group 2	1.6030	0.4038	2.0068	n/a
<b>W Income Shares</b>				
Group 1	1.6299	-	1.6299	n/a
Group 2	0.7329	0.8970	1.6299	n/a

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	1.9660	-	1.9660	n/a
Group 2	0.7341	1.2319	1.9660	n/a
<b>EB Income</b>				
Group 1	1.5834	-	1.5834	n/a
Group 2	0.5960	0.9874	1.5834	n/a
<b>S Accumulation</b>				
Group 1	1.9684	-	1.9684	n/a
Group 2	1.0987	0.8697	1.9684	n/a
<b>S Income</b>				
Group 1	1.5789	-	1.5789	n/a
Group 2	0.3527	1.2262	1.5789	n/a
<b>W Accumulation</b>				
Group 1	2.1266	-	2.1266	n/a
Group 2	1.2445	0.8821	2.1266	n/a
<b>W Income Shares</b>				
Group 1	1.6989	-	1.6989	n/a
Group 2	0.9324	0.7665	1.6989	n/a

# FTF Brandywine Global Income Optimiser Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022* Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	1.8400	-	1.8400	1.8332
Group 2	0.9884	0.8516	1.8400	1.8332
<b>EB Income</b>				
Group 1	1.4553	-	1.4553	1.4986
Group 2	0.6127	0.8426	1.4553	1.4986
<b>S Accumulation</b>				
Group 1	1.8407	-	1.8407	1.7796
Group 2	0.3770	1.4637	1.8407	1.7796
<b>S Income</b>				
Group 1	1.4509	-	1.4509	1.4939
Group 2	1.1009	0.3500	1.4509	1.4939
<b>W Accumulation</b>				
Group 1	1.9892	-	1.9892	1.9188
Group 2	1.2482	0.7410	1.9892	1.9188
<b>W Income Shares</b>				
Group 1	1.5605	-	1.5605	1.6102
Group 2	0.8561	0.7044	1.5605	1.6102

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 December 2022.

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	2.0921	-	2.0921	1.7455
Group 2	0.9257	1.1664	2.0921	1.7455
<b>EB Income</b>				
Group 1	1.6283	-	1.6283	1.4523
Group 2	0.5769	1.0514	1.6283	1.4523
<b>S Accumulation</b>				
Group 1	2.0936	-	2.0936	1.7488
Group 2	0.7435	1.3501	2.0936	1.7488
<b>S Income</b>				
Group 1	1.6228	-	1.6228	1.4489
Group 2	0.7451	0.8777	1.6228	1.4489
<b>W Accumulation</b>				
Group 1	2.2605	-	2.2605	1.8900
Group 2	1.0621	1.1984	2.2605	1.8900
<b>W Income Shares</b>				
Group 1	1.7451	-	1.7451	1.5601
Group 2	0.7434	1.0017	1.7451	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)*

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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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

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.

#### *Other investments*

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;
- 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 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). Up to 10% of the Fund may be invested in derivatives and recently issued securities.

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.

#### *Geographic locations (where we invest)*

The Fund may invest in companies operating 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).

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund. 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.

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.

# FTF Clearbridge Global Infrastructure Income Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

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 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.



# FTF Clearbridge Global Infrastructure Income Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF ClearBridge Global Infrastructure Income Fund (W Accumulation) returned -2.24%, whilst its two benchmarks - the OECD G7 CPI + 5.5% and FTSE Global Core Infrastructure 50/50 Index (GBP) - returned 8.88% and 1.93% respectively (all returns in UK sterling).

The OECD G7 CPI + 5.5% is a performance target benchmark and the FTS Global Core Infrastructure 50/50 Index was recently added on 29 March 2024 as an additional performance comparator.

### OVERVIEW

Over the course of 2023 and into the first quarter of 2024, despite concerns over inflation and rising interest rates and heightened geopolitical uncertainty, global equities performed strongly, disproportionately driven by the mega cap technology stocks due to a rush of investor interest in artificial intelligence (AI).

Due to the natural defensiveness of infrastructure, the asset class in general underperforms global equities during periods of strong economic activity. Further, increasing earnings and strong fundamentals were not enough to keep infrastructure valuations from falling due to the rise in real bond yields, and the group underperformed. We have seen past periods of bond yield rises that were mostly due to rises in real yields on strong growth expectations which saw utilities and infrastructure in general sell off versus equities. We believe this is short-term market sentiment and historically we have seen global infrastructure indexes outperform global equities over the subsequent two years.

Within the infrastructure universe, on the whole economically sensitive infrastructure such as ports, toll roads, rail and airports outperformed during the period, while higher bond yields weighed on renewables and communications sectors.

### SIGNIFICANT CHANGES

For the most part we maintained our defensive positioning with greater exposure to regulated and contracted utility exposures (electric, gas, water and renewables) relative to GDP-sensitive user-pays sectors (transport and communications) as we believed the economy would be facing the delayed effect of monetary tightening, which famously acts with long and variable lags. Regulated assets generally have their allowed returns (whether real or nominal) adjusted at each regulatory reset. This does lead to some lag to changes in bond yields, but generally has an immaterial impact on fundamental valuations.

Larger positions initiated were concentrated in the electric utilities sector, where we bought NextEra Energy (NEE), an integrated utility business with a regulated utility operating in Florida and the largest wind business in the U.S., and added to NextEra Energy Partners LP (NEP), a growth-oriented contracted renewables company formed by its sponsor and general partner NEE to own, operate and acquire contracted renewable energy generation assets located in North America.

During the third quarter of 2023, NEP decreased its growth guidance from 12%–15% per year to 5%–8% through to 2026 and announced a reduction to its 2023 cash flow expectations. In turn, this impacted NEE's share price as the reduction was a function of long-term interest rates. NEP's announcement came as a large surprise to investors and caused investor fear of further cash flow issues at NEP. While we believed current capital markets made it difficult for the partnership to grow at historical levels, we saw the new dividend guidance as achievable (with milestones such as the sale of pipeline STX), with upside if it would be able to reinstate the asset dropdown program. In the meantime, growth will come through its wind repowering investments, which allow it to replace existing wind assets with larger, more efficient equipment. This enables NEP to not only achieve a higher energy output, but also reset the duration of tax credits it receives from the government. These high-IRR projects with more limited capital needs allow it to meet the new growth targets without access to equity markets.

It seemed clear from the scenarios we ran that the long-term value of NEP would likely be lower than our previous forecast. However, with the stock trading at around half the value of its base assets (and accounting for no growth), even if one assumed interest rates stayed higher for longer, our view was that there was a margin of safety and, believing the stock to be oversold, we were buyers.

Fears related to NEP caused its sponsor NEE to lose its premium valuation status and trade in line with the U.S. regulated utility peer group. The decision to change NEP's guidance raised questions on management's credibility. However, we believed NEE's balance sheet and earnings sustainability remained intact despite the current environment.

We also initiated a position in U.S. electric utility Dominion Energy, which operates primarily in Virginia, a high-quality jurisdiction, and South Carolina. Shares of Dominion have declined in the past 12 months largely on uncertainty over the company's long-term earnings power, but recent commentary from Dominion has improved the outlook for its dividend and helped put a floor on downside risk, suggesting current prices are at a discount to fair value.

# FTF Clearbridge Global Infrastructure Income Fund

## INVESTMENT REVIEW *(Continued)*

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Larger positions exited included U.K. electric utility SSE, after a strong runup in shares, and Australia's largest gas pipeline operator, APA, due to uncertainty related to the value add of its recent Alinta acquisition, which we believe will take many years to show any meaningful upside and is a net negative in terms of management credibility. We believe dividend growth will be limited due to elevated costs, depletion of tax losses and refinancing pressure, and see more favorable risk/reward opportunities in other parts of the investable universe, given the broad weakness in utility stocks in general.

The month of March notwithstanding, we are seeing moderation of inflation and bond yields. Inflation has been trending down thanks to the cooling off in areas such as wage inflation and rents, leading to increasing confidence by market participants that we are at the end of the rate-hiking cycle and now looking toward the start of the rate cutting cycle. We believe this could be the start of the turn for many of our long-duration assets that underperformed for most of 2023, such as towers and renewables. Both sectors have had their own idiosyncratic issues for much of the past year (towers, due to reduced carrier spending; renewables due to interest rate impacts and supply chain issues). We think that these issues are largely behind them. As a result, we have started to increase our weights into towers further, via American Tower and Crown Castle. We continue to work through our positioning on renewables, adding slightly to EDP.

### POSITIVE/NEGATIVE CONTRIBUTORS

In absolute terms, the electric sector was the lead contributor over the period. By region, Latin America was the top contributor, followed by the U.S. and Canada. On an individual stock basis, Constellation Energy, Ferrovial, Union Pacific, Centrais Eletricas and Pembina Pipeline were the main contributors.

In absolute terms, the renewables sector was the main detractor. By region, Western Europe and Asia Pacific Developed were the main detractors. On an individual stock basis, EDP-Energias De Portugal, Enagas, NextEra Energy Partners LP, APA Group, Brookfield Renewable and Crown Castle were the main detractors.

### OUTLOOK

We remain defensively positioned as lagged impacts of tightened financial conditions are still expected to influence the economy and ultimately corporate earnings. The Federal Reserve and many other central banks around the world have moderated in response to inflation data. Economic data has surprised to the upside this year and, in a continuation of 2023, defensive sectors such as utilities have continued to struggle. As a result, we are reviewing our positioning and increasing cyclical exposure, for example in rail and airports benefiting from economic growth, where it makes sense.

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

Fund Managers

31 March 2024

# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	183.80	202.53
Return before operating charges <sup>1</sup>	(3.13)	(18.26)
Operating charges <sup>2</sup>	(0.83)	(0.47)
Return after operating charges <sup>3</sup>	(3.96)	(18.73)
Distributions	(8.67)	(4.02)
Retained distributions on accumulation shares	8.67	4.02
Closing net asset value per share	179.84	183.80
After direct transaction costs of <sup>4</sup>	(0.22)	(0.07)
<b>Performance</b>		
Return after charges <sup>5</sup>	(2.15)%	(9.25)%
<b>Other information</b>		
Closing net asset value (£)	10,326,125	11,185,473
Closing number of shares	5,741,924	6,085,792
Operating charges ratio <sup>6</sup>	0.47%	0.47%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	188.37	201.60
Lowest share price	159.99	175.00
<b>EB Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	131.54	148.15
Return before operating charges <sup>1</sup>	(2.37)	(13.34)
Operating charges <sup>2</sup>	(0.58)	(0.34)
Return after operating charges <sup>3</sup>	(2.95)	(13.68)
Distributions	(6.09)	(2.93)
Closing net asset value per share	122.50	131.54
After direct transaction costs of <sup>4</sup>	(0.16)	(0.05)
<b>Performance</b>		
Return after charges <sup>5</sup>	(2.24)%	(9.23)%
<b>Other information</b>		
Closing net asset value (£)	34,905,509	45,466,473
Closing number of shares	28,493,133	34,565,802
Operating charges ratio <sup>6</sup>	0.47%	0.47%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	134.81	147.48
Lowest share price	111.13	126.92

# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES (Continued)

<u>EB H2 Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	119.51	128.20
Return before operating charges <sup>1</sup>	0.55	(5.76)
Operating charges <sup>2</sup>	(0.54)	(0.31)
Return after operating charges <sup>3</sup>	0.01	(6.07)
Distributions	(5.62)	(2.62)
Closing net asset value per share	113.90	119.51
After direct transaction costs of <sup>4</sup>	(0.14)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	0.01%	(4.73)%
<b>Other information</b>		
Closing net asset value (£)	63,367,097	54,531,277
Closing number of shares	55,634,171	45,630,637
Operating charges ratio <sup>6</sup>	0.47%	0.47%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	123.21	127.63
Lowest share price	100.88	110.82
<u>S Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	118.16	130.34
Return before operating charges <sup>1</sup>	(2.02)	(11.75)
Operating charges <sup>2</sup>	(0.76)	(0.43)
Return after operating charges <sup>3</sup>	(2.78)	(12.18)
Distributions	(5.57)	(2.59)
Retained distributions on accumulation shares	5.57	2.59
Closing net asset value per share	115.38	118.16
After direct transaction costs of <sup>4</sup>	(0.14)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	(2.35)%	(9.34)%
<b>Other information</b>		
Closing net asset value (£)	59,634,150	48,056,053
Closing number of shares	51,685,269	40,671,878
Operating charges ratio <sup>6</sup>	0.67%	0.67%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	121.09	129.74
Lowest share price	102.74	112.60

# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES (Continued)

<u>S H2 Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	94.62	99.76
Return before operating charges <sup>1</sup>	0.70	(4.80)
Operating charges <sup>2</sup>	(0.62)	(0.34)
Return after operating charges <sup>3</sup>	0.08	(5.14)
Distributions	(4.53)	(2.05)
Retained distributions on accumulation shares	4.53	2.05
Closing net asset value per share	94.70	94.62
After direct transaction costs of <sup>4</sup>	(0.12)	(0.03)
<b>Performance</b>		
Return after charges <sup>5</sup>	0.08%	(5.15)%
<b>Other information</b>		
Closing net asset value (£)	98,915,688	61,865,288
Closing number of shares	104,448,870	65,386,148
Operating charges ratio <sup>6</sup>	0.67%	0.67%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	97.54	99.32
Lowest share price	82.39	86.24
<b>S Income</b>		
	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	106.77	120.39
Return before operating charges <sup>1</sup>	(1.92)	(10.84)
Operating charges <sup>2</sup>	(0.67)	(0.40)
Return after operating charges <sup>3</sup>	(2.59)	(11.24)
Distributions	(4.94)	(2.38)
Closing net asset value per share	99.24	106.77
After direct transaction costs of <sup>4</sup>	(0.13)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	(2.43)%	(9.34)%
<b>Other information</b>		
Closing net asset value (£)	179,146,464	286,166,358
Closing number of shares	180,520,933	268,024,818
Operating charges ratio <sup>6</sup>	0.67%	0.67%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	109.42	119.83
Lowest share price	90.11	103.03

# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES (Continued)

<b>S H2 Income**</b>	<b>31 March 2024</b>	<b>31 March 2023*</b>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	101.83	100.00
Return before operating charges <sup>1</sup>	0.87	2.25
Operating charges <sup>2</sup>	(0.65)	(0.03)
Return after operating charges <sup>3</sup>	0.22	2.22
Distributions	(4.79)	(0.39)
Closing net asset value per share	97.26	101.83
After direct transaction costs of <sup>4</sup>	(0.12)	-
<b>Performance</b>		
Return after charges <sup>5</sup>	0.22%	2.22%
<b>Other information</b>		
Closing net asset value (£)	9,600,241	21,486
Closing number of shares	9,870,930	21,099
Operating charges ratio <sup>6</sup>	0.67%	0.64%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	104.98	101.80
Lowest share price	86.25	97.26
<b>S Income USD^</b>		
<b>Change in net assets per share (c)</b>		
Opening net asset value per share	88.29	91.55
Return before operating charges <sup>1</sup>	0.04	(1.01)
Operating charges <sup>2</sup>	(0.56)	(0.32)
Return after operating charges <sup>3</sup>	(0.52)	(1.33)
Distributions	(4.14)	(1.93)
Closing net asset value per share	83.63	88.29
After direct transaction costs of <sup>4</sup>	(0.11)	(0.03)
<b>Performance</b>		
Return after charges <sup>5</sup>	(0.59)%	(1.45)%
<b>Other information</b>		
Closing net asset value (£)	407,956	288,913
Closing number of shares	616,285	404,961
Operating charges ratio <sup>6</sup>	0.67%	0.68%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (c)</b>		
Highest share price	91.31	92.56
Lowest share price	73.04	77.36

# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	179.09	197.70
Return before operating charges <sup>1</sup>	(3.06)	(17.82)
Operating charges <sup>2</sup>	(1.41)	(0.79)
Return after operating charges <sup>3</sup>	(4.47)	(18.61)
Distributions	(8.43)	(3.93)
Retained distributions on accumulation shares	8.43	3.93
Closing net asset value per share	174.62	179.09
After direct transaction costs of <sup>4</sup>	(0.22)	(0.07)
<b>Performance</b>		
Return after charges <sup>5</sup>	(2.50)%	(9.41)%
<b>Other information</b>		
Closing net asset value (£)	310,902,299	415,326,772
Closing number of shares	178,048,924	231,914,098
Operating charges ratio <sup>6</sup>	0.82%	0.81%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	183.53	196.79
Lowest share price	155.61	170.79
<u>W H2 Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	163.25	171.93
Return before operating charges <sup>1</sup>	1.01	(7.97)
Operating charges <sup>2</sup>	(1.30)	(0.71)
Return after operating charges <sup>3</sup>	(0.29)	(8.68)
Distributions	(7.80)	(3.53)
Retained distributions on accumulation shares	7.80	3.53
Closing net asset value per share	162.96	163.25
After direct transaction costs of <sup>4</sup>	(0.20)	(0.06)
<b>Performance</b>		
Return after charges <sup>5</sup>	(0.18)%	(5.05)%
<b>Other information</b>		
Closing net asset value (£)	163,499,047	111,606,837
Closing number of shares	100,328,955	68,364,867
Operating charges ratio <sup>6</sup>	0.82%	0.81%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	168.08	171.15
Lowest share price	141.83	148.61

# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES (Continued)

<u>W Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	128.24	144.72
Return before operating charges <sup>1</sup>	(2.31)	(13.04)
Operating charges <sup>2</sup>	(0.99)	(0.58)
Return after operating charges <sup>3</sup>	(3.30)	(13.62)
Distributions	(5.93)	(2.86)
Closing net asset value per share	119.01	128.24
After direct transaction costs of <sup>4</sup>	(0.15)	(0.05)
<b>Performance</b>		
Return after charges <sup>5</sup>	(2.57)%	(9.41)%
<b>Other information</b>		
Closing net asset value (£)	317,454,168	345,324,265
Closing number of shares	266,736,197	269,279,912
Operating charges ratio <sup>6</sup>	0.82%	0.81%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	131.42	144.05
Lowest share price	108.14	123.75
<b>W H2 Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	117.79	126.99
Return before operating charges <sup>1</sup>	1.01	(6.09)
Operating charges <sup>2</sup>	(0.92)	(0.52)
Return after operating charges <sup>3</sup>	0.09	(6.61)
Distributions	(5.54)	(2.59)
Closing net asset value per share	112.34	117.79
After direct transaction costs of <sup>4</sup>	(0.14)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	0.08%	(5.21)%
<b>Other information</b>		
Closing net asset value (£)	54,506,327	114,707,504
Closing number of shares	48,520,177	97,384,439
Operating charges ratio <sup>6</sup>	0.82%	0.81%
Direct transaction costs <sup>4</sup>	0.13%	0.07%
<b>Prices (p)</b>		
Highest share price	121.38	126.42
Lowest share price	99.66	109.57



# FTF Clearbridge Global Infrastructure Income Fund

## COMPARATIVE TABLES (Continued)

<u>S H2 Accumulation USD<sup>^, ***</sup></u>	<u>31 March 2024</u>
<b>Change in net assets per share (c)</b>	
Opening net asset value per share	1,000.00
Return before operating charges <sup>1</sup>	25.20
Operating charges <sup>2</sup>	(4.62)
Return after operating charges <sup>3</sup>	20.58
Distributions	(29.87)
Retained distributions on accumulation shares	29.87
Closing net asset value per share	1,020.58
After direct transaction costs of <sup>4</sup>	(0.87)
<b>Performance</b>	
Return after charges <sup>5</sup>	2.06%
<b>Other information</b>	
Closing net asset value (£)	20,197
Closing number of shares	2,500
Operating charges ratio <sup>6</sup>	0.67%
Direct transaction costs <sup>4</sup>	0.13%
<b>Prices (c)</b>	
Highest share price	1,030.09
Lowest share price	885.22

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. Where the period is less than 12 months, the operating charges are annualised.

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

US Dollar/Sterling exchange rate at close of business 31 March 2024 - 1.26325

\* The Fund launched on 16 September 2022. The opening net asset value per share is calculated from the merger price. The Highest/Lowest share price is derived from the published NAV.

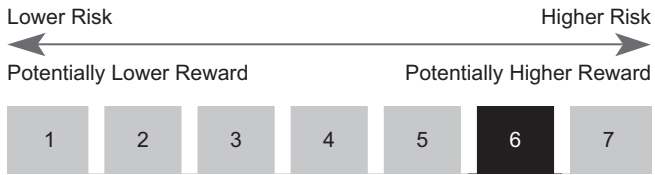
\*\* This share class launched on 13 March 2023.

\*\*\* This share class launched on 19 July 2023.

# FTF Clearbridge Global Infrastructure Income Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.43% (95.87%)</b>		
	<b>ASIA 4.70% (5.19%)</b>		
	<b>HONG KONG</b>		
9,071,132	China Resources Gas .....	22,892	1.76
	<b>JAPAN</b>		
2,331,186	West Japan Railway .....	38,238	2.94
	TOTAL - ASIA	61,130	4.70
	<b>AUSTRALIA 2.18% (8.85%)</b>		
10,344,269	Atlas Arteria .....	28,421	2.18
	TOTAL - AUSTRALIA	28,421	2.18
	<b>EUROPE - OTHER EU 25.60% (22.30%)</b>		
	<b>FRANCE</b>		
286,809	Aeroports de Paris .....	31,166	2.39
	<b>GERMANY</b>		
4,166,353	E.ON .....	45,879	3.52
	<b>ITALY</b>		
7,846,953	Enel .....	41,051	3.15
9,768,391	Snam .....	36,538	2.81
		77,589	5.96
	<b>PORTUGAL</b>		
19,043,008	EDP - Energias de Portugal .....	58,742	4.51
	<b>SPAIN</b>		
1,310,392	Enagas .....	15,422	1.18
1,105,612	Ferrovial .....	34,672	2.66
2,662,875	Iberdrola .....	26,170	2.01
3,246,765	Redeia .....	43,872	3.37
		120,136	9.22
	TOTAL - EUROPE - OTHER EU	333,512	25.60
	<b>NORTH AMERICA 50.89% (40.82%)</b>		
	<b>CANADA</b>		
440,544	Enbridge .....	12,607	0.97
1,648,518	Gibson Energy .....	22,228	1.71
1,687,747	Pembina Pipeline .....	47,113	3.62
411,810	TC Energy .....	13,109	1.00
		95,057	7.30
	<b>UNITED STATES OF AMERICA</b>		
304,011	American Tower .....	47,532	3.65
633,694	Brookfield Renewable .....	12,320	0.94
182,085	Constellation Energy .....	26,626	2.04
701,213	Crown Castle <sup>s</sup> .....	58,700	4.51
1,197,326	Dominion Energy .....	46,604	3.58
794,490	Entergy .....	66,459	5.10
950,831	Eversource Energy .....	44,965	3.45
1,057,031	NextEra Energy .....	53,435	4.10
1,524,314	NextEra Energy Partners .....	36,296	2.79
1,494,126	OGE Energy .....	40,557	3.11
554,005	Public Service Enterprise .....	29,274	2.25
875,751	Southern .....	49,727	3.82
284,646	Union Pacific .....	55,395	4.25
		567,890	43.59
	TOTAL - NORTH AMERICA	662,947	50.89

# FTF Clearbridge Global Infrastructure Income Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>SOUTH AMERICA 5.16% (4.47%)</b>			
<b>BRAZIL</b>			
9,380,880	CCR .....	20,487	1.57
4,159,352	Centrais Eletricas Brasileiras .....	30,666	2.35
2,925,227	CPFL Energia .....	16,099	1.24
		<u>67,252</u>	<u>5.16</u>
	TOTAL - SOUTH AMERICA	<u>67,252</u>	<u>5.16</u>
<b>UNITED KINGDOM 9.90% (14.24%)</b>			
5,533,301	National Grid .....	58,957	4.53
4,493,887	Pennon .....	29,098	2.23
1,099,454	Severn Trent .....	27,145	2.08
1,335,730	United Utilities .....	13,745	1.06
	TOTAL - UNITED KINGDOM	<u>128,945</u>	<u>9.90</u>
	TOTAL - EQUITIES	<u>1,282,207</u>	<u>98.43</u>
<b>HEDGED SHARE CLASS DERIVATIVES (0.06%) (0.16%)</b>			
<b>HEDGE FORWARD CURRENCY CONTRACTS</b>			
AUD 3,282,525	Buy AUD 3,282,525 sell GBP (1,701,389) dated 02/05/2024 .....	(5)	0.00
AUD 2,204,409	Buy AUD 2,204,409 sell GBP (1,142,583) dated 02/05/2024 .....	(3)	0.00
AUD 309,741	Buy AUD 309,741 sell GBP (160,544) dated 02/05/2024 .....	-	0.00
AUD 5,111,182	Buy AUD 5,111,182 sell GBP (2,649,213) dated 02/05/2024 .....	(8)	0.00
AUD 2,313,790	Buy AUD 2,313,790 sell GBP (1,199,277) dated 02/05/2024 .....	(4)	0.00
AUD 251,684	Buy AUD 251,684 sell GBP (129,286) dated 02/05/2024 .....	1	0.00
AUD 244,620	Buy AUD 244,620 sell GBP (125,658) dated 02/05/2024 .....	1	0.00
AUD 34,141	Buy AUD 34,141 sell GBP (17,538) dated 02/05/2024 .....	-	0.00
AUD 568,169	Buy AUD 568,169 sell GBP (291,860) dated 02/05/2024 .....	2	0.00
AUD 192,644	Buy AUD 192,644 sell GBP (99,731) dated 02/05/2024 .....	-	0.00
AUD 371,211	Buy AUD 371,211 sell GBP (192,174) dated 02/05/2024 .....	-	0.00
AUD 24,563	Buy AUD 24,563 sell GBP (12,716) dated 02/05/2024 .....	-	0.00
AUD 443,468	Buy AUD 443,468 sell GBP (229,581) dated 02/05/2024 .....	-	0.00
AUD 170,697	Buy AUD 170,697 sell GBP (88,369) dated 02/05/2024 .....	-	0.00
AUD 412,873	Buy AUD 412,873 sell GBP (214,662) dated 02/05/2024 .....	(1)	0.00
AUD 265,111	Buy AUD 265,111 sell GBP (137,837) dated 02/05/2024 .....	(1)	0.00
AUD 302,425	Buy AUD 302,425 sell GBP (157,238) dated 02/05/2024 .....	(1)	0.00
AUD 640,212	Buy AUD 640,212 sell GBP (332,862) dated 02/05/2024 .....	(2)	0.00
AUD 36,619	Buy AUD 36,619 sell GBP (19,039) dated 02/05/2024 .....	-	0.00
AUD 465,635	Buy AUD 465,635 sell GBP (238,759) dated 02/05/2024 .....	2	0.00
AUD 186,779	Buy AUD 186,779 sell GBP (96,598) dated 02/05/2024 .....	-	0.00
AUD 178,818	Buy AUD 178,818 sell GBP (92,481) dated 02/05/2024 .....	-	0.00
AUD 22,612	Buy AUD 22,612 sell GBP (11,695) dated 02/05/2024 .....	-	0.00
AUD 3,619,830	Buy AUD 3,619,830 sell GBP (1,867,559) dated 02/05/2024 .....	3	0.00
AUD 2,172,500	Buy AUD 2,172,500 sell GBP (1,120,846) dated 02/05/2024 .....	2	0.00
AUD 1,321,670	Buy AUD 1,321,670 sell GBP (681,882) dated 02/05/2024 .....	1	0.00
AUD 1,365,275	Buy AUD 1,365,275 sell GBP (704,379) dated 02/05/2024 .....	1	0.00
AUD 145,660	Buy AUD 145,660 sell GBP (75,150) dated 02/05/2024 .....	-	0.00
AUD 308,174	Buy AUD 308,174 sell GBP (158,935) dated 02/05/2024 .....	-	0.00
AUD 207,819	Buy AUD 207,819 sell GBP (107,179) dated 02/05/2024 .....	-	0.00
AUD 489,184	Buy AUD 489,184 sell GBP (252,287) dated 02/05/2024 .....	1	0.00
AUD 197,463	Buy AUD 197,463 sell GBP (101,838) dated 02/05/2024 .....	-	0.00
AUD 29,786	Buy AUD 29,786 sell GBP (15,361) dated 02/05/2024 .....	-	0.00
AUD 1,103,347	Buy AUD 1,103,347 sell GBP (567,319) dated 02/05/2024 .....	3	0.00
AUD 1,794,052	Buy AUD 1,794,052 sell GBP (922,465) dated 02/05/2024 .....	5	0.00
AUD 735,923	Buy AUD 735,923 sell GBP (378,397) dated 02/05/2024 .....	2	0.00
AUD 712,387	Buy AUD 712,387 sell GBP (366,295) dated 02/05/2024 .....	2	0.00
AUD 106,494	Buy AUD 106,494 sell GBP (54,757) dated 02/05/2024 .....	-	0.00
AUD 303,616	Buy AUD 303,616 sell GBP (157,753) dated 02/05/2024 .....	(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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
AUD 738,399	Buy AUD 738,399 sell GBP (383,658) dated 02/05/2024 .....	(2)	0.00
AUD 303,455	Buy AUD 303,455 sell GBP (157,669) dated 02/05/2024 .....	(1)	0.00
AUD 461,508	Buy AUD 461,508 sell GBP (239,791) dated 02/05/2024 .....	(1)	0.00
AUD 44,810	Buy AUD 44,810 sell GBP (23,282) dated 02/05/2024 .....	-	0.00
AUD 438,515	Buy AUD 438,515 sell GBP (227,133) dated 02/05/2024 .....	-	0.00
AUD 26,964	Buy AUD 26,964 sell GBP (13,975) dated 02/05/2024 .....	-	0.00
AUD 394,242	Buy AUD 394,242 sell GBP (204,330) dated 02/05/2024 .....	(1)	0.00
AUD 288,966	Buy AUD 288,966 sell GBP (149,767) dated 02/05/2024 .....	-	0.00
AUD 179,274	Buy AUD 179,274 sell GBP (92,915) dated 02/05/2024 .....	-	0.00
AUD 271,692	Buy AUD 271,692 sell GBP (140,814) dated 02/05/2024 .....	-	0.00
AUD 715	Buy AUD 715 sell USD (465) dated 02/05/2024 .....	-	0.00
AUD 76	Buy AUD 76 sell USD (49) dated 02/05/2024 .....	-	0.00
AUD 57	Buy AUD 57 sell USD (37) dated 02/05/2024 .....	-	0.00
AUD 84	Buy AUD 84 sell USD (55) dated 02/05/2024 .....	-	0.00
AUD 56	Buy AUD 56 sell USD (37) dated 02/05/2024 .....	-	0.00
AUD 415	Buy AUD 415 sell USD (272) dated 02/05/2024 .....	-	0.00
AUD 63	Buy AUD 63 sell USD (41) dated 02/05/2024 .....	-	0.00
AUD 223	Buy AUD 223 sell USD (146) dated 02/05/2024 .....	-	0.00
AUD 94	Buy AUD 94 sell USD (62) dated 02/05/2024 .....	-	0.00
AUD 58	Buy AUD 58 sell USD (38) dated 02/05/2024 .....	-	0.00
BRL 2,188,078	Buy BRL 2,188,078 sell GBP (346,699) dated 02/05/2024 .....	(2)	0.00
BRL 769,668	Buy BRL 769,668 sell GBP (122,049) dated 02/05/2024 .....	(1)	0.00
BRL 92,024	Buy BRL 92,024 sell GBP (14,593) dated 02/05/2024 .....	-	0.00
BRL 1,041,622	Buy BRL 1,041,622 sell GBP (165,174) dated 02/05/2024 .....	(1)	0.00
BRL 809,263	Buy BRL 809,263 sell GBP (128,534) dated 02/05/2024 .....	(1)	0.00
BRL 710,127	Buy BRL 710,127 sell GBP (110,991) dated 02/05/2024 .....	1	0.00
BRL 1,089,047	Buy BRL 1,089,047 sell GBP (169,860) dated 02/05/2024 .....	2	0.00
BRL 916,705	Buy BRL 916,705 sell GBP (143,172) dated 02/05/2024 .....	1	0.00
BRL 100,994	Buy BRL 100,994 sell GBP (15,773) dated 02/05/2024 .....	-	0.00
BRL 96,834	Buy BRL 96,834 sell GBP (15,354) dated 02/05/2024 .....	-	0.00
BRL 3,484,653	Buy BRL 3,484,653 sell GBP (552,524) dated 02/05/2024 .....	(3)	0.00
BRL 1,137,378	Buy BRL 1,137,378 sell GBP (180,087) dated 02/05/2024 .....	(1)	0.00
BRL 209	Buy BRL 209 sell USD (42) dated 02/05/2024 .....	-	0.00
BRL 273	Buy BRL 273 sell USD (54) dated 02/05/2024 .....	-	0.00
BRL 214	Buy BRL 214 sell USD (43) dated 02/05/2024 .....	-	0.00
CAD 2,137,836	Buy CAD 2,137,836 sell GBP (1,260,481) dated 02/05/2024 .....	(10)	0.00
CAD 188,706	Buy CAD 188,706 sell GBP (111,262) dated 02/05/2024 .....	(1)	0.00
CAD 1,475,044	Buy CAD 1,475,044 sell GBP (869,695) dated 02/05/2024 .....	(7)	0.00
CAD 3,315,489	Buy CAD 3,315,489 sell GBP (1,954,833) dated 02/05/2024 .....	(15)	0.00
CAD 1,365,494	Buy CAD 1,365,494 sell GBP (805,103) dated 02/05/2024 .....	(6)	0.00
CAD 1,063,250	Buy CAD 1,063,250 sell GBP (626,996) dated 02/05/2024 .....	(5)	0.00
CAD 2,564,046	Buy CAD 2,564,046 sell GBP (1,512,012) dated 02/05/2024 .....	(12)	0.00
CAD 1,082,986	Buy CAD 1,082,986 sell GBP (638,635) dated 02/05/2024 .....	(5)	0.00
CAD 1,664,698	Buy CAD 1,664,698 sell GBP (981,669) dated 02/05/2024 .....	(8)	0.00
CAD 146,682	Buy CAD 146,682 sell GBP (86,498) dated 02/05/2024 .....	(1)	0.00
CAD 1,022,165	Buy CAD 1,022,165 sell GBP (595,840) dated 02/05/2024 .....	2	0.00
CAD 537,617	Buy CAD 537,617 sell GBP (313,738) dated 02/05/2024 .....	1	0.00
CAD 433	Buy CAD 433 sell USD (322) dated 02/05/2024 .....	-	0.00
CAD 337	Buy CAD 337 sell USD (250) dated 02/05/2024 .....	-	0.00
EUR 706,833	Buy EUR 706,833 sell GBP (605,768) dated 02/05/2024 .....	(1)	0.00
EUR 639,676	Buy EUR 639,676 sell GBP (548,213) dated 02/05/2024 .....	(1)	0.00
EUR 98,776	Buy EUR 98,776 sell GBP (84,653) dated 02/05/2024 .....	-	0.00
EUR 1,337,036	Buy EUR 1,337,036 sell GBP (1,145,342) dated 02/05/2024 .....	(1)	0.00
EUR 113,569	Buy EUR 113,569 sell GBP (97,350) dated 02/05/2024 .....	-	0.00
EUR 863,780	Buy EUR 863,780 sell GBP (740,420) dated 02/05/2024 .....	(1)	0.00
EUR 1,641,358	Buy EUR 1,641,358 sell GBP (1,406,949) dated 02/05/2024 .....	(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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
EUR 791,337	Buy EUR 791,337 sell GBP (678,323) dated 02/05/2024.....	(1)	0.00
EUR 595,176	Buy EUR 595,176 sell GBP (510,471) dated 02/05/2024.....	(1)	0.00
EUR 2,334,875	Buy EUR 2,334,875 sell GBP (2,004,986) dated 02/05/2024.....	(7)	0.00
EUR 1,223,806	Buy EUR 1,223,806 sell GBP (1,050,976) dated 02/05/2024.....	(4)	0.00
EUR 231	Buy EUR 231 sell USD (249) dated 02/05/2024.....	-	0.00
EUR 255	Buy EUR 255 sell USD (275) dated 02/05/2024.....	-	0.00
GBP 6,256,266	Buy GBP 6,256,266 sell AUD (12,059,606) dated 02/05/2024.....	24	0.00
GBP 591,446	Buy GBP 591,446 sell AUD (1,140,075) dated 02/05/2024.....	2	0.00
GBP 10,197,527	Buy GBP 10,197,527 sell AUD (19,656,798) dated 02/05/2024.....	39	0.00
GBP 4,440,223	Buy GBP 4,440,223 sell AUD (8,558,993) dated 02/05/2024.....	17	0.00
GBP 4,258,070	Buy GBP 4,258,070 sell AUD (8,207,875) dated 02/05/2024.....	16	0.00
GBP 184,095	Buy GBP 184,095 sell AUD (355,843) dated 02/05/2024.....	-	0.00
GBP 225,859	Buy GBP 225,859 sell AUD (437,705) dated 02/05/2024.....	-	0.00
GBP 423,322	Buy GBP 423,322 sell AUD (817,713) dated 02/05/2024.....	1	0.00
GBP 16,242	Buy GBP 16,242 sell AUD (31,374) dated 02/05/2024.....	-	0.00
GBP 95,010	Buy GBP 95,010 sell AUD (184,132) dated 02/05/2024.....	-	0.00
GBP 92,222	Buy GBP 92,222 sell AUD (178,728) dated 02/05/2024.....	-	0.00
GBP 5,097,711	Buy GBP 5,097,711 sell BRL (32,460,340) dated 02/05/2024.....	(20)	0.00
GBP 8,309,117	Buy GBP 8,309,117 sell BRL (52,909,385) dated 02/05/2024.....	(33)	0.00
GBP 3,617,969	Buy GBP 3,617,969 sell BRL (23,037,886) dated 02/05/2024.....	(14)	0.00
GBP 481,920	Buy GBP 481,920 sell BRL (3,068,691) dated 02/05/2024.....	(2)	0.00
GBP 3,469,548	Buy GBP 3,469,548 sell BRL (22,092,796) dated 02/05/2024.....	(14)	0.00
GBP 337,790	Buy GBP 337,790 sell BRL (2,136,373) dated 02/05/2024.....	1	0.00
GBP 372,694	Buy GBP 372,694 sell BRL (2,357,127) dated 02/05/2024.....	1	0.00
GBP 118,448	Buy GBP 118,448 sell BRL (742,722) dated 02/05/2024.....	1	0.00
GBP 34,054	Buy GBP 34,054 sell BRL (217,435) dated 02/05/2024.....	-	0.00
GBP 24,018	Buy GBP 24,018 sell BRL (151,993) dated 02/05/2024.....	-	0.00
GBP 314,618	Buy GBP 314,618 sell BRL (1,990,974) dated 02/05/2024.....	1	0.00
GBP 173,033	Buy GBP 173,033 sell BRL (1,094,991) dated 02/05/2024.....	-	0.00
GBP 6,235,623	Buy GBP 6,235,623 sell CAD (10,667,529) dated 02/05/2024.....	(6)	0.00
GBP 4,425,572	Buy GBP 4,425,572 sell CAD (7,571,002) dated 02/05/2024.....	(4)	0.00
GBP 589,495	Buy GBP 589,495 sell CAD (1,008,472) dated 02/05/2024.....	(1)	0.00
GBP 10,163,880	Buy GBP 10,163,880 sell CAD (17,387,753) dated 02/05/2024.....	(10)	0.00
GBP 4,244,021	Buy GBP 4,244,021 sell CAD (7,260,415) dated 02/05/2024.....	(4)	0.00
GBP 222,988	Buy GBP 222,988 sell CAD (379,238) dated 02/05/2024.....	1	0.00
GBP 1,977,584	Buy GBP 1,977,584 sell CAD (3,379,984) dated 02/05/2024.....	-	0.00
GBP 758,549	Buy GBP 758,549 sell CAD (1,296,472) dated 02/05/2024.....	-	0.00
GBP 102,145	Buy GBP 102,145 sell CAD (174,581) dated 02/05/2024.....	-	0.00
GBP 780,842	Buy GBP 780,842 sell CAD (1,334,575) dated 02/05/2024.....	-	0.00
GBP 1,393,195	Buy GBP 1,393,195 sell CAD (2,381,176) dated 02/05/2024.....	-	0.00
GBP 1,034,407	Buy GBP 1,034,407 sell CAD (1,760,456) dated 02/05/2024.....	4	0.00
GBP 91,383	Buy GBP 91,383 sell CAD (155,526) dated 02/05/2024.....	-	0.00
GBP 668,014	Buy GBP 668,014 sell CAD (1,136,893) dated 02/05/2024.....	3	0.00
GBP 1,591,778	Buy GBP 1,591,778 sell CAD (2,709,047) dated 02/05/2024.....	7	0.00
GBP 680,067	Buy GBP 680,067 sell CAD (1,157,406) dated 02/05/2024.....	3	0.00
GBP 321,982	Buy GBP 321,982 sell CAD (549,545) dated 02/05/2024.....	-	0.00
GBP 20,631	Buy GBP 20,631 sell CAD (35,345) dated 02/05/2024.....	-	0.00
GBP 141,200	Buy GBP 141,200 sell CAD (241,901) dated 02/05/2024.....	-	0.00
GBP 132,603	Buy GBP 132,603 sell CAD (227,173) dated 02/05/2024.....	-	0.00
GBP 51,638	Buy GBP 51,638 sell CAD (88,522) dated 02/05/2024.....	-	0.00
GBP 888,234	Buy GBP 888,234 sell CAD (1,522,683) dated 02/05/2024.....	(3)	0.00
GBP 330,483	Buy GBP 330,483 sell CAD (566,541) dated 02/05/2024.....	(1)	0.00
GBP 319,345	Buy GBP 319,345 sell CAD (547,446) dated 02/05/2024.....	(1)	0.00
GBP 611,512	Buy GBP 611,512 sell CAD (1,048,304) dated 02/05/2024.....	(2)	0.00
GBP 496,063	Buy GBP 496,063 sell CAD (858,696) dated 02/05/2024.....	(6)	0.00
GBP 48,891	Buy GBP 48,891 sell CAD (84,299) dated 02/05/2024.....	-	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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
GBP 131,678	Buy GBP 131,678 sell CAD (225,951) dated 02/05/2024.....	(1)	0.00
GBP 1,406,009	Buy GBP 1,406,009 sell CAD (2,412,633) dated 02/05/2024.....	(6)	0.00
GBP 2,334,816	Buy GBP 2,334,816 sell CAD (4,006,414) dated 02/05/2024.....	(9)	0.00
GBP 907,089	Buy GBP 907,089 sell CAD (1,556,513) dated 02/05/2024.....	(4)	0.00
GBP 689,047	Buy GBP 689,047 sell CAD (1,182,366) dated 02/05/2024.....	(3)	0.00
GBP 22,782,608	Buy GBP 22,782,608 sell EUR (26,586,807) dated 02/05/2024.....	30	0.00
GBP 16,169,366	Buy GBP 16,169,366 sell EUR (18,869,298) dated 02/05/2024.....	21	0.00
GBP 2,153,791	Buy GBP 2,153,791 sell EUR (2,513,427) dated 02/05/2024.....	3	0.00
GBP 37,134,971	Buy GBP 37,134,971 sell EUR (43,335,702) dated 02/05/2024.....	48	0.00
GBP 15,506,046	Buy GBP 15,506,046 sell EUR (18,095,218) dated 02/05/2024.....	20	0.00
GBP 68,539	Buy GBP 68,539 sell EUR (79,908) dated 02/05/2024.....	-	0.00
GBP 1,213,742	Buy GBP 1,213,742 sell EUR (1,415,076) dated 02/05/2024.....	3	0.00
GBP 494,989	Buy GBP 494,989 sell EUR (577,098) dated 02/05/2024.....	1	0.00
GBP 625,777	Buy GBP 625,777 sell EUR (730,025) dated 02/05/2024.....	1	0.00
GBP 72,747	Buy GBP 72,747 sell EUR (84,904) dated 02/05/2024.....	-	0.00
GBP 598,211	Buy GBP 598,211 sell EUR (698,175) dated 02/05/2024.....	1	0.00
GBP 555,440	Buy GBP 555,440 sell EUR (648,702) dated 02/05/2024.....	-	0.00
GBP 2,525,800	Buy GBP 2,525,800 sell EUR (2,949,896) dated 02/05/2024.....	1	0.00
GBP 869,904	Buy GBP 869,904 sell EUR (1,015,966) dated 02/05/2024.....	-	0.00
GBP 486,787	Buy GBP 486,787 sell EUR (569,698) dated 02/05/2024.....	(1)	0.00
GBP 766,734	Buy GBP 766,734 sell EUR (896,760) dated 02/05/2024.....	(1)	0.00
GBP 1,438,217	Buy GBP 1,438,217 sell EUR (1,682,117) dated 02/05/2024.....	(1)	0.00
GBP 103,496	Buy GBP 103,496 sell EUR (121,048) dated 02/05/2024.....	-	0.00
GBP 501,226	Buy GBP 501,226 sell EUR (586,226) dated 02/05/2024.....	-	0.00
GBP 557,483	Buy GBP 557,483 sell EUR (651,130) dated 02/05/2024.....	-	0.00
GBP 183,367	Buy GBP 183,367 sell EUR (214,169) dated 02/05/2024.....	-	0.00
GBP 1,570,145	Buy GBP 1,570,145 sell EUR (1,829,195) dated 02/05/2024.....	5	0.00
GBP 523,669	Buy GBP 523,669 sell EUR (610,066) dated 02/05/2024.....	2	0.00
GBP 807,954	Buy GBP 807,954 sell EUR (941,255) dated 02/05/2024.....	2	0.00
GBP 1,078,635	Buy GBP 1,078,635 sell HKD (10,704,315) dated 02/05/2024.....	(5)	0.00
GBP 143,676	Buy GBP 143,676 sell HKD (1,425,836) dated 02/05/2024.....	(1)	0.00
GBP 2,477,220	Buy GBP 2,477,220 sell HKD (24,583,796) dated 02/05/2024.....	(11)	0.00
GBP 1,519,795	Buy GBP 1,519,795 sell HKD (15,082,360) dated 02/05/2024.....	(7)	0.00
GBP 1,034,386	Buy GBP 1,034,386 sell HKD (10,265,188) dated 02/05/2024.....	(5)	0.00
GBP 34,819	Buy GBP 34,819 sell HKD (344,498) dated 02/05/2024.....	-	0.00
GBP 76,711	Buy GBP 76,711 sell HKD (758,982) dated 02/05/2024.....	-	0.00
GBP 71,188	Buy GBP 71,188 sell HKD (699,892) dated 02/05/2024.....	-	0.00
GBP 113,018	Buy GBP 113,018 sell HKD (1,111,149) dated 02/05/2024.....	1	0.00
GBP 9,168	Buy GBP 9,168 sell HKD (90,152) dated 02/05/2024.....	-	0.00
GBP 63,645	Buy GBP 63,645 sell HKD (625,843) dated 02/05/2024.....	-	0.00
GBP 104,568	Buy GBP 104,568 sell HKD (1,028,259) dated 02/05/2024.....	-	0.00
GBP 161,190	Buy GBP 161,190 sell HKD (1,585,044) dated 02/05/2024.....	1	0.00
GBP 66,409	Buy GBP 66,409 sell HKD (653,024) dated 02/05/2024.....	-	0.00
GBP 37,696	Buy GBP 37,696 sell HKD (371,646) dated 02/05/2024.....	-	0.00
GBP 98,591	Buy GBP 98,591 sell HKD (972,019) dated 02/05/2024.....	-	0.00
GBP 40,004	Buy GBP 40,004 sell HKD (394,406) dated 02/05/2024.....	-	0.00
GBP 5,282	Buy GBP 5,282 sell HKD (52,072) dated 02/05/2024.....	-	0.00
GBP 71,182	Buy GBP 71,182 sell HKD (705,129) dated 02/05/2024.....	-	0.00
GBP 41,227	Buy GBP 41,227 sell HKD (408,317) dated 02/05/2024.....	-	0.00
GBP 41,511	Buy GBP 41,511 sell HKD (411,126) dated 02/05/2024.....	-	0.00
GBP 116,859	Buy GBP 116,859 sell HKD (1,157,379) dated 02/05/2024.....	-	0.00
GBP 6,731	Buy GBP 6,731 sell HKD (66,660) dated 02/05/2024.....	-	0.00
GBP 101,712	Buy GBP 101,712 sell HKD (1,016,827) dated 02/05/2024.....	(1)	0.00
GBP 9,829	Buy GBP 9,829 sell HKD (98,166) dated 02/05/2024.....	-	0.00
GBP 69,650	Buy GBP 69,650 sell HKD (695,629) dated 02/05/2024.....	(1)	0.00
GBP 61,710	Buy GBP 61,710 sell HKD (616,330) dated 02/05/2024.....	(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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
GBP 64,366	Buy GBP 64,366 sell HKD (642,848) dated 02/05/2024 .....	(1)	0.00
GBP 133,937	Buy GBP 133,937 sell HKD (1,337,694) dated 02/05/2024 .....	(1)	0.00
GBP 5,008	Buy GBP 5,008 sell HKD (50,095) dated 02/05/2024 .....	-	0.00
GBP 73,859	Buy GBP 73,859 sell HKD (734,979) dated 02/05/2024 .....	(1)	0.00
GBP 127,254	Buy GBP 127,254 sell HKD (1,266,314) dated 02/05/2024 .....	(1)	0.00
GBP 48,300	Buy GBP 48,300 sell HKD (480,633) dated 02/05/2024 .....	-	0.00
GBP 13,247	Buy GBP 13,247 sell HKD (131,820) dated 02/05/2024 .....	-	0.00
GBP 49,667	Buy GBP 49,667 sell HKD (494,236) dated 02/05/2024 .....	-	0.00
GBP 3,160,632	Buy GBP 3,160,632 sell JPY (586,701,212) dated 02/05/2024 .....	79	0.01
GBP 2,243,177	Buy GBP 2,243,177 sell JPY (416,395,994) dated 02/05/2024 .....	56	0.00
GBP 2,151,154	Buy GBP 2,151,154 sell JPY (399,314,066) dated 02/05/2024 .....	54	0.00
GBP 298,796	Buy GBP 298,796 sell JPY (55,464,761) dated 02/05/2024 .....	7	0.00
GBP 5,151,736	Buy GBP 5,151,736 sell JPY (956,305,458) dated 02/05/2024 .....	128	0.01
GBP 321,313	Buy GBP 321,313 sell JPY (59,030,249) dated 02/05/2024 .....	11	0.00
GBP 136,694	Buy GBP 136,694 sell JPY (25,112,832) dated 02/05/2024 .....	5	0.00
GBP 191,455	Buy GBP 191,455 sell JPY (35,173,282) dated 02/05/2024 .....	7	0.00
GBP 17,860	Buy GBP 17,860 sell JPY (3,281,098) dated 02/05/2024 .....	1	0.00
GBP 130,564	Buy GBP 130,564 sell JPY (23,986,542) dated 02/05/2024 .....	5	0.00
GBP 219,089	Buy GBP 219,089 sell JPY (40,481,346) dated 02/05/2024 .....	6	0.00
GBP 171,803	Buy GBP 171,803 sell JPY (31,744,181) dated 02/05/2024 .....	5	0.00
GBP 130,947	Buy GBP 130,947 sell JPY (24,494,577) dated 02/05/2024 .....	2	0.00
GBP 83,072	Buy GBP 83,072 sell JPY (15,539,186) dated 02/05/2024 .....	1	0.00
GBP 11,500	Buy GBP 11,500 sell JPY (2,151,092) dated 02/05/2024 .....	-	0.00
GBP 203,465	Buy GBP 203,465 sell JPY (38,059,534) dated 02/05/2024 .....	4	0.00
GBP 73,000	Buy GBP 73,000 sell JPY (13,655,215) dated 02/05/2024 .....	1	0.00
GBP 23,477	Buy GBP 23,477 sell JPY (4,428,120) dated 02/05/2024 .....	-	0.00
GBP 96,443	Buy GBP 96,443 sell JPY (18,419,222) dated 02/05/2024 .....	-	0.00
GBP 182,562	Buy GBP 182,562 sell JPY (34,866,533) dated 02/05/2024 .....	(1)	0.00
GBP 65,946	Buy GBP 65,946 sell JPY (12,594,728) dated 02/05/2024 .....	-	0.00
GBP 64,054	Buy GBP 64,054 sell JPY (12,233,261) dated 02/05/2024 .....	-	0.00
GBP 36,250,401	Buy GBP 36,250,401 sell USD (46,134,097) dated 02/05/2024 .....	(264)	(0.02)
GBP 25,727,783	Buy GBP 25,727,783 sell USD (32,742,481) dated 02/05/2024 .....	(187)	(0.02)
GBP 59,087,071	Buy GBP 59,087,071 sell USD (75,197,201) dated 02/05/2024 .....	(430)	(0.03)
GBP 24,672,345	Buy GBP 24,672,345 sell USD (31,399,277) dated 02/05/2024 .....	(180)	(0.01)
GBP 3,426,991	Buy GBP 3,426,991 sell USD (4,361,363) dated 02/05/2024 .....	(25)	0.00
GBP 925,265	Buy GBP 925,265 sell USD (1,168,890) dated 02/05/2024 .....	-	0.00
GBP 2,200,982	Buy GBP 2,200,982 sell USD (2,780,509) dated 02/05/2024 .....	-	0.00
GBP 1,240,903	Buy GBP 1,240,903 sell USD (1,567,637) dated 02/05/2024 .....	-	0.00
GBP 120,269	Buy GBP 120,269 sell USD (151,937) dated 02/05/2024 .....	-	0.00
GBP 925,922	Buy GBP 925,922 sell USD (1,169,720) dated 02/05/2024 .....	-	0.00
GBP 2,303,603	Buy GBP 2,303,603 sell USD (2,888,398) dated 02/05/2024 .....	18	0.00
GBP 2,189,552	Buy GBP 2,189,552 sell USD (2,766,756) dated 02/05/2024 .....	-	0.00
GBP 100	Buy GBP 100 sell USD (126) dated 02/05/2024 .....	-	0.00
GBP 2,146,517	Buy GBP 2,146,517 sell USD (2,701,438) dated 02/05/2024 .....	8	0.00
GBP 1,145,348	Buy GBP 1,145,348 sell USD (1,442,604) dated 02/05/2024 .....	4	0.00
GBP 2,241,270	Buy GBP 2,241,270 sell USD (2,822,955) dated 02/05/2024 .....	7	0.00
GBP 145,581	Buy GBP 145,581 sell USD (183,364) dated 02/05/2024 .....	-	0.00
GBP 971,829	Buy GBP 971,829 sell USD (1,224,052) dated 02/05/2024 .....	3	0.00
GBP 2,338,530	Buy GBP 2,338,530 sell USD (2,959,209) dated 02/05/2024 .....	(4)	0.00
GBP 1,633,874	Buy GBP 1,633,874 sell USD (2,064,623) dated 02/05/2024 .....	-	0.00
GBP 117,295	Buy GBP 117,295 sell USD (148,218) dated 02/05/2024 .....	-	0.00
GBP 2,860,728	Buy GBP 2,860,728 sell USD (3,661,686) dated 02/05/2024 .....	(37)	0.00
GBP 245,374	Buy GBP 245,374 sell USD (312,519) dated 02/05/2024 .....	(2)	0.00
GBP 1,145,846	Buy GBP 1,145,846 sell USD (1,443,846) dated 02/05/2024 .....	3	0.00
GBP 2,333,162	Buy GBP 2,333,162 sell USD (2,939,947) dated 02/05/2024 .....	6	0.00
GBP 1,100,394	Buy GBP 1,100,394 sell USD (1,386,573) dated 02/05/2024 .....	3	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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
GBP 109	Buy GBP 109 sell USD (138) dated 02/05/2024 .....	-	0.00
HKD 372,161	Buy HKD 372,161 sell GBP (37,617) dated 02/05/2024 .....	-	0.00
HKD 862,596	Buy HKD 862,596 sell GBP (87,189) dated 02/05/2024 .....	-	0.00
HKD 1,014,429	Buy HKD 1,014,429 sell GBP (102,947) dated 02/05/2024 .....	-	0.00
HKD 99,354	Buy HKD 99,354 sell GBP (10,135) dated 02/05/2024 .....	-	0.00
HKD 739,917	Buy HKD 739,917 sell GBP (75,480) dated 02/05/2024 .....	(1)	0.00
HKD 705,061	Buy HKD 705,061 sell GBP (71,924) dated 02/05/2024 .....	(1)	0.00
HKD 1,320,161	Buy HKD 1,320,161 sell GBP (134,671) dated 02/05/2024 .....	(1)	0.00
HKD 659,673	Buy HKD 659,673 sell GBP (67,294) dated 02/05/2024 .....	-	0.00
HKD 347,030	Buy HKD 347,030 sell GBP (35,152) dated 02/05/2024 .....	-	0.00
HKD 332,001	Buy HKD 332,001 sell GBP (33,468) dated 02/05/2024 .....	-	0.00
HKD 888,941	Buy HKD 888,941 sell GBP (89,611) dated 02/05/2024 .....	-	0.00
HKD 50,757	Buy HKD 50,757 sell GBP (5,112) dated 02/05/2024 .....	-	0.00
HKD 1,853,109	Buy HKD 1,853,109 sell GBP (187,641) dated 02/05/2024 .....	-	0.00
HKD 392,898	Buy HKD 392,898 sell GBP (39,809) dated 02/05/2024 .....	-	0.00
HKD 588,674	Buy HKD 588,674 sell GBP (59,646) dated 02/05/2024 .....	-	0.00
HKD 869,055	Buy HKD 869,055 sell GBP (88,055) dated 02/05/2024 .....	-	0.00
HKD 58,498	Buy HKD 58,498 sell GBP (5,927) dated 02/05/2024 .....	-	0.00
HKD 1,387,791	Buy HKD 1,387,791 sell GBP (140,581) dated 02/05/2024 .....	-	0.00
HKD 311,644	Buy HKD 311,644 sell GBP (31,569) dated 02/05/2024 .....	-	0.00
HKD 228	Buy HKD 228 sell USD (29) dated 02/05/2024 .....	-	0.00
HKD 109	Buy HKD 109 sell USD (14) dated 02/05/2024 .....	-	0.00
HKD 129	Buy HKD 129 sell USD (16) dated 02/05/2024 .....	-	0.00
JPY 38,727,282	Buy JPY 38,727,282 sell GBP (206,278) dated 02/05/2024 .....	(3)	0.00
JPY 24,342,578	Buy JPY 24,342,578 sell GBP (130,281) dated 02/05/2024 .....	(2)	0.00
JPY 32,736,076	Buy JPY 32,736,076 sell GBP (175,203) dated 02/05/2024 .....	(3)	0.00
JPY 3,253,630	Buy JPY 3,253,630 sell GBP (17,413) dated 02/05/2024 .....	-	0.00
JPY 35,547,500	Buy JPY 35,547,500 sell GBP (190,250) dated 02/05/2024 .....	(4)	0.00
JPY 21,419,360	Buy JPY 21,419,360 sell GBP (114,636) dated 02/05/2024 .....	(2)	0.00
JPY 22,440,900	Buy JPY 22,440,900 sell GBP (119,567) dated 02/05/2024 .....	(2)	0.00
JPY 19,447,517	Buy JPY 19,447,517 sell GBP (103,447) dated 02/05/2024 .....	(1)	0.00
JPY 20,451,580	Buy JPY 20,451,580 sell GBP (108,788) dated 02/05/2024 .....	(1)	0.00
JPY 21,539,927	Buy JPY 21,539,927 sell GBP (114,577) dated 02/05/2024 .....	(1)	0.00
JPY 2,061,964	Buy JPY 2,061,964 sell GBP (10,968) dated 02/05/2024 .....	-	0.00
JPY 32,706,663	Buy JPY 32,706,663 sell GBP (174,315) dated 02/05/2024 .....	(2)	0.00
JPY 4,573,916	Buy JPY 4,573,916 sell GBP (24,377) dated 02/05/2024 .....	-	0.00
JPY 33,082,079	Buy JPY 33,082,079 sell GBP (176,316) dated 02/05/2024 .....	(3)	0.00
JPY 50,459,503	Buy JPY 50,459,503 sell GBP (268,932) dated 02/05/2024 .....	(4)	0.00
JPY 96,748,215	Buy JPY 96,748,215 sell GBP (515,635) dated 02/05/2024 .....	(7)	0.00
JPY 54,403,614	Buy JPY 54,403,614 sell GBP (285,750) dated 02/05/2024 .....	-	0.00
JPY 30,835,066	Buy JPY 30,835,066 sell GBP (162,030) dated 02/05/2024 .....	-	0.00
JPY 11,967,651	Buy JPY 11,967,651 sell GBP (62,950) dated 02/05/2024 .....	-	0.00
JPY 7,314	Buy JPY 7,314 sell USD (49) dated 02/05/2024 .....	-	0.00
JPY 6,421	Buy JPY 6,421 sell USD (44) dated 02/05/2024 .....	-	0.00
JPY 10,132	Buy JPY 10,132 sell USD (69) dated 02/05/2024 .....	-	0.00
JPY 3,841	Buy JPY 3,841 sell USD (26) dated 02/05/2024 .....	-	0.00
USD 1,709	Buy USD 1,709 sell AUD (2,588) dated 02/05/2024 .....	-	0.00
USD 36	Buy USD 36 sell AUD (55) dated 02/05/2024 .....	-	0.00
USD 1,393	Buy USD 1,393 sell BRL (6,913) dated 02/05/2024 .....	-	0.00
USD 64	Buy USD 64 sell BRL (321) dated 02/05/2024 .....	-	0.00
USD 1,703	Buy USD 1,703 sell CAD (2,290) dated 02/05/2024 .....	-	0.00
USD 296	Buy USD 296 sell CAD (402) dated 02/05/2024 .....	-	0.00
USD 264	Buy USD 264 sell CAD (357) dated 02/05/2024 .....	-	0.00
USD 55	Buy USD 55 sell CAD (75) dated 02/05/2024 .....	-	0.00
USD 129	Buy USD 129 sell CAD (174) dated 02/05/2024 .....	-	0.00
USD 359	Buy USD 359 sell CAD (487) dated 02/05/2024 .....	-	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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
USD 6,224	Buy USD 6,224 sell EUR (5,708) dated 02/05/2024 .....	-	0.00
USD 197	Buy USD 197 sell EUR (182) dated 02/05/2024 .....	-	0.00
USD 220	Buy USD 220 sell EUR (200) dated 02/05/2024 .....	-	0.00
USD 197	Buy USD 197 sell EUR (180) dated 02/05/2024 .....	-	0.00
USD 216	Buy USD 216 sell EUR (199) dated 02/05/2024 .....	-	0.00
USD 2,605	Buy USD 2,605 sell GBP (2,048) dated 02/05/2024 .....	-	0.00
USD 3,628,872	Buy USD 3,628,872 sell GBP (2,888,487) dated 02/05/2024 .....	(16)	0.00
USD 95	Buy USD 95 sell GBP (75) dated 02/05/2024 .....	-	0.00
USD 1,556,720	Buy USD 1,556,720 sell GBP (1,233,057) dated 02/05/2024 .....	(1)	0.00
USD 80	Buy USD 80 sell GBP (63) dated 02/05/2024 .....	-	0.00
USD 4,735,125	Buy USD 4,735,125 sell GBP (3,746,421) dated 02/05/2024 .....	1	0.00
USD 2,362,189	Buy USD 2,362,189 sell GBP (1,870,441) dated 02/05/2024 .....	(1)	0.00
USD 912,665	Buy USD 912,665 sell GBP (722,569) dated 02/05/2024 .....	-	0.00
USD 415	Buy USD 415 sell HKD (3,237) dated 02/05/2024 .....	-	0.00
USD 27	Buy USD 27 sell HKD (207) dated 02/05/2024 .....	-	0.00
USD 15	Buy USD 15 sell HKD (118) dated 02/05/2024 .....	-	0.00
USD 17	Buy USD 17 sell HKD (133) dated 02/05/2024 .....	-	0.00
USD 25	Buy USD 25 sell HKD (192) dated 02/05/2024 .....	-	0.00
USD 19	Buy USD 19 sell HKD (150) dated 02/05/2024 .....	-	0.00
USD 863	Buy USD 863 sell JPY (125,947) dated 02/05/2024 .....	-	0.00
USD 51	Buy USD 51 sell JPY (7,323) dated 02/05/2024 .....	-	0.00
USD 33	Buy USD 33 sell JPY (4,910) dated 02/05/2024 .....	-	0.00
USD 26	Buy USD 26 sell JPY (3,836) dated 02/05/2024 .....	-	0.00
		(779)	(0.06)
	TOTAL - HEDGED SHARE CLASS DERIVATIVES	(779)	(0.06)
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>1,281,428</b>	<b>98.37</b>
	<b>OTHER ASSETS</b> .....	<b>21,257</b>	<b>1.63</b>
	<b>TOTAL NET ASSETS</b> .....	<b>1,302,685</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	16 September 2022 to 31 March 2023	16 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital losses	2		(82,047)		(159,440)
Revenue	3	73,644		36,144	
Expenses	4	(10,091)		(6,171)	
Interest payable and similar charges	5	(7)		-	
Net revenue before taxation		63,546		29,973	
Taxation	6	(7,598)		(2,954)	
Net revenue after taxation			55,948		27,019
<b>Total return before distributions</b>			<b>(26,099)</b>		<b>(132,421)</b>
Distributions	7		(66,052)		(33,236)
<b>Change in net assets attributable to shareholders</b>			<b>(92,151)</b>		<b>(165,657)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	16 September 2022 to 31 March 2023	16 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>1,494,547</b>		<b>-</b>
In-specie transfer	-		1,587,337	
Amounts received on creation of shares	288,827		226,563	
Amounts paid on cancellation of shares	(419,040)		(167,764)	
		(130,213)		1,646,136
Dilution adjustment		35		-
Change in net assets attributable to shareholders from investment activities (see above)		(92,151)		(165,657)
Retained distribution on accumulation shares		30,467		14,068
<b>Closing net assets attributable to shareholders</b>		<b>1,302,685</b>		<b>1,494,547</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023*
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		1,282,926	1,437,546
Current assets			
Debtors	8	46,206	73,886
Cash and bank balances	9	6,329	34,776
Total assets		1,335,461	1,546,208
<b>Liabilities</b>			
Investment liabilities		(1,498)	(2,394)
Creditors			
Distributions payable		(6,739)	(8,261)
Other creditors	10	(24,539)	(41,006)
Total liabilities		(32,776)	(51,661)
<b>Net assets attributable to shareholders</b>		<b>1,302,685</b>	<b>1,494,547</b>

\* The Fund launched on 16 September 2022.

# FTF Clearbridge Global Infrastructure Income Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital losses

	<u>1 April 2023 to 31 March 2024</u>	<u>16 September 2022 to 31 March 2023</u>
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities losses	(91,481)	(175,202)
Currency (losses)/gains	(210)	3,278
Forward currency contracts	8,861	12,484
Property Gains on US REITs	783	-
	<u>(82,047)</u>	<u>(159,440)</u>

### 3. Revenue

	<u>1 April 2023 to 31 March 2024</u>	<u>16 September 2022 to 31 March 2023</u>
	£000	£000
Bank and other interest	375	173
Interest on margin deposits	4	-
Overseas dividends	60,435	30,597
UK dividends	9,533	4,475
US REIT dividends	3,297	899
	<u>73,644</u>	<u>36,144</u>

### 4. Expenses

	<u>1 April 2023 to 31 March 2024</u>	<u>16 September 2022 to 31 March 2023</u>
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	9,150	5,647
ACD's administration charge	671	409
ACD Waiver	(20)	(48)
	<u>9,801</u>	<u>6,008</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	120	111
Safe custody fees	141	25
	<u>261</u>	<u>136</u>
<b>Other expenses:</b>		
Audit fees	18	11
Legal and publication fees	(4)	5
Registration fee	(1)	1
VAT Reclaim	(3)	-
Other	19	10
	<u>29</u>	<u>27</u>
	<u>10,091</u>	<u>6,171</u>

# FTF Clearbridge Global Infrastructure Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	16 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	7	-
<b>Total interest payable and similar charges</b>	<b>7</b>	<b>-</b>

### 6. Taxation

	1 April 2023 to 31 March 2024	16 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	7,598	2,954
Total current tax	7,598	2,954
<b>Total taxation (see Note 6(b))</b>	<b>7,598</b>	<b>2,954</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	16 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	63,546	29,973
Corporation tax at 20% (2023: 20%)	12,709	5,995
Effects of:		
Movement in unrecognised tax losses	136	591
Overseas tax	7,598	2,954
Relief on overseas tax expensed	(242)	(43)
Revenue not subject to tax	(12,603)	(6,543)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>7,598</b>	<b>2,954</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £727,000 (2023: £591,000) due to tax losses of £3,634,000 (2023: £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.

# FTF Clearbridge Global Infrastructure Income 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 2023 to 31 March 2024	16 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	27,765	11,082
Accumulation	23,959	7,812
	<u>51,724</u>	<u>18,894</u>
<b>Final dividend distributions</b>		
Income	6,739	8,261
Accumulation	6,508	6,256
	<u>13,247</u>	<u>14,517</u>
Add: Revenue deducted on cancellation of shares	2,289	640
Deduct: Revenue received on issue of shares	(1,208)	(815)
<b>Total distribution</b>	<u><u>66,052</u></u>	<u><u>33,236</u></u>

	1 April 2023 to 31 March 2024	16 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	55,948	27,019
Capitalised amounts	10,104	6,220
Net revenue paid on share class conversions	-	(3)
<b>Total distribution</b>	<u><u>66,052</u></u>	<u><u>33,236</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 74 to 77.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	2,870	4,239
Amounts receivable for issue of shares	5,147	1,572
Currency sales awaiting settlement	13,433	26,960
Overseas tax recoverable	1,608	2,023
Sales awaiting settlement	23,148	39,092
	<u>46,206</u>	<u>73,886</u>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	6,329	34,776
<b>Total cash and bank balances</b>	<u><u>6,329</u></u>	<u><u>34,776</u></u>

# FTF Clearbridge Global Infrastructure Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	867	1,017
Amounts payable for cancellation of shares	3,599	3,532
Currency purchases awaiting settlement	13,477	26,885
Purchases awaiting settlement	6,596	9,572
	<u>24,539</u>	<u>41,006</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £801,000 (2023: £922,000).

As at 31 March 2024, Templeton Global Advisors Limited held 100% of the shares in issue of Class S H2 Accumulation USD and 0.21% of the shares in issue of Class S H2 Income.

As at 31 March 2024, Legg Mason International Holdings L.P held 0.17% of the shares in issue of Class S Income USD (0.25% as at 31 March 2023).

### 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 2024	31 March 2023
	Total net foreign currency assets and (liabilities)	Total net foreign currency assets and (liabilities)
	£000	£000
<b>Currency</b>		
Australian Dollar	21,309	103,875
Brazilian Real	46,783	49,246
Canadian Dollar	68,789	122,015
Danish Krone	6	8
Euro	229,789	259,178
Hong Kong Dollar	15,987	19,918
Japanese Yen	27,017	40,085
United States Dollar	405,025	359,952
	<u>814,705</u>	<u>954,277</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £81,471,000 (2023: £95,428,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

# FTF Clearbridge Global Infrastructure Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12. 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £128,143,000 (2023: £143,515,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	1,090,924	327	923	1,092,174	0.03	0.08
<b>Sales</b>						
Equities	1,151,097	(416)	(21)	1,150,660	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.06%</u>	<u>0.07%</u>			

	16 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
<b>Purchases</b>						
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>		
<b>Sales</b>						
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.

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 2024, the average dealing spread for the underlying Fund investments is 0.08% (2023: 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 Clearbridge Global Infrastructure Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Accumulation	6,085,792	447,185	(791,053)	-	5,741,924
EB Income	34,565,802	1,185,575	(7,241,222)	(17,022)	28,493,133
EB H2 Income	45,630,637	3,741,563	(8,987,766)	15,249,737	55,634,171
S Accumulation	40,671,878	26,370,029	(15,341,532)	(15,106)	51,685,269
S H2 Accumulation	65,386,148	46,922,801	(8,311,818)	451,739	104,448,870
S Income	268,024,818	8,553,748	(96,100,927)	43,294	180,520,933
S H2 Income	21,099	3,821,522	(252,310)	6,280,619	9,870,930
S Income USD	404,961	335,346	(124,022)	-	616,285
W Accumulation	231,914,098	27,633,406	(82,197,725)	699,145	178,048,924
W H2 Accumulation	68,364,867	59,371,679	(27,231,135)	(176,456)	100,328,955
W Income	269,279,912	32,891,166	(36,483,822)	1,048,941	266,736,197
W H2 Income	97,384,439	14,413,751	(40,049,733)	(23,228,280)	48,520,177
S H2 Accumulation USD	-	2,500	-	-	2,500

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	1,282,207	-	1,432,745	-
Level 2	719	1,498	4,801	2,394
Level 3	-	-	-	-
<b>Total</b>	<b>1,282,926</b>	<b>1,498</b>	<b>1,437,546</b>	<b>2,394</b>

### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of New York Mellon International	-	(779)	-	-	-	-	(779)

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£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 year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>EB Accumulation Shares</b>				
Group 1	2.9552	-	2.9552	n/a
Group 2	2.7774	0.1778	2.9552	n/a
<b>EB Income</b>				
Group 1	2.1153	-	2.1153	n/a
Group 2	1.1070	1.0083	2.1153	n/a
<b>EB H2 Income</b>				
Group 1	1.9421	-	1.9421	n/a
Group 2	0.9661	0.9760	1.9421	n/a
<b>S Accumulation</b>				
Group 1	1.9044	-	1.9044	n/a
Group 2	1.3749	0.5295	1.9044	n/a
<b>S H2 Accumulation</b>				
Group 1	1.5410	-	1.5410	n/a
Group 2	1.5154	0.0256	1.5410	n/a
<b>S Income</b>				
Group 1	1.7211	-	1.7211	n/a
Group 2	1.0656	0.6555	1.7211	n/a
<b>S H2 Income</b>				
Group 1	1.6523	-	1.6523	n/a
Group 2	0.0986	1.5537	1.6523	n/a
<b>W Accumulation</b>				
Group 1	2.8888	-	2.8888	n/a
Group 2	2.6870	0.2018	2.8888	n/a
<b>W H2 Accumulation</b>				
Group 1	2.6585	-	2.6585	n/a
Group 2	2.4827	0.1758	2.6585	n/a
<b>W Income</b>				
Group 1	2.0679	-	2.0679	n/a
Group 2	1.3043	0.7636	2.0679	n/a
<b>W H2 Income</b>				
Group 1	1.9206	-	1.9206	n/a
Group 2	1.5216	0.3990	1.9206	n/a
	Net Income	Equalisation	30 June 2023 Cent per Share	30 June 2022 Cent per Share
	c	c	c	c
<b>S Income USD</b>				
Group 1	1.4544	-	1.4544	n/a
Group 2	0.9511	0.5033	1.4544	n/a

# FTF Clearbridge Global Infrastructure Income Fund

## DISTRIBUTION TABLES (Continued)

For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>EB Accumulation Shares</b>				
Group 1	2.2095	-	2.2095	n/a
Group 2	0.8749	1.3346	2.2095	n/a
<b>EB Income</b>				
Group 1	1.5552	-	1.5552	n/a
Group 2	0.5358	1.0194	1.5552	n/a
<b>EB H2 Income</b>				
Group 1	1.4400	-	1.4400	n/a
Group 2	0.6192	0.8208	1.4400	n/a
<b>S Accumulation</b>				
Group 1	1.4144	-	1.4144	n/a
Group 2	0.5537	0.8607	1.4144	n/a
<b>S H2 Accumulation</b>				
Group 1	1.1555	-	1.1555	n/a
Group 2	0.5937	0.5618	1.1555	n/a
<b>S Income</b>				
Group 1	1.2571	-	1.2571	n/a
Group 2	0.5721	0.6850	1.2571	n/a
<b>S H2 Income</b>				
Group 1	1.2232	-	1.2232	n/a
Group 2	0.0783	1.1449	1.2232	n/a
<b>W Accumulation</b>				
Group 1	2.1409	-	2.1409	n/a
Group 2	0.8118	1.3291	2.1409	n/a
<b>W H2 Accumulation</b>				
Group 1	1.9887	-	1.9887	n/a
Group 2	1.2732	0.7155	1.9887	n/a
<b>W Income</b>				
Group 1	1.5091	-	1.5091	n/a
Group 2	0.6089	0.9002	1.5091	n/a
<b>W H2 Income</b>				
Group 1	1.4142	-	1.4142	n/a
Group 2	0.5821	0.8321	1.4142	n/a
	Net Income	Equalisation	30 September 2023 Cent per Share	30 September 2022 Cent per Share
	c	c	c	c
<b>S Income USD</b>				
Group 1	1.0323	-	1.0323	n/a
Group 2	0.5401	0.4922	1.0323	n/a
<b>S H2 Accumulation USD</b>				
Group 1	10.1044	-	10.1044	n/a
Group 2	10.1044	-	10.1044	n/a

# FTF Clearbridge Global Infrastructure Income Fund

## DISTRIBUTION TABLES (Continued)

For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022* Pence per Share
	p	p	p	p
<b>EB Accumulation Shares</b>				
Group 1	1.6827	-	1.6827	2.2380
Group 2	1.3748	0.3079	1.6827	2.2380
<b>EB Income</b>				
Group 1	1.1689	-	1.1689	1.6375
Group 2	0.6762	0.4927	1.1689	1.6375
<b>EB H2 Income</b>				
Group 1	1.0734	-	1.0734	1.4570
Group 2	0.6826	0.3908	1.0734	1.4570
<b>S Accumulation</b>				
Group 1	1.0804	-	1.0804	1.4447
Group 2	0.7970	0.2834	1.0804	1.4447
<b>S H2 Accumulation</b>				
Group 1	0.8763	-	0.8763	1.1385
Group 2	0.6714	0.2049	0.8763	1.1385
<b>S Income</b>				
Group 1	0.9473	-	0.9473	1.3338
Group 2	0.6133	0.3340	0.9473	1.3338
<b>S H2 Income</b>				
Group 1	0.9173	-	0.9173	-
Group 2	0.3521	0.5652	0.9173	-
<b>W Accumulation</b>				
Group 1	1.6359	-	1.6359	2.1992
Group 2	1.4294	0.2065	1.6359	2.1992
<b>W H2 Accumulation</b>				
Group 1	1.5084	-	1.5084	1.9663
Group 2	1.0725	0.4359	1.5084	1.9663
<b>W Income</b>				
Group 1	1.1370	-	1.1370	1.6113
Group 2	0.7945	0.3425	1.1370	1.6113
<b>W H2 Income</b>				
Group 1	1.0595	-	1.0595	1.4515
Group 2	0.7510	0.3085	1.0595	1.4515

\*The Fund launched on 16 September 2022. The prior year distribution covers the period from 16 September 2022 to 31 December 2022.

	Net Income	Equalisation	31 December 2023 Cent per Share	31 December 2022 Cent per Share
	c	c	c	c
<b>S Income USD</b>				
Group 1	0.7957	-	0.7957	1.0517
Group 2	0.6052	0.1905	0.7957	1.0517
<b>S H2 Accumulation USD</b>				
Group 1	9.4828	-	9.4828	n/a
Group 2	9.4828	-	9.4828	n/a

# FTF Clearbridge Global Infrastructure Income Fund

## DISTRIBUTION TABLES (Continued)

For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>EB Accumulation Shares</b>				
Group 1	1.8190	-	1.8190	1.7869
Group 2	1.0945	0.7245	1.8190	1.7869
<b>EB Income</b>				
Group 1	1.2521	-	1.2521	1.2906
Group 2	0.6048	0.6473	1.2521	1.2906
<b>EB H2 Income</b>				
Group 1	1.1631	-	1.1631	1.1615
Group 2	0.6042	0.5589	1.1631	1.1615
<b>S Accumulation</b>				
Group 1	1.1675	-	1.1675	1.1439
Group 2	0.5814	0.5861	1.1675	1.1439
<b>S H2 Accumulation</b>				
Group 1	0.9575	-	0.9575	0.9071
Group 2	0.6043	0.3532	0.9575	0.9071
<b>S Income</b>				
Group 1	1.0143	-	1.0143	1.0437
Group 2	0.4507	0.5636	1.0143	1.0437
<b>S H2 Income</b>				
Group 1	0.9934	-	0.9934	0.3857
Group 2	0.3106	0.6828	0.9934	0.3857
<b>W Accumulation</b>				
Group 1	1.7669	-	1.7669	1.7336
Group 2	0.6461	1.1208	1.7669	1.7336
<b>W H2 Accumulation</b>				
Group 1	1.6481	-	1.6481	1.5631
Group 2	0.7135	0.9346	1.6481	1.5631
<b>W Income</b>				
Group 1	1.2167	-	1.2167	1.2530
Group 2	0.5467	0.6700	1.2167	1.2530
<b>W H2 Income</b>				
Group 1	1.1478	-	1.1478	1.1399
Group 2	0.2959	0.8519	1.1478	1.1399
	Net Income	Equalisation	31 March 2024 Cent per Share	31 March 2023 Cent per Share
	c	c	c	c
<b>S Income USD</b>				
Group 1	0.8547	-	0.8547	0.8777
Group 2	0.2546	0.6001	0.8547	0.8777
<b>S H2 Accumulation USD</b>				
Group 1	10.2808	-	10.2808	n/a
Group 2	10.2808	-	10.2808	n/a

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

The Fund invests at least 70% of its assets in shares of US companies.

#### *Other investments*

The Fund may also invest in:

- Preference securities (shares where dividends are paid out in advance of dividends due to other shares in the company);
- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation);
- Debt securities of any quality;
- 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.

#### *Geographic locations (where we invest)*

The Fund focuses on investments in the US. No more than 20% of the Fund's assets can be invested in investments issued by non-US companies.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

#### *ESG (environmental, social, and governance) factors*

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.

## FTF ClearBridge US Equity Income Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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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; or
- Companies that generate 5% or more of their revenues from tobacco.

# FTF ClearBridge US Equity Income Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF ClearBridge US Equity Income Fund (W Accumulation) returned 19.20%, whilst its benchmark - the S&P 500 Index - returned 27.13% (both returns in UK sterling).

### OVERVIEW

Equities delivered positive returns during the period, with the broad market S&P 500 Index advancing 27.13%. The strong performance of artificial intelligence (AI) beneficiaries, optimism over an economic soft landing and a dovish pivot by the Federal Reserve (Fed) late in 2023 helped overcome persistent inflation, higher interest rates and fears of a recession.

With returns earlier in 2023 concentrated in a handful of mega cap companies in the information technology (IT), consumer discretionary and communication services sectors, market leadership began to broaden by the beginning of the third quarter of 2023 as better-than-expected corporate earnings and cooling inflation created a growing chorus for a soft landing for the economy (rather than a recession).

Investor enthusiasm about the potential for AI led to outsize returns by the communication services (which gained 46.92%) and IT (42.93%) sectors, where companies with large digital ad businesses, hyper scale cloud providers and companies in the semiconductor value chain performed well. Growing optimism over an economic soft landing helped the financial and industrial sectors, which rose 30.71% and 23.74%, respectively. Defensive and rate-sensitive sectors such as utilities (-1.71%), consumer staples (4.92%), real estate (7.98%) and health care (13.63%) trailed as expectations for rate cuts kept getting pushed out as economic growth remained steady and inflation data, while decreasing, stayed elevated.

### SIGNIFICANT CHANGES

We meaningfully increased our exposure to high-quality companies in the consumer staples, communication services and utilities sectors, while reducing exposure to higher-multiple stocks approaching what we would consider a fuller valuation or with deteriorating growth stories.

In consumer staples we added to our existing positions in Nestle and Diageo, and we initiated positions in over-the-counter health care staples companies Haleon and Kenvue. We purchased these staples at discounts to the broad market averages. High-quality consumer staples typically trade at a premium to the market given their stability, pricing power and attractive returns on investment. These securities offer attractive upfront yields and generate solid free cash flow, and we expect their relative valuations will ultimately return to trading at premiums to the market.

In communication services we added to Comcast and Walt Disney. Comcast and T-Mobile both benefit from recurring, predictable, subscription-based revenues and trade at low double-digit multiples of free cash flow. We added to Disney near the stock's recent bottom, a level that embedded unrealistic pessimism. Disney's low price imputed continued start-up losses in Disney+ in perpetuity, despite the company's clear guidance that its direct-to-consumer business would reach profitability in the fourth quarter of fiscal 2024.

We also initiated new positions in two communication services companies that inaugurated dividend payments: T-Mobile and Meta Platforms. T-Mobile initiated a ~\$750 million dividend in the fourth quarter of 2023, followed by \$3 billion in dividends in 2024, with expected dividend growth of 10% annually. We expect margin expansion in the coming years to be driven by strong subscriber growth and the ability to offer customers higher-rate plans with more services. Meta's ecosystem of products is unparalleled, with daily active users equating to 40% of the global population. Meta is very profitable and maintains a robust balance sheet, even while investing heavily in growth. The initiation of a small but meaningful dividend, which we expect to compound steadily, is consistent with increasing capital discipline at Meta. Our active (as opposed to formulaic) approach to dividends enabled us to move quickly and buy the shares the day after Meta announced its dividend. Over the years, our nimble approach to dividend investing has frequently enabled us to profit from long-term investments in high-growth technology companies that many passive or formulaic dividend investors likely missed (e.g., American Tower, Mastercard, Meta, Visa).

We increased our allocation to electric utilities by adding to Sempra on weakness in the sector, and with the addition of DTE Energy. Electric utilities offer attractive upfront yields, trade at their lowest relative valuations in a decade and — as consensus finally seems to have noticed — should enjoy stronger growth in the years ahead due to the energy transition and data centers' phenomenal growth.

We also exited Mastercard, in the financials sector. While Mastercard remains fundamentally strong, in our view its valuation multiple has become extended, even by its own historical standards, and we see better relative opportunities elsewhere.

### POSITIVE/NEGATIVE CONTRIBUTORS

Stock selection in the financial, materials and energy sectors, a financial overweight and health care underweight were positive for relative performance during the period. The leading individual contributors were Apollo Global Management, Microsoft, Broadcom, JPMorgan Chase and Vulcan Materials.



# FTF ClearBridge US Equity Income Fund

## INVESTMENT REVIEW *(Continued)*

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Stock selection in the communication services, industrials, health care, IT and consumer staples sectors as well as IT and communication services underweights and overweights to the consumer staples, materials, utilities and energy sectors detracted from relative results. The main detractors from performance during the reporting period were Pfizer, United Parcel Service, Diageo, Nestle and RTX.

### OUTLOOK

As we move into the second quarter of 2024, the market's primary trends appear entrenched. Investor psychology remains dominated by FOMO (Fear of Missing Out) in AI and consensus continues to believe the Fed will begin cutting rates shortly. Meanwhile, our approach remains deliberate, distinctive and consistent. We seek to enhance our diversification even as we embrace market trends like AI through measured investments in select names such as Broadcom and Microsoft. With respect to interest rates, we humbly acknowledge that our crystal ball is no better than anyone else's. Not long ago the market was certain it would get two or three rate cuts in the back half of 2023 and early 2024; now it seems the first cut may not come until the back half of 2024. Rather than try to predict and time the Fed's every move, we aim to construct a portfolio that will perform reasonably well under a broad range of interest rate scenarios.

With market multiples approaching historic highs, it strikes us that many stocks likely require a cut in interest rates to sustain their levels.

Our portfolio, meanwhile, trades at much more modest valuations. This should serve us well regardless of the path of interest rates. With the market's magnified focus on the hot new thing (AI, etc.), we are doubling down on the oldies but goodies: dividends, diversification and a disciplined approach to valuations.

**Peter Vanderlee, CFA, Michael Clarfled, CFA & John Baldi**  
Fund Managers  
31 March 2024

# FTF ClearBridge US Equity Income Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	127.80	131.59
Return before operating charges <sup>1</sup>	24.00	(1.96)
Operating charges <sup>2</sup>	(0.71)	(0.38)
Return after operating charges <sup>3</sup>	23.29	(2.34)
Distributions	(2.91)	(1.45)
Closing net asset value per share	148.18	127.80
After direct transaction costs of <sup>4</sup>	(0.05)	(0.01)
<b>Performance</b>		
Return after charges <sup>5</sup>	18.22%	(1.78)%
<b>Other information</b>		
Closing net asset value (£)	78,616,832	77,450,534
Closing number of shares	53,056,003	60,601,551
Operating charges ratio <sup>6</sup>	0.53%	0.56%
Direct transaction costs <sup>4</sup>	0.04%	0.02%
<b>Prices (p)</b>		
Highest share price	148.77	134.63
Lowest share price	127.00	123.65
<b><u>S Accumulation**</u></b>		
	<b><u>31 March 2024</u></b>	
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	100.00	
Return before operating charges	7.51	
Operating charges	(0.12)	
Return after operating charges	7.39	
Distributions	(0.45)	
Retained distributions on accumulation shares	0.45	
Closing net asset value per share	107.39	
After direct transaction costs of	(0.01)	
<b>Performance</b>		
Return after charges	7.39%	
<b>Other information</b>		
Closing net asset value (£)	850	
Closing number of shares	792	
Operating charges ratio	0.63%	
Direct transaction costs	0.04%	
<b>Prices (p)</b>		
Highest share price <sup>7</sup>	107.29	
Lowest share price <sup>7</sup>	100.17	

# FTF ClearBridge US Equity Income Fund

## COMPARATIVE TABLES (Continued)

### S Income\*\*

31 March 2024

#### Change in net assets per share (p)

Opening net asset value per share	100.00
Return before operating charges	7.50
Operating charges	(0.12)
Return after operating charges	7.38
Distributions	(0.45)
Closing net asset value per share	106.93
After direct transaction costs of	(0.01)

#### Performance

Return after charges	7.38%
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#### Other information

Closing net asset value (£)	847
Closing number of shares	792
Operating charges ratio	0.63%
Direct transaction costs	0.04%

#### Prices (p)

Highest share price	107.29
Lowest share price	100.17

### W Accumulation

31 March 2024

31 March 2023\*

#### Change in net assets per share (p)

Opening net asset value per share	409.87	418.00
Return before operating charges <sup>1</sup>	77.60	(6.27)
Operating charges <sup>2</sup>	(3.49)	(1.86)
Return after operating charges <sup>3</sup>	74.11	(8.13)
Distributions	(9.40)	(4.60)
Retained distributions on accumulation shares	9.40	4.60
Closing net asset value per share	483.98	409.87
After direct transaction costs of <sup>4</sup>	(0.16)	(0.03)

#### Performance

Return after charges <sup>5</sup>	18.08%	(1.94)%
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#### Other information

Closing net asset value (£)	6,356,733	6,614,841
Closing number of shares	1,313,433	1,613,874
Operating charges ratio <sup>6</sup>	0.80%	0.86%
Direct transaction costs <sup>4</sup>	0.04%	0.02%

#### Prices (p)

Highest share price <sup>7</sup>	483.56	427.42
Lowest share price <sup>7</sup>	407.17	394.42

# FTF ClearBridge US Equity Income Fund

## COMPARATIVE TABLES (Continued)

<u>W Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	327.13	337.36
Return before operating charges <sup>1</sup>	61.33	(5.03)
Operating charges <sup>2</sup>	(2.79)	(1.49)
Return after operating charges <sup>3</sup>	58.54	(6.52)
Distributions	(7.44)	(3.71)
Closing net asset value per share	378.23	327.13
After direct transaction costs of <sup>4</sup>	(0.13)	(0.03)
<b>Performance</b>		
Return after charges <sup>5</sup>	17.90%	(1.93)%
<b>Other information</b>		
Closing net asset value (£)	22,114,456	18,275,793
Closing number of shares	5,846,805	5,586,760
Operating charges ratio <sup>6</sup>	0.81%	0.86%
Direct transaction costs <sup>4</sup>	0.04%	0.02%
<b>Prices (p)</b>		
Highest share price	379.75	344.95
Lowest share price	324.97	316.51
<u>W H2 Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	231.48	215.35
Return before operating charges <sup>1</sup>	47.08	19.69
Operating charges <sup>2</sup>	(2.00)	(1.02)
Return after operating charges <sup>3</sup>	45.08	18.67
Distributions	(5.32)	(2.54)
Closing net asset value per share	271.24	231.48
After direct transaction costs of <sup>4</sup>	(0.09)	(0.02)
<b>Performance</b>		
Return after charges <sup>5</sup>	19.47%	8.67%
<b>Other information</b>		
Closing net asset value (£)	445,269	391,603
Closing number of shares	164,162	169,172
Operating charges ratio <sup>6</sup>	0.81%	0.86%
Direct transaction costs <sup>4</sup>	0.04%	0.02%
<b>Prices (p)</b>		
Highest share price	271.92	241.54
Lowest share price	229.84	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. Where the period is less than 12 months, the operating charges are annualised.

7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

# FTF ClearBridge US Equity Income Fund

## COMPARATIVE TABLES *(Continued)*

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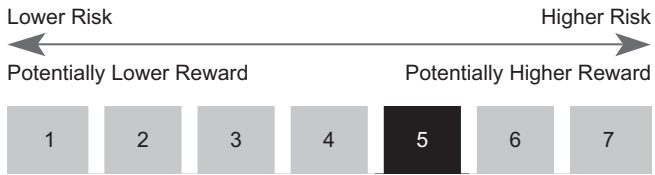
\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

\*\* This share class launched on 22 January 2024.

# FTF ClearBridge US Equity Income Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 97.67% (98.51%)</b>		
	<b>AEROSPACE &amp; DEFENCE 3.01% (4.80%)</b>		
3,570	Northrop Grumman .....	1,352	1.26
24,346	RTX.....	1,880	1.75
		<u>3,232</u>	<u>3.01</u>
	<b>AUTOMOBILE MANUFACTURERS 0.84% (0.85%)</b>		
25,150	General Motors .....	902	0.84
	<b>BANKS 4.42% (3.68%)</b>		
22,394	JPMorgan Chase .....	3,550	3.30
9,445	PNC Financial Services.....	1,208	1.12
		<u>4,758</u>	<u>4.42</u>
	<b>BEVERAGES 3.46% (3.75%)</b>		
43,682	Coca-Cola.....	2,115	1.97
54,850	Diageo .....	1,604	1.49
		<u>3,719</u>	<u>3.46</u>
	<b>BIOTECHNOLOGY 0.96% (0.00%)</b>		
17,790	Gilead Sciences .....	1,031	0.96
	<b>BUILDING MATERIALS 2.47% (2.12%)</b>		
12,304	Vulcan Materials .....	2,656	2.47
	<b>CHEMICALS 5.23% (4.99%)</b>		
5,540	Air Products and Chemicals .....	1,063	0.99
7,957	Linde .....	2,923	2.72
14,303	PPG Industries.....	1,639	1.52
		<u>5,625</u>	<u>5.23</u>
	<b>COMPUTERS 1.71% (3.77%)</b>		
13,560	Apple .....	1,841	1.71
	<b>COSMETICS &amp; PERSONAL CARE 3.49% (2.36%)</b>		
247,000	Haleon .....	823	0.76
69,000	Kenvue.....	1,171	1.09
13,703	Procter & Gamble .....	1,759	1.64
		<u>3,753</u>	<u>3.49</u>
	<b>DIVERSIFIED FINANCIAL SERVICES 7.47% (8.04%)</b>		
42,601	Apollo Global Management .....	3,791	3.53
13,880	Capital One Financial .....	1,636	1.52
11,807	Visa.....	2,605	2.42
		<u>8,032</u>	<u>7.47</u>
	<b>ELECTRICITY 4.92% (4.28%)</b>		
11,900	DTE Energy.....	1,056	0.98
19,535	Edison International.....	1,093	1.02
55,270	Sempra .....	3,141	2.92
		<u>5,290</u>	<u>4.92</u>
	<b>ENVIRONMENTAL CONTROL 1.74% (1.62%)</b>		
11,105	Waste Management .....	1,873	1.74
	<b>FOOD PRODUCERS 4.13% (4.50%)</b>		
32,879	Mondelez International.....	1,821	1.69
31,161	Nestle .....	2,620	2.44
		<u>4,441</u>	<u>4.13</u>
	<b>HEALTHCARE SERVICES 1.43% (2.38%)</b>		
3,938	UnitedHealth.....	1,541	1.43
	<b>INSURANCE 5.07% (4.21%)</b>		
16,966	American International .....	1,050	0.98

# FTF ClearBridge US Equity Income Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>INSURANCE (Continued)</b>		
26,312	MetLife .....	1,543	1.44
15,617	Travelers .....	2,844	2.65
		<u>5,437</u>	<u>5.07</u>
	<b>INTERNET 1.14% (0.00%)</b>		
3,200	Meta Platforms .....	1,230	1.14
	<b>MEDIA 4.40% (3.62%)</b>		
100,045	Comcast .....	3,432	3.19
13,470	Walt Disney .....	1,305	1.21
		<u>4,737</u>	<u>4.40</u>
	<b>MINING 1.00% (0.95%)</b>		
28,990	Freeport-McMoRan .....	1,078	1.00
	<b>OIL &amp; GAS PRODUCERS 3.14% (2.98%)</b>		
14,700	EQT .....	431	0.40
12,210	Exxon Mobil .....	1,123	1.04
8,810	Pioneer Natural Resources .....	1,830	1.70
		<u>3,384</u>	<u>3.14</u>
	<b>PHARMACEUTICALS 7.70% (9.05%)</b>		
10,760	AstraZeneca .....	1,149	1.07
15,810	Becton Dickinson .....	3,095	2.88
12,275	Johnson & Johnson .....	1,537	1.43
23,924	Merck .....	2,498	2.32
		<u>8,279</u>	<u>7.70</u>
	<b>PIPELINES 5.58% (5.74%)</b>		
97,988	Enbridge .....	2,805	2.61
103,601	Williams .....	3,194	2.97
		<u>5,999</u>	<u>5.58</u>
	<b>REAL ESTATE INVESTMENT TRUSTS 4.47% (3.25%)</b>		
11,181	American Tower .....	1,748	1.63
11,960	AvalonBay Communities .....	1,755	1.63
5,680	Public Storage .....	1,303	1.21
		<u>4,806</u>	<u>4.47</u>
	<b>RETAIL 1.76% (2.12%)</b>		
6,226	Home Depot .....	1,890	1.76
	<b>SEMICONDUCTORS 4.06% (3.33%)</b>		
2,210	Broadcom .....	2,317	2.15
38,790	Intel .....	1,356	1.26
5,085	Texas Instruments .....	701	0.65
		<u>4,374</u>	<u>4.06</u>
	<b>SOFTWARE 9.16% (9.41%)</b>		
17,588	Microsoft .....	5,847	5.44
21,190	Oracle .....	2,106	1.96
12,280	SAP .....	1,895	1.76
		<u>9,848</u>	<u>9.16</u>
	<b>TELECOMMUNICATIONS 2.17% (3.01%)</b>		
18,050	T-Mobile US .....	2,331	2.17
	<b>TRANSPORTATION 2.74% (3.70%)</b>		
9,819	Union Pacific .....	1,911	1.78
8,791	United Parcel Service .....	1,034	0.96
		<u>2,945</u>	<u>2.74</u>
	<b>TOTAL - EQUITIES</b>	<u>105,032</u>	<u>97.67</u>



# FTF ClearBridge US Equity Income Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>HEDGE SHARE CLASS DERIVATIVES 0.00% (0.00%)</b>		
	<b>HEDGE FORWARD CURRENCY CONTRACTS</b>		
GBP 426,795	Buy GBP 426,795 sell USD (539,695) dated 30/04/2024.....	(1)	0.00
		(1)	0.00
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	(1)	0.00
	<b>TOTAL VALUE OF INVESTMENTS .....</b>	<b>105,031</b>	<b>97.67</b>
	<b>OTHER ASSETS .....</b>	<b>2,504</b>	<b>2.33</b>
	<b>TOTAL NET ASSETS .....</b>	<b>107,535</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		14,557		(2,902)
Revenue	3	2,258		1,128	
Expenses	4	(549)		(289)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		1,709		839	
Taxation	6	(333)		(158)	
Net revenue after taxation			1,376		681
<b>Total return before distributions</b>			<b>15,933</b>		<b>(2,221)</b>
Distributions	7		(1,925)		(968)
<b>Change in net assets attributable to shareholders</b>			<b>14,008</b>		<b>(3,189)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		102,733		-
In-specie transfer	-		74,833	
Amounts received on creation of shares	78,536		37,709	
Amounts paid on cancellation of shares	(87,925)		(6,701)	
		(9,389)		105,841
Dilution adjustment		48		4
Change in net assets attributable to shareholders from investment activities (see above)		14,008		(3,189)
Retained distribution on accumulation shares		135		77
<b>Closing net assets attributable to shareholders</b>		<b>107,535</b>		<b>102,733</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		105,032	101,203
Current assets			
Debtors	8	1,756	201
Cash and bank balances	9	2,694	2,459
<b>Total assets</b>		<b>109,482</b>	<b>103,863</b>
<b>Liabilities</b>			
Investment liabilities		(1)	-
Creditors			
Distributions payable		(493)	(524)
Other creditors	10	(1,453)	(606)
<b>Total liabilities</b>		<b>(1,947)</b>	<b>(1,130)</b>
<b>Net assets attributable to shareholders</b>		<b>107,535</b>	<b>102,733</b>

# FTF ClearBridge US Equity Income Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	14,817	(2,878)
Currency losses	(277)	(78)
Forward currency contracts	11	54
Property Gains on US REITs	6	-
	<u>14,557</u>	<u>(2,902)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	22	10
Overseas dividends	2,041	1,054
UK dividends	58	14
US REIT dividends	137	50
	<u>2,258</u>	<u>1,128</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	477	240
ACD's administration charge	45	22
ACD Waiver	-	(5)
	<u>522</u>	<u>257</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	9	6
Safe custody fees	(3)	3
	<u>6</u>	<u>9</u>
<b>Other expenses:</b>		
Audit fees	20	12
Legal and publication fees	(4)	5
Other	5	6
	<u>21</u>	<u>23</u>
	<u>549</u>	<u>289</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF ClearBridge US Equity Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	333	158
Total current tax	333	158
<b>Total taxation (see Note 6(b))</b>	<b>333</b>	<b>158</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	1,709	839
Corporation tax at 20% (2023: 20%)	342	168
Effects of:		
Movement in unrecognised tax losses	84	47
Overseas tax	333	158
Prior year adjustment to unrecognised tax losses	(2)	-
Relief on overseas tax expensed	(4)	(1)
Revenue not subject to tax	(420)	(214)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>333</b>	<b>158</b>

### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £132,000 (2023: £47,000) due to tax losses of £658,000 (2023: £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.

### 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 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	1,265	429
Accumulation	104	41
	1,369	470
<b>Final dividend distributions</b>		
Income	493	524
Accumulation	31	36
	524	560
Add: Revenue deducted on cancellation of shares	188	16
Deduct: Revenue received on issue of shares	(156)	(78)
<b>Total distribution</b>	<b>1,925</b>	<b>968</b>

# FTF ClearBridge US Equity Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	1,376	681
Capitalised amounts	549	287
<b>Total distribution</b>	<b>1,925</b>	<b>968</b>

Details of the distribution in pence per share for this Fund are set out in the table on pages 97 to 99.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	114	100
Accrued Manager's charge rebates	-	5
Amounts receivable for issue of shares	1,445	20
Currency sales awaiting settlement	39	71
Overseas tax recoverable	8	5
Sales awaiting settlement	150	-
	<b>1,756</b>	<b>201</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	2,694	2,459
<b>Total cash and bank balances</b>	<b>2,694</b>	<b>2,459</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	74	79
Amounts payable for cancellation of shares	64	456
Currency purchases awaiting settlement	39	71
Purchases awaiting settlement	1,276	-
	<b>1,453</b>	<b>606</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £49,000 (2023: £45,000).

As at 31 March 2024, Templeton Global Advisors Limited held 100% of the shares in issue of Class S Accumulation and Class S Income.

# FTF ClearBridge US Equity Income 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>Currency</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
United States Dollar	100,211	99,419
	<u>100,211</u>	<u>99,419</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £10,021,000 (2023: £9,942,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £10,503,000 (2023: £10,120,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	<u>1 April 2023 to 31 March 2024</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
<u>Purchases</u>						
Equities	78,473	7	19	78,499	0.01	0.02
<u>Sales</u>						
Equities	89,484	(6)	(1)	89,477	(0.01)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.02%</u>			
	<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
<u>Purchases</u>						
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>		
<u>Sales</u>						
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>			

# FTF ClearBridge US Equity Income 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 2024, the average dealing spread for the underlying Fund investments is 0.03% (2023: 0.02%).

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 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Income	60,601,551	48,475,046	(58,598,131)	2,577,537	53,056,003
S Accumulation	-	792	-	-	792
S Income	-	792	-	-	792
W Accumulation	1,613,874	311,381	(612,896)	1,074	1,313,433
W Income	5,586,760	2,748,732	(1,477,961)	(1,010,726)	5,846,805
W H2 Income	169,172	20,496	(25,506)	-	164,162

# FTF ClearBridge US Equity Income 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	105,032	-	101,202	-
Level 2	-	1	1	-
Level 3	-	-	-	-
<b>Total</b>	<b>105,032</b>	<b>1</b>	<b>101,203</b>	<b>-</b>

### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of New York Mellon International	-	(1)	-	-	-	-	(1)

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options 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 year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.7429	-	0.7429	n/a
Group 2	0.4997	0.2432	0.7429	n/a
<b>S Accumulation</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>S Income</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>W Accumulation</b>				
Group 1	2.3834	-	2.3834	n/a
Group 2	2.2438	0.1396	2.3834	n/a
<b>W Income</b>				
Group 1	1.9029	-	1.9029	n/a
Group 2	0.2668	1.6361	1.9029	n/a
<b>W H2 Income</b>				
Group 1	1.3598	-	1.3598	n/a
Group 2	0.6493	0.7105	1.3598	n/a

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.7422	-	0.7422	n/a
Group 2	0.4407	0.3015	0.7422	n/a
<b>S Accumulation</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>S Income</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>W Accumulation</b>				
Group 1	2.3902	-	2.3902	n/a
Group 2	1.1643	1.2259	2.3902	n/a
<b>W Income</b>				
Group 1	1.8972	-	1.8972	n/a
Group 2	1.0394	0.8578	1.8972	n/a
<b>W H2 Income</b>				
Group 1	1.3627	-	1.3627	n/a
Group 2	0.3637	0.9990	1.3627	n/a

# FTF ClearBridge US Equity Income Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022* Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.7038	-	0.7038	0.7495
Group 2	0.3200	0.3838	0.7038	0.7495
<b>S Accumulation</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>S Income</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>W Accumulation</b>				
Group 1	2.2781	-	2.2781	2.3795
Group 2	0.3693	1.9088	2.2781	2.3795
<b>W Income</b>				
Group 1	1.7983	-	1.7983	1.9207
Group 2	0.4413	1.3570	1.7983	1.9207
<b>W H2 Income</b>				
Group 1	1.2743	-	1.2743	1.2975
Group 2	0.2386	1.0357	1.2743	1.2975

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 December 2022.

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.7218	-	0.7218	0.6971
Group 2	0.5082	0.2136	0.7218	0.6971
<b>S Accumulation</b>				
Group 1	0.4534	-	0.4534	n/a
Group 2	0.4534	0.0000	0.4534	n/a
<b>S Income</b>				
Group 1	0.4534	-	0.4534	n/a
Group 2	0.4534	0.0000	0.4534	n/a
<b>W Accumulation</b>				
Group 1	2.3456	-	2.3456	2.2252
Group 2	0.7418	1.6038	2.3456	2.2252
<b>W Income</b>				
Group 1	1.8421	-	1.8421	1.7871
Group 2	0.9943	0.8478	1.8421	1.7871
<b>W H2 Income</b>				
Group 1	1.3252	-	1.3252	1.2383
Group 2	1.2270	0.0982	1.3252	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

## FTF ClearBridge US Equity Income Fund

### DISTRIBUTION TABLES *(Continued)*

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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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

The Fund invests at least 80% of its assets in shares of US companies and debt securities or bonds (a type of debt obligation) 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.

At least 50% of the Fund's assets will be shares of companies (equity).

#### *Other investments*

The Fund may also invest in:

- Other transferable securities, including those issued by non-US issuers;
- Warrants (a type of security which offers the right to purchase certain securities at a fixed price) up to 5% of the Fund's portfolio;
- 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.

#### *Geographic locations (where we invest)*

The Fund focuses on investments in the US. No more than 20% of the Fund's assets can be invested in investments issued by non-US companies.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

The Fund typically invests in investments issued by around 40 – 70 companies. 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.

# FTF ClearBridge US Value Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

In selecting investments, the Investment Manager also assesses each investee company against various 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; and
- Companies that generate 5% or more of their revenues from tobacco.

# FTF ClearBridge US Value Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF ClearBridge US Value Fund (W Accumulation) returned 26.47% whilst its benchmark - the Russell 1000 Value Index - returned 17.72% (both returns in UK sterling).

### OVERVIEW

Equities delivered positive returns during the period, with the benchmark Russell 1000 Value Index returning 17.72%. The beginning of the period saw strong performance of artificial intelligence (AI) beneficiaries and optimism over an economic soft landing drive positive returns concentrated in a handful of mega cap companies in the information technology (IT), consumer discretionary and communication services sectors. However, market leadership began to broaden by the third quarter as better-than-expected corporate earnings and cooling inflation created a growing chorus for a soft landing for the economy, providing a bid to smaller and more economically sensitive stocks. In the fourth quarter, signs of cooling inflation, a slowing labor market and favorable Treasury auction volumes caused bond yields to plummet, fueling an equity rally across the market, particularly in more interest-rate sensitive market sectors. Hope of rate cuts and continued investor enthusiasm for AI helped propel equities higher in the first quarter of 2024, before investors became more cautious as expectations for rate cuts kept getting pushed out as economic growth remained steady and inflation data, while decreasing, stayed elevated.

### SIGNIFICANT CHANGES

The goal of our valuation-disciplined investment process is to be an engine of returns in all environments. The process is very bottom up, security specific and driven by internal factors and, at its core, is designed to look for opportunities where market price and our estimate of business value are at least 30% apart. We continued to find compelling opportunities in the market and made several adjustments to the portfolio during the period.

We took advantage of the rapid rise in interest rates at the beginning of the fourth quarter to expand our positioning within utilities, including new positions within NextEra Energy and PPL. NextEra, which acquires, owns and manages contracted clean energy projects in the U.S., was at the center of the defensive stock storm when it slowed its renewable growth outlook modestly in late September. We saw this as an opportunity to invest in arguably the best combination of a regulated utility and an experienced renewable operator with good long-term growth options. Likewise, PPL, which provides electricity and natural gas to 3.5 million customers in eastern U.S., is an excellent example of everything we were looking for: a constructive regulatory regime, a good balance sheet and a favorable earnings growth outlook. We were able to buy the stock at a low-teens earnings multiple with roughly 30% upside to our estimate of fair value.

We were particularly active within the health care sector during the period, adjusting our positioning to add Johnson & Johnson, our largest new position during the period, and exiting UnitedHealth, our largest sell. In Johnson & Johnson, we believe that the imminent loss of market exclusivity for its top-selling drug Stelara and ongoing Talc baby powder litigation created a compelling entry price for a company with tremendous upside potential and in the hands of an extremely capable new management team. With its medical technology segment showing signs of accelerated growth, and a drug pipeline we believe is more than capable of compensating for a decline in Stelara sales, we believe Johnson & Johnson is well poised to be a strong long-term performer in the portfolio. Conversely, during the period we made the decision to exit our holding in UnitedHealth, as we grew increasingly concerned about the rising competition within the Medicare advantage market as well as a potentially mounting pattern of managed care companies underestimating the recent increase in health care utilization.

We trimmed our position sizing in Meta Platforms, but not for lack of conviction in the company. Meta proved a strong performer over the period as investors have become more optimistic about the health of the digital advertising market and in Meta's own product initiatives include Reels. Investors also started to appreciate the significant generative AI opportunity Meta stands to benefit. We believe that the company remains committed to operating with a much leaner cost structure than in previous years which is driving expanding profit margins, that TikTok is not an existential threat to the business and that the company could reap significant benefit from AI technology on both top and bottom lines.

We also initiated a position in Microsoft during the quarter, which may seem surprising given our concerns about index concentration. However, we seized the opportunity to buy the stock before the market fully appreciated the significance of generative AI technology, based on our recognition of Microsoft as a major beneficiary of AI development, as a result of accelerating demand for Microsoft's Azure cloud business and incremental revenues from integration of Microsoft's AI Copilot program into its office platform. We believe this could support double-digit growth, while simultaneously solidifying Microsoft's competitive position as an AI winner. Even as a smaller position, we believe Microsoft provides a large portfolio construction benefit given low correlation to the rest of the portfolio.

### POSITIVE/NEGATIVE CONTRIBUTORS

Stock selection in the utilities, financials, IT, communication services, consumer staples and energy sectors as well as an underweight allocation to both the consumer staples and real estate sectors contributed the most to performance during the period. The leading individual contributors were Vistra, Meta Platforms, Uber Technologies, Constellation Energy and Micron Technology.

# FTF ClearBridge US Value Fund

## INVESTMENT REVIEW *(Continued)*

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Stock selection in the industrials, health care and real estate sectors, overweight allocations to the utilities and materials sectors and underweight to the communication services sector detracted from relative results. The main detractors from performance during the reporting period were AES, Sensata Technologies, Biogen, SolarEdge Technologies and BioNTech.

### OUTLOOK

Perhaps the biggest advantage we have in actively executing our investment philosophy is our ability to look away from the powerful pull of tunnel vision. Given record market concentration, we think the benefits of providing diversification for our shareholders have never been higher. The need for market capital to flow to other areas is certainly in place, which should create opportunities, with AI's emerging demand for turning power into cognition serving as a central example. It will not take much of a shift in concentrated capital to continue to lift laggards into future leaders, and we are taking steps to position ourselves accordingly.

**Samuel Peters, CFA, Jean Yu, CFA & Reed Cassady, CFA.**

Fund Managers

31 March 2024

# FTF ClearBridge US Value Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Accumulation**</u>	<u>31 March 2024</u>
<b>Change in net assets per share (p)</b>	
Opening net asset value per share	100.00
Return before operating charges <sup>1</sup>	12.30
Operating charges <sup>2</sup>	(0.10)
Return after operating charges <sup>3</sup>	12.20
Distributions	(0.38)
Retained distributions on accumulation shares	0.38
Closing net asset value per share	112.20
After direct transaction costs of <sup>4</sup>	(0.01)
<b>Performance</b>	
Return after charges <sup>5</sup>	12.20%
<b>Other information</b>	
Closing net asset value (£)	888
Closing number of shares	792
Operating charges ratio <sup>6</sup>	0.48%
Direct transaction costs <sup>4</sup>	0.03%
<b>Prices (p)</b>	
Highest share price <sup>7</sup>	111.76
Lowest share price <sup>7</sup>	100.00
<u>EB Income**</u>	<u>31 March 2024</u>
<b>Change in net assets per share (p)</b>	
Opening net asset value per share	100.00
Return before operating charges <sup>1</sup>	12.31
Operating charges <sup>2</sup>	(0.10)
Return after operating charges <sup>3</sup>	12.21
Distributions	(0.38)
Retained distributions on accumulation shares	-
Closing net asset value per share	111.83
After direct transaction costs of <sup>4</sup>	(0.01)
<b>Performance</b>	
Return after charges <sup>5</sup>	12.21%
<b>Other information</b>	
Closing net asset value (£)	885
Closing number of shares	792
Operating charges ratio <sup>6</sup>	0.48%
Direct transaction costs <sup>4</sup>	0.03%
<b>Prices (p)</b>	
Highest share price <sup>7</sup>	111.76
Lowest share price <sup>7</sup>	100.00



# FTF ClearBridge US Value Fund

## COMPARATIVE TABLES (Continued)

### S Accumulation\*\*

31 March 2024

#### Change in net assets per share (p)

Opening net asset value per share	100.00
Return before operating charges <sup>1</sup>	12.31
Operating charges <sup>2</sup>	(0.13)
Return after operating charges <sup>3</sup>	12.18
Distributions	(0.36)
Retained distributions on accumulation shares	0.36
Closing net asset value per share	112.18
After direct transaction costs of <sup>4</sup>	(0.01)

#### Performance

Return after charges <sup>5</sup>	12.18%
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#### Other information

Closing net asset value (£)	888
Closing number of shares	792
Operating charges ratio <sup>6</sup>	0.63%
Direct transaction costs <sup>4</sup>	0.03%

#### Prices (p)

Highest share price <sup>7</sup>	111.73
Lowest share price <sup>7</sup>	100.00

### S Income\*\*

31 March 2024

#### Change in net assets per share (p)

Opening net asset value per share	100.00
Return before operating charges <sup>1</sup>	12.31
Operating charges <sup>2</sup>	(0.13)
Return after operating charges <sup>3</sup>	12.18
Distributions	(0.36)
Retained distributions on accumulation shares	-
Closing net asset value per share	111.82
After direct transaction costs of <sup>4</sup>	(0.01)

#### Performance

Return after charges <sup>5</sup>	12.18%
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#### Other information

Closing net asset value (£)	885
Closing number of shares	792
Operating charges ratio <sup>6</sup>	0.63%
Direct transaction costs <sup>4</sup>	0.03%

#### Prices (p)

Highest share price <sup>7</sup>	111.73
Lowest share price <sup>7</sup>	100.00

# FTF ClearBridge US Value Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	349.82	355.29
Return before operating charges <sup>1</sup>	93.41	(3.75)
Operating charges <sup>2</sup>	(2.84)	(1.72)
Return after operating charges <sup>3</sup>	90.57	(5.47)
Distributions	(3.81)	(1.31)
Retained distributions on accumulation shares	3.81	1.31
Closing net asset value per share	440.39	349.82
After direct transaction costs of <sup>4</sup>	(0.13)	(0.03)
<b>Performance</b>		
Return after charges <sup>5</sup>	25.89%	(1.54)%
<b>Other information</b>		
Closing net asset value (£)	52,423,580	33,820,288
Closing number of shares	11,903,950	9,667,851
Operating charges ratio <sup>6</sup>	0.75%	0.92%
Direct transaction costs <sup>4</sup>	0.03%	0.02%
<b>Prices (p)</b>		
Highest share price <sup>7</sup>	438.64	384.56
Lowest share price <sup>7</sup>	341.30	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. Where the period is less than 12 months, the operating charges are annualised.

7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

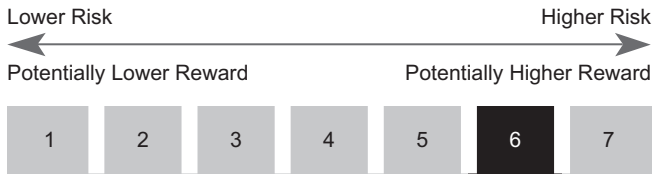
\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

\*\* This share class launched on 19 January 2024.

# FTF ClearBridge US Value Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.11% (97.40%)</b>		
	<b>AIRLINES 0.00% (0.72%)</b>		
	<b>ALTERNATIVE ENERGY SOURCES 0.81% (1.94%)</b>		
30,775	Fluence Energy .....	422	0.81
	<b>APPAREL 1.49% (0.00%)</b>		
20,840	Tapestry .....	783	1.49
	<b>BANKS 6.36% (6.39%)</b>		
47,990	Bank of America .....	1,440	2.75
73,930	First Horizon .....	901	1.72
2,990	Goldman Sachs .....	988	1.89
		3,329	6.36
	<b>BEVERAGES 1.27% (1.30%)</b>		
3,100	Constellation Brands .....	666	1.27
	<b>BIOTECHNOLOGY 4.26% (4.45%)</b>		
1,670	Argenx .....	519	0.99
3,230	Biogen .....	551	1.05
5,170	BioNTech .....	378	0.72
13,580	Gilead Sciences .....	787	1.50
		2,235	4.26
	<b>CHEMICALS 1.81% (1.97%)</b>		
11,940	Eastman Chemical .....	947	1.81
	<b>COAL 1.13% (0.00%)</b>		
16,380	Teck Resources .....	594	1.13
	<b>COMMERCIAL SERVICES 1.97% (0.00%)</b>		
15,450	Block .....	1,034	1.97
	<b>COMPUTERS 1.04% (0.00%)</b>		
7,420	Seagate Technology .....	546	1.04
	<b>COSMETICS &amp; PERSONAL CARE 0.99% (3.04%)</b>		
54,550	Coty .....	516	0.99
	<b>DISTRIBUTION &amp; WHOLESALE 1.33% (1.40%)</b>		
50,620	Marubeni .....	696	1.33
	<b>DIVERSIFIED FINANCIAL SERVICES 5.04% (2.06%)</b>		
12,030	Apollo Global Management .....	1,070	2.04
8,780	Capital One Financial .....	1,035	1.97
13,280	OneMain .....	537	1.03
		2,642	5.04
	<b>ELECTRICITY 8.59% (8.59%)</b>		
66,612	AES .....	945	1.80
6,010	Constellation Energy .....	879	1.68
12,370	NextEra Energy .....	625	1.19
38,600	PPL .....	841	1.60
22,078	Vistra .....	1,217	2.32
		4,507	8.59
	<b>ELECTRONICS 1.24% (1.35%)</b>		
4,320	Atkore .....	651	1.24
	<b>ENVIRONMENTAL CONTROL 1.53% (0.00%)</b>		
5,040	Clean Harbors .....	803	1.53
	<b>FOOD PRODUCERS 2.02% (0.00%)</b>		
12,150	Kellanova .....	551	1.05
8,580	Performance Food .....	507	0.97
		1,058	2.02

# FTF ClearBridge US Value Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>HEALTHCARE PRODUCTS 0.00% (2.14%)</b>		
	<b>HEALTHCARE SERVICES 1.08% (3.68%)</b>		
2,140	ICON .....	569	1.08
	<b>INSURANCE 8.18% (7.59%)</b>		
23,869	American International .....	1,476	2.82
42,090	Corebridge Financial .....	957	1.83
2,740	Everest .....	862	1.64
55,840	MGIC Investment .....	988	1.89
		<u>4,283</u>	<u>8.18</u>
	<b>INTERNET 4.66% (8.35%)</b>		
6,020	Expedia .....	656	1.25
2,266	Meta Platforms .....	871	1.66
15,033	Uber Technologies .....	916	1.75
		<u>2,443</u>	<u>4.66</u>
	<b>LODGING 0.99% (3.20%)</b>		
12,680	Las Vegas Sands .....	519	0.99
	<b>MACHINERY DIVERSIFIED 1.97% (1.00%)</b>		
37,760	CNH Industrial .....	387	0.74
17,890	Flowserve .....	647	1.23
		<u>1,034</u>	<u>1.97</u>
	<b>MINING 2.54% (4.88%)</b>		
35,740	Freeport-McMoRan .....	1,329	2.54
	<b>MISCELLANEOUS MANUFACTURING 1.44% (1.35%)</b>		
4,970	Siemens .....	752	1.44
	<b>OIL &amp; GAS PRODUCERS 9.43% (10.25%)</b>		
9,570	ConocoPhillips .....	964	1.84
27,570	EQT .....	809	1.54
9,730	Hess .....	1,175	2.24
30,510	Noble .....	1,171	2.23
15,237	TotalEnergies .....	830	1.58
		<u>4,949</u>	<u>9.43</u>
	<b>OIL &amp; GAS SERVICES 1.43% (3.38%)</b>		
28,260	Baker Hughes .....	749	1.43
	<b>PHARMACEUTICALS 6.42% (4.78%)</b>		
6,307	AbbVie .....	908	1.73
12,240	CVS Health .....	773	1.48
13,460	Johnson & Johnson .....	1,685	3.21
		<u>3,366</u>	<u>6.42</u>
	<b>REAL ESTATE INVESTMENT &amp; SERVICES 0.98% (0.90%)</b>		
8,980	Howard Hughes .....	516	0.98
	<b>REAL ESTATE INVESTMENT TRUSTS 1.57% (0.00%)</b>		
5,270	American Tower .....	824	1.57
	<b>RETAIL 1.22% (0.72%)</b>		
4,560	Target .....	639	1.22
	<b>SEMICONDUCTORS 4.18% (3.41%)</b>		
12,000	Marvell Technology .....	673	1.28
16,300	Micron Technology .....	1,521	2.90
		<u>2,194</u>	<u>4.18</u>
	<b>SOFTWARE 5.79% (6.81%)</b>		
8,890	Fiserv .....	1,123	2.14
2,160	Microsoft .....	718	1.37
12,042	Oracle .....	1,197	2.28
		<u>3,038</u>	<u>5.79</u>

## FTF ClearBridge US Value Fund

### PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>TELECOMMUNICATIONS 0.00% (1.75%)</b>		
	<b>TRANSPORTATION 4.49% (0.00%)</b>		
7,270	Canadian Pacific Kansas City .....	507	0.97
4,120	Union Pacific .....	802	1.53
8,870	United Parcel Service .....	1,044	1.99
		<u>2,353</u>	<u>4.49</u>
	<b>WATER 0.86% (0.00%)</b>		
43,710	United Utilities .....	450	0.86
	<b>TOTAL - EQUITIES</b>	<u>51,436</u>	<u>98.11</u>
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<u>51,436</u>	<u>98.11</u>
	<b>OTHER ASSETS</b> .....	<u>991</u>	<u>1.89</u>
	<b>TOTAL NET ASSETS</b> .....	<u>52,427</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		9,826		(671)
Revenue	3	827		344	
Expenses	4	(301)		(168)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		526		176	
Taxation	6	(110)		(48)	
Net revenue after taxation			416		128
<b>Total return before distributions</b>			<b>10,242</b>		<b>(543)</b>
Distributions	7		(416)		(128)
<b>Change in net assets attributable to shareholders</b>			<b>9,826</b>		<b>(671)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		33,820		-
In-specie transfer	-		35,561	
Amounts received on creation of shares	11,861		1,719	
Amounts paid on cancellation of shares	(3,534)		(2,916)	
		8,327		34,364
Change in net assets attributable to shareholders from investment activities (see above)		9,826		(671)
Retained distribution on accumulation shares		454		127
<b>Closing net assets attributable to shareholders</b>		<b>52,427</b>		<b>33,820</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		51,436	32,942
Current assets			
Debtors	8	82	74
Cash and bank balances	9	1,081	1,050
Total assets		52,599	34,066
<b>Liabilities</b>			
Creditors			
Other creditors	10	(172)	(246)
Total liabilities		(172)	(246)
<b>Net assets attributable to shareholders</b>		<b>52,427</b>	<b>33,820</b>

# FTF ClearBridge US Value Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	9,825	(634)
Currency gains/(losses)	1	(37)
	<u>9,826</u>	<u>(671)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	9	5
Overseas dividends	744	329
UK dividends	32	10
US REIT dividends	42	-
	<u>827</u>	<u>344</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	270	124
ACD's administration charge	20	9
ACD Waiver	-	(1)
	<u>290</u>	<u>132</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	4	2
Safe custody fees	(3)	3
	<u>1</u>	<u>5</u>
<b>Other expenses:</b>		
Audit fees	17	12
Legal and publication fees	(11)	13
Other	4	6
	<u>10</u>	<u>31</u>
	<u>301</u>	<u>168</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>



# FTF ClearBridge US Value Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	110	48
Total current tax	110	48
<b>Total taxation (see Note 6(b))</b>	<b>110</b>	<b>48</b>

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

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	526	176
Corporation tax at 20% (2023: 20%)	105	35
Effects of:		
Movement in unrecognised tax losses	51	33
Overseas tax	110	48
Relief on overseas tax expensed	(1)	-
Revenue not subject to tax	(155)	(68)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>110</b>	<b>48</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £84,000 (2023: £33,000) due to tax losses of £420,000 (2023: £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.

### 7. 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 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	454	127
	454	127
Add: Revenue deducted on cancellation of shares	15	3
Deduct: Revenue received on issue of shares	(53)	(2)
<b>Total distribution</b>	<b>416</b>	<b>128</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 118.

# FTF ClearBridge US Value Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. Debtors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued income	49	25
Accrued Manager's charge rebates	-	1
Amounts receivable for issue of shares	-	9
Currency sales awaiting settlement	21	22
Overseas tax recoverable	12	17
	<u>82</u>	<u>74</u>

### 9. Cash and bank balances

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Cash and bank balances	1,081	1,050
<b>Total cash and bank balances</b>	<u>1,081</u>	<u>1,050</u>

### 10. Other creditors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	54	56
Amounts payable for cancellation of shares	97	168
Currency purchases awaiting settlement	21	22
	<u>172</u>	<u>246</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £31,000 (2023: £20,000).

As at 31 March 2024 Templeton Global Advisors Limited held 100% of the shares in issue of Class EB Accumulation, Class EB Income, Class S Accumulation and Class S Income.

# FTF ClearBridge US Value 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>Currency</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Canadian Dollar	1	-
Euro	754	772
Japanese Yen	706	484
United States Dollar	49,649	31,708
	<u>51,110</u>	<u>32,964</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £5,111,000 (2023: £3,296,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £5,144,000 (2023: £3,294,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	<u>1 April 2023 to 31 March 2024</u>					
	<u>Principal</u> £000	<u>Commissions</u> £000	<u>Taxes and other</u> £000	<u>Total cost</u> £000	<u>Commissions</u> % of principal	<u>Taxes and other</u> % of principal
<b>Purchases</b>						
Equities	33,180	5	4	33,189	0.02	0.01
<b>Sales</b>						
Equities	24,501	(4)	(1)	24,496	(0.02)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.01%</u>			

# FTF ClearBridge US Value Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	12,903	2	1	12,906	0.02	0.01
Inspecie transfers	33,588	-	-	33,588	-	-
	<b>46,491</b>	<b>2</b>	<b>1</b>	<b>46,494</b>		
<b>Sales</b>						
Equities	12,889	(2)	-	12,887	(0.02)	-
Total cost of the Fund's average net asset value (%)		<b>0.01%</b>	<b>0.00%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.04% (2023: 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.

### 14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Accumulation	-	792	-	-	792
EB Income	-	792	-	-	792
S Accumulation	-	792	-	-	792
S Income	-	792	-	-	792
W Accumulation	9,667,851	3,171,014	(934,915)	-	11,903,950

# FTF ClearBridge US Value 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	51,436	-	32,942	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>51,436</b>	<b>-</b>	<b>32,942</b>	<b>-</b>

# FTF ClearBridge US Value Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023* Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	0.3776	-	0.3776	n/a
Group 2	0.3776	0.0000	0.3776	n/a
<b>EB Income</b>				
Group 1	0.3777	-	0.3777	n/a
Group 2	0.3777	0.0000	0.3777	n/a
<b>S Accumulation</b>				
Group 1	0.3638	-	0.3638	n/a
Group 2	0.3638	0.0000	0.3638	n/a
<b>S Income</b>				
Group 1	0.3638	-	0.3638	n/a
Group 2	0.3638	0.0000	0.3638	n/a
<b>W Accumulation</b>				
Group 1	3.8148	-	3.8148	1.3098
Group 2	2.1182	1.6966	3.8148	1.3098

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 March 2023.

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

The Fund invests at least two thirds (but typically significantly more) in corporate bonds (a type of debt security issued by a company) denominated in sterling.

#### *Other investments*

The Fund may also invest in:

- Bonds which are denominated in currencies other than sterling (up to 10% of the Fund's portfolio)
- 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). Derivatives are financial contracts whose value is linked to the price of another asset, e.g. indices, interest rates, share prices or currencies.

#### *Geographic locations (where we invest)*

The Fund can invest anywhere in the world.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

# FTF Franklin Sterling Corporate Bond Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Franklin Sterling Corporate Bond Fund (W Accumulation) returned 7.19%, whilst its benchmark - the Markit iBoxx GBP NonGilts Index - returned 6.14% (both returns in UK sterling).

### OVERVIEW

Despite elevated levels of volatility in financial markets, UK corporate bonds registered positive returns over the period under review, significantly outperforming their government counterparts.

Data released in April showed signs of moderation in UK inflation, with the annual rate falling slightly in March to 10.1%, from February's 10.4%. Nonetheless, although the Bank of England ("BoE") did not meet in April, these figures did not stop the central bank from raising interest rates by 25 basis points ("bps") in May to 4.5%, the highest level since 2008, with the BoE indicating that further rate hikes would be appropriate if inflationary pressures persisted. May's data releases showed that the annual inflation rate in the United Kingdom ("UK") had cooled to 8.7% in April, while the UK's gross domestic product ("GDP") had expanded marginally in the first quarter of 2023, matching the previous quarter's growth rate. Services activity expanded in May for the fourth consecutive month. Conversely, manufacturing activity contracted in May for the 10th consecutive month amid an accelerating decline in output and new orders. The BoE then surprised investors with a 50 bps increase in June to 5.0%, indicating once more that further rate hikes might be needed. Indeed, although the annual inflation rate in the UK remained at 8.7% in May, the annual core inflation rate accelerated from 6.2% in April to 7.1% in May, the highest reading in 31 years.

Figures released in July saw the annual inflation rate in the UK slowing to 7.9%, the lowest level in more than a year, and the annual core inflation rate cooling to 6.9% in June. Nonetheless, while it did not meet in July, the BoE raised the cost of borrowing by 25 bps at its meeting in early August to a 15-year high of 5.25%, signalling once again that interest rates might have to stay higher for longer to bring inflation down to the central bank's 2% inflation target. In September, the central bank held interest rates at 5.25%, albeit after a knife-edge decision, with the BoE governor casting the decisive vote to keep the cost of borrowing on hold. This was the first pause after 14 consecutive raises since the rate-tightening cycle began in December 2021.

The BoE kept interest rates unchanged in the last quarter of 2023. In December, the central bank reiterated that it may need to keep its policy sufficiently restrictive for some time in its effort to fight rising prices. Nonetheless, the UK annual inflation rate slowed from 6.7% in August and September to 4.6% in October and 3.9% in November, the lowest level since September 2021. Meanwhile, UK GDP contracted 0.1% quarter-on-quarter in the third quarter of 2023 after stalling in the second quarter.

Data released in the first quarter of 2024 showed that the UK's GDP had also fallen quarter on quarter over the last three months of 2023, with two consecutive contractions marking a technical recession in the UK economy. Early reports indicated UK manufacturing activity contracted for the 20th successive month in March, although services activity expanded for the fifth successive month. Against this backdrop, the BoE left its key rate unchanged, once more stating that it may need to keep its policy rate restrictive for a longer period to reach its inflation target.

### SIGNIFICANT CHANGES

The top purchases made by the fund during the period were Vattenfall 6.875% 17/08/2083, Rothesay Life 7.734% 16/05/2033, Ford Motor Credit 5.625% 09/10/2028, Danske Bank 6.5% 23/08/2028 and African Development Bank 5.5% 13/08/2025.

Conversely, the top sales during the period were Iberdrola Finanzas 7.375% 29/01/2024, Investec 2.625% 04/01/2032, Axa 5.453% 04/03/2073, Telefonica Emisiones 5.375% 02/02/2026 and Wells Fargo 3.5% 12/09/2029.

### POSITIVE/NEGATIVE CONTRIBUTORS

The fund's sector allocation and security selection, albeit to a lesser extent, contributed to relative performance, most of all positioning in government-related bonds. Overweight exposures to corporate high-yield financial and industrial issues also added relative value. In contrast, selection in corporate investment-grade industrial bonds hindered relative results, although this was offset to some degree by the positive impact of an overweight exposure to this area.

Its duration and yield-curve positioning in UK bonds also bolstered relative returns.

The fund's exposure to interest-rate derivatives weighed slightly on relative results.



# FTF Franklin Sterling Corporate Bond Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Although the UK entered a technical recession in the fourth quarter of 2023, we believe the recession is likely to be shallow. Although the BoE has said that rates may need to stay higher for longer, we sense that we are now close to the terminal interest rate of this cycle of monetary tightening. When the BoE will start thinking about reducing interest rates remains uncertain. However, out of the major global central banks—the BoE, European Central Bank and US Federal Reserve—we think the BoE may be among the first to lower rates.

**David Zahn, CFA & Rod MacPhee, CFA**  
Fund Managers  
31 March 2024

# FTF Franklin Sterling Corporate Bond Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	100.09	111.28	116.37
Return before operating charges <sup>1</sup>	7.61	(10.73)	(4.56)
Operating charges <sup>2</sup>	(0.46)	(0.46)	(0.53)
Return after operating charges <sup>3</sup>	7.15	(11.19)	(5.09)
Distributions	(4.11)	(3.31)	(3.03)
Retained distributions on accumulation shares	4.11	3.31	3.03
Closing net asset value per share	107.24	100.09	111.28
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	7.14%	(10.06)%	(4.37)%
<b>Other information</b>			
Closing net asset value (£)	34,408,306	36,769,082	42,480,924
Closing number of shares	32,086,629	36,734,580	38,174,310
Operating charges ratio <sup>6</sup>	0.45%	0.45%	0.45%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	107.78	112.22	120.34
Lowest share price	96.47	89.66	110.55
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	84.58	97.27	104.45
Return before operating charges <sup>1</sup>	6.28	(9.43)	(4.01)
Operating charges <sup>2</sup>	(0.39)	(0.41)	(0.51)
Return after operating charges <sup>3</sup>	5.89	(9.84)	(4.52)
Distributions	(3.42)	(2.85)	(2.66)
Closing net asset value per share	87.05	84.58	97.27
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	6.96%	(10.12)%	(4.33)%
<b>Other information</b>			
Closing net asset value (£)	3,481	3,382	3,889
Closing number of shares	3,998	3,998	3,998
Operating charges ratio <sup>6</sup>	0.46%	0.47%	0.45%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	89.25	98.09	107.31
Lowest share price	80.72	77.11	97.27

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.

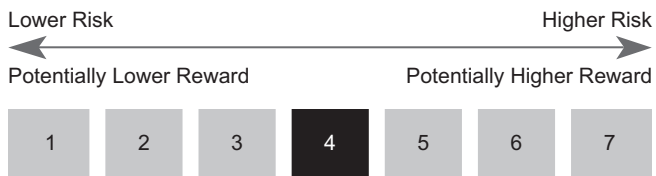
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Franklin Sterling Corporate Bond Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>BONDS 97.78% (97.18%)</b>		
	<b>AFRICA 1.03% (1.32%)</b>		
	<b>CÔTE D'IVOIRE</b>		
350,000	African Development Bank, 5.500%, 13/08/2025.....	353	1.03
	TOTAL - AFRICA	353	1.03
	<b>CENTRAL AMERICA 3.02% (2.61%)</b>		
	<b>CAYMAN ISLANDS</b>		
400,000	Southern Water Services Finance, 3.000%, 28/05/2037.....	288	0.84
	<b>MEXICO</b>		
425,000	America Movil, 5.750%, 28/06/2030.....	445	1.29
400,000	Mexico Government International Bond, 5.625%, 19/03/2114.....	306	0.89
		751	2.18
	TOTAL - CENTRAL AMERICA	1,039	3.02
	<b>EUROPE - NON EU 3.34% (3.87%)</b>		
	<b>JERSEY</b>		
400,000	Gatwick Funding, 4.625%, 27/03/2036.....	378	1.10
400,000	Glencore Finance Europe, 3.125%, 26/03/2026.....	383	1.11
		761	2.21
	<b>NORWAY</b>		
400,000	DNB Bank, 2.625%, 10/06/2026.....	388	1.13
	TOTAL - EUROPE - NON EU	1,149	3.34
	<b>EUROPE - OTHER EU 31.60% (32.23%)</b>		
	<b>BELGIUM</b>		
500,000	Anheuser-Busch InBev, 4.000%, 24/09/2025.....	493	1.43
300,000	Kingdom of Belgium Government International Bond, 5.700%, 28/05/2032.....	324	0.94
		817	2.37
	<b>DENMARK</b>		
400,000	Danske Bank, 6.500%, 23/08/2028.....	419	1.22
300,000	Orsted, 4.875%, 12/01/2032.....	296	0.86
		715	2.08
	<b>FRANCE</b>		
400,000	Banque Federative du Credit Mutuel, 1.250%, 05/12/2025.....	375	1.09
300,000	BNP Paribas, 1.875%, 14/12/2027.....	269	0.78
500,000	BNP Paribas, 2.000%, 24/05/2031.....	459	1.33
400,000	Credit Agricole, 4.875%, 23/10/2029.....	403	1.17
400,000	Electricite de France, 5.875%, 18/07/2031.....	414	1.20
100,000	Electricite de France, 6.000%, 23/01/2114.....	94	0.27
300,000	Electricite de France, 5.875%, Perpetual.....	282	0.82
500,000	Engie, 5.625%, 03/04/2053.....	504	1.47
500,000	Orange, 8.125%, 20/11/2028.....	571	1.66
500,000	TotalEnergies Capital International, 1.750%, 07/07/2025.....	481	1.40
		3,852	11.19
	<b>GERMANY</b>		
500,000	Deutsche Bank, 1.875%, 22/12/2028.....	436	1.27
	<b>IRELAND</b>		
500,000	ESB Finance, 1.875%, 21/07/2035.....	370	1.08
	<b>ITALY</b>		
400,000	Intesa Sanpaolo, 6.500%, 14/03/2029.....	409	1.19
200,000	Intesa Sanpaolo, 5.148%, 10/06/2030.....	187	0.54
450,000	Republic of Italy Government International Bond, 6.000%, 04/08/2028.....	463	1.35
		1,059	3.08

# FTF Franklin Sterling Corporate Bond Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>LUXEMBOURG</b>			
300,000	CK Hutchison Telecom Finance, 2.625%, 17/10/2034 .....	219	0.64
680,000	European Investment Bank, 4.500%, 07/03/2044 .....	679	1.97
		<u>898</u>	<u>2.61</u>
<b>NETHERLANDS</b>			
100,000	ABN AMRO Bank, 5.250%, 26/05/2026 .....	100	0.29
300,000	Deutsche Telekom International Finance, 8.875%, 27/11/2028 .....	353	1.03
500,000	Enel Finance International, 5.750%, 14/09/2040 .....	514	1.49
300,000	ING Groep, 1.125%, 07/12/2028 .....	261	0.76
400,000	ING Groep, 6.250%, 20/05/2033 .....	404	1.17
400,000	Shell International Finance, 1.750%, 10/09/2052.....	202	0.59
		<u>1,834</u>	<u>5.33</u>
<b>SPAIN</b>			
300,000	Banco Santander, 1.500%, 14/04/2026 .....	278	0.81
400,000	CaixaBank, 6.875%, 25/10/2033 .....	411	1.19
		<u>689</u>	<u>2.00</u>
<b>SWEDEN</b>			
200,000	Vattenfall, 6.875%, 17/08/2083 .....	204	0.59
	TOTAL - EUROPE - OTHER EU	<u>10,874</u>	<u>31.60</u>
<b>NORTH AMERICA 20.83% (18.73%)</b>			
<b>UNITED STATES OF AMERICA</b>			
300,000	Amgen, 5.500%, 07/12/2026 .....	305	0.89
400,000	Apple, 3.050%, 31/07/2029 .....	378	1.10
400,000	AT&T, 2.900%, 04/12/2026.....	379	1.10
400,000	Bank of America, 1.667%, 02/06/2029 .....	351	1.02
500,000	Berkshire Hathaway Finance, 2.625%, 19/06/2059 .....	304	0.88
400,000	Citigroup, 5.150%, 21/05/2026 .....	403	1.17
500,000	Comcast, 1.875%, 20/02/2036 .....	370	1.07
300,000	Encore Capital, 4.250%, 01/06/2028 .....	253	0.74
500,000	Fiserv, 3.000%, 01/07/2031 .....	442	1.28
400,000	Ford Motor Credit, 5.625%, 09/10/2028 .....	401	1.17
400,000	Goldman Sachs, 4.250%, 29/01/2026.....	394	1.14
200,000	Goldman Sachs, 6.875%, 18/01/2038.....	221	0.64
400,000	Inter-American Development Bank, 4.000%, 17/12/2029 .....	398	1.16
400,000	International Business Machines, 4.875%, 06/02/2038 .....	386	1.12
500,000	MetLife, 5.375%, 09/12/2024 .....	500	1.45
300,000	Mondelez International, 4.500%, 03/12/2035.....	274	0.80
500,000	New York Life Global Funding, 4.350%, 16/09/2025.....	496	1.44
225,000	Time Warner Cable, 5.750%, 02/06/2031 .....	218	0.63
400,000	Verizon Communications, 4.750%, 17/02/2034 .....	391	1.14
300,000	Walmart, 4.875%, 19/01/2039.....	306	0.89
		<u>7,170</u>	<u>20.83</u>
	TOTAL - NORTH AMERICA	<u>7,170</u>	<u>20.83</u>
<b>UNITED KINGDOM 37.96% (38.42%)</b>			
400,000	Associated British Foods, 2.500%, 16/06/2034 .....	330	0.96
300,000	Barclays, 3.250%, 12/02/2027 .....	283	0.82
300,000	Barclays, 8.407%, 14/11/2032 .....	319	0.93
500,000	Bazalgette Finance, 2.375%, 29/11/2027.....	458	1.33
200,000	BG Energy Capital, 5.000%, 04/11/2036 .....	201	0.58
500,000	BP Capital Markets, 4.250%, Perpetual.....	472	1.37
500,000	Cadent Finance, 2.750%, 22/09/2046.....	316	0.92
200,000	Compass, 2.000%, 05/09/2025 .....	192	0.56
400,000	Credit Suisse, 1.125%, 15/12/2025 .....	374	1.09
400,000	Diageo Finance, 1.750%, 12/10/2026 .....	374	1.09

# FTF Franklin Sterling Corporate Bond Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>UNITED KINGDOM (Continued)</b>			
300,000	Diageo Finance, 2.750%, 08/06/2038 .....	236	0.69
300,000	DWR Cymru Financing UK, 2.500%, 31/03/2036.....	232	0.67
400,000	Experian Finance, 3.250%, 07/04/2032.....	366	1.06
200,000	GlaxoSmithKline Capital, 1.625%, 12/05/2035.....	148	0.43
400,000	Haleon UK Capital, 3.375%, 29/03/2038 .....	333	0.97
500,000	Heathrow Funding, 5.875%, 13/05/2043 .....	518	1.50
300,000	HSBC, 8.201%, 16/11/2034.....	330	0.96
200,000	HSBC, 6.000%, 29/03/2040 .....	199	0.58
400,000	Hutchison Whampoa Finance UK, 5.625%, 24/11/2026 .....	407	1.18
100,000	Lloyds Banking, 2.000%, 12/04/2028.....	91	0.26
400,000	Lloyds Banking, 5.125%, Perpetual.....	392	1.14
400,000	London Power Networks, 6.125%, 07/06/2027 .....	414	1.20
400,000	M&G, 5.625%, 20/10/2051 .....	386	1.12
500,000	Motability Operations, 2.375%, 14/03/2032.....	426	1.24
400,000	National Grid Electricity Transmission, 2.000%, 17/04/2040.....	255	0.74
200,000	Nationwide Building Society, 5.875%, Perpetual.....	198	0.58
200,000	Pension Insurance, 5.625%, 20/09/2030 .....	193	0.56
200,000	Pinewood Finance, 3.250%, 30/09/2025 .....	196	0.57
200,000	Pinewood Finco, 6.000%, 27/03/2030.....	200	0.58
400,000	Rothsay Life, 7.734%, 16/05/2033.....	433	1.26
400,000	Santander UK, 7.098%, 16/11/2027 .....	413	1.20
400,000	Skipton Building Society, 2.000%, 02/10/2026 .....	377	1.10
135,000	Tesco, FRN, 6.621%, 05/11/2025 .....	274	0.80
430,000	United Kingdom Gilt, 3.500%, 22/01/2045 .....	378	1.10
300,000	United Kingdom Gilt, 3.750%, 22/07/2052 .....	269	0.78
380,000	United Kingdom Gilt, 1.625%, 22/10/2071 .....	182	0.53
400,000	United Utilities Water Finance, 5.125%, 06/10/2038 .....	397	1.15
400,000	United Utilities Water Finance, 5.250%, 22/01/2046.....	396	1.15
400,000	Virgin Money UK, 3.375%, 24/04/2026 .....	390	1.13
300,000	Vmed O2 UK Financing I, 4.000%, 31/01/2029.....	263	0.76
300,000	Vodafone, 5.125%, 02/12/2052 .....	278	0.81
200,000	Whitbread, 3.000%, 31/05/2031 .....	174	0.51
	<b>TOTAL - UNITED KINGDOM</b>	<b>13,063</b>	<b>37.96</b>
	<b>TOTAL - BONDS</b>	<b>33,648</b>	<b>97.78</b>
	<b>DERIVATIVES (0.07%) (0.17%)</b>		
	<b>FUTURES</b>		
(10)	Long Gilt Bond June 2024 .....	(24)	(0.07)
		(24)	(0.07)
	<b>TOTAL - DERIVATIVES</b>	<b>(24)</b>	<b>(0.07)</b>
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>33,624</b>	<b>97.71</b>
	<b>OTHER ASSETS</b> .....	<b>788</b>	<b>2.29</b>
	<b>TOTAL NET ASSETS</b> .....	<b>34,412</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		1,153		(5,266)
Revenue	3	1,425		1,244	
Expenses	4	(158)		(172)	
Interest payable and similar charges	5	-		(1)	
Net revenue before taxation		1,267		1,071	
Taxation	6	(3)		(2)	
Net revenue after taxation			1,264		1,069
<b>Total return before distributions</b>			<b>2,417</b>		<b>(4,197)</b>
Distributions	7		(1,422)		(1,241)
<b>Change in net assets attributable to shareholders</b>			<b>995</b>		<b>(5,438)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>36,772</b>		<b>42,485</b>
Amounts received on creation of shares	1,714		3,974	
Amounts paid on cancellation of shares	(6,470)		(5,500)	
		(4,756)		(1,526)
Dilution adjustment		3		10
Change in net assets attributable to shareholders from investment activities (see above)		995		(5,438)
Retained distribution on accumulation shares		1,398		1,241
<b>Closing net assets attributable to shareholders</b>		<b>34,412</b>		<b>36,772</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		33,648	35,803
Current assets			
Debtors	8	664	848
Cash and bank balances	9	222	1,010
Total assets		34,534	37,661
<b>Liabilities</b>			
Investment liabilities		(24)	(7)
Creditors			
Other creditors	10	(98)	(882)
Total liabilities		(122)	(889)
<b>Net assets attributable to shareholders</b>		<b>34,412</b>	<b>36,772</b>

# FTF Franklin Sterling Corporate Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	1,026	(5,373)
Derivative gains	117	113
Currency gains	2	19
Forward currency contracts	8	(25)
	<u>1,153</u>	<u>(5,266)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	3	5
Interest on debt securities	1,422	1,239
	<u>1,425</u>	<u>1,244</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	123	134
ACD's administration charge	17	19
ACD Waiver	(9)	(7)
	<u>131</u>	<u>146</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	3	5
Safe custody fees	2	2
	<u>5</u>	<u>7</u>
<b>Other expenses:</b>		
Audit fees	17	15
Legal and publication fees	1	-
VAT Reclaim	(3)	-
Other	7	4
	<u>22</u>	<u>19</u>
	<u>158</u>	<u>172</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	1
<b>Total interest payable and similar charges</b>	<u>-</u>	<u>1</u>



# FTF Franklin Sterling Corporate Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Corporation tax	1	-
Overseas tax	2	2
Total current tax	3	2
<b>Total taxation (see Note 6(b))</b>	<b>3</b>	<b>2</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	1,267	1,071
Corporation tax at 20% (2023: 20%)	253	214
Effects of:		
Overseas tax	2	2
Tax deductible interest distributions	(252)	(214)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>3</b>	<b>2</b>

#### (c) Provision for deferred tax

At the year end, there is no potential deferred tax asset (2023: £0) due to no tax losses (2023: £2,000). Accordingly no 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 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	-	-
Accumulation	1,055	914
	1,055	914
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	343	328
	343	328
Add: Revenue deducted on cancellation of shares	38	22
Deduct: Revenue received on issue of shares	(14)	(23)
<b>Total distribution</b>	<b>1,422</b>	<b>1,241</b>

# FTF Franklin Sterling Corporate Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	1,264	1,069
Capitalised amounts	158	172
<b>Total distribution</b>	<b>1,422</b>	<b>1,241</b>

Details of the distribution in pence per share for this Fund are set out in the table on pages 134 and 135.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	661	610
Accrued Manager's charge rebates	3	4
Sales awaiting settlement	-	234
	<b>664</b>	<b>848</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Amount held at futures clearing houses and brokers	59	139
Cash and bank balances	163	871
<b>Total cash and bank balances</b>	<b>222</b>	<b>1,010</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	34	35
Amounts payable for cancellation of shares	63	54
Corporation tax	1	-
Purchases awaiting settlement	-	793
	<b>98</b>	<b>882</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £8,000 (2023: £9,000).

As at 31 March 2024, Templeton Global Advisors Limited held 100% of the shares in issue of Class W Income (100% as at 31 March 2023).

# 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, 0.00% (2023: (0.33%)) 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.

#### 2024

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	274	33,374	-	33,648
Investment liabilities	-	-	(24)	(24)

#### 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)

#### 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 2024</u>	<u>31 March 2023</u>
	£000	£000
Floating rate financial assets	(3)	-
Fixed rate financial assets	(975)	(1,047)
Other	44	-
<b>Total</b>	<b>(934)</b>	<b>(1,047)</b>

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 2024</u>	<u>31 March 2023</u>
	£000	£000
Floating rate financial assets	3	-
Fixed rate financial assets	1,036	1,115
Other	(47)	-
<b>Total</b>	<b>992</b>	<b>1,115</b>

# 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £3,362,000 (2023: £3,580,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

During the year bond purchases amounted to £5,159,000 (2023: £8,531,000) and bond sales amounted to £8,096,000 (2023: £7,570,000). 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 2024, the average dealing spread for the underlying Fund investments is 0.59% (2023: 0.66%).

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 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	36,734,580	1,714,671	(6,362,622)	-	32,086,629
W Income	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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	1,292	24	59	-
Level 2	32,356	-	35,744	7
Level 3	-	-	-	-
<b>Total</b>	<b>33,648</b>	<b>24</b>	<b>35,803</b>	<b>7</b>

### 16. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value £000	% of Net Assets
<b>31 March 2024</b>			
Investment grade	BBB or higher	31,473	91.46
Non-investment grade	below BBB	2,175	6.32
Not rated	Not rated	-	-
<b>Total Value of Bonds</b>		<b>33,648</b>	<b>97.78</b>
<b>31 March 2023</b>			
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
<b>Total Value of Bonds</b>		<b>35,735</b>	<b>97.18</b>

### 17. Counterparty and Collateral Exposure

31 March 2024							
Counterparty	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaptions £000	Total £000
J.P. Morgan Securities Plc	-	-	(24)	-	-	-	(24)
31 March 2023							
Counterparty	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaptions £000	Total £000
Citigroup Global Markets Limited	2	-	-	-	-	-	2
J.P. Morgan Securities Plc	-	-	59	-	-	-	59

# FTF Franklin Sterling Corporate Bond Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.9648	-	0.9648	0.7729
Group 2	0.1167	0.8481	0.9648	0.7729
<b>W Income</b>				
Group 1	0.8101	-	0.8101	0.6730
Group 2	0.8101	0.0000	0.8101	0.6730

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.0290	-	1.0290	0.7965
Group 2	0.5380	0.4910	1.0290	0.7965
<b>W Income</b>				
Group 1	0.8633	-	0.8633	0.6918
Group 2	0.8633	0.0000	0.8633	0.6918

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.0502	-	1.0502	0.8461
Group 2	0.6468	0.4034	1.0502	0.8461
<b>W Income</b>				
Group 1	0.8728	-	0.8728	0.7283
Group 2	0.8728	0.0000	0.8728	0.7283

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.0666	-	1.0666	0.8923
Group 2	0.3153	0.7513	1.0666	0.8923
<b>W Income</b>				
Group 1	0.8713	-	0.8713	0.7583
Group 2	0.8713	0.0000	0.8713	0.7583

# FTF Franklin Sterling Corporate Bond Fund

## DISTRIBUTION TABLES *(Continued)*

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### **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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

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).

#### *Other investments*

The Fund may also invest in:

- Bonds or debt securities issued by governments of any nation (up to 20% of the Fund's portfolio);
- Bonds issued by government-related organisations;
- Bonds denominated in currencies other than British pounds (up to 10% of the Fund's portfolio); 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). Derivatives are financial contracts whose value is linked to the price of another asset, e.g. indices, interest rates, share prices or currencies.

#### *Geographic locations (where we invest)*

The Fund's focus is the UK. The majority of the Fund's investments will be in bonds issued by the UK government, although the Investment Manager has discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

The Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund. The Investment Manager does not intend to invest in every security in the FTSE UK Gilts (All) Government Total Return Index.

All the investments will be in investment grade securities, (bonds that have been rated by independent agencies as high quality). In addition, the Investment Manager makes its own assessment of bonds to determine whether it believes investors will be adequately rewarded for any risk taken.



# FTF Franklin UK Gilt Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Franklin UK Gilt Fund (W Accumulation) returned -0.42%, whilst its benchmark - the FTSE UK Gilts (All) Government TR Index - returned -0.04% (both returns in UK sterling).

### OVERVIEW

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

Data released in April showed signs of moderation in UK inflation, with the annual rate falling slightly in March to 10.1%, from February's 10.4%. Nonetheless, although the Bank of England ("BoE") did not meet in April, these figures did not stop the central bank from raising interest rates by 25 basis points ("bps") in May to 4.5%, the highest level since 2008, with the BoE indicating that further rate hikes would be appropriate if inflationary pressures persisted. May's data releases showed that the annual inflation rate in the United Kingdom ("UK") had cooled to 8.7% in April, while the UK's gross domestic product ("GDP") had expanded marginally in the first quarter of 2023, matching the previous quarter's growth rate. Services activity expanded in May for the fourth consecutive month. Conversely, manufacturing activity contracted in May for the 10th consecutive month amid an accelerating decline in output and new orders. The BoE then surprised investors with a 50 bps increase in June to 5.0%, indicating once more that further rate hikes might be needed. Indeed, although the annual inflation rate in the UK remained at 8.7% in May, the annual core inflation rate accelerated from 6.2% in April to 7.1% in May, the highest reading in 31 years.

Figures released in July saw the annual inflation rate in the UK slowing to 7.9%, the lowest level in more than a year, and the annual core inflation rate cooling to 6.9% in June. Nonetheless, while it did not meet in July, the BoE raised the cost of borrowing by 25 bps at its meeting in early August to a 15-year high of 5.25%, signalling once again that interest rates might have to stay higher for longer to bring inflation down to the central bank's 2% inflation target. In September, the central bank held interest rates at 5.25%, albeit after a knife-edge decision, with the BoE governor casting the decisive vote to keep the cost of borrowing on hold. This was the first pause after 14 consecutive raises since the rate-tightening cycle began in December 2021.

The BoE kept interest rates unchanged in the last quarter of 2023. In December, the central bank reiterated that it may need to keep its policy sufficiently restrictive for some time in its effort to fight rising prices. Nonetheless, the UK annual inflation rate slowed from 6.7% in August and September to 4.6% in October and 3.9% in November, the lowest level since September 2021. Meanwhile, UK GDP contracted 0.1% quarter-on-quarter in the third quarter of 2023 after stalling in the second quarter.

Data released in the first quarter of 2024 showed that the UK's GDP had also fallen quarter on quarter over the last three months of 2023, with two consecutive contractions marking a technical recession in the UK economy. Early reports indicated UK manufacturing activity contracted for the 20th successive month in March, although services activity expanded for the fifth successive month. Against this backdrop, the BoE left its key rate unchanged, once more stating that it may need to keep its policy rate restrictive for a longer period to reach its inflation target.

### SIGNIFICANT CHANGES

The top purchases made by the Fund during the period were UK Treasury 1% 22/04/24, UK Treasury 3.5% 22/10/25, UK Treasury 5% 07/03/25, UK Treasury 0.125% 22/03/24 Index-Linked Gilt and UK Treasury 0.125% 22/03/68 Index-Linked Gilt.

The top sales over the period under review were UK Treasury 2.25% 07/09/23, UK Treasury 2% 07/09/25, UK Treasury 0.125% 31/01/24, UK Treasury 0.125% 30/01/26 and UK Treasury 0.125% 22/03/24 Index-Linked Gilt.

### POSITIVE/NEGATIVE CONTRIBUTORS

The fund's sector allocation and, to a lesser extent, security selection detracted from relative performance, most of all an off-benchmark exposure to Treasury inflation-protected securities ("TIPS"). In contrast, an off-benchmark exposure to government-related bonds contributed to relative performance, as did an underweight allocation to bonds of maturities of between 1 and 3.5 years.

Its exposure to interest-rate derivatives also had a small negative impact on relative results.

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

# FTF Franklin UK Gilt Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Although the UK entered a technical recession in the fourth quarter of 2023, we believe the recession is likely to be shallow. Although the BoE has said that rates may need to stay higher for longer, we sense that we are now close to the terminal interest rate of this cycle of monetary tightening. When the BoE will start thinking about reducing interest rates remains uncertain. However, out of the major global central banks—the BoE, European Central Bank and US Federal Reserve—we think the BoE may be among the first to lower rates.

**David Zahn, CFA & Rod MacPhee, CFA**  
Fund Managers  
31 March 2024

# FTF Franklin UK Gilt Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	89.68	104.94	109.57
Return before operating charges <sup>1</sup>	0.02	(14.93)	(4.25)
Operating charges <sup>2</sup>	(0.30)	(0.33)	(0.38)
Return after operating charges <sup>3</sup>	(0.28)	(15.26)	(4.63)
Distributions	(2.44)	(1.52)	(1.11)
Retained distributions on accumulation shares	2.44	1.52	1.11
Closing net asset value per share	89.40	89.68	104.94
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	(0.31)%	(14.54)%	(4.23)%
<b>Other information</b>			
Closing net asset value (£)	63,980,334	61,451,760	68,754,431
Closing number of shares	71,565,676	68,521,924	65,518,464
Operating charges ratio <sup>6</sup>	0.35%	0.35%	0.34%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	91.70	106.02	115.18
Lowest share price	82.57	80.12	103.98
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	83.21	99.03	104.46
Return before operating charges <sup>1</sup>	(0.02)	(14.08)	(4.01)
Operating charges <sup>2</sup>	(0.28)	(0.31)	(0.36)
Return after operating charges <sup>3</sup>	(0.30)	(14.39)	(4.37)
Distributions	(2.24)	(1.43)	(1.06)
Closing net asset value per share	80.67	83.21	99.03
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	(0.36)%	(14.53)%	(4.18)%
<b>Other information</b>			
Closing net asset value (£)	504,918	1,146,516	1,321,941
Closing number of shares	625,932	1,377,800	1,334,910
Operating charges ratio <sup>6</sup>	0.35%	0.35%	0.34%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	84.04	100.05	109.26
Lowest share price	75.66	75.08	98.39

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.

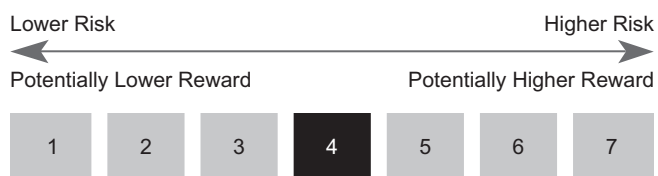
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Franklin UK Gilt Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>BONDS 98.34% (97.19%)</b>		
	<b>CENTRAL AMERICA 1.13% (1.14%)</b>		
	<b>MEXICO</b>		
950,000	Mexico Government International Bond, 5.625%, 19/03/2114.....	727	1.13
	TOTAL - CENTRAL AMERICA	727	1.13
	<b>UNITED KINGDOM 97.21% (96.05%)</b>		
5,900,000	United Kingdom Gilt, 1.000%, 22/04/2024 .....	5,884	9.12
2,500,000	United Kingdom Gilt, 5.000%, 07/03/2025 .....	2,505	3.88
5,500,000	United Kingdom Gilt, 3.500%, 22/10/2025 .....	5,416	8.40
5,300,000	United Kingdom Gilt, 4.250%, 07/12/2027 .....	5,359	8.31
5,120,000	United Kingdom Gilt, 1.625%, 22/10/2028 .....	4,662	7.23
2,950,000	United Kingdom Gilt, 0.500%, 31/01/2029 .....	2,521	3.91
4,420,000	United Kingdom Gilt, 4.750%, 07/12/2030 .....	4,676	7.25
6,040,000	United Kingdom Gilt, 0.875%, 31/07/2033 .....	4,624	7.17
3,760,000	United Kingdom Gilt, 4.250%, 07/03/2036 .....	3,837	5.95
4,270,000	United Kingdom Gilt, 4.250%, 07/12/2040 .....	4,249	6.59
4,260,000	United Kingdom Gilt, 3.250%, 22/01/2044 .....	3,622	5.62
2,450,000	United Kingdom Gilt, 3.500%, 22/01/2045 .....	2,152	3.34
3,040,000	United Kingdom Gilt, 4.250%, 07/12/2049 .....	2,966	4.60
5,570,000	United Kingdom Gilt, 1.500%, 31/07/2053 .....	2,937	4.55
2,070,000	United Kingdom Gilt, 4.250%, 07/12/2055 .....	2,017	3.13
1,100,000	United Kingdom Gilt, 4.000%, 22/01/2060 .....	1,030	1.60
1,080,000	United Kingdom Gilt, 3.500%, 22/07/2068 .....	914	1.42
1,120,000	United Kingdom Gilt, 1.625%, 22/10/2071 .....	536	0.83
2,670,000	United Kingdom Inflation-Linked Gilt, 0.125%, 22/03/2068.....	2,778	4.31
	TOTAL - UNITED KINGDOM	62,685	97.21
	TOTAL - BONDS	63,412	98.34
	<b>DERIVATIVES (0.15%) (0.16%)</b>		
	<b>FUTURES</b>		
(39)	Long Gilt Bond June 2024 .....	(94)	(0.15)
		(94)	(0.15)
	TOTAL - DERIVATIVES	(94)	(0.15)
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>63,318</b>	<b>98.19</b>
	<b>OTHER ASSETS</b> .....	<b>1,167</b>	<b>1.81</b>
	<b>TOTAL NET ASSETS</b> .....	<b>64,485</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital losses	2		(1,642)		(10,804)
Revenue	3	1,767		1,035	
Expenses	4	(219)		(218)	
Interest payable and similar charges	5	-		(2)	
Net revenue before taxation		1,548		815	
Taxation	6	-		-	
Net revenue after taxation			1,548		815
<b>Total return before distributions</b>			<b>(94)</b>		<b>(9,989)</b>
Distributions	7		(1,767)		(1,033)
<b>Change in net assets attributable to shareholders</b>			<b>(1,861)</b>		<b>(11,022)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>62,598</b>		<b>70,076</b>
Amounts received on creation of shares	11,119		10,672	
Amounts paid on cancellation of shares	(9,137)		(8,158)	
		1,982		2,514
Dilution adjustment		-		3
Change in net assets attributable to shareholders from investment activities (see above)		(1,861)		(11,022)
Retained distribution on accumulation shares		1,766		1,027
<b>Closing net assets attributable to shareholders</b>		<b>64,485</b>		<b>62,598</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		63,412	60,941
Current assets			
Debtors	8	1,034	405
Cash and bank balances	9	280	1,535
Total assets		64,726	62,881
<b>Liabilities</b>			
Investment liabilities		(94)	-
Creditors			
Distributions payable		(4)	(6)
Other creditors	10	(143)	(277)
Total liabilities		(241)	(283)
<b>Net assets attributable to shareholders</b>		<b>64,485</b>	<b>62,598</b>

# FTF Franklin UK Gilt Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital losses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities losses	(1,845)	(11,141)
Derivative gains	203	337
	<u>(1,642)</u>	<u>(10,804)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	13	21
Interest on debt securities	1,754	1,014
	<u>1,767</u>	<u>1,035</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	157	158
ACD's administration charge	31	32
	<u>188</u>	<u>190</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	5	9
Safe custody fees	1	1
	<u>6</u>	<u>10</u>
<b>Other expenses:</b>		
Audit fees	17	15
Legal and publication fees	1	-
Other	7	3
	<u>25</u>	<u>18</u>
	<u>219</u>	<u>218</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	2
<b>Total interest payable and similar charges</b>	<u>-</u>	<u>2</u>

# FTF Franklin UK Gilt Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Total current tax	-	-
<b>Total taxation (see Note 6(b))</b>	<b>-</b>	<b>-</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	1,548	815
Corporation tax at 20% (2023: 20%)	310	163
Effects of:		
Tax deductible interest distributions	(310)	(163)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>-</b>	<b>-</b>

### 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 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	13	14
Accumulation	1,256	719
	1,269	733
<b>Final dividend distributions</b>		
Income	4	6
Accumulation	510	308
	514	314
Add: Revenue deducted on cancellation of shares	32	15
Deduct: Revenue received on issue of shares	(48)	(29)
<b>Total distribution</b>	<b>1,767</b>	<b>1,033</b>

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	1,548	815
Capitalised amounts	219	218
<b>Total distribution</b>	<b>1,767</b>	<b>1,033</b>

Details of the distribution in pence per share for this Fund are set out in the table on pages 149 and 150.



# FTF Franklin UK Gilt Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. Debtors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued income	528	400
Amounts receivable for issue of shares	5	5
Sales awaiting settlement	501	-
	<u>1,034</u>	<u>405</u>

### 9. Cash and bank balances

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Amount held at futures clearing houses and brokers	230	238
Cash and bank balances	50	1,297
<b>Total cash and bank balances</b>	<u>280</u>	<u>1,535</u>

### 10. Other creditors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	39	40
Amounts payable for cancellation of shares	104	237
	<u>143</u>	<u>277</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £16,000 (2023: £16,000).

# FTF Franklin UK Gilt 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, 0.00% (2023: 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.

#### 2024

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	-	63,412	-	63,412
Investment liabilities	-	-	(94)	(94)

#### 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	-	-	-	-

#### 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 2024</u>	<u>31 March 2023</u>
	£000	£000
Floating rate financial assets	-	-
Fixed rate financial assets	(2,837)	(2,653)
Other	177	1
<b>Total</b>	<b>(2,660)</b>	<b>(2,652)</b>

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 2024</u>	<u>31 March 2023</u>
	£000	£000
Floating rate financial assets	-	-
Fixed rate financial assets	3,166	2,933
Other	(184)	(1)
<b>Total</b>	<b>2,982</b>	<b>2,932</b>

# FTF Franklin UK Gilt Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12. Risk management policies and disclosures (Continued)

#### Other price risk

At the year end date, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £6,332,000 (2023: £6,094,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Bonds	31,588	-	-	31,588	-	-
<b>Sales</b>						
Bonds	27,131	-	-	27,131	-	-
<b>Derivative Transaction Costs</b>		0				
Total cost of the Fund's average net asset value (%)		<u>0.00%</u>	<u>0.00%</u>			

	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
<b>Purchases</b>						
Bonds	13,996	-	-	13,996	-	-
<b>Sales</b>						
Bonds	4,000	-	-	4,000	-	-
<b>Derivative Transaction Costs</b>		0				
Total cost of the Fund's average net asset value (%)		<u>0.00%</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 2024, the average dealing spread for the underlying Fund investments is 0.17% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	68,521,924	12,814,109	(9,770,357)	-	71,565,676
W Income	1,377,800	70,171	(822,039)	-	625,932

# FTF Franklin UK Gilt 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	62,685	94	101	-
Level 2	727	-	60,840	-
Level 3	-	-	-	-
<b>Total</b>	<b>63,412</b>	<b>94</b>	<b>60,941</b>	<b>-</b>

### 16. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value £000	% of Net Assets
<b>31 March 2024</b>			
Investment grade	BBB or higher	63,412	98.34
Non-investment grade	below BBB	-	-
Not rated	Not rated	-	-
<b>Total Value of Bonds</b>		<b>63,412</b>	<b>98.34</b>
<b>31 March 2023</b>			
Investment grade	BBB or higher	60,840	97.19
Non-investment grade	below BBB	-	-
Not rated	Not rated	-	-
<b>Total Value of Bonds</b>		<b>60,840</b>	<b>97.19</b>

### 17. Counterparty and Collateral Exposure

31 March 2024							
Counterparty	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaptions £000	Total £000
J.P. Morgan Securities Plc	-	-	(94)	-	-	-	(94)

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

# FTF Franklin UK Gilt Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.4858	-	0.4858	0.3146
Group 2	0.1552	0.3306	0.4858	0.3146
<b>W Income</b>				
Group 1	0.4510	-	0.4510	0.2968
Group 2	0.1622	0.2888	0.4510	0.2968

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.5775	-	0.5775	0.3245
Group 2	0.2967	0.2808	0.5775	0.3245
<b>W Income</b>				
Group 1	0.5298	-	0.5298	0.3052
Group 2	0.2417	0.2881	0.5298	0.3052

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.6606	-	0.6606	0.4316
Group 2	0.2954	0.3652	0.6606	0.4316
<b>W Income</b>				
Group 1	0.6054	-	0.6054	0.4046
Group 2	0.4972	0.1082	0.6054	0.4046

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.7132	-	0.7132	0.4500
Group 2	0.1995	0.5137	0.7132	0.4500
<b>W Income</b>				
Group 1	0.6489	-	0.6489	0.4196
Group 2	0.1496	0.4993	0.6489	0.4196

# FTF Franklin UK Gilt Fund

## DISTRIBUTION TABLES *(Continued)*

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### **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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

The Fund may also invest in:

- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation);
- Other types of 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 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). Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices or currencies).

#### *Geographic location (where we invest)*

The Fund's focus is the US. The majority of the Fund's investments will be in shares in companies listed in the US, although the Investment Manager has discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

The Investment Manager focuses on those stocks that it believes 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. 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 may focus on sectors, such as technology, that have exceptional growth potential and fast-growing, innovative companies within these sectors.

Within each sector, the Investment Manager can invest in any industry but normally try to keep investment in any specific industry to no more than 25% of the portfolio.

#### *ESG (environmental, social, and governance) factors*

In selecting investments, the Investment Manager also assesses each investee company against various 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.

## FTF Franklin US Opportunities Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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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 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 an ESG rating based on the Investment Manager's assessment of ESG factors. Investments are assigned a score of AAA (best in class / very good), AA (good), A (fair), and B (needs improvement). Investments with an ESG rating of B (or those which are unrated because they have not met the financial criteria of the Investment Manager) 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. 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 which generate more than 5% of revenue from the production of tobacco or tobacco related products.
- Companies which generate more than 10% of revenue from thermal coal extraction or coal based power generation.
- Companies which generate more than 10% of revenue from the production and/or distribution of weapons.
- 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 by the Fund's managers as 'fail' under the UN Global Compact Principles.
- Companies which the Fund's managers consider do not meet standards on greenhouse gas emissions or board gender diversity.



# FTF Franklin US Opportunities Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Franklin US Opportunities Fund (W Accumulation) returned 42.86%, whilst its two benchmarks - the Russell 3000 Growth Index and S&P 500 Index - returned 34.87% and 26.98% respectively (both returns in UK sterling).

### OVERVIEW

US equities, as measured by the S&P@ 500 Index, posted substantial gains for the 12 months ended 31 March 2024. Inflation slowed significantly amid higher interest rates, and the economy's continued strength drove stocks higher and alleviated investor concerns about a recession. Technology-related stocks in particular helped support equity prices amid cost-cutting efforts and investor optimism that artificial intelligence ("AI") would lead to strong growth opportunities, particularly for infrastructure providers helping to power new AI applications.

The US economy was strong, as reflected in solid gross domestic product growth readings released during the reporting period. Consumer spending continued to power the economy, helped by higher asset prices and increased wages, while government spending also rose notably. The labour market remained tight but showed some signs of easing. The unemployment rate rose somewhat while remaining low by historical standards, and wages continued to grow even as the pace of wage increases slowed. Inflation also cooled substantially, with the annual Consumer Price Index falling from 5.0% in March 2023 to 3.2% in February 2024. Improving economic conditions bolstered consumer confidence, although sentiment remained well below pre-pandemic levels. Higher interest rates during the 12-month period meant elevated borrowing costs for individuals and businesses, which dampened some economic activity, especially in the housing market.

The US Federal Reserve (Fed) shifted its monetary policy, moving from a tightening stance early in the period to a more neutral policy as the period continued and inflation decelerated. It raised the federal funds target rate twice, ending the period at a range of 5.25%–5.50% and pushing borrowing costs to their highest levels since 2001. However, the Fed stopped raising rates following its July 2023 meeting, signalling that the post-pandemic tightening cycle was concluding. Nonetheless, the Fed indicated at its March 2024 meeting that it would continue to reduce its US Treasury and agency debt and mortgage-backed security holdings. Fed projections showed that its tightening cycle is set to reverse, with three interest-rate cuts anticipated in 2024.

### SIGNIFICANT CHANGES

For the one-year period ended 31 March 2024, information technology ("IT") was the largest sector weighting in the fund and increased over the period. Other notable changes in weightings included an increase in the communication services sector and decreases in the financials and real estate sectors.

Positions that were added or increased over the reporting period included Gartner, Lattice Semiconductor, Netflix, Oracle and NVIDIA.

In the IT sector, we initiated a position in Gartner, which is a beneficiary of an acceleration in the growth rate of global IT spend and plays a key role in helping companies formulate and implement their strategies for AI. We started a position in chipmaker Lattice Semiconductor and added to NVIDIA as we believe in the large opportunity to supply the building blocks of generative AI for both companies. Also in the IT sector, Oracle offers products and services that address enterprise IT environments worldwide. We initiated a new position because we see a growth opportunity for the company to become a significant competitor in cloud computing with early potential to benefit from generative AI. We also opened a new position in streaming services company Netflix. We believe Netflix is the clear leader in paid subscription entertainment, and it continues to build scale by adding a lower-priced subscriber tier with advertising.

Several positions were reduced or exited during the reporting period, including Apple, Mastercard, Visa, Alphabet and Microsoft.

In the IT sector, we reduced our investments in "Magnificent 7" tech giants Apple and Microsoft. We exited our position in payment processor Visa and lowered our exposure to Mastercard following a period of strong performance. In the communication services sector, we trimmed our position in Google-parent company Alphabet.

### POSITIVE/NEGATIVE CONTRIBUTORS

The fund outperformed its Russell 3000 Growth index benchmark for the one-year reporting period ended 31 March 2024. Favourable stock selection bolstered relative performance and more than offset a negative allocation effect for the fund. Stock selection was strongest in the consumer discretionary and IT sectors. An underweight in Tesla proved beneficial for relative returns in the consumer discretionary sector as the electric carmaker's shares were pressured by a slowdown in vehicle volume growth and increased competition. Likewise, an underweight in Apple helped relative performance in the IT sector. The tech giant faced lower sales of its flagship products, which dampened revenue growth.

# FTF Franklin US Opportunities Fund

## INVESTMENT REVIEW *(Continued)*

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The sector also benefited from a position in cybersecurity company CrowdStrike Holdings, which delivered strong performance as companies bolster their online security spending. Conversely, Analog Devices detracted from IT sector results. An industry slowdown and excess customer inventories curbed sales growth for the chipmaker. Elsewhere, the shares of Facebook-parent Meta Platforms were up strongly as aggressive cost cutting, improving fundamentals and an increased focus on AI boosted the interactive media company's stock.

In contrast, the financials, utilities and real estate sectors detracted from relative returns over the period. MSCI was a leading detractor in the financials sector. The index and analytics provider's index business continues to perform well, while other, more discretionary segments (analytics, ESG (environmental, social and governance), private assets) saw slower sales activity, which pressured the stock. SBA Communications (sold by period-end) was a leading detractor in the real estate sector. The tower operator continued to face headwinds, including a deceleration in US tower leasing and slower carrier spending. In the consumer staples sector, energy drink maker Monster Beverage underperformed the benchmark and negatively impacted relative returns but positively contributed to absolute performance.

### OUTLOOK

We see recession risks moderating in the United States but anticipate below-trend growth to continue into 2024 as the lagged effects of tighter monetary policy and bank lending standards take hold. However, longer-term equity fundamentals remain constructive, in our analysis, with the prospects for AI potentially supporting US equities.

We believe the best-positioned companies are those with healthy balance sheets, strong competitive positions and the ability to generate high free cash flow. Our focus remains on investing in what we consider to be high-quality businesses with sustainable growth drivers that may not be reflected in current valuations. Many of these investments are levered to secular growth themes, such as AI, which is causing significant disruption in multiple industries while spurring new growth. In our view, there are opportunities for companies to increase productivity, lower costs and ultimately drive competitiveness in this era of generative AI. We are still in the early stages of this technology, and challenges are ahead of us, making a greater case for active management. We also see investment opportunities in other areas, such as health care, which is backed by multidecade demand trends from an ageing population worldwide. Innovative trends include the development of robotic surgery systems that serve as an extension of a surgeon's hands and eyes, effectively reducing variation in surgical outcomes and enabling more procedures to be done with fewer complications.

Active management allows us to pursue opportunities that can potentially deliver positive long-term results, even in an environment of elevated interest rates. To do this, we rely on our bottom-up, fundamental research capabilities and leverage our in-house team of analysts to uncover high-quality companies we view as capable of becoming market leaders.

**Grant Bowers & Sara Araghi, CFA**

Fund Managers

31 March 2024

# FTF Franklin US Opportunities Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	392.82	462.17	419.58
Return before operating charges <sup>1</sup>	161.70	(66.04)	46.55
Operating charges <sup>2</sup>	(3.72)	(3.31)	(3.96)
Return after operating charges <sup>3</sup>	157.98	(69.35)	42.59
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	550.80	392.82	462.17
After direct transaction costs of <sup>4</sup>	(0.04)	(0.04)	(0.05)
<b>Performance</b>			
Return after charges <sup>5</sup>	40.22%	(15.01)%	10.15%
<b>Other information</b>			
Closing net asset value (£)	76,839,519	69,108,893	106,875,184
Closing number of shares	13,950,586	17,593,100	23,124,401
Operating charges ratio <sup>6</sup>	0.82%	0.84%	0.83%
Direct transaction costs <sup>4</sup>	0.01%	0.01%	0.01%
<b>Prices (p)</b>			
Highest share price	556.73	463.96	551.10
Lowest share price	382.83	356.18	399.31

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.

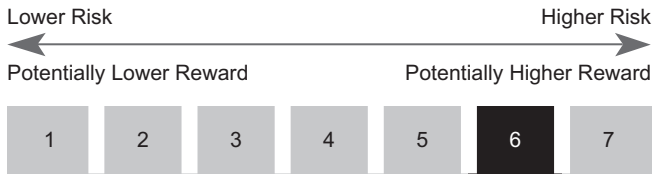
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Franklin US Opportunities Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 99.58% (99.80%)</b>		
	<b>APPAREL 0.00% (1.25%)</b>		
	<b>AUTOMOBILE MANUFACTURERS 0.34% (1.07%)</b>		
1,897	Tesla .....	264	0.34
	<b>BEVERAGES 1.89% (2.96%)</b>		
3,768	Celsius .....	247	0.32
25,682	Monster Beverage .....	1,205	1.57
		1,452	1.89
	<b>BIOTECHNOLOGY 0.00% (0.17%)</b>		
	<b>BUILDING MATERIALS 1.93% (0.00%)</b>		
1,257	Martin Marietta Materials .....	610	0.79
3,690	Trane Technologies .....	876	1.14
		1,486	1.93
	<b>CHEMICALS 1.91% (2.01%)</b>		
3,987	Linde .....	1,465	1.91
	<b>COMMERCIAL SERVICES 5.19% (4.05%)</b>		
9,131	CoStar .....	698	0.91
2,732	Gartner .....	1,029	1.34
2,301	S&P Global .....	774	1.01
12,377	TransUnion .....	782	1.02
3,740	Verisk Analytics .....	697	0.91
		3,980	5.19
	<b>COMPUTERS 4.15% (6.90%)</b>		
15,229	Apple .....	2,067	2.69
4,422	CrowdStrike .....	1,122	1.46
		3,189	4.15
	<b>DIVERSIFIED FINANCIAL SERVICES 4.97% (9.30%)</b>		
10,757	Ares Management .....	1,132	1.47
7,065	Mastercard .....	2,690	3.50
		3,822	4.97
	<b>ELECTRICAL COMPONENTS &amp; EQUIPMENT 0.25% (0.00%)</b>		
782	Eaton .....	193	0.25
	<b>ELECTRICITY 0.00% (1.30%)</b>		
	<b>ELECTRONICS 0.00% (0.96%)</b>		
	<b>ENVIRONMENTAL CONTROL 1.50% (1.31%)</b>		
7,621	Republic Services .....	1,155	1.50
	<b>FOOD PRODUCERS 0.67% (0.75%)</b>		
6,105	Lamb Weston .....	515	0.67
	<b>HEALTHCARE PRODUCTS 5.83% (7.10%)</b>		
5,639	Danaher .....	1,114	1.45
1,259	IDEXX Laboratories .....	538	0.70
3,378	Intuitive Surgical .....	1,066	1.39
1,547	Thermo Fisher Scientific .....	711	0.93
3,331	West Pharmaceutical Services .....	1,043	1.36
		4,472	5.83
	<b>HEALTHCARE SERVICES 1.58% (3.21%)</b>		
3,095	UnitedHealth .....	1,211	1.58
	<b>INTERNET 19.12% (13.45%)</b>		
15,391	Alphabet .....	1,837	2.39
37,959	Amazon.com .....	5,416	7.05
11,374	Meta Platforms .....	4,371	5.69
1,345	Netflix .....	646	0.84

# FTF Franklin US Opportunities Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>INTERNET (Continued)</b>		
25,041	Pinterest .....	687	0.89
28,565	Uber Technologies .....	1,740	2.26
		14,697	19.12
	<b>MISCELLANEOUS MANUFACTURING 1.52% (0.99%)</b>		
4,713	Axon Enterprise .....	1,166	1.52
	<b>PHARMACEUTICALS 6.85% (3.92%)</b>		
9,759	AstraZeneca <sup>†</sup> .....	523	0.68
16,540	BellRing Brands .....	773	1.01
5,699	Dexcom .....	626	0.81
3,477	Eli Lilly .....	2,137	2.78
2,035	McKesson .....	864	1.12
6,402	Vaxcyte .....	346	0.45
		5,269	6.85
	<b>PRIVATE EQUITY 0.00% (0.62%)</b>		
	<b>REAL ESTATE INVESTMENT TRUSTS 0.00% (2.62%)</b>		
	<b>RETAIL 5.05% (4.96%)</b>		
249	AutoZone .....	621	0.81
713	Chipotle Mexican Grill .....	1,638	2.13
6,815	Freshpet .....	625	0.81
3,441	Wingstop .....	996	1.30
		3,880	5.05
	<b>SEMICONDUCTORS 14.35% (7.35%)</b>		
4,868	Analog Devices .....	762	0.99
3,378	ARM <sup>†</sup> .....	334	0.44
761	ASML .....	584	0.76
12,973	Lattice Semiconductor .....	803	1.05
3,092	Monolithic Power Systems .....	1,656	2.16
9,627	NVIDIA .....	6,878	8.95
		11,017	14.35
	<b>SOFTWARE 21.99% (22.57%)</b>		
1,917	Adobe .....	765	1.00
3,908	BILL .....	213	0.28
8,417	Confluent .....	203	0.26
2,393	Datadog .....	234	0.30
1,318	HubSpot .....	653	0.85
2,260	Intuit .....	1,163	1.51
13,784	Microsoft .....	4,583	5.96
2,449	Monday.com .....	437	0.57
1,989	MongoDB .....	565	0.74
1,558	MSCI .....	691	0.90
7,759	Oddity Tech .....	266	0.34
6,677	Oracle .....	664	0.86
17,688	ROBLOX .....	534	0.69
2,338	Roper Technologies .....	1,037	1.35
1,938	Salesforce .....	461	0.60
3,440	ServiceNow .....	2,074	2.70
2,784	Synopsys .....	1,258	1.64
1,678	Tyler Technologies .....	564	0.73
2,517	Workday .....	543	0.71
		16,908	21.99
	<b>TRANSPORTATION 0.49% (0.98%)</b>		
1,919	Union Pacific .....	373	0.49
	<b>TOTAL - EQUITIES</b>	76,514	99.58

# 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 .....	<u>76,514</u>	<u>99.58</u>
	OTHER ASSETS .....	<u>326</u>	<u>0.42</u>
	TOTAL NET ASSETS .....	<u><u>76,840</u></u>	<u><u>100.00</u></u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		24,142		(15,557)
Revenue	3	339		457	
Expenses	4	(569)		(684)	
Interest payable and similar charges	5	(1)		-	
Net expense before taxation		(231)		(227)	
Taxation	6	(42)		(60)	
Net expense after taxation			(273)		(287)
<b>Total return before distributions</b>			<b>23,869</b>		<b>(15,844)</b>
Distributions	7		-		-
<b>Change in net assets attributable to shareholders</b>			<b>23,869</b>		<b>(15,844)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>69,109</b>		<b>106,882</b>
Amounts received on creation of shares	5,212		3,099	
Amounts paid on cancellation of shares	(21,350)		(25,028)	
		(16,138)		(21,929)
Change in net assets attributable to shareholders from investment activities (see above)		23,869		(15,844)
Retained distribution on accumulation shares		-		-
<b>Closing net assets attributable to shareholders</b>		<b>76,840</b>		<b>69,109</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		76,514	68,971
<b>Current assets</b>			
Debtors	8	10	273
Cash and bank balances	9	632	183
<b>Total assets</b>		<b>77,156</b>	<b>69,427</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	10	(316)	(318)
<b>Total liabilities</b>		<b>(316)</b>	<b>(318)</b>
<b>Net assets attributable to shareholders</b>		<b>76,840</b>	<b>69,109</b>



# FTF Franklin US Opportunities Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	24,155	(15,590)
Currency (losses)/gains	(13)	33
	<u>24,142</u>	<u>(15,557)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	12	5
Overseas dividends	303	400
UK dividends	15	29
US REIT dividends	9	23
	<u>339</u>	<u>457</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	508	614
ACD's administration charge	35	41
	<u>543</u>	<u>655</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	5	11
Safe custody fees	1	2
	<u>6</u>	<u>13</u>
<b>Other expenses:</b>		
Audit fees	15	14
Legal and publication fees	4	-
VAT Reclaim	(3)	-
Other	4	2
	<u>20</u>	<u>16</u>
	<u>569</u>	<u>684</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	1	-
<b>Total interest payable and similar charges</b>	<u>1</u>	<u>-</u>

# FTF Franklin US Opportunities Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	42	60
Total current tax	42	60
<b>Total taxation (see Note 6(b))</b>	<b>42</b>	<b>60</b>

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

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net expenses before taxation	(231)	(227)
Corporation tax at 20% (2023: 20%)	(46)	(45)
Effects of:		
Movement in unrecognised tax losses	111	132
Overseas tax	42	60
Prior year adjustment to unrecognised tax losses	(1)	-
Relief on overseas tax expensed	-	(1)
Revenue not subject to tax	(64)	(86)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>42</b>	<b>60</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £2,667,000 (2023: £2,556,000) due to tax losses of £13,335,000 (2023: £12,779,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
<b>Total distribution</b>	<b>-</b>	<b>-</b>

# FTF Franklin US Opportunities Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net expense after taxation	(273)	(287)
Revenue deficit payable from capital	273	287
<b>Total distribution</b>	<b>-</b>	<b>-</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 166.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	8	7
Amounts receivable for issue of shares	-	264
Currency sales awaiting settlement	-	2
Overseas tax recoverable	2	-
	<b>10</b>	<b>273</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	632	183
<b>Total cash and bank balances</b>	<b>632</b>	<b>183</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	70	70
Amounts payable for cancellation of shares	246	246
Currency purchases awaiting settlement	-	2
	<b>316</b>	<b>318</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £49,000 (2023: £46,000).

# FTF Franklin US Opportunities 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>Currency</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
United States Dollar	76,660	68,976
	<u>76,660</u>	<u>68,976</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £7,666,000 (2023: £6,898,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £7,651,000 (2023: £6,897,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	<u>1 April 2023 to 31 March 2024</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
<u>Purchases</u>						
Equities	17,522	2	-	17,524	0.01	-
<u>Sales</u>						
Equities	34,112	(3)	-	34,109	(0.01)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.00%</u>			
	<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
<u>Purchases</u>						
Equities	11,102	1	-	11,103	0.01	-
<u>Sales</u>						
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>			

# FTF Franklin US Opportunities 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 2024, the average dealing spread for the underlying Fund investments is 0.05% (2023: 0.02%).

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 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	17,593,100	1,140,531	(4,783,045)	-	13,950,586

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	76,514	-	68,971	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>76,514</b>	<b>-</b>	<b>68,971</b>	<b>-</b>

# FTF Franklin US Opportunities Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	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 Asia Unconstrained Fund

## INVESTMENT OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

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).

#### *Other investments*

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 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.

#### *Geographic location (where we invest)*

The Fund has a focus on Asian investments, particularly in the “Primary Countries” listed above. Up to 20% of the Fund’s portfolio could be invested outside of the Primary Countries.

#### *How we select investments (investment strategy)*

The Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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 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.

# FTF Martin Currie Asia Unconstrained Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

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:

- 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.

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.



# FTF Martin Currie Asia Unconstrained Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie Asia Unconstrained Fund (W Accumulation) returned -12.31%, whilst its benchmark - the MSCI AC Asia ex-Japan Index (Net) - returned 1.78% (both returns in UK sterling).

### OVERVIEW

Though Asian equity markets registered an overall positive return for the 12-month period ending 31 March 2024, the performance was varied during the period. While the markets were weak during the first half and flat in the third quarter, they were up in the last quarter (ex. Japan ex. Taiwan).

India was strong over the period, with investor confidence increasing given the rate hike pause announced by the central bank early in the period and the second successive quarter of GDP growth. It also reported easing inflation in September and ongoing positive data points around its GDP growth and positive economic outlook. Overall, the country continues to benefit from a positive macro backdrop—in fact, the overall economic data for India continues to be among the best in the region. In the first half of the period, Korea continued to deliver positively, benefitting from its higher exposure to the semiconductor sector, where there is renewed optimism. Indonesia, where macroeconomic data has been generally supportive and stock market valuations attractive relative to history, also performed well. Other strong performers included Australia and New Zealand in the third quarter, and The Philippines in the last quarter. Hong Kong/China was the major laggard for the period under reporting. The country was hurt by geopolitical concerns (US-China trade restrictions), disappointment about the pace of recovery in China and the impact of regulatory change in certain sectors. While China showed signs of some recovery in the last quarter of the 12-month period, Hong Kong continued to lag the market. Though the market is cheap, there are signs that Hong Kong itself is losing competitiveness relative to the mainland Chinese regions in close proximity. Thailand was another country that performed poorly during the period.

From a sector perspective, Information Technology was amongst the strongest during the 12-month period, driven by an improving outlook for the semiconductor sector. Energy also registered strong performance on the back of higher energy prices, with Coal companies amongst the biggest beneficiaries. Utilities was another sector that performed well. The detractors from performance included Communication Services and Consumer Sectors during the third quarter, and Materials, Consumer Staples, Real Estate and Healthcare in the final quarter.

### SIGNIFICANT CHANGES

At the end of the reporting period, in sector terms the largest absolute weights were to Information Technology, Consumer Discretionary and Communications. Geographically, China remains the largest weighting followed by Korea and Singapore. There were a number of stocks added to the portfolio during the period including China Resources Mixc Lifestyle Services, ASMPT, Hygeia Healthcare, Reliance Industries and Sumber Alfaria. Sales included INNOX Advanced Materials, Guangdong Investment, Leeno, LG H&H, LG Energy, Ping An Insurance, Tata Consultancy and ENN Energy.

### POSITIVE/NEGATIVE CONTRIBUTORS

The biggest absolute contribution from a country/regional perspective came from Taiwan, while sector wise, Information Technology was the strongest. At a stock level, Taiwan Semiconductor Manufacturing (TSMC), Accton Technology and Samsung Electronics were notable positive contributors to performance.

Holdings in China were a drag on performance and Consumer Discretionary was the weakest performing sector. Within the portfolio, notable detractors from performance included Shandong Weigao Medical Polymer, AIA and Tencent.

### OUTLOOK

Looking ahead, we expect earnings in Asia to improve as China's economy stabilises and key sectors recover cyclically. Korea drives the anticipated 2024 rebound, with Taiwan, India, and China expecting growth, while Australia and Singapore show weaker growth.

Themes include improving capital management, driven by dividend increases and share buybacks. Strong balance sheets and positive cash flow are sources of competitive advantage, while demographic shifts and rising digital intensity shape long-term demand. Despite challenges, valuations support optimism for Asian stocks, and our conviction in a long-term, unconstrained approach remains strong.

**Andrew Graham, Michael Millar, CFA, Tom Wills, CFA & Jes Goh**

Fund Managers

31 March 2024

# FTF Martin Currie Asia Unconstrained Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	100.39	98.74
Return before operating charges <sup>1</sup>	(11.22)	2.13
Operating charges <sup>2</sup>	(0.79)	(0.48)
Return after operating charges <sup>3</sup>	(12.01)	1.65
Distributions	(1.14)	(0.22)
Retained distributions on accumulation shares	1.14	0.22
Closing net asset value per share	88.38	100.39
After direct transaction costs of <sup>4</sup>	(0.11)	(0.08)
<b>Performance</b>		
Return after charges <sup>5</sup>	(11.96)%	1.67%
<b>Other information</b>		
Closing net asset value (£)	36,924,226	49,978,621
Closing number of shares	41,777,616	49,782,816
Operating charges ratio <sup>6</sup>	0.88%	0.93%
Direct transaction costs <sup>4</sup>	0.12%	0.14%
<b>Prices (p)</b>		
Highest share price	100.90	109.01
Lowest share price	81.19	85.45
<b>W Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	96.60	95.22
Return before operating charges <sup>1</sup>	(10.73)	2.05
Operating charges <sup>2</sup>	(0.77)	(0.46)
Return after operating charges <sup>3</sup>	(11.50)	1.59
Distributions	(1.09)	(0.21)
Closing net asset value per share	84.01	96.60
After direct transaction costs of <sup>4</sup>	(0.11)	(0.07)
<b>Performance</b>		
Return after charges <sup>5</sup>	(11.90)%	1.67%
<b>Other information</b>		
Closing net asset value (£)	85,843	89,519
Closing number of shares	102,183	92,665
Operating charges ratio <sup>6</sup>	0.89%	0.92%
Direct transaction costs <sup>4</sup>	0.12%	0.14%
<b>Prices (p)</b>		
Highest share price	97.09	104.90
Lowest share price	77.17	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.

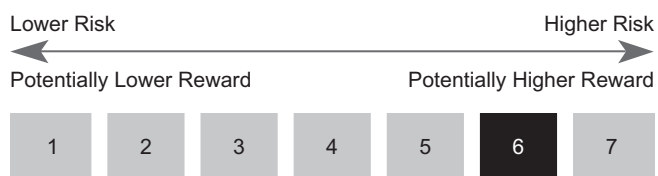
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Martin Currie Asia Unconstrained Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 97.82% (96.49%)</b>		
	<b>ASIA 97.82% (96.49%)</b>		
	<b>CHINA</b>		
145,800	Alibaba .....	1,036	2.80
374,000	China Resources Mixc Lifestyle Services .....	936	2.53
1,627,760	CSPC Pharmaceutical .....	1,013	2.74
129,200	Hygeia Healthcare .....	416	1.12
57,000	JD.com .....	621	1.68
672,000	Mintih .....	839	2.27
1,616,400	Shandong Weigao Medical Polymer .....	798	2.16
114,100	Shenzhou International .....	855	2.31
100,600	Tencent .....	3,091	8.35
672,400	Tongcheng Travel .....	1,404	3.79
731,000	TravelSky Technology .....	701	1.89
		<u>11,710</u>	<u>31.64</u>
	<b>HONG KONG</b>		
260,800	AIA .....	1,386	3.74
103,400	ASMPT .....	1,029	2.78
153,000	Techtronic Industries .....	1,642	4.44
		<u>4,057</u>	<u>10.96</u>
	<b>INDIA</b>		
135,361	HDFC Bank .....	1,858	5.02
68,141	Reliance Industries .....	1,921	5.19
		<u>3,779</u>	<u>10.21</u>
	<b>INDONESIA</b>		
3,718,100	Sumber Alfaria Trijaya .....	538	1.46
4,905,300	Telkom Indonesia Persero .....	845	2.28
		<u>1,383</u>	<u>3.74</u>
	<b>SINGAPORE</b>		
767,200	Singapore Technologies Engineering .....	1,809	4.89
1,144,400	Singapore Telecommunications .....	1,698	4.59
43,676	United Overseas Bank .....	751	2.03
92,200	Venture .....	772	2.08
		<u>5,030</u>	<u>13.59</u>
	<b>SOUTH KOREA</b>		
10,107	Hansol Chemical .....	1,215	3.28
3,667	LG Chem .....	947	2.56
78,693	Samsung Electronics .....	3,808	10.29
		<u>5,970</u>	<u>16.13</u>
	<b>TAIWAN</b>		
64,000	Accton Technology .....	732	1.98
184,000	Taiwan Semiconductor Manufacturing .....	3,541	9.57
		<u>4,273</u>	<u>11.55</u>
	TOTAL - ASIA	<u>36,202</u>	<u>97.82</u>
	TOTAL - EQUITIES	<u>36,202</u>	<u>97.82</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 .....	<u>36,202</u>	<u>97.82</u>
	OTHER ASSETS .....	<u>808</u>	<u>2.18</u>
	TOTAL NET ASSETS .....	<u><u>37,010</u></u>	<u><u>100.00</u></u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital (losses)/gains	2		(6,443)		741
Revenue	3	928		323	
Expenses	4	(373)		(245)	
Interest payable and similar charges	5	-		(6)	
Net revenue before taxation		555		72	
Taxation	6	(60)		(80)	
Net revenue/(expense) after taxation			495		(8)
<b>Total return before distributions</b>			<b>(5,948)</b>		<b>733</b>
Distributions	7		(552)		(116)
<b>Change in net assets attributable to shareholders</b>			<b>(6,500)</b>		<b>617</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		50,068		-
In-specie transfer	-		54,887	
Amounts received on creation of shares	247		78	
Amounts paid on cancellation of shares	(7,346)		(5,635)	
		(7,099)		49,330
Dilution adjustment		-		7
Change in net assets attributable to shareholders from investment activities (see above)		(6,500)		617
Retained distribution on accumulation shares		541		114
<b>Closing net assets attributable to shareholders</b>		<b>37,010</b>		<b>50,068</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		36,202	48,310
Current assets			
Debtors	8	58	98
Cash and bank balances	9	1,057	2,140
<b>Total assets</b>		<b>37,317</b>	<b>50,548</b>
<b>Liabilities</b>			
Creditors			
Other creditors	10	(307)	(480)
<b>Total liabilities</b>		<b>(307)</b>	<b>(480)</b>
<b>Net assets attributable to shareholders</b>		<b>37,010</b>	<b>50,068</b>

# FTF Martin Currie Asia Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital (losses)/gains

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities (losses)/gains	(6,425)	790
Currency losses	(18)	(49)
	<u>(6,443)</u>	<u>741</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	19	7
Overseas dividends	909	295
Stock dividends	-	21
	<u>928</u>	<u>323</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	317	199
ACD's administration charge	21	13
ACD Waiver	-	(14)
	<u>338</u>	<u>198</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	4	4
Safe custody fees	2	11
	<u>6</u>	<u>15</u>
<b>Other expenses:</b>		
Audit fees	18	11
Legal and publication fees	(4)	5
Other	15	16
	<u>29</u>	<u>32</u>
	<u>373</u>	<u>245</u>

# FTF Martin Currie Asia Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	6
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>6</b>

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	64	30
Overseas tax on capital gains	(4)	50
Total current tax	60	80
<b>Total taxation (see Note 6(b))</b>	<b>60</b>	<b>80</b>

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

The tax assessed for the year is lower (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	555	72
Corporation tax at 20% (2023: 20%)	111	14
Effects of:		
Movement in unrecognised tax losses	71	49
Overseas tax	64	30
Overseas tax on capital gains	(4)	50
Revenue not subject to tax	(182)	(63)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>60</b>	<b>80</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £120,000 (2023: £49,000) due to tax losses of £598,000 (2023: £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.



# FTF Martin Currie Asia Unconstrained 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 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	1	-
Accumulation	541	114
	<u>542</u>	<u>114</u>
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	-	-
	<u>-</u>	<u>-</u>
Add: Revenue deducted on cancellation of shares	10	2
Deduct: Revenue received on issue of shares	-	-
<b>Total distribution</b>	<u><u>552</u></u>	<u><u>116</u></u>

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue/(expense) after taxation	495	(8)
Revenue deficit payable from capital	61	74
Tax charge taken from capital account	(4)	50
<b>Total distribution</b>	<u><u>552</u></u>	<u><u>116</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 181 and 182.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	58	89
Accrued Manager's charge rebates	-	9
	<u>58</u>	<u>98</u>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	1,057	2,140
<b>Total cash and bank balances</b>	<u><u>1,057</u></u>	<u><u>2,140</u></u>

# FTF Martin Currie Asia Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	68	79
Amounts payable for cancellation of shares	193	351
Overseas capital gains tax provision	46	50
	<u>307</u>	<u>480</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £25,000 (2023: £25,000).

### 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 2024	31 March 2023
	Total net foreign currency assets and (liabilities)	Total net foreign currency assets and (liabilities)
	£000	£000
<u>Currency</u>		
Hong Kong Dollar	15,767	22,643
Indian Rupee	3,733	3,573
Indonesian Rupiah	1,383	1,028
Korean Won	6,016	9,014
New Taiwan Dollar	4,286	6,292
Singapore Dollar	5,030	5,801
	<u>36,215</u>	<u>48,351</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £3,622,000 (2023: £4,835,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £3,620,000 (2023: £4,831,000). A 10% decrease would have an equal and opposite effect.

# FTF Martin Currie Asia Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	10,287	5	10	10,302	0.05	0.10
<b>Sales</b>						
Equities	16,032	(8)	(28)	15,996	(0.05)	(0.17)
Total cost of the Fund's average net asset value (%)		<u>0.03%</u>	<u>0.09%</u>			
	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
<b>Purchases</b>						
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>		
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.15% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	49,782,816	255,363	(8,251,404)	(9,159)	41,777,616
W Income	92,665	-	-	9,518	102,183

# FTF Martin Currie Asia Unconstrained 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	36,202	-	48,310	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>36,202</b>	<b>-</b>	<b>48,310</b>	<b>-</b>

# FTF Martin Currie Asia Unconstrained Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.6476	-	0.6476	n/a
Group 2	0.5982	0.0494	0.6476	n/a
<b>W Income Shares</b>				
Group 1	0.6233	-	0.6233	n/a
Group 2	0.1033	0.5200	0.6233	n/a

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.3723	-	0.3723	n/a
Group 2	0.2265	0.1458	0.3723	n/a
<b>W Income Shares</b>				
Group 1	0.3559	-	0.3559	n/a
Group 2	0.3559	0.0000	0.3559	n/a

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022* Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.1175	-	0.1175	0.2194
Group 2	0.0991	0.0184	0.1175	0.2194
<b>W Income Shares</b>				
Group 1	0.1124	-	0.1124	0.2118
Group 2	0.1124	0.0000	0.1124	0.2118

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 December 2022.

# FTF Martin Currie Asia Unconstrained Fund

## DISTRIBUTION TABLES (Continued)

For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W Income Shares</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	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 OBJECTIVE & POLICY

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### 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.

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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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), including China.

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.

#### *Other investments*

The Fund may also invest 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 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.

#### *Geographic location (where we invest)*

The Fund has a focus on investments in emerging markets. Up to 20% of the Fund’s portfolio could be invested outside of emerging markets.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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. The Fund typically invests in shares of around 40 – 60 companies of any size or industry.

In selecting investments, the Investment Manager seeks to identify investment opportunities based on the investment merit of each underlying company.

## FTF Martin Currie Emerging Markets Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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#### *ESG (environmental, social, and governance) factors*

The Investment Manager uses its proprietary research to identify companies with strong management of 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:

- 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.

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.



# FTF Martin Currie Emerging Markets Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie Emerging Markets Fund (W Accumulation) returned -1.29%, whilst its benchmark - the MSCI Emerging Markets Net Dividends Index - returned 5.86% (both returns in UK sterling).

### OVERVIEW

The performance of emerging markets was strong during the 12-month period ending 31 March 2024, though it diverged by region in the first half. In the earlier part of the period, hopes of a move away from the cycle of US rate rises diminished, as the Federal Reserve signalled that continued tightening monetary policy seemed likely. India stood out positively in the first half, with its central bank pausing its rate-hike cycle, signalling optimism and sustaining gross domestic product (GDP) growth into the second quarter. Brazil also performed well during this period. Taiwan and Korea benefited from their significant exposure to the semiconductor sector, driven by the demand for generative artificial intelligence (AI). However, China was weak, hit by negative short-term economic data (soft manufacturing purchasing managers indexes as well as slowing foreign direct investment flows).

Emerging markets (EM) largely performed well in the latter part of the period with style and flows being the predominant factor driving returns. Besides, rate hike cycle appears to have come to an end and the markets are now pricing in three cuts in 2024. The period also witnessed the markets beginning to recognise company fundamentals and this is what drove the performance. Technology, especially semiconductors, continued to show strength as we entered 2024. Names linked to artificial intelligence (AI) performed well and strong earnings supported the broader industry. On the other side, financials detracted from portfolio performance off the back of stock-specific drivers for industry heavy-weights.

In the last quarter of the 12-month period, the macro backdrop turned more positive and suggests a shift in the market. Equity support programmes from the government, fiscal stimulus, property market measures, and pro-private enterprise meetings between the Chinese government and US technology company Chief Executive Officers (CEOs) are all likely to be supportive of the country's stock market. While earnings delivery was not recognised by the market throughout most of 2023, so far this year we have seen the market rewarding positive earnings delivery.

### SIGNIFICANT CHANGES

At the end of the reporting period, the portfolio's largest active weights were to Korea and India at a regional level, and Information Technology and Financials at a sector level. Purchases over the period included Capitec Bank, Dr Sulaiman Al-Habib Medical Services, Mercadolibre, Proya Cosmetics, Shenzhen Mindray Bio-Medical Electronics, Bank Negara Indonesia Persero and Tata Consultancy Services. Notable sales were Brilliance China Automotive, ENN Energy, SEA Ltd, LG H&H, Ping An Bank and Wuxi Lead Intelligence.

### POSITIVE/NEGATIVE CONTRIBUTORS

In stock terms, Korean semiconductor company SK Hynix was the top performer followed by Indian Consumer Discretionary company Titan and Technology company Taiwan Semiconductor Manufacturing (TSMC). The largest detractors were Hong Kong insurance company AIA, Chinese Health Care company Wuxi Biologics Cayman and Korean materials firm LG Chem.

At a sector level, our overweight in Information Technology provided the strongest contribution. The Financials sector was the most notable detractor.

At a country level, South Africa was a strong positive for the portfolio in relative terms over the 12 months. China and India were the biggest detractors.

### OUTLOOK

Whilst investing in Emerging Markets has been difficult in recent times, we believe there are reasons to believe that the outlook is bright.

*The return of EM growth stocks:* In an environment of slowing global economic growth and peaking interest rates, growth stocks are well placed to lead the way in 2024. US growth stocks have already begun outperforming, but EM growth stocks have yet to catch up. Value has now outperformed growth in EM for three consecutive years. We believe this has created attractive valuations for EM growth stocks.

*China – misconceptions create opportunities:* A key drag on EM returns has been the performance of the Chinese market. We feel there are significant misconceptions about China, which in turn is driving material disconnects between share prices and fundamentals. We see signs of geopolitical repair and more domestic shareholder-friendly messaging around private businesses in the country. Accordingly, we think investors will begin to reassess their increasingly cautious approach to China amidst this unprecedented divergence between share prices and fundamentals.

## FTF Martin Currie Emerging Markets Fund

### INVESTMENT REVIEW *(Continued)*

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*Structural opportunities – technology and India:* Over the long term, technology has been the best performing sector in EM and represents around a fifth of the MSCI Emerging Market Index. We believe the sector remains a fantastic long-term opportunity. Despite narratives around onshoring, the reality is that the global technology supply chain continues to be heavily reliant on companies within EM countries. These companies are essential for the advancement of global technology, provide investors with a diverse range of opportunities, and are trading at materially lower valuations than US peers.

We believe India is the greatest economic opportunity globally. Seizing its demographic dividend, its time has come. Importantly, there is a rich opportunity set within the country given the presence of companies with long-term structural growth potential and well-regarded management teams. These range from luxury retailers harnessing the power of technology in a market historically reliant on in-person service to retail and corporate banks reaching historically underpenetrated parts of the market using technology and innovative business practices, or global industry-leading materials companies driving a positive change in an environmentally lagging sector. We expect these types of companies to continue to ride the wave of the Indian economic opportunity.

**Alastair Reynolds CFA, Divya Mathur CFA, Andrew Mathewson CFA, Colin Dishington CFA, Paul Desoisa CFA, Paul Sloane & Aimee Truesdale**  
Fund Managers  
31 March 2024

# FTF Martin Currie Emerging Markets Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	119.92	119.34
Return before operating charges <sup>1</sup>	(0.15)	1.01
Operating charges <sup>2</sup>	(0.67)	(0.43)
Return after operating charges <sup>3</sup>	(0.82)	0.58
Distributions	(1.35)	(0.79)
Retained distributions on accumulation shares	1.35	0.79
Closing net asset value per share	119.10	119.92
After direct transaction costs of <sup>4</sup>	(0.10)	(0.09)
<b>Performance</b>		
Return after charges <sup>5</sup>	(0.68)%	0.49%
<b>Other information</b>		
Closing net asset value (£)	633	637
Closing number of shares	531	531
Operating charges ratio <sup>6</sup>	0.58%	0.70%
Direct transaction costs <sup>4</sup>	0.09%	0.15%
<b>Prices (p)</b>		
Highest share price	123.05	128.47
Lowest share price	109.05	106.26
<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	379.81	378.81
Return before operating charges <sup>1</sup>	(0.19)	3.21
Operating charges <sup>2</sup>	(3.45)	(2.21)
Return after operating charges <sup>3</sup>	(3.64)	1.00
Distributions	(3.23)	-
Retained distributions on accumulation shares	3.23	-
Closing net asset value per share	376.17	379.81
After direct transaction costs of <sup>4</sup>	(0.32)	(0.30)
<b>Performance</b>		
Return after charges <sup>5</sup>	(0.96)%	0.26%
<b>Other information</b>		
Closing net asset value (£)	17,106,534	13,479,651
Closing number of shares	4,547,603	3,549,023
Operating charges ratio <sup>6</sup>	0.94%	1.13%
Direct transaction costs <sup>4</sup>	0.09%	0.15%
<b>Prices (p)</b>		
Highest share price	389.42	407.12
Lowest share price	344.85	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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Martin Currie Emerging Markets Fund

## COMPARATIVE TABLES *(Continued)*

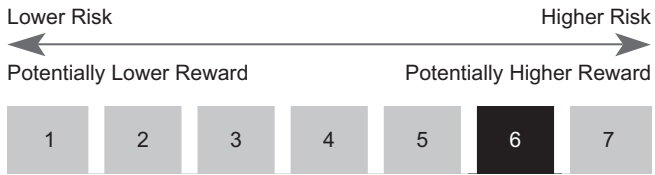
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\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Martin Currie Emerging Markets Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 99.82% (99.53%)</b>		
	<b>AFRICA 1.28% (0.00%)</b>		
	<b>SOUTH AFRICA</b>		
2,505	Capitec Bank .....	219	1.28
	TOTAL - AFRICA .....	219	1.28
	<b>ASIA 78.37% (82.07%)</b>		
	<b>CHINA</b>		
44,928	Alibaba .....	319	1.86
2,860	Alibaba ADR <sup>†</sup> .....	164	0.96
93,500	China Merchants Bank .....	292	1.71
11,320	Contemporary Amperex Technology .....	235	1.37
2,974	JD.com .....	32	0.19
6,421	JD.com ADR <sup>†</sup> .....	139	0.81
28,196	Meituan .....	276	1.61
154,000	Minth .....	192	1.12
73,500	Ping An Insurance of China .....	246	1.44
11,200	Proya Cosmetics .....	117	0.68
78,000	Shanghai Fosun Pharmaceutical .....	101	0.59
31,500	Shenzhen Inovance Technology .....	210	1.23
2,600	Shenzhen Mindray Bio-Medical Electronics .....	80	0.47
32,764	Tencent .....	1,007	5.89
54,000	Wuxi Biologics Cayman .....	78	0.46
228,000	Xinyi Solar .....	140	0.82
		3,628	21.21
	<b>HONG KONG</b>		
51,301	AIA .....	273	1.60
	<b>INDIA</b>		
7,436	Asian Paints .....	202	1.18
44,086	HDFC Bank .....	605	3.54
53,849	ICICI Bank .....	560	3.27
16,022	Kotak Mahindra Bank .....	272	1.59
2,843	Maruti Suzuki India .....	339	1.98
19,340	Reliance Industries .....	545	3.19
7,203	Tata Consultancy Services .....	265	1.55
13,892	Titan .....	501	2.93
2,624	UltraTech Cement .....	242	1.41
		3,531	20.64
	<b>INDONESIA</b>		
613,700	Bank Negara Indonesia Persero .....	180	1.05
1,244,535	Bank Rakyat Indonesia Persero .....	374	2.18
867,200	Telkom Indonesia Persero .....	150	0.88
		704	4.11
	<b>PHILIPPINES</b>		
114,390	Robinsons Retail .....	60	0.35
	<b>SOUTH KOREA</b>		
856	LG Chem .....	221	1.29
195	LG Energy Solution .....	46	0.27
1,173	NAVER .....	129	0.76
1,390	Samsung Electronics .....	1,636	9.56
585	Samsung SDI .....	162	0.95
7,763	SK Hynix .....	835	4.88
		3,029	17.71

## FTF Martin Currie Emerging Markets Fund

### PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>TAIWAN</b>		
32,000	Delta Electronics .....	270	1.58
18,000	Globalwafers .....	257	1.50
86,000	Taiwan Semiconductor Manufacturing .....	1,655	9.67
		<u>2,182</u>	<u>12.75</u>
	TOTAL - ASIA	<u>13,407</u>	<u>78.37</u>
	<b>CENTRAL AMERICA 4.85% (4.35%)</b>		
	<b>MEXICO</b>		
47,300	Grupo Financiero Banorte .....	398	2.33
78,766	Orbia Advance .....	130	0.76
94,800	Wal-Mart de Mexico .....	302	1.76
		<u>830</u>	<u>4.85</u>
	TOTAL - CENTRAL AMERICA	<u>830</u>	<u>4.85</u>
	<b>MIDDLE EAST 2.64% (1.81%)</b>		
	<b>SAUDI ARABIA</b>		
19,326	Al Rajhi Bank .....	339	1.98
1,704	Dr Sulaiman Al Habib Medical Services .....	113	0.66
		<u>452</u>	<u>2.64</u>
	TOTAL - MIDDLE EAST	<u>452</u>	<u>2.64</u>
	<b>NORTH AMERICA 0.75% (1.39%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
585	EPAM Systems .....	128	0.75
	TOTAL - NORTH AMERICA	<u>128</u>	<u>0.75</u>
	<b>SOUTH AMERICA 11.93% (9.91%)</b>		
	<b>BRAZIL</b>		
112,800	B3 - Brasil Bolsa Balcao .....	214	1.25
111,400	Cosan .....	285	1.67
68,400	Odontoprev .....	132	0.77
47,700	WEG .....	288	1.68
		<u>919</u>	<u>5.37</u>
	<b>CHILE</b>		
22,826	Antofagasta .....	465	2.72
	<b>PERU</b>		
1,058	Credicorp .....	142	0.83
	<b>URUGUAY</b>		
2,089	Globant .....	334	1.96
151	MercadoLibre .....	180	1.05
		<u>514</u>	<u>3.01</u>
	TOTAL - SOUTH AMERICA	<u>2,040</u>	<u>11.93</u>
	TOTAL - EQUITIES	<u>17,076</u>	<u>99.82</u>
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<u>17,076</u>	<u>99.82</u>
	<b>OTHER ASSETS</b> .....	<u>31</u>	<u>0.18</u>
	<b>TOTAL NET ASSETS</b> .....	<u>17,107</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital losses	2		(249)		(44)
Revenue	3	324		77	
Expenses	4	(153)		(81)	
Interest payable and similar charges	5	-		(1)	
Net revenue/(expense) before taxation		171		(5)	
Taxation	6	(88)		(11)	
Net revenue/(expense) after taxation			83		(16)
<b>Total return before distributions</b>			<b>(166)</b>		<b>(60)</b>
Distributions	7		(134)		-
<b>Change in net assets attributable to shareholders</b>			<b>(300)</b>		<b>(60)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		13,480		-
In-specie transfer	-		14,657	
Amounts received on creation of shares	5,794		2,021	
Amounts paid on cancellation of shares	(2,020)		(3,145)	
		3,774		13,533
Dilution adjustment		6		7
Change in net assets attributable to shareholders from investment activities (see above)		(300)		(60)
Retained distribution on accumulation shares		147		-
<b>Closing net assets attributable to shareholders</b>		<b>17,107</b>		<b>13,480</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		17,076	13,417
Current assets			
Debtors	8	34	66
Cash and bank balances	9	132	45
Total assets		17,242	13,528
<b>Liabilities</b>			
Creditors			
Other creditors	10	(135)	(48)
Total liabilities		(135)	(48)
<b>Net assets attributable to shareholders</b>		<b>17,107</b>	<b>13,480</b>



# FTF Martin Currie Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital losses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities losses	(237)	(26)
Currency losses	(12)	(18)
	<u>(249)</u>	<u>(44)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	2	-
Overseas dividends	313	77
UK dividends	9	-
	<u>324</u>	<u>77</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	122	54
ACD's administration charge	8	4
ACD Waiver	-	(17)
	<u>130</u>	<u>41</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	2	1
Safe custody fees	(2)	13
	<u>-</u>	<u>14</u>
<b>Other expenses:</b>		
Audit fees	18	11
Legal and publication fees	(4)	5
Other	9	10
	<u>23</u>	<u>26</u>
	<u>153</u>	<u>81</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	1
<b>Total interest payable and similar charges</b>	<u>-</u>	<u>1</u>

# FTF Martin Currie Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	37	12
Overseas tax on capital gains	51	(1)
Total current tax	88	11
<b>Total taxation (see Note 6(b))</b>	<b>88</b>	<b>11</b>

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

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue/(expenses) before taxation	171	(5)
Corporation tax at 20% (2023: 20%)	34	(1)
Effects of:		
Movement in unrecognised tax losses	29	16
Overseas tax	37	12
Overseas tax on capital gains	51	(1)
Revenue not subject to tax	(63)	(15)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>88</b>	<b>11</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £45,000 (2023: £16,000) due to tax losses of £223,000 (2023: £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.

### 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 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	147	-
	147	-
Add: Revenue deducted on cancellation of shares	15	-
Deduct: Revenue received on issue of shares	(28)	-
<b>Total distribution</b>	<b>134</b>	<b>-</b>

# FTF Martin Currie Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue/(expense) after taxation	83	(16)
Revenue deficit payable from capital	-	16
Tax charge taken from capital account	51	-
<b>Total distribution</b>	<b>134</b>	<b>-</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 199.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	23	30
Accrued Manager's charge rebates	-	7
Amounts receivable for issue of shares	-	28
Currency sales awaiting settlement	11	-
Overseas capital gains tax provision	-	1
	<b>34</b>	<b>66</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	132	45
<b>Total cash and bank balances</b>	<b>132</b>	<b>45</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	43	48
Amounts payable for cancellation of shares	30	-
Currency purchases awaiting settlement	12	-
Overseas capital gains tax provision	50	-
	<b>135</b>	<b>48</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £11,000 (2023: £2,000).

As at 31 March 2024, Legg Mason International Holdings L.P held 100% of the shares in issue of Class EB Accumulation (100% as at 31 March 2023).

# FTF Martin Currie Emerging Markets 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.

Currency	31 March 2024	31 March 2023
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Brazilian Real	922	799
China Yuan Renminbi	642	576
Hong Kong Dollar	2,956	3,503
Indian Rupee	3,532	2,176
Indonesian Rupiah	711	473
Korean Won	1,396	1,074
Mexican Peso	830	586
New Taiwan Dollar	2,188	1,793
Philippines Peso	60	68
Saudi Arabia Riyal	456	248
South African Rand	219	-
United States Dollar	2,723	1,877
	<b>16,635</b>	<b>13,173</b>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £1,664,000 (2023: £1,317,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £1,708,000 (2023: £1,341,700). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal £000	Commissions £000	Taxes and other £000	Total cost £000	Commissions % of principal	Taxes and other % of principal
<b>Purchases</b>						
Equities	7,047	3	5	7,055	0.04	0.07
<b>Sales</b>						
Equities	3,174	(2)	(4)	3,168	(0.06)	(0.13)
Total cost of the Fund's average net asset value (%)		<b>0.03%</b>	<b>0.06%</b>			

# FTF Martin Currie Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	9,897	8	5	9,910	0.08	0.05
Bonds	2	-	-	2	-	-
Inspecie transfers	13,676	-	-	13,676	-	-
	<b>23,575</b>	<b>8</b>	<b>5</b>	<b>23,588</b>		
<b>Sales</b>						
Equities	2,884	(1)	(3)	2,880	(0.03)	(0.10)
Collective Investment schemes	7,212	(4)	-	7,208	(0.06)	-
	<b>10,096</b>	<b>(5)</b>	<b>(3)</b>	<b>10,088</b>		
Total cost of the Fund's average net asset value (%)		<b>0.09%</b>	<b>0.06%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.17% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Accumulation	531	-	-	-	531
W Accumulation	3,549,023	1,555,358	(556,778)	-	4,547,603

# 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.

Fair Value Hierarchy	31 March 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	17,076	-	13,417	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>17,076</b>	<b>-</b>	<b>13,417</b>	<b>-</b>

# FTF Martin Currie Emerging Markets Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023* Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	1.3534	-	1.3534	0.7906
Group 2	1.3534	0.0000	1.3534	0.7906
<b>W Accumulation</b>				
Group 1	3.2274	-	3.2274	0.0000
Group 2	1.3620	1.8654	3.2274	0.0000

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 March 2023.

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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).

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.

#### *Other investments*

The Fund may also invest 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. 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 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.

#### *Geographic location (where we invest)*

The Fund focuses on investments in Europe (excluding the UK) although up to 20% of the Fund's investments could be in non-European countries.

#### *How we select investments (investment strategy)*

The Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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 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.



# FTF Martin Currie European Unconstrained Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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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.

### *ESG (environmental, social, and governance) factors*

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:

- 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.

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.

# FTF Martin Currie European Unconstrained Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie European Unconstrained Fund (W Accumulation) returned 14.74%, whilst its benchmark - the MSCI Europe ex UK Net Dividends Index - returned 12.65% (both returns in UK sterling).

### OVERVIEW

The global equity market delivered positive returns on the whole over the 12-month period ending March 31, 2024, with markets witnessing a see-saw performance during the first half but remaining on an upward trajectory during the second half. From a regional perspective, the first half saw US equities outperforming non-US equities, while developed markets outperformed emerging markets. In terms of style leadership, Growth continued to outperform Value in global equities. However, this was much more pronounced in the US thanks to a handful of large-cap technology stocks that extended their rally on rising expectations of generative artificial intelligence (AI), which highlights some narrowness in the market. In contrast, emerging market (EM) stocks finished the period with a small gain due to fading enthusiasm over China's immediate recovery. The period also saw concerns around US regional banks which weighed on the market. The prospect of a collapse of First Republic Bank became apparent in April, at which point JPMorgan stepped in to purchase the company.

After a sell-off in the second quarter owing to a hawkish stance by the US Federal Reserve, the latter half of the period saw market registering gains on the back of indications from the central bank that rate hiking cycle has ended and the resulting optimism around rate cuts. In fact, market participants are now pricing in three rate cuts of 25 basis points in 2024. The performance was also driven by easing inflation prints from the US and Europe, overall resilient economic data and relatively strong earnings results, which outweighed the impact of stickier inflation. Investor sentiment was effectively supported by optimism over a soft-landing scenario. From a regional perspective, developed markets outperformed emerging markets. In terms of style performance, Growth delivered stronger gains than Value, being more sensitive to the end of the policy rate hike cycle. Within developed markets, Japan was the best performing region in the last quarter of the reporting period, driven more by Value than Growth and in part helped by the Yen weakness. However, the US and Europe saw continued outperformance from Growth, led by the Technology sector. Whilst gains in US equities were again driven by the Magnificent 7 (Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta and Tesla), performance within this group was mixed. In comparison, Emerging markets delivered moderate gains, as concerns around China's growth prospects linger.

### SIGNIFICANT CHANGES

At the end of the period, the portfolio's largest sector exposures remain in Information Technology and Consumer Discretionary. At a country level, France and Italy represented the portfolio's biggest country weight in absolute terms. Over the period we bought BE Semiconductor Technologies and Adyen. We exited Allfunds and Kerry.

### POSITIVE/NEGATIVE CONTRIBUTORS

At a stock level, Italy's luxury car manufacturer Ferrari was the top performer followed by Dutch Technology firm ASML and US-listed company Linde. The largest detractors were French luxury goods group Kering, U.K. Health Care Oxford Nanopore Technologies and French Consumer Staples company Pernod Ricard.

At a sector level, Information Technology and Industrials provided the strongest contribution. Health Care and Consumer Staples were the only sectors to provide a negative contribution to returns for the period.

At a country level, the Netherlands and Italy were strong in their contribution in absolute terms. France and the United Kingdom were the biggest detractors.

### OUTLOOK

Looking into 2024, there are two aspects to consider in our view: on the negative side, the risk of a slowing economic momentum globally, as China's economic momentum continues to weaken amid lack of any policy initiatives and the rapid rate hikes in the US. Both could lead to a higher risk of recession in the US, and an ongoing risk of stagflation in Europe and the UK. This should feed into the continued downside risk to corporate earnings forecasts and a negative earnings momentum. On the more supportive side, we believe a pivot by central banks in H2 2024 towards rate cuts could provide support for equity markets generally, and for quality growth stocks in particular. Geopolitical risks and ongoing speculation around central banks' interest rate trajectory will likely continue to fuel a high degree of volatility across markets and intra-markets.

# FTF Martin Currie European Unconstrained Fund

## INVESTMENT REVIEW *(Continued)*

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In 2024, we foresee inflation to be stickier and longer lasting with slower economic growth, particularly in the US and China. In Europe and the UK, we continue to forecast ongoing stagflation. Despite the muted growth outlook, the expected pivot by the Western central banks has the potential to be supportive for equity markets and quality growth stocks in particular. As the market continues to speculate on central bank policies each time new inflation data is released, volatility should persist. However, we believe investors should focus on the bigger picture that monetary policies should be supportive for long duration quality growth stocks when central banks do pivot towards rate cut.

**Zehrid Osmani & Sam Cottrell, CFA**  
Fund Managers  
31 March 2024

# FTF Martin Currie European Unconstrained Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	162.75	134.82
Return before operating charges <sup>1</sup>	23.89	28.30
Operating charges <sup>2</sup>	(0.70)	(0.37)
Return after operating charges <sup>3</sup>	23.19	27.93
Distributions	(1.07)	(0.12)
Retained distributions on accumulation shares	1.07	0.12
Closing net asset value per share	185.94	162.75
After direct transaction costs of <sup>4</sup>	(0.09)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	14.25%	20.72%
<b>Other information</b>		
Closing net asset value (£)	12,450,400	45,354,073
Closing number of shares	6,695,806	27,866,964
Operating charges ratio <sup>6</sup>	0.43%	0.48%
Direct transaction costs <sup>4</sup>	0.05%	0.05%
<b>Prices (p)</b>		
Highest share price	187.69	164.26
Lowest share price	141.28	131.11
<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	719.02	596.84
Return before operating charges <sup>1</sup>	105.20	125.21
Operating charges <sup>2</sup>	(6.02)	(3.03)
Return after operating charges <sup>3</sup>	99.18	122.18
Distributions	(3.14)	-
Retained distributions on accumulation shares	3.14	-
Closing net asset value per share	818.20	719.02
After direct transaction costs of <sup>4</sup>	(0.38)	(0.16)
<b>Performance</b>		
Return after charges <sup>5</sup>	13.79%	20.47%
<b>Other information</b>		
Closing net asset value (£)	22,840,794	24,536,065
Closing number of shares	2,791,583	3,412,413
Operating charges ratio <sup>6</sup>	0.84%	0.88%
Direct transaction costs <sup>4</sup>	0.05%	0.05%
<b>Prices (p)</b>		
Highest share price	826.10	726.12
Lowest share price	622.76	580.30

# FTF Martin Currie European Unconstrained Fund

## COMPARATIVE TABLES (Continued)

<u>W Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	560.38	465.16
Return before operating charges <sup>1</sup>	81.62	97.58
Operating charges <sup>2</sup>	(4.67)	(2.36)
Return after operating charges <sup>3</sup>	76.95	95.22
Distributions	(2.45)	-
Closing net asset value per share	634.88	560.38
After direct transaction costs of <sup>4</sup>	(0.30)	(0.12)
<b>Performance</b>		
Return after charges <sup>5</sup>	13.73%	20.47%
<b>Other information</b>		
Closing net asset value (£)	1,518,406	2,254,681
Closing number of shares	239,165	402,347
Operating charges ratio <sup>6</sup>	0.84%	0.88%
Direct transaction costs <sup>4</sup>	0.05%	0.05%
<b>Prices (p)</b>		
Highest share price	641.01	565.91
Lowest share price	483.22	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.

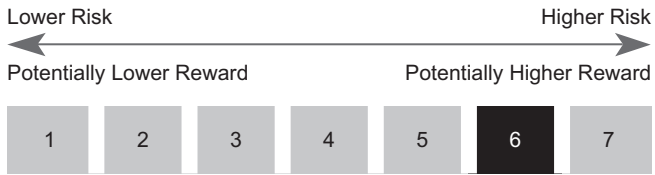
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Martin Currie European Unconstrained Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 99.46% (99.73%)</b>		
	<b>EUROPE - NON EU 4.64% (3.17%)</b>		
	<b>SWITZERLAND</b>		
1,509	Partners .....	1,708	4.64
	TOTAL - EUROPE - NON EU	1,708	4.64
	<b>EUROPE - OTHER EU 81.16% (79.92%)</b>		
	<b>DENMARK</b>		
13,850	Coloplast .....	1,484	4.03
	<b>FRANCE</b>		
39,469	Dassault Systemes .....	1,385	3.76
3,202	Kering .....	1,003	2.73
4,333	L'Oreal .....	1,625	4.41
6,144	Pernod Ricard .....	787	2.14
7,128	Sartorius Stedim Biotech .....	1,610	4.37
		6,410	17.41
	<b>GERMANY</b>		
18,010	Infineon Technologies .....	485	1.32
22,324	Nemetschek .....	1,752	4.76
		2,237	6.08
	<b>IRELAND</b>		
24,482	Kingspan .....	1,767	4.80
	<b>ITALY</b>		
10,490	Ferrari .....	3,623	9.84
53,964	Moncler .....	3,187	8.66
		6,810	18.50
	<b>NETHERLANDS</b>		
1,169	Adyen .....	1,566	4.25
4,680	ASML .....	3,570	9.70
9,789	BE Semiconductor Industries .....	1,187	3.23
		6,323	17.18
	<b>SWEDEN</b>		
73,439	Assa Abloy .....	1,677	4.56
123,966	Atlas Copco .....	1,659	4.51
160,568	Hexagon .....	1,507	4.09
		4,843	13.16
	TOTAL - EUROPE - OTHER EU	29,874	81.16
	<b>NORTH AMERICA 12.47% (12.63%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
7,738	Linde .....	2,843	7.72
1,658	Mettler-Toledo International .....	1,747	4.75
		4,590	12.47
	TOTAL - NORTH AMERICA	4,590	12.47
	<b>UNITED KINGDOM 1.19% (4.01%)</b>		
360,589	Oxford Nanopore Technologies .....	438	1.19
	TOTAL - UNITED KINGDOM	438	1.19
	TOTAL - EQUITIES	36,610	99.46

## 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 .....	36,610	99.46
	OTHER ASSETS .....	200	0.54
	TOTAL NET ASSETS .....	<u>36,810</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains	2		3,175		13,601
Revenue	3	762		264	
Expenses	4	(341)		(239)	
Interest payable and similar charges	5	-		(2)	
Net revenue before taxation		421		23	
Taxation	6	(82)		(19)	
Net revenue after taxation			339		4
<b>Total return before distributions</b>			<b>3,514</b>		<b>13,605</b>
Distributions	7		(403)		(37)
<b>Change in net assets attributable to shareholders</b>			<b>3,111</b>		<b>13,568</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>72,145</b>		<b>-</b>
In-specie transfer	-		73,589	
Amounts received on creation of shares	3,283		5,859	
Amounts paid on cancellation of shares	(42,124)		(20,924)	
		(38,841)		58,524
Dilution adjustment		16		14
Change in net assets attributable to shareholders from investment activities (see above)		3,111		13,568
Retained distribution on accumulation shares		379		39
<b>Closing net assets attributable to shareholders</b>		<b>36,810</b>		<b>72,145</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		36,610	71,952
Current assets			
Debtors	8	310	175
Cash and bank balances	9	170	424
Total assets		37,090	72,551
<b>Liabilities</b>			
Creditors			
Other creditors	10	(280)	(406)
Total liabilities		(280)	(406)
<b>Net assets attributable to shareholders</b>		<b>36,810</b>	<b>72,145</b>

# FTF Martin Currie European Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	3,131	13,633
Currency gains/(losses)	44	(32)
	<u>3,175</u>	<u>13,601</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	4	2
Overseas dividends	758	262
	<u>762</u>	<u>264</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	294	188
ACD's administration charge	28	19
ACD Waiver	-	(7)
	<u>322</u>	<u>200</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	5	5
Safe custody fees	(6)	12
	<u>(1)</u>	<u>17</u>
<b>Other expenses:</b>		
Audit fees	18	11
Legal and publication fees	(3)	5
Other	5	6
	<u>20</u>	<u>22</u>
	<u>341</u>	<u>239</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	2
<b>Total interest payable and similar charges</b>	<u>-</u>	<u>2</u>

# FTF Martin Currie European Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	82	19
Total current tax	82	19
<b>Total taxation (see Note 6(b))</b>	<b>82</b>	<b>19</b>

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

The tax assessed for the year is lower (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	421	23
Corporation tax at 20% (2023: 20%)	84	5
Effects of:		
Movement in unrecognised tax losses	67	48
Overseas tax	82	19
Revenue not subject to tax	(151)	(53)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>82</b>	<b>19</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £115,000 (2023: £48,000) due to tax losses of £575,000 (2023: £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:

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	10	-
Accumulation	379	34
	389	34
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	-	5
	-	5
Add: Revenue deducted on cancellation of shares	19	2
Deduct: Revenue received on issue of shares	(5)	(4)
<b>Total distribution</b>	<b>403</b>	<b>37</b>

# FTF Martin Currie European Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	339	4
Capitalised amounts	-	(3)
Revenue deficit payable from capital	64	36
<b>Total distribution</b>	<b>403</b>	<b>37</b>

Details of the distribution in pence per share for this Fund are set out in the table on pages 215 and 216.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	-	13
Accrued Manager's charge rebates	-	4
Amounts receivable for issue of shares	-	11
Currency sales awaiting settlement	9	11
Overseas tax recoverable	149	136
Sales awaiting settlement	152	-
	<b>310</b>	<b>175</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	170	424
<b>Total cash and bank balances</b>	<b>170</b>	<b>424</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	45	70
Amounts payable for cancellation of shares	226	325
Currency purchases awaiting settlement	9	11
	<b>280</b>	<b>406</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £21,000 (2023: £30,000).

# FTF Martin Currie European Unconstrained 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.

Currency	31 March 2024	31 March 2023
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Danish Krone	1,512	3,000
Euro	23,790	46,699
Swedish Krona	4,872	9,368
Swiss Franc	1,708	2,291
United States Dollar	4,590	9,109
	<b>36,472</b>	<b>70,467</b>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £3,647,000 (2023: £7,047,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £3,661,000 (2023: £7,195,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal £000	Commissions £000	Taxes and other £000	Total cost £000	Commissions % of principal	Taxes and other % of principal
<b>Purchases</b>						
Equities	10,102	4	9	10,115	0.04	0.09
<b>Sales</b>						
Equities	48,604	(16)	-	48,588	(0.03)	-
Total cost of the Fund's average net asset value (%)		<b>0.03%</b>	<b>0.02%</b>			

# FTF Martin Currie European Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	9,955	4	22	9,981	0.04	0.22
Inspecie transfers	72,798	-	-	72,798	-	-
	<b>82,753</b>	<b>4</b>	<b>22</b>	<b>82,779</b>		
<b>Sales</b>						
Equities	24,410	(7)	-	24,403	(0.03)	-
Total cost of the Fund's average net asset value (%)		<b>0.02%</b>	<b>0.03%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.08% (2023: 0.09%).

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 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Accumulation	27,866,964	1,307,116	(22,490,588)	12,314	6,695,806
W Accumulation	3,412,413	139,361	(757,395)	(2,796)	2,791,583
W Income	402,347	24,693	(187,875)	-	239,165

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	36,610	-	71,952	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>36,610</b>	<b>-</b>	<b>71,952</b>	<b>-</b>

# FTF Martin Currie European Unconstrained Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	0.8719	-	0.8719	n/a
Group 2	0.7892	0.0827	0.8719	n/a
<b>W Accumulation</b>				
Group 1	3.1381	-	3.1381	n/a
Group 2	2.6845	0.4536	3.1381	n/a
<b>W Income</b>				
Group 1	2.4459	-	2.4459	n/a
Group 2	2.0200	0.4259	2.4459	n/a

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	0.0105	-	0.0105	n/a
Group 2	0.0000	0.0105	0.0105	n/a
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	n/a
Group 2	0.0000	0.0000	0.0000	n/a
<b>W Income</b>				
Group 1	0.0000	-	0.0000	n/a
Group 2	0.0000	0.0000	0.0000	n/a

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022* Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	0.1860	-	0.1860	0.1006
Group 2	0.1063	0.0797	0.1860	0.1006
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W Income</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 December 2022.

# FTF Martin Currie European Unconstrained Fund

## DISTRIBUTION TABLES (Continued)

For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>EB Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0181
Group 2	0.0000	0.0000	0.0000	0.0181
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W Income</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

The Fund invests at least 80% of its assets in shares of companies which are incorporated or domiciled anywhere in the world, including in China and in emerging markets (countries whose economy and financial markets are still developing, such as those which are included within the MSCI Emerging Markets 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.

#### *Other investments*

The Fund may also invest 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. 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 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.

#### *Geographic location (where we invest)*

The Fund can invest anywhere in the world.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

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. 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.

# FTF Martin Currie Global Unconstrained Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

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:

- 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.

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.

# FTF Martin Currie Global Unconstrained Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie Global Unconstrained Fund (W Accumulation) returned 19.33%, whilst its benchmark - the MSCI All Countries World Index - returned 20.60% (both returns in UK sterling).

### OVERVIEW

The global equity market delivered positive returns on the whole over the 12-month period ending March 31, 2024, with markets witnessing a see-saw performance during the first half but remaining on an upward trajectory during the second half. From a regional perspective, the first half saw US equities outperforming non-US equities, while developed markets outperformed emerging markets. In terms of style leadership, Growth continued to outperform Value in global equities. However, this was much more pronounced in the US thanks to a handful of large-cap technology stocks that extended their rally on rising expectations of generative artificial intelligence (AI), which highlights some narrowness in the market. In contrast, emerging market (EM) stocks finished the period with a small gain due to fading enthusiasm over China's immediate recovery. The period also saw concerns around US regional banks, which weighed on the market. The prospect of a collapse of First Republic Bank became apparent in April, at which point JPMorgan stepped in to purchase the company.

After a sell-off in the second quarter owing to a hawkish stance by the US Federal Reserve, the latter half of the period saw market registering gains on the back of indications from the central bank that rate hiking cycle has ended and the resulting optimism around rate cuts. In fact, market participants are now pricing in three rate cuts of 25 basis points in 2024. The performance was also driven by easing inflation prints from the US and Europe, overall resilient economic data and relatively strong earnings results, which outweighed the impact of stickier inflation. Investor sentiment was effectively supported by optimism over a soft-landing scenario. From a regional perspective, developed markets outperformed emerging markets. In terms of style performance, Growth delivered stronger gains than Value, being more sensitive to the end of the policy rate hike cycle. Within developed markets, Japan was the best performing region in the last quarter of the reporting period, driven more by Value than Growth and in part helped by the Yen weakness. However, the US and Europe saw continued outperformance from Growth, led by the Technology sector. Whilst gains in US equities were again driven by the Magnificent 7 (Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta and Tesla), performance within this group was mixed. In comparison, Emerging markets delivered moderate gains, as concerns around China's growth prospects linger.

### SIGNIFICANT CHANGES

At the end of the period, the portfolio's largest sector exposure was in Information Technology followed by Health Care and Consumer Discretionary. At a country level, the US, France and the Netherlands represented the portfolio's biggest country weight in absolute terms. Purchases over the period were Adyen, Mettler-Toledo International, Cadence Design Systems, IDEXX Laboratories, Sartorius Stedim Biotech and Estée Lauder. Sales included Adobe, AIA, ANSYS, Masimo, Wuxi Biologics Cayman and Kerry.

### POSITIVE/NEGATIVE CONTRIBUTORS

At a stock level, US-based Technology companies NVIDIA and Microsoft were the top performers. The largest detractors were French luxury goods group Kering, and Health Care companies Masimo and Wuxi Biologics Cayman.

At a sector level, Information Technology and Industrials provided the strongest contribution. Health Care and Consumer Staples were the only sectors to provide a negative contribution to returns for the period.

At a country level, the United States, the Netherlands and Italy were strong in their contribution in absolute terms. France, China and the United Kingdom were the biggest detractors.

### OUTLOOK

Looking into 2024, there are two aspects to consider in our view: on the negative side, the risk of a slowing economic momentum globally, as China's economic momentum continues to weaken amid lack of any policy initiatives and the rapid rate hikes in the US. Both could lead to a higher risk of recession in the US, and an ongoing risk of stagflation in Europe and the UK. This should feed into the continued downside risk to corporate earnings forecasts and a negative earnings momentum. On the more supportive side, we believe a pivot by central banks in the 2nd half of 2024 towards rate cuts could provide support for equity markets generally, and for quality growth stocks in particular. Geopolitical risks and ongoing speculation around central banks' interest rate trajectory will likely continue to fuel a high degree of volatility across markets and intra-markets.

## FTF Martin Currie Global Unconstrained Fund

### INVESTMENT REVIEW *(Continued)*

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In 2024, we foresee inflation to be stickier and longer lasting with slower economic growth, particularly in the US and China. In Europe and the UK, we continue to forecast ongoing stagflation. Despite the muted growth outlook, the expected pivot by the Western central banks has the potential to be supportive for equity markets and quality growth stocks in particular. As the market continues to speculate on central bank policies each time new inflation data is released, volatility should persist. However, we believe investors should focus on the bigger picture that monetary policies should be supportive for long duration quality growth stocks when central banks do pivot towards rate cut.

**Yulia Hofstede & Zehrid Osmani**

Fund Managers

31 March 2024

# FTF Martin Currie Global Unconstrained Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>EB Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	113.81	97.15
Return before operating charges <sup>1</sup>	21.69	16.98
Operating charges <sup>2</sup>	(0.60)	(0.32)
Return after operating charges <sup>3</sup>	21.09	16.66
Distributions	(0.59)	-
Closing net asset value per share	134.31	113.81
After direct transaction costs of <sup>4</sup>	(0.06)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	18.53%	17.15%
<b>Other information</b>		
Closing net asset value (£)	5,532,802	4,354,912
Closing number of shares	4,119,309	3,826,339
Operating charges ratio <sup>6</sup>	0.52%	0.59%
Direct transaction costs <sup>4</sup>	0.05%	0.06%
<b>Prices (p)</b>		
Highest share price	135.34	113.00
Lowest share price	102.80	94.03
<b>W Accumulation</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	234.40	200.44
Return before operating charges <sup>1</sup>	44.72	35.04
Operating charges <sup>2</sup>	(2.05)	(1.08)
Return after operating charges <sup>3</sup>	42.67	33.96
Distributions	(0.64)	-
Retained distributions on accumulation shares	0.64	-
Closing net asset value per share	277.07	234.40
After direct transaction costs of <sup>4</sup>	(0.12)	(0.07)
<b>Performance</b>		
Return after charges <sup>5</sup>	18.20%	16.94%
<b>Other information</b>		
Closing net asset value (£)	32,611,371	29,829,184
Closing number of shares	11,769,919	12,726,010
Operating charges ratio <sup>6</sup>	0.86%	0.96%
Direct transaction costs <sup>4</sup>	0.05%	0.06%
<b>Prices (p)</b>		
Highest share price	279.22	232.83
Lowest share price	212.23	193.95

# FTF Martin Currie Global Unconstrained Fund

## COMPARATIVE TABLES (Continued)

<u>W Income</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	154.42	132.05
Return before operating charges <sup>1</sup>	29.40	23.08
Operating charges <sup>2</sup>	(1.35)	(0.71)
Return after operating charges <sup>3</sup>	28.05	22.37
Distributions	(0.42)	-
Closing net asset value per share	182.05	154.42
After direct transaction costs of <sup>4</sup>	(0.08)	(0.05)
<b>Performance</b>		
Return after charges <sup>5</sup>	18.16%	16.94%
<b>Other information</b>		
Closing net asset value (£)	11,423,419	10,397,473
Closing number of shares	6,274,889	6,733,253
Operating charges ratio <sup>6</sup>	0.86%	0.96%
Direct transaction costs <sup>4</sup>	0.05%	0.06%
<b>Prices (p)</b>		
Highest share price	183.46	153.39
Lowest share price	139.45	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.

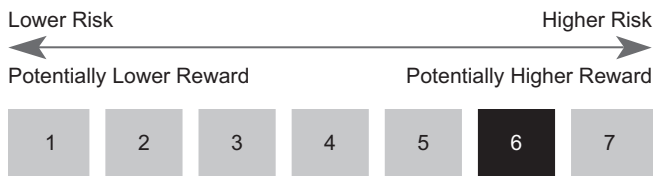
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Martin Currie Global Unconstrained Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.19% (99.79%)</b>		
	<b>ASIA 0.00% (5.32%)</b>		
	<b>AUSTRALIA 2.89% (2.94%)</b>		
9,624	CSL .....	1,431	2.89
	TOTAL - AUSTRALIA	1,431	2.89
	<b>EUROPE - OTHER EU 44.64% (44.10%)</b>		
	<b>DENMARK</b>		
12,972	Coloplast .....	1,390	2.80
	<b>FRANCE</b>		
2,401	Kering .....	752	1.52
4,702	L'Oreal .....	1,763	3.55
7,341	Pernod Ricard .....	941	1.90
8,312	Sartorius Stedim Biotech .....	1,878	3.79
		5,334	10.76
	<b>IRELAND</b>		
24,296	Kingspan .....	1,754	3.54
	<b>ITALY</b>		
6,951	Ferrari .....	2,401	4.85
33,084	Moncler .....	1,954	3.94
		4,355	8.79
	<b>NETHERLANDS</b>		
1,464	Adyen .....	1,961	3.96
4,128	ASML .....	3,149	6.35
		5,110	10.31
	<b>SWEDEN</b>		
52,564	Assa Abloy .....	1,200	2.42
137,362	Atlas Copco .....	1,839	3.71
121,877	Hexagon .....	1,144	2.31
		4,183	8.44
	TOTAL - EUROPE - OTHER EU	22,126	44.64
	<b>NORTH AMERICA 48.64% (45.50%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
5,344	Autodesk .....	1,101	2.22
6,872	Cadence Design Systems .....	1,692	3.41
11,863	Estee Lauder .....	1,446	2.92
2,226	IDEXX Laboratories .....	951	1.92
15,257	Illumina .....	1,658	3.35
6,467	Linde .....	2,376	4.79
4,755	Mastercard .....	1,810	3.65
1,220	Mettler-Toledo International .....	1,286	2.60
8,458	Microsoft .....	2,812	5.67
11,353	NIKE .....	844	1.70
6,559	NVIDIA .....	4,686	9.45
7,946	ResMed .....	1,245	2.51
6,324	Veeva Systems .....	1,160	2.34
7,787	Zoetis .....	1,043	2.11
		24,110	48.64
	TOTAL - NORTH AMERICA	24,110	48.64
	<b>UNITED KINGDOM 2.02% (1.93%)</b>		
20,439	Croda International .....	1,002	2.02
	TOTAL - UNITED KINGDOM	1,002	2.02
	TOTAL - EQUITIES	48,669	98.19



## FTF Martin Currie Global Unconstrained Fund

### PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	TOTAL VALUE OF INVESTMENTS .....	48,669	98.19
	OTHER ASSETS .....	899	1.81
	TOTAL NET ASSETS .....	<u>49,568</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains	2		7,484		6,423
Revenue	3	426		93	
Expenses	4	(362)		(195)	
Interest payable and similar charges	5	-		(1)	
Net revenue/(expense) before taxation		64		(103)	
Taxation	6	22		23	
Net revenue/(expense) after taxation			86		(80)
<b>Total return before distributions</b>			<b>7,570</b>		<b>6,343</b>
Distributions	7		(132)		-
<b>Change in net assets attributable to shareholders</b>			<b>7,438</b>		<b>6,343</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>44,582</b>		<b>-</b>
In-specie transfer	-		36,440	
Amounts received on creation of shares	1,856		7,587	
Amounts paid on cancellation of shares	(4,387)		(5,798)	
		(2,531)		38,229
Dilution adjustment		-		10
Change in net assets attributable to shareholders from investment activities (see above)		7,438		6,343
Retained distribution on accumulation shares		79		-
<b>Closing net assets attributable to shareholders</b>		<b>49,568</b>		<b>44,582</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		48,669	44,487
Current assets			
Debtors	8	113	105
Cash and bank balances	9	930	124
Total assets		49,712	44,716
<b>Liabilities</b>			
Creditors			
Other creditors	10	(144)	(134)
Total liabilities		(144)	(134)
<b>Net assets attributable to shareholders</b>		<b>49,568</b>	<b>44,582</b>

# FTF Martin Currie Global Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	7,489	6,401
Currency (losses)/gains	(5)	22
	<u>7,484</u>	<u>6,423</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	3	-
Overseas dividends	405	92
UK dividends	18	1
	<u>426</u>	<u>93</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	312	152
ACD's administration charge	22	10
ACD Waiver	-	(7)
	<u>334</u>	<u>155</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	4	3
Safe custody fees	(4)	7
	<u>-</u>	<u>10</u>
<b>Other expenses:</b>		
Audit fees	20	12
Legal and publication fees	(4)	5
Other	12	13
	<u>28</u>	<u>30</u>
	<u>362</u>	<u>195</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	1
<b>Total interest payable and similar charges</b>	<u>-</u>	<u>1</u>

# FTF Martin Currie Global Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the credit for the year</b>		
Overseas tax	(22)	(23)
Total current tax	(22)	(23)
<b>Total taxation (see Note 6(b))</b>	<b>(22)</b>	<b>(23)</b>

### (b) Factors affecting the total tax credit for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue/(expenses) before taxation	64	(103)
Corporation tax at 20% (2023: 20%)	13	(21)
Effects of:		
Movement in unrecognised tax losses	72	39
Overseas tax	(22)	(23)
Revenue not subject to tax	(85)	(18)
<b>Total tax credit for the year (see Note 6(a))</b>	<b>(22)</b>	<b>(23)</b>

### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £111,000 (2023: £39,000) due to tax losses of £557,000 (2023: £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:

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	53	-
Accumulation	79	-
	132	-
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	2	-
Deduct: Revenue received on issue of shares	(2)	-
<b>Total distribution</b>	<b>132</b>	<b>-</b>

# FTF Martin Currie Global Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue/(expense) after taxation	86	(80)
Capitalised amounts	-	(1)
Revenue deficit payable from capital	46	81
<b>Total distribution</b>	<b>132</b>	<b>-</b>

Details of the distribution in pence per share for this Fund are set out in the table on pages 232 and 233.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	13	11
Accrued Manager's charge rebates	-	4
Amounts receivable for issue of shares	4	1
Currency sales awaiting settlement	7	3
Overseas tax recoverable	89	86
	<b>113</b>	<b>105</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	930	124
<b>Total cash and bank balances</b>	<b>930</b>	<b>124</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	71	67
Amounts payable for cancellation of shares	66	64
Currency purchases awaiting settlement	7	3
	<b>144</b>	<b>134</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £32,000 (2023: £24,000).

# FTF Martin Currie Global Unconstrained 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.

Currency	31 March 2024	31 March 2023
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Australian Dollar	1,440	1,316
Canadian Dollar	-	4
Danish Krone	1,404	1,648
Euro	16,615	13,862
Hong Kong Dollar	-	2,370
Swedish Krona	4,194	4,231
United States Dollar	24,113	20,288
	<u>47,766</u>	<u>43,719</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £4,777,000 (2023: £4,372,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £4,867,000 (2023: £4,449,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	12,101	5	9	12,115	0.04	0.07
<b>Sales</b>						
Equities	15,430	(5)	(3)	15,422	(0.03)	(0.02)
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.03%</u>			

# FTF Martin Currie Global Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	11,956	4	17	11,977	0.03	0.14
Inspecie transfers	36,197	-	-	36,197	-	-
	<b>48,153</b>	<b>4</b>	<b>17</b>	<b>48,174</b>		
<b>Sales</b>						
Equities	10,065	(3)	(2)	10,060	(0.03)	(0.02)
Total cost of the Fund's average net asset value (%)		<b>0.02%</b>	<b>0.04%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.06% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
EB Income	3,826,339	471,154	(108,284)	(69,900)	4,119,309
W Accumulation	12,726,010	423,696	(1,379,787)	-	11,769,919
W Income	6,733,253	119,335	(629,251)	51,552	6,274,889

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	48,669	-	44,487	-
Level 2	-	-	-	-
Level 3	-	-	-	-
<b>Total</b>	<b>48,669</b>	<b>-</b>	<b>44,487</b>	<b>-</b>

# FTF Martin Currie Global Unconstrained Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.3967	-	0.3967	n/a
Group 2	-	0.3967	0.3967	n/a
<b>W Accumulation</b>				
Group 1	0.6111	-	0.6111	n/a
Group 2	0.1850	0.4261	0.6111	n/a
<b>W Income</b>				
Group 1	0.4026	-	0.4026	n/a
Group 2	0.0561	0.3465	0.4026	n/a

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.1136	-	0.1136	n/a
Group 2	0.1136	0.0000	0.1136	n/a
<b>W Accumulation</b>				
Group 1	0.0291	-	0.0291	n/a
Group 2	0.0267	0.0024	0.0291	n/a
<b>W Income</b>				
Group 1	0.0184	-	0.0184	n/a
Group 2	0.0182	0.0002	0.0184	n/a

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022* Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.0820	-	0.0820	0.0042
Group 2	0.0000	0.0820	0.0820	0.0042
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W Income</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 December 2022.



## FTF Martin Currie Global Unconstrained Fund

### DISTRIBUTION TABLES *(Continued)*

For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>EB Income</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W Income</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

The Fund invests at least 80% of its assets in shares of Japanese companies.

#### *Other investments*

In addition, where, in the Investment Manager's opinion, attractive investment opportunities cannot be found or for liquidity management purposes, the Fund may also invest in:

- Cash or cash equivalents;
- 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 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.

#### *Geographic location (where we invest)*

The Fund focuses on investment in Japan.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

#### *ESG (environmental, social, and governance) factors*

In selecting investments, the Investment Manager also assesses ESG factors that could impact the ability of an issuer to generate future sustainable growth. These may include: 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.

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.

# FTF Martin Currie Japan Equity Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie Japan Equity Fund (W Accumulation) returned -11.27%, whilst its benchmark - the Japan TSE 1st Section (TOPIX) Index - returned 21.66% (both returns in UK sterling).

### OVERVIEW

In March 2024 the Bank of Japan finally ended their Negative Interest Rate Policy (NIRP), with the first hike in 17 years. The rate is now aiming at 0% to 0.1%. They also officially ended Yield Curve Control (YCC), although said the purchases of Japanese Government Bonds (JGBs) would likely continue at a similar pace. Finally, they announced the end to purchases of equity Exchange Traded Funds (ETFs), although in practice these have been minimal in the recent past.

The weak yen continues to be a feature of the market, despite the changes to monetary policy in Japan, as expectations for the US Federal Reserve to cut rates have reduced and the interest rate differential remains significant.

The Tokyo Stock Exchange (TSE) released a list of companies they believe have complied with their request to address how they are taking cost of capital into account and plan to raise returns in their corporate filings. This is a good step, although we note that the focus in the list is simply on including a section in the reports, not the content or indeed actual action of the companies.

The biggest contributors to the index return remain firmly the exporters and dollar earners, to which the fund has a relatively small exposure, and, more recently, financials as the expectations of rate rises have grown. Top sectors over the quarter were Autos, Brokers, Insurance, Oil, Real Estate, Banks and Wholesale (mostly commodity traders).

Underlying economic data continues to suggest areas in which the fund is invested heavily, for example human resource related companies and IT companies should be in a favourable environment. The Tankan, a short-term economic survey of enterprises in Japan, showed that non-manufacturing companies are more positive on trading conditions than their manufacturing counterparts despite the weak yen.

The spring wage announcements suggest that large companies will, on average, give workers a 5.25% increase from April onwards, a positive for consumption and companies whose revenue is linked to wage levels.

### SIGNIFICANT CHANGES

We continue to invest in quality growth companies with exposure to long term structural changes in the Japanese economy and society. There is no doubt we continue investing in these three areas – healthcare, digitalisation, and human resource, which address long term structural changes in Japan – namely the aging population, a need to digitalise and a labour shortage. One consequence of this is that the sector exposure was almost entirely domestic and had very few manufacturers and/or Japanese companies with large global exposure.

We believe there are investment opportunities here. In our investment process when we start looking at companies, we look at the long-term track record in terms of growth rates, profitability, and quality of balance sheet. Added to this, we employ multiple screening tools. The outcome would include Japanese companies with large overseas exposure including exporters and those which have significant manufacturing capability in local markets.

These are often closely aligned to the current themes. For example, we are interested to invest in factory automation, which is necessary because of a labour shortage and an ageing population. Semiconductors and related enabling technology are a crucial part of the picture when considering the move to digitalise. Dozens of Japanese companies have marked significantly above-average growth in the last 10 years, and we believe there are significant growth opportunities in the global players headquartered in Japan. In this context, we initiated positions in some companies including Keyence (a high-end sensor manufacturer), SMC (pneumatic equipment maker), Daikin Industries (global air conditioning manufacturer), and Shin-Etsu Chemical (fine chemical maker) during the quarter. Our aim is to continue searching for companies which we think can grow in excess of the overall market due to exposure to long term structural change wherever they may be found.

### POSITIVE/NEGATIVE CONTRIBUTORS

The biggest absolute contribution from a sector perspective came from our overweight exposure to Chemicals. At a stock level, M&A Research Institute, Kyudenko and Pan Pacific International were notable positive contributors to performance.

Elsewhere, Services (overweight) was the weakest performing sector. Within the portfolio, notable detractors from performance included Baycurrent, M3 and SMS.

# FTF Martin Currie Japan Equity Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

#### Japan's virtuous economic cycle is now in motion

Looking at the history of Japanese corporates, they have constantly reduced their debt over the last 20 years and the earnings power has been stronger than the past. What's particularly notable this time is the onset of inflation. After over two decades of deflation, corporations find themselves in a position to raise prices more easily, thereby significantly boosting profitability.

Furthermore, there has been a notable increase in labour market flexibility. Historically, Japan's labour market was rigid due to entrenched beliefs in lifetime employment and strict labour laws and regulations. However, the government has introduced various initiatives aimed at changing this, such as shifting towards performance-based pay rather than tenure-based pay, allowing side jobs, and implementing widespread reskilling programmes within companies. This increased flexibility in the labour market is expected to further enhance the earnings potential of Japanese corporations.

#### Tokyo Stock Exchange guidelines

Since Spring 2023, the TSE has introduced market reform initiatives aimed at encouraging companies to enhance capital efficiency, market valuations, and returns on equity. This has drawn attention to stocks trading below book value or with low Price-to-Book Ratio (PBR). However, the TSE has clarified that the objective of these initiatives is to foster sustainable growth, taking into account the cost of capital and return on capital. Consequently, the focus is anticipated to shift from low PBR stocks to companies capable of implementing growth strategies while combining with investment in research and development, human resources, capital expenditure, and reviewing their business portfolios.

Earlier this year, the TSE began disclosing the names of companies undertaking measures to enhance capital efficiency. In a recent interview with the TSE, it was confirmed that the exchange does not intend to scrutinise or assess the specifics of these measures. Instead, from now on, it aims to encourage investors to engage in dialogue with companies to facilitate further improvement.

Meanwhile, the emergence of activist investors is noteworthy as it exerts pressure on companies to enhance capital efficiency through various means, including reviewing business portfolios, board structures, and/or methods of shareholder returns.

#### Manager view

As the markets are (excessively) focused on interest rate cuts in the US, the short-term stability of the Japanese yen may be compromised. While a weaker yen, coupled with economic recovery, has favoured cyclical sectors, the departure from deflationary trends and companies' efforts towards improved returns and corporate governance are anticipated to increasingly shift market focus towards fundamental earnings power of companies.

If the yen were to stop weakening, we expect investors to focus on companies which can grow their earnings without such a tailwind. This would favour the type of companies making up the bulk of the fund, exposed to long-term structural change.

At Martin Currie, we continue investing in growth opportunities in Japan with a particular emphasis on Return on Equity and Return on Invested Capital. While many corporate leaders had previously prioritised earnings alone, there is now a growing recognition of the importance of scrutinising invested capital, including working capital, to attain greater return and even a flexibility in navigating business downturns. This evolution is welcomed as it fosters a sound management approach characterised by discipline.

#### **Paul Alan Danes**

Fund Manager

31 March 2024

# FTF Martin Currie Japan Equity Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	407.14	409.97
Return before operating charges <sup>1</sup>	(42.12)	(1.03)
Operating charges <sup>2</sup>	(2.95)	(1.80)
Return after operating charges <sup>3</sup>	(45.07)	(2.83)
Distributions	(1.09)	(1.21)
Retained distributions on accumulation shares	1.09	1.21
Closing net asset value per share	362.07	407.14
After direct transaction costs of <sup>4</sup>	(0.21)	(0.04)
<b>Performance</b>		
Return after charges <sup>5</sup>	(11.07)%	(0.69)%
<b>Other information</b>		
Closing net asset value (£)	174,788,536	333,920,812
Closing number of shares	48,274,387	82,016,855
Operating charges ratio <sup>6</sup>	0.82%	0.83%
Direct transaction costs <sup>4</sup>	0.06%	0.02%
<b>Prices (p)</b>		
Highest share price	413.88	442.00
Lowest share price	313.09	394.41
<u>W H2 Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	367.75	350.89
Return before operating charges <sup>1</sup>	31.73	18.45
Operating charges <sup>2</sup>	(3.03)	(1.59)
Return after operating charges <sup>3</sup>	28.70	16.86
Distributions	(1.34)	(1.08)
Retained distributions on accumulation shares	1.34	1.08
Closing net asset value per share	396.45	367.75
After direct transaction costs of <sup>4</sup>	(0.21)	(0.03)
<b>Performance</b>		
Return after charges <sup>5</sup>	7.80%	4.80%
<b>Other information</b>		
Closing net asset value (£)	34,070,193	52,582,931
Closing number of shares	8,593,782	14,298,382
Operating charges ratio <sup>6</sup>	0.82%	0.83%
Direct transaction costs <sup>4</sup>	0.06%	0.02%
<b>Prices (p)</b>		
Highest share price	405.85	397.26
Lowest share price	319.63	346.34

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Martin Currie Japan Equity Fund

## COMPARATIVE TABLES *(Continued)*

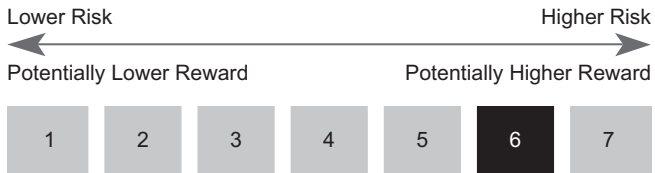
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\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Martin Currie Japan Equity Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.26% (98.37%)</b>		
	<b>AUTOMOBILE MANUFACTURERS 3.97% (0.00%)</b>		
568,800	Honda Motor.....	5,626	2.69
148,400	Subaru.....	2,676	1.28
		<u>8,302</u>	<u>3.97</u>
	<b>BIOTECHNOLOGY 0.00% (0.85%)</b>		
	<b>BUILDING MATERIALS 2.06% (0.00%)</b>		
39,900	Daikin Industries.....	4,298	2.06
	<b>CHEMICALS 4.14% (0.00%)</b>		
251,400	Shin-Etsu Chemical.....	8,656	4.14
	<b>COMMERCIAL SERVICES 12.24% (24.92%)</b>		
171,700	GMO Payment Gateway.....	8,653	4.14
479,900	Insource.....	2,287	1.09
242,900	LITALICO.....	2,693	1.29
140,900	Medley.....	3,401	1.63
178,600	Visional.....	8,548	4.09
		<u>25,582</u>	<u>12.24</u>
	<b>COMPUTERS 12.50% (14.73%)</b>		
329,500	BayCurrent Consulting.....	5,118	2.45
91,700	Obic.....	10,902	5.22
245,500	Simplex.....	3,630	1.74
338,800	UT.....	6,450	3.09
		<u>26,100</u>	<u>12.50</u>
	<b>DIVERSIFIED FINANCIAL SERVICES 4.76% (2.11%)</b>		
119,800	M&A Research Institute.....	4,361	2.09
323,700	ORIX.....	5,582	2.67
		<u>9,943</u>	<u>4.76</u>
	<b>ELECTRONICS 2.15% (0.00%)</b>		
53,500	Horiba.....	4,486	2.15
	<b>ENGINEERING &amp; CONSTRUCTION 4.51% (0.00%)</b>		
262,900	Kinden.....	3,705	1.77
172,200	Kyudenko.....	5,728	2.74
		<u>9,433</u>	<u>4.51</u>
	<b>HAND &amp; MACHINE TOOLS 2.11% (0.00%)</b>		
491,000	Amada.....	4,410	2.11
	<b>HEALTHCARE PRODUCTS 9.30% (1.81%)</b>		
472,300	Asahi Intecc.....	6,507	3.12
588,300	FUJIFILM.....	10,370	4.96
207,900	Nakanishi.....	2,556	1.22
		<u>19,433</u>	<u>9.30</u>
	<b>HEALTHCARE SERVICES 0.00% (2.65%)</b>		
	<b>INTERNET 13.47% (20.63%)</b>		
332,500	dip.....	4,781	2.29
525,900	M3.....	5,877	2.81
571,400	MonotaRO.....	5,429	2.60
655,900	SMS.....	8,867	4.25
159,200	ZOZO.....	3,168	1.52
		<u>28,122</u>	<u>13.47</u>
	<b>MACHINERY DIVERSIFIED 9.37% (0.00%)</b>		
25,600	Keyence.....	9,309	4.46
23,100	SMC.....	10,250	4.91
		<u>19,559</u>	<u>9.37</u>



# FTF Martin Currie Japan Equity Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>MISCELLANEOUS MANUFACTURING 1.74% (0.00%)</b>		
454,000	Nikon .....	3,633	1.74
	<b>OFFICE &amp; BUSINESS EQUIPMENT 0.00% (3.88%)</b>		
	<b>PHARMACEUTICALS 3.71% (3.49%)</b>		
499,000	Rohto Pharmaceutical .....	7,741	3.71
	<b>REAL ESTATE INVESTMENT &amp; SERVICES 0.00% (4.36%)</b>		
	<b>RETAIL 6.10% (12.00%)</b>		
106,300	Goldwin .....	5,483	2.63
343,300	Pan Pacific International .....	7,258	3.47
		12,741	6.10
	<b>SEMICONDUCTORS 1.26% (0.00%)</b>		
120,000	Kokusai Electric .....	2,627	1.26
	<b>SOFTWARE 2.32% (4.74%)</b>		
256,300	JMDC .....	4,838	2.32
	<b>TOYS, GAMES &amp; HOBBIES 2.55% (2.20%)</b>		
124,100	Nintendo .....	5,319	2.55
	<b>TOTAL - EQUITIES</b>	<b>205,223</b>	<b>98.26</b>
	<b>HEDGE SHARE CLASS DERIVATIVES 0.00% (0.28%)</b>		
	<b>HEDGE FORWARD CURRENCY CONTRACTS</b>		
GBP 34,406,908	Buy GBP 34,406,908 sell JPY (6,553,411,012) dated 30/04/2024 .....	(7)	0.00
GBP 25,652	Buy GBP 25,652 sell JPY (4,885,856) dated 30/04/2024 .....	-	0.00
GBP 670	Buy GBP 670 sell JPY (127,745) dated 30/04/2024 .....	-	0.00
GBP 165	Buy GBP 165 sell JPY (31,410) dated 30/04/2024 .....	-	0.00
GBP 1,475	Buy GBP 1,475 sell JPY (280,670) dated 30/04/2024 .....	-	0.00
GBP 10,410	Buy GBP 10,410 sell JPY (1,977,550) dated 30/04/2024 .....	-	0.00
JPY 1,880,169	Buy JPY 1,880,169 sell GBP (9,872) dated 30/04/2024 .....	-	0.00
JPY 8,442,388	Buy JPY 8,442,388 sell GBP (44,327) dated 30/04/2024 .....	-	0.00
JPY 1,126,294	Buy JPY 1,126,294 sell GBP (5,919) dated 30/04/2024 .....	-	0.00
JPY 225,976	Buy JPY 225,976 sell GBP (1,187) dated 30/04/2024 .....	-	0.00
JPY 30,082,585	Buy JPY 30,082,585 sell GBP (158,093) dated 30/04/2024 .....	-	0.00
JPY 40,454,091	Buy JPY 40,454,091 sell GBP (212,962) dated 30/04/2024 .....	(1)	0.00
JPY 8,698,467	Buy JPY 8,698,467 sell GBP (45,791) dated 30/04/2024 .....	-	0.00
		(8)	0.00
	<b>TOTAL - HEDGE SHARE CLASS DERIVATIVES</b>	<b>(8)</b>	<b>0.00</b>
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>205,215</b>	<b>98.26</b>
	<b>OTHER ASSETS</b> .....	<b>3,644</b>	<b>1.74</b>
	<b>TOTAL NET ASSETS</b> .....	<b>208,859</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital (losses)/gains	2		(34,747)		2,114
Revenue	3	3,278		3,662	
Expenses	4	(2,310)		(2,120)	
Interest payable and similar charges	5	(1)		(3)	
Net revenue before taxation		967		1,539	
Taxation	6	(322)		(360)	
Net revenue after taxation			645		1,179
<b>Total return before distributions</b>			<b>(34,102)</b>		<b>3,293</b>
Distributions	7		(645)		(1,179)
<b>Change in net assets attributable to shareholders</b>			<b>(34,747)</b>		<b>2,114</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>386,504</b>		<b>-</b>
In-specie transfer	-		545,361	
Amounts received on creation of shares	391		2,380	
Amounts paid on cancellation of shares	(143,930)		(164,544)	
		(143,539)		383,197
Dilution adjustment		-		47
Change in net assets attributable to shareholders from investment activities (see above)		(34,747)		2,114
Retained distribution on accumulation shares		641		1,146
<b>Closing net assets attributable to shareholders</b>		<b>208,859</b>		<b>386,504</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		205,223	381,302
Current assets			
Debtors	8	3,118	1,873
Cash and bank balances	9	2,678	4,868
Total assets		211,019	388,043
<b>Liabilities</b>			
Investment liabilities		(8)	(6)
Creditors			
Other creditors	10	(2,152)	(1,533)
Total liabilities		(2,160)	(1,539)
<b>Net assets attributable to shareholders</b>		<b>208,859</b>	<b>386,504</b>

# FTF Martin Currie Japan Equity Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital (losses)/gains

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities losses	(43,301)	(1,854)
Currency losses	(1,747)	(1,471)
Forward currency contracts	10,301	5,439
	<u>(34,747)</u>	<u>2,114</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	54	62
Overseas dividends	3,224	3,600
	<u>3,278</u>	<u>3,662</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	2,126	1,925
ACD's administration charge	142	128
ACD Waiver	-	(31)
	<u>2,268</u>	<u>2,022</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	22	35
Safe custody fees	(6)	35
	<u>16</u>	<u>70</u>
<b>Other expenses:</b>		
Audit fees	20	12
Legal and publication fees	(3)	5
Printing fees	(1)	1
VAT Reclaim	(1)	-
Other	11	10
	<u>26</u>	<u>28</u>
	<u>2,310</u>	<u>2,120</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	1	3
<b>Total interest payable and similar charges</b>	<u>1</u>	<u>3</u>

# FTF Martin Currie Japan Equity Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	322	360
Total current tax	322	360
<b>Total taxation (see Note 6(b))</b>	<b>322</b>	<b>360</b>

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

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	967	1,539
Corporation tax at 20% (2023: 20%)	193	308
Effects of:		
Movement in unrecognised tax losses	452	412
Overseas tax	322	360
Revenue not subject to tax	(645)	(720)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>322</b>	<b>360</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £864,000 (2023: £412,000) due to tax losses of £4,319,000 (2023: £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:

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	641	1,146
	641	1,146
Add: Revenue deducted on cancellation of shares	4	36
Deduct: Revenue received on issue of shares	-	(3)
<b>Total distribution</b>	<b>645</b>	<b>1,179</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 249.

# FTF Martin Currie Japan Equity Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. Debtors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued income	1,356	1,859
Accrued Manager's charge rebates	-	14
Sales awaiting settlement	1,762	-
	<u>3,118</u>	<u>1,873</u>

### 9. Cash and bank balances

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Cash and bank balances	2,678	4,868
<b>Total cash and bank balances</b>	<u>2,678</u>	<u>4,868</u>

### 10. Other creditors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	178	353
Amounts payable for cancellation of shares	1,974	1,180
	<u>2,152</u>	<u>1,533</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £145,000 (2023: £266,000).

# FTF Martin Currie Japan Equity 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.

Currency	31 March 2024	31 March 2023
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Japanese Yen	174,391	331,582
	<u>174,391</u>	<u>331,582</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £17,439,000 (2023: £33,158,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £20,522,000 (2023: £38,130,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	112,974	57	-	113,031	0.05	-
<b>Sales</b>						
Equities	244,567	(106)	-	244,461	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.06%</u>	<u>0.00%</u>			
	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
<b>Purchases</b>						
Equities	24,301	12	-	24,313	0.05	-
Inspecie transfers	517,846	-	-	517,846	-	-
	<u>542,147</u>	<u>12</u>	<u>-</u>	<u>542,159</u>		
<b>Sales</b>						
Equities	159,669	(70)	-	159,599	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.00%</u>			

# FTF Martin Currie Japan Equity 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 2024, the average dealing spread for the underlying Fund investments is 0.29% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	82,016,855	63,079	(33,830,775)	25,228	48,274,387
W H2 Accumulation	14,298,382	40,324	(5,720,001)	(24,923)	8,593,782

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	205,223	-	380,213	-
Level 2	-	8	1,089	6
Level 3	-	-	-	-
<b>Total</b>	<b>205,223</b>	<b>8</b>	<b>381,302</b>	<b>6</b>

### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaptions £000	Total £000
Bank of New York Mellon International	-	(8)	-	-	-	-	(8)

## FTF Martin Currie Japan Equity Fund

### NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

#### 16. Counterparty and Collateral Exposure *(Continued)*

31 March 2023							
Counterparty	Forward Currency Contracts  £000	Hedged Class Forward Currency Contracts  £000	Futures  £000	Swaps  £000	Options Contract  £000	Swaptions  £000	Total  £000
Bank of New York Mellon International	-	1,083	-	-	-	-	1,083

#### 17. Post balance sheet events

Since the year-end, the NAV per share of the W Accumulation share class has decreased by 11.56% to 21 June 2024.



# FTF Martin Currie Japan Equity Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023* Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.0901	-	1.0901	1.2091
Group 2	1.0851	0.0050	1.0901	1.2091
<b>W H2 Accumulation</b>				
Group 1	1.3404	-	1.3404	1.0824
Group 2	1.3262	0.0142	1.3404	1.0824

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 March 2023.

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

*The Fund may also invest in:*

- Debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations;
- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation);
- Other types of 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 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).

#### *Geographic location (where we invest)*

The Fund focuses on investment in the UK although the Investment Manager has discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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%.

#### *ESG (environmental, social, and governance) factors*

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:

- 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.

## FTF Martin Currie UK Equity Income Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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- 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.

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).

# FTF Martin Currie UK Equity Income Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie UK Equity Income Fund (W Accumulation) returned 4.00%, whilst its benchmark - the FTSE All-Share Index - returned 8.43% (both returns in UK sterling).

### OVERVIEW

With the fallout from the regional banking crisis looking contained in the early months of 2023, policy makers could get back to the task at hand of fighting inflation through interest rate increases.

The Bank of England increased the bank rate by a further 1% to reach 5.25% in the summer. Despite the higher year-on-year inflation rate in the UK at 10.1% vs. 6.9% for the Eurozone (CPI as of March 2023, released in April 2023), much of this was down to the increased sensitivity of the economy to energy prices which were quickly moderating. This meant monetary policy could remain roughly aligned across the region.

As inflation began to fall back from 45-year highs by the summer, it became clear that elements of the inflation basket, particularly those linked to services which were having to increase prices to pay higher wages would likely remain sticky. Coupled with this was a wider understanding that the final reduction in inflation toward the 2% policy objective would become a lot more difficult as we annualised periods of much higher energy prices. The upshot was that asset prices began to incorporate a higher for longer rate profile leading to a meaningful selloff in equities. Much of this debate was captured succinctly by Bank of England economist Huw Pill who outlined that the future profile of interest rates should look more like Table Mountain than the Matterhorn.

Continued public sector strikes and high single digit wage growth across developed economies appeared to corroborate this viewpoint. In October the German Bund Yield reached 3% for the first time since 2011 and the FTSE 250 reached within 2% of the lows not seen since the Kwasi Kwarteng and Liz Truss "mini budget" episode.

Fortunately, this would prove to be an inflection and by November inflation data had eased sufficiently that central banks including the Bank of England could opt to hold the bank rate which helped to build consensus that we had in fact reached peak rates at 5.25%.

In December we had more evidence of this as the Federal Reserve future interest rate expectations pointed to a pivot in policy where Federal Open Market Committee members projections pointed to 3 cuts in 2024.

Throughout the year geopolitical tensions flared as conflict in the middle east caused shipping routes to divert away from the Red Sea. Defence stocks rallied as Governments underlined their commitment to spending on arms in the wake of the war in Ukraine which has driven order book expansion across the sector.

More recently, in the first quarter of 2024 we have seen a more hawkish investor sentiment take over. Consecutive inflation data coming in higher than estimates due to more core items has caused concern and reversed some of the December rally across fixed income. Equity markets, however, have continued to approach or breach new highs.

Politically, the Conservative party have been unable to arrest the decline in popularity among voters with most polls and betting markets pointing to a Labour landslide in the coming election. Markets have been relatively sanguine on the prospect of a Labour administration and the tighter US election will likely provide more concern for investors.

### SIGNIFICANT CHANGES

The top five buys during the 12-months period were: Intertek, Taylor Wimpey, Severn Trent, Barclays and British American Tobacco.

The top five sells during the 12-months period were: Spectris, Vodafone, Persimmon, Intermediate Capital and Shell.

### POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in and an underweight to banks and stock selection in investment banking and brokerage services detracted from relative returns, as well as stock selection in and an underweight to aerospace and defense. In contrast, stock selection in life insurance and pharmaceuticals and biotechnology contributed to the relative returns.

Specialist lender Close Brothers was the largest detractor from performance. The shares fell 62.2% after taking the decision to suspend the dividend in light of uncertainties surrounding the FCA's investigation into historic motor finance sales practices.

Alternative asset manager Intermediate Capital was one of the greatest contributors to relative performance over the 12 months ending 31 March 2024. The shares advanced 77.69% as fundraising expectations for key funds have gradually increased as expected pressures from higher interest rates have had little impact on the sector. The company has also been planning to broaden out and scale up many of its fund offerings which provides further growth in the future.

# FTF Martin Currie UK Equity Income Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Although the UK economy suffered a small technical recession in the second half of 2023, it seems that policy makers have successfully achieved a soft landing in Western economies. A feat that was looking more remote this time last year.

There is open debate now around the appropriate future path for interest rates, as illustrated by the Bank of England split decision in their February Monetary Policy Committee meeting and market upheaval driven by small monthly beats/misses on the latest inflation data. However, from our point of view, a base rate at 5.25% and median economist inflation expectation of 2.5% for 2024 means that the market expectation for 2 cuts by the end of 2024 is understandable until we reach a clear trough in Consumer Price Index data.

From an equity market perspective, the most prominent risk remains the shape of inflation and its impact on policy as we move closer to a more normal level. There are concerns that consumer prices will re-accelerate into the end of the year and into 2025 driven by a trough in the energy price cap, inflation expectations, stronger growth, and continued wage pressure. Escalation of conflict in the middle east and a stronger than expected consumer also provide upside risk to inflation.

However, to temper this risk we have some confidence that consumer energy prices should remain more stable. Gas storage levels in Europe remain high and the possibility of a reprieve from conflict in Ukraine remains a distinct possibility.

Markets are relaxed about a Labour government, but this is not without risk. By definition, a Labour landslide will mean the composition of the House of Commons will change dramatically with the risk that Keir Starmer ends up facing increasing pressure from the left of the party. Many of the contentious political topics of the moment will unlikely see a resolution and this could increasingly isolate the Labour leader which could result in a change of tack to placate the left or risk losing the confidence of the party.

The ongoing politicisation and heightened state/regulatory intervention across consumer facing sectors also poses a risk to equity investors as we look forward. Water utilities, financial advice, homebuilding, banking, insurance, and energy are all sectors which have been impacted by this to some degree and we do not expect these risks to abate under a Labour Government.

Wider risks and opportunities from geopolitics, Artificial Intelligence and the drive towards sustainability remain difficult to predict but with UK equities remaining out of favour and valuations at multi-year lows, they continue to indicate a significant amount of upside from here.

As a further boost we are seeing concerted efforts to increase flows into UK equities which should begin to play out in the coming year and beyond.

We have seen the successes that policy can have on equity markets in Japan for instance and given the UK has the second largest aggregate pension pot globally we think there is a lot that can be done. In our view it will unlikely be one element that will be the key to diverting capital back to the UK but a series of small tweaks to policy and incentives that could compound into meaningful outcomes over time.

**Ben Russon, CFA, Will Bradwell & Joanne Rands**

Fund Managers

31 March 2024

# FTF Martin Currie UK Equity Income Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

### S Accumulation\*

31 March 2024

#### Change in net assets per share (p)

Opening net asset value per share	100.00
Return before operating charges <sup>1</sup>	4.44
Operating charges <sup>2</sup>	(0.35)
Return after operating charges <sup>3</sup>	4.09
Distributions	(2.48)
Retained distributions on accumulation shares	2.48
Closing net asset value per share	104.09
After direct transaction costs of <sup>4</sup>	(0.07)

#### Performance

Return after charges <sup>5</sup>	4.09%
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#### Other information

Closing net asset value (£)	1,121,683
Closing number of shares	1,077,648
Operating charges ratio <sup>6</sup>	0.42%
Direct transaction costs <sup>4</sup>	0.07%

#### Prices (p)

Highest share price <sup>7</sup>	103.99
Lowest share price <sup>7</sup>	94.27

### S Income\*

31 March 2024

#### Change in net assets per share (p)

Opening net asset value per share	100.00
Return before operating charges <sup>1</sup>	4.39
Operating charges <sup>2</sup>	(0.35)
Return after operating charges <sup>3</sup>	4.04
Distributions	(2.46)
Closing net asset value per share	101.58
After direct transaction costs of <sup>4</sup>	(0.07)

#### Performance

Return after charges <sup>5</sup>	4.04%
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#### Other information

Closing net asset value (£)	3,390,509
Closing number of shares	3,337,742
Operating charges ratio <sup>6</sup>	0.42%
Direct transaction costs <sup>4</sup>	0.07%

#### Prices (p)

Highest share price	102.56
Lowest share price	93.98

# FTF Martin Currie UK Equity Income Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	254.81	245.79	214.88
Return before operating charges <sup>1</sup>	11.87	10.29	32.11
Operating charges <sup>2</sup>	(1.29)	(1.27)	(1.20)
Return after operating charges <sup>3</sup>	10.58	9.02	30.91
Distributions	(12.11)	(11.19)	(10.62)
Retained distributions on accumulation shares	12.11	11.19	10.62
Closing net asset value per share	265.39	254.81	245.79
After direct transaction costs of <sup>4</sup>	(0.18)	(0.29)	(0.32)
<b>Performance</b>			
Return after charges <sup>5</sup>	4.15%	3.67%	14.38%
<b>Other information</b>			
Closing net asset value (£)	543,989,979	593,035,485	426,265,855
Closing number of shares	204,977,533	232,733,678	173,424,331
Operating charges ratio <sup>6</sup>	0.51%	0.52%	0.52%
Direct transaction costs <sup>4</sup>	0.07%	0.12%	0.14%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	265.16	264.82	247.43
Lowest share price <sup>7</sup>	238.94	220.63	214.26
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	161.38	163.23	149.37
Return before operating charges <sup>1</sup>	7.20	6.28	21.94
Operating charges <sup>2</sup>	(0.80)	(0.83)	(0.82)
Return after operating charges <sup>3</sup>	6.40	5.45	21.12
Distributions	(7.53)	(7.30)	(7.26)
Closing net asset value per share	160.25	161.38	163.23
After direct transaction costs of <sup>4</sup>	(0.11)	(0.19)	(0.22)
<b>Performance</b>			
Return after charges <sup>5</sup>	3.97%	3.34%	14.14%
<b>Other information</b>			
Closing net asset value (£)	370,251,665	424,644,861	434,442,003
Closing number of shares	231,043,510	263,130,535	266,147,309
Operating charges ratio <sup>6</sup>	0.51%	0.52%	0.52%
Direct transaction costs <sup>4</sup>	0.07%	0.12%	0.14%
<b>Prices (p)</b>			
Highest share price	166.78	169.38	166.38
Lowest share price	148.32	142.58	148.93

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Martin Currie UK Equity Income Fund

## COMPARATIVE TABLES *(Continued)*

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7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

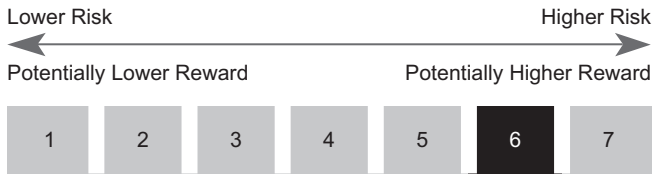
\* This share class launched on 15 September 2023.



# FTF Martin Currie UK Equity Income Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 97.92% (96.52%)</b>		
	<b>ADVERTISING 1.64% (1.91%)</b>		
2,005,000	WPP .....	15,110	1.64
	<b>AEROSPACE &amp; DEFENCE 2.55% (2.29%)</b>		
1,736,000	BAE Systems .....	23,427	2.55
	<b>AGRICULTURE 5.80% (5.27%)</b>		
1,252,000	British American Tobacco .....	30,117	3.28
1,310,000	Imperial Brands .....	23,187	2.52
		53,304	5.80
	<b>APPAREL 1.03% (2.27%)</b>		
780,000	Burberry .....	9,461	1.03
	<b>BANKS 3.21% (1.32%)</b>		
5,710,000	Barclays .....	10,461	1.14
7,167,000	NatWest .....	19,021	2.07
		29,482	3.21
	<b>BEVERAGES 2.69% (3.54%)</b>		
1,695,000	Britvic .....	13,933	1.52
368,000	Diageo .....	10,766	1.17
		24,699	2.69
	<b>CHEMICALS 1.30% (1.34%)</b>		
920,000	Victrex .....	11,942	1.30
	<b>COMMERCIAL SERVICES 6.57% (3.61%)</b>		
323,000	Intertek .....	16,092	1.75
3,230,000	Pagegroup .....	14,483	1.58
870,000	RELX .....	29,789	3.24
		60,364	6.57
	<b>COSMETICS &amp; PERSONAL CARE 5.03% (4.79%)</b>		
1,163,000	Unilever .....	46,229	5.03
	<b>DISTRIBUTION &amp; WHOLESALE 1.47% (1.43%)</b>		
443,000	Bunzl .....	13,503	1.47
	<b>DIVERSIFIED FINANCIAL SERVICES 5.19% (8.16%)</b>		
6,196,000	Ashmore .....	12,126	1.32
1,750,000	IG .....	12,766	1.39
302,500	Rathbones .....	4,671	0.51
2,848,516	Schroders .....	10,725	1.17
1,580,000	St James's Place .....	7,336	0.80
		47,624	5.19
	<b>ELECTRICITY 5.03% (4.58%)</b>		
2,498,000	National Grid .....	26,616	2.90
1,185,700	SSE .....	19,564	2.13
		46,180	5.03
	<b>ELECTRONICS 0.00% (1.66%)</b>		
	<b>FOOD PRODUCERS 2.85% (4.96%)</b>		
343,000	Cranswick .....	14,042	1.53
4,104,000	Tesco .....	12,173	1.32
		26,215	2.85
	<b>HEALTHCARE PRODUCTS 1.44% (1.36%)</b>		
1,331,000	Smith & Nephew .....	13,196	1.44
	<b>HOME BUILDERS 2.81% (2.55%)</b>		
491,000	Bellway .....	13,080	1.42
9,351,658	Taylor Wimpey .....	12,816	1.39
		25,896	2.81

## FTF Martin Currie UK Equity Income Fund

### PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>HOUSEHOLD PRODUCTS 1.74% (2.15%)</b>		
355,200	Reckitt Benckiser .....	16,023	1.74
	<b>INSURANCE 5.56% (5.40%)</b>		
7,965,000	Legal & General .....	20,255	2.20
6,350,000	M&G .....	14,002	1.52
3,060,000	Phoenix .....	16,867	1.84
		51,124	5.56
	<b>IRON &amp; STEEL 0.00% (0.00%)</b>		
60,000	Evrax <sup>1</sup> .....	-	0.00
	<b>MACHINERY DIVERSIFIED 1.48% (1.68%)</b>		
749,000	IMI .....	13,594	1.48
	<b>MEDIA 1.39% (1.62%)</b>		
1,537,000	Informa .....	12,776	1.39
	<b>METAL &amp; HARDWARE 1.69% (1.54%)</b>		
2,235,000	Bodycote .....	15,567	1.69
	<b>MINING 5.05% (4.95%)</b>		
830,000	Anglo American .....	16,200	1.76
602,000	Rio Tinto .....	30,202	3.29
		46,402	5.05
	<b>MISCELLANEOUS MANUFACTURING 1.59% (1.70%)</b>		
892,000	Smiths .....	14,642	1.59
	<b>OIL &amp; GAS PRODUCERS 11.93% (11.50%)</b>		
9,020,000	BP .....	44,712	4.87
290,000	DCC .....	16,698	1.82
1,833,000	Shell .....	48,116	5.24
		109,526	11.93
	<b>PACKAGING &amp; CONTAINERS 1.89% (1.78%)</b>		
4,377,000	DS Smith .....	17,346	1.89
	<b>PHARMACEUTICALS 7.40% (6.67%)</b>		
346,000	AstraZeneca .....	36,946	4.02
1,815,000	GSK .....	31,011	3.38
		67,957	7.40
	<b>PRIVATE EQUITY 1.33% (1.40%)</b>		
595,000	Intermediate Capital .....	12,221	1.33
	<b>REAL ESTATE INVESTMENT TRUSTS 3.38% (2.63%)</b>		
2,280,000	Land .....	15,002	1.63
7,915,000	LondonMetric Property .....	16,067	1.75
		31,069	3.38
	<b>RETAIL 3.60% (1.40%)</b>		
710,000	Associated British Foods .....	17,736	1.93
166,000	Next .....	15,325	1.67
		33,061	3.60
	<b>TELECOMMUNICATIONS 0.00% (1.06%)</b>		
	<b>WATER 1.28% (0.00%)</b>		
475,000	Severn Trent .....	11,728	1.28
	<b>TOTAL - EQUITIES</b>	899,668	97.92
	<b>CERTIFICATE OF DEPOSITS 1.42% (3.09%)</b>		
13,000,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	13,000	1.42

## 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 .....	<u>912,668</u>	<u>99.34</u>
	OTHER ASSETS .....	<u>6,086</u>	<u>0.66</u>
	TOTAL NET ASSETS .....	<u><u>918,754</u></u>	<u><u>100.00</u></u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>1</sup> 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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital losses	2		(6,102)		(650)
Revenue	3	47,336		43,422	
Expenses	4	(5,012)		(4,866)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		42,324		38,556	
Taxation	6	1		49	
Net revenue after taxation			42,325		38,605
<b>Total return before distributions</b>			<b>36,223</b>		<b>37,955</b>
Distributions	7		(46,719)		(42,823)
<b>Change in net assets attributable to shareholders</b>			<b>(10,496)</b>		<b>(4,868)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>1,017,680</b>		<b>860,712</b>
In-specie transfer	-		28,060	
Amounts received on creation of shares	75,184		190,298	
Amounts paid on cancellation of shares	(190,869)		(80,998)	
		(115,685)		137,360
Dilution adjustment		24		-
Change in net assets attributable to shareholders from investment activities (see above)		(10,496)		(4,868)
Retained distribution on accumulation shares		27,231		24,476
<b>Closing net assets attributable to shareholders</b>		<b>918,754</b>		<b>1,017,680</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		912,668	1,013,689
Current assets			
Debtors	8	11,068	8,740
Cash and bank balances	9	41	14
Total assets		923,777	1,022,443
<b>Liabilities</b>			
Creditors			
Bank overdrafts		-	(22)
Distributions payable		(3,951)	(4,219)
Other creditors	10	(1,072)	(522)
Total liabilities		(5,023)	(4,763)
<b>Net assets attributable to shareholders</b>		<b>918,754</b>	<b>1,017,680</b>

# FTF Martin Currie UK Equity Income Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital losses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities losses	(6,101)	(644)
Currency losses	(1)	(6)
	<u>(6,102)</u>	<u>(650)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	20	74
Interest from certificates of deposit	627	10
Overseas dividends	672	2,031
UK dividends	44,426	40,408
UK property income dividends	1,591	899
	<u>47,336</u>	<u>43,422</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	4,394	4,218
ACD's administration charge	488	469
	<u>4,882</u>	<u>4,687</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	78	128
Safe custody fees	24	21
	<u>102</u>	<u>149</u>
<b>Other expenses:</b>		
Audit fees	15	14
Legal and publication fees	(10)	13
Printing fees	(2)	1
VAT Reclaim	1	-
Other	24	2
	<u>28</u>	<u>30</u>
	<u>5,012</u>	<u>4,866</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Martin Currie UK Equity Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the credit for the year</b>		
Prior year adjustment on corporation tax	(1)	(3)
Overseas tax	-	(46)
Total current tax	(1)	(49)
<b>Total taxation (see Note 6(b))</b>	<b>(1)</b>	<b>(49)</b>

#### (b) Factors affecting the total tax credit for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	42,324	38,556
Corporation tax at 20% (2023: 20%)	8,465	7,711
Effects of:		
Movement in unrecognised tax losses	555	780
Overseas tax	-	(46)
Prior year adjustment	(1)	(3)
Prior year adjustment to unrecognised tax losses	-	(4)
Revenue not subject to tax	(9,020)	(8,487)
<b>Total tax credit for the year (see Note 6(a))</b>	<b>(1)</b>	<b>(49)</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £6,821,000 (2023: £6,266,000) due to tax losses of £34,104,000 (2023: £31,331,000). 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 UK Equity Income 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 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	15,014	15,235
Accumulation	21,526	18,641
	<u>36,540</u>	<u>33,876</u>
<b>Final dividend distributions</b>		
Income	3,951	4,219
Accumulation	5,705	5,835
	<u>9,656</u>	<u>10,054</u>
Add: Revenue deducted on cancellation of shares	1,053	269
Deduct: Revenue received on issue of shares	(530)	(1,376)
<b>Total distribution</b>	<u><u>46,719</u></u>	<u><u>42,823</u></u>
	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	42,325	38,605
Capitalised amounts	4,394	4,218
<b>Total distribution</b>	<u><u>46,719</u></u>	<u><u>42,823</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 268 and 269.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	6,324	6,284
Amounts receivable for issue of shares	4,381	2,257
Overseas tax recoverable	363	199
	<u>11,068</u>	<u>8,740</u>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	41	14
<b>Total cash and bank balances</b>	<u>41</u>	<u>14</u>



# FTF Martin Currie UK Equity Income Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	416	515
Amounts payable for cancellation of shares	656	7
	<u>1,072</u>	<u>522</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £382,000 (2023: £433,000)

As at 31 March 2024, Templeton Global Advisors Limited held 0.07% of the shares in issue of Class S Accumulation and held 0.02% of the shares in issue of Class S Income.

### 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, 0.06% (2023: 0.12%) 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £91,267,000 (2023: £101,369,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	115,238	54	571	115,863	0.05	0.50
<b>Sales</b>						
Equities	192,471	(87)	-	192,384	(0.05)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.06%</u>			

## FTF Martin Currie UK Equity Income Fund

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	203,738	85	1,001	204,824	0.04	0.49
Inspecie transfers	26,567	-	-	26,567	-	-
	<b>230,305</b>	<b>85</b>	<b>1,001</b>	<b>231,391</b>		
<b>Sales</b>						
Equities	76,567	(41)	-	76,526	(0.05)	-
Total cost of the Fund's average net asset value (%)		<b>0.01%</b>	<b>0.11%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.06% (2023: 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.

#### 14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
S Accumulation	-	99,205	(97,336)	1,075,779	1,077,648
S Income	-	2,646,281	(94,776)	786,237	3,337,742
W Accumulation	232,733,678	13,900,164	(41,222,417)	(433,892)	204,977,533
W Income	263,130,535	23,775,312	(55,384,962)	(477,375)	231,043,510

# FTF Martin Currie UK Equity Income 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	899,668	-	982,289	-
Level 2	13,000	-	31,400	-
Level 3 <sup>1</sup>	-	-	-	-
<b>Total</b>	<b>912,668</b>	<b>-</b>	<b>1,013,689</b>	<b>-</b>

<sup>1</sup>Includes 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 2024

#### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>S Income</b>				
Group 1	n/a	n/a	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
<b>W Accumulation</b>				
Group 1	3.2078	-	3.2078	3.0257
Group 2	1.5032	1.7046	3.2078	3.0257
<b>W Income</b>				
Group 1	2.0317	-	2.0317	2.0096
Group 2	0.9086	1.1231	2.0317	2.0096

#### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.3011	-	0.3011	n/a
Group 2	0.3011	0.0000	0.3011	n/a
<b>S Income</b>				
Group 1	0.3011	-	0.3011	n/a
Group 2	0.3011	0.0000	0.3011	n/a
<b>W Accumulation</b>				
Group 1	3.3311	-	3.3311	3.1259
Group 2	1.9421	1.3890	3.3311	3.1259
<b>W Income</b>				
Group 1	2.0825	-	2.0825	2.0490
Group 2	1.0733	1.0092	2.0825	2.0490

# FTF Martin Currie UK Equity Income Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	1.0941	-	1.0941	n/a
Group 2	0.3149	0.7792	1.0941	n/a
<b>S Income</b>				
Group 1	1.0894	-	1.0894	n/a
Group 2	0.6499	0.4395	1.0894	n/a
<b>W Accumulation</b>				
Group 1	2.7897	-	2.7897	2.5355
Group 2	1.2950	1.4947	2.7897	2.5355
<b>W Income</b>				
Group 1	1.7207	-	1.7207	1.6385
Group 2	0.9065	0.8142	1.7207	1.6385

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	1.0892	-	1.0892	n/a
Group 2	1.0892	0.0000	1.0892	n/a
<b>S Income</b>				
Group 1	1.0729	-	1.0729	n/a
Group 2	0.7885	0.2844	1.0729	n/a
<b>W Accumulation</b>				
Group 1	2.7773	-	2.7773	2.5071
Group 2	1.7920	0.9853	2.7773	2.5071
<b>W Income</b>				
Group 1	1.6946	-	1.6946	1.6035
Group 2	0.5919	1.1027	1.6946	1.6035

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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)).

#### *Other investments*

The Fund may also invest in:

- Debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations;
- Convertible securities (a type of corporate debt security which can be exchanged for shares in the same organisation);
- Other types of 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 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).

#### *Geographic location (where we invest)*

The Fund focuses on investment in the UK although the Fund's managers have discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

## FTF Martin Currie UK Managers' Focus Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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#### *ESG (environmental, social, and governance) factors*

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:

- 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.

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).

# FTF Martin Currie UK Managers' Focus Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie UK Managers' Focus Fund (W Accumulation) returned 6.02%, whilst its benchmark - the FTSE All-Share Index - returned 8.43% (both returns in UK sterling).

### OVERVIEW

With the fallout from the regional banking crisis looking contained in the early months of 2023, policy makers could get back to the task at hand of fighting inflation through interest rate increases.

The Bank of England increased the bank rate by a further 1% to reach 5.25% in the summer. Despite the higher year-on-year inflation rate in the UK at 10.1% vs. 6.9% for the Eurozone (CPI as of March 2023, released in April 2023), much of this was down to the increased sensitivity of the economy to energy prices which were quickly moderating. This meant monetary policy could remain roughly aligned across the region.

As inflation began to fall back from 45-year highs by the summer, it became clear that elements of the inflation basket, particularly those linked to services which were having to increase prices to pay higher wages would likely remain sticky. Coupled with this was a wider understanding that the final reduction in inflation toward the 2% policy objective would become a lot more difficult as we annualised periods of much higher energy prices. The upshot was that asset prices began to incorporate a higher for longer rate profile leading to a meaningful selloff in equities. Much of this debate was captured succinctly by Bank of England economist Huw Pill who outlined that the future profile of interest rates should look more like Table Mountain than the Matterhorn.

Continued public sector strikes and high single digit wage growth across developed economies appeared to corroborate this viewpoint. In October the German Bund Yield reached 3% for the first time since 2011 and the FTSE 250 reached within 2% of the lows not seen since the Kwasi Kwarteng and Liz Truss "mini budget" episode.

Fortunately, this would prove to be an inflection and by November inflation data had eased sufficiently that central banks including the Bank of England could opt to hold the bank rate which helped to build consensus that we had in fact reached peak rates at 5.25%.

In December we had more evidence of this as the Federal Reserve future interest rate expectations pointed to a pivot in policy where Federal Open Market Committee members projections pointed to 3 cuts in 2024.

Throughout the year geopolitical tensions flared as conflict in the middle east caused shipping routes to divert away from the Red Sea. Defence stocks rallied as Governments underlined their commitment to spending on arms in the wake of the war in Ukraine which has driven order book expansion across the sector.

More recently, in the first quarter of 2024 we have seen a more hawkish investor sentiment take over. Consecutive inflation data coming in higher than estimates due to more core items has caused concern and reversed some of the December rally across fixed income. Equity markets, however, have continued to approach or breach new highs.

Politically, the Conservative party have been unable to arrest the decline in popularity among voters with most polls and betting markets pointing to a Labour landslide in the coming election. Markets have been relatively sanguine on the prospect of a Labour administration and the tighter, US election will likely provide more concern for investors.

### SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Grainger; NatWest; Chemring; Auction Technology; and Genuit.

The top five sells during the 12-month period were: Tesco; Howden Joinery; Paragon Banking; RS; and Spirent Communications.

### POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in aerospace and defense and software and computer services and stock selection in leisure goods detracted from relative returns. Conversely, an underweight position in food producers and industrial metals and mining contributed to relative returns, as well as a lack of exposure to beverages.

At a stock level, financial advice firm St James's Place was the largest detractor to relative performance. The shares fell 59.67% after announcing they have taken provisions for historic client servicing issues. The company noted that the amount set aside should be sufficient, but the company has now faced successive issues which have weighed on sentiment.

Alternative asset manager Intermediate Capital was one of the greatest contributors to relative performance over the 12 months ending 31 March 2024. The shares advanced 77.69% as fundraising expectations for key funds have gradually increased as expected pressures from higher interest rates have had little impact on the sector. The company has also planned to broaden out and scale up many of its fund offerings which provides further growth in the future.



# FTF Martin Currie UK Managers' Focus Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Although the UK economy suffered a small technical recession in the second half of 2023, it seems that policy makers have successfully achieved a soft landing in Western economies. A feat that was looking more remote this time last year.

There is open debate now around the appropriate future path for interest rates, as illustrated by the Bank of England split decision in their February Monetary Policy Committee meeting and market upheaval driven by small monthly beats/misses on the latest inflation data. However, from our point of view, a base rate at 5.25% and median economist inflation expectation of 2.5% for 2024 means that the market expectation for 2 cuts by the end of 2024 is understandable until we reach a clear trough in Consumer Price Index data.

From an equity market perspective, the most prominent risk remains the shape of inflation and its impact on policy as we move closer to a more normal level. There are concerns that consumer prices will re-accelerate into the end of the year and into 2025 driven by a trough in the energy price cap, inflation expectations, stronger growth, and continued wage pressure. Escalation of conflict in the middle east and a stronger than expected consumer also provide upside risk to inflation.

However, to temper this risk we have some confidence that consumer energy prices should remain more stable. Gas storage levels in Europe remain high and the possibility of a reprieve from conflict in Ukraine remains a distinct possibility.

Markets are relaxed about a Labour government, but this is not without risk. By definition, a Labour landslide will mean the composition of the House of Commons will change dramatically with the risk the Keir Starmer ends up facing increasing pressure from the left of the party. Many of the contentious political topics of the moment will unlikely see a resolution and this could increasingly isolate the Labour leader which could result in a change of tack to placate the left or risk losing the confidence of the party.

The ongoing politicisation and heightened state/regulatory intervention across consumer facing sectors also poses a risk to equity investors as we look forward. Water utilities, financial advice, homebuilding, banking, insurance, and energy are all sectors which have been impacted by this to some degree and we do not expect these risks to abate under a Labour Government.

Wider risks and opportunities from geopolitics, Artificial Intelligence and the drive towards sustainability remain difficult to predict but with UK equities remaining out of favour and valuations at multi-year lows, they continue to indicate a significant amount of upside from here.

As a further boost we are seeing concerted efforts to increase flows into UK equities which should begin to play out in the coming year and beyond.

We have seen the successes that policy can have on equity markets in Japan for instance and given the UK has the second largest aggregate pension pot globally we think there is a lot that can be done. In our view it will unlikely be one element that will be the key to diverting capital back to the UK but a series of small tweaks to policy and incentives that could compound into meaningful outcomes over time.

**Richard Bullas, Dan Green, Joanne Rands & Ben Russon, CFA**

Fund Managers

31 March 2024

# FTF Martin Currie UK Managers' Focus Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<b>S Accumulation</b>	<b>31 March 2024</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	147.12	153.50	143.79
Return before operating charges <sup>1</sup>	10.50	(5.47)	10.68
Operating charges <sup>2</sup>	(0.91)	(0.91)	(0.97)
Return after operating charges <sup>3</sup>	9.59	(6.38)	9.71
Distributions	(4.72)	(4.15)	(3.88)
Retained distributions on accumulation shares	4.72	4.15	3.88
Closing net asset value per share	156.71	147.12	153.50
After direct transaction costs of <sup>4</sup>	(0.19)	(0.09)	(0.22)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.52%	(4.16)%	6.75%
<b>Other information</b>			
Closing net asset value (£)	22,610,167	46,931,734	82,590,200
Closing number of shares	14,428,139	31,900,643	53,805,352
Operating charges ratio <sup>6</sup>	0.63%	0.62%	0.62%
Direct transaction costs <sup>4</sup>	0.13%	0.06%	0.14%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	156.42	155.74	165.19
Lowest share price	131.18	132.24	139.07
<b>W Accumulation</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	273.88	286.33	268.76
Return before operating charges <sup>1</sup>	19.51	(10.20)	19.97
Operating charges <sup>2</sup>	(2.24)	(2.25)	(2.40)
Return after operating charges <sup>3</sup>	17.27	(12.45)	17.57
Distributions	(8.23)	(7.18)	(6.66)
Retained distributions on accumulation shares	8.23	7.18	6.66
Closing net asset value per share	291.15	273.88	286.33
After direct transaction costs of <sup>4</sup>	(0.35)	(0.17)	(0.41)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.31%	(4.35)%	6.54%
<b>Other information</b>			
Closing net asset value (£)	73,951,457	116,867,329	222,039,305
Closing number of shares	25,399,779	42,671,145	77,547,708
Operating charges ratio <sup>6</sup>	0.83%	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.13%	0.06%	0.14%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	290.61	290.48	308.29
Lowest share price	243.94	246.40	259.44

# FTF Martin Currie UK Managers' Focus Fund

## COMPARATIVE TABLES (Continued)

<u>W Income</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	93.32	100.33	96.38
Return before operating charges <sup>1</sup>	6.45	(3.73)	7.18
Operating charges <sup>2</sup>	(0.76)	(0.78)	(0.85)
Return after operating charges <sup>3</sup>	5.69	(4.51)	6.33
Distributions	(2.79)	(2.50)	(2.38)
Closing net asset value per share	96.22	93.32	100.33
After direct transaction costs of <sup>4</sup>	(0.12)	(0.06)	(0.15)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.10%	(4.50)%	6.57%
<b>Other information</b>			
Closing net asset value (£)	1,200,785	2,678,712	10,679,710
Closing number of shares	1,248,022	2,870,474	10,644,208
Operating charges ratio <sup>6</sup>	0.83%	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.13%	0.06%	0.14%
<b>Prices (p)</b>			
Highest share price	97.07	101.79	109.78
Lowest share price	81.48	84.89	91.88

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.

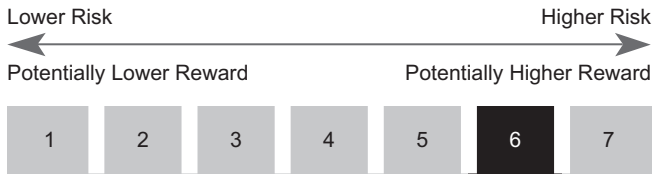
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

# FTF Martin Currie UK Managers' Focus Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.52% (97.39%)</b>		
	<b>ADVERTISING 2.78% (2.59%)</b>		
360,500	WPP .....	2,717	2.78
	<b>AGRICULTURE 5.15% (4.71%)</b>		
109,600	British American Tobacco.....	2,636	2.70
135,400	Imperial Brands .....	2,397	2.45
		5,033	5.15
	<b>AIRLINES 2.62% (2.56%)</b>		
178,000	JET2# .....	2,565	2.62
	<b>BANKS 2.53% (2.31%)</b>		
932,500	NatWest .....	2,475	2.53
	<b>BUILDING MATERIALS 2.98% (0.00%)</b>		
660,000	Genuit.....	2,911	2.98
	<b>COMMERCIAL SERVICES 5.14% (3.87%)</b>		
80,000	RELX.....	2,739	2.80
1,060,000	Restore# .....	2,290	2.34
		5,029	5.14
	<b>COMPUTERS 3.36% (2.34%)</b>		
1,730,000	Serco .....	3,282	3.36
	<b>COSMETICS &amp; PERSONAL CARE 2.57% (2.63%)</b>		
63,250	Unilever.....	2,514	2.57
	<b>DISTRIBUTION &amp; WHOLESALE 2.39% (2.51%)</b>		
76,500	Bunzl .....	2,332	2.39
	<b>DIVERSIFIED FINANCIAL SERVICES 7.88% (9.13%)</b>		
153,500	Alpha International#.....	2,886	2.95
290,500	JTC .....	2,385	2.44
535,000	Polar Capital# .....	2,434	2.49
		7,705	7.88
	<b>ELECTRONICS 2.71% (5.00%)</b>		
350,000	DiscoverIE .....	2,646	2.71
	<b>FOOD PRODUCERS 2.99% (7.62%)</b>		
71,500	Cranswick .....	2,927	2.99
	<b>HEALTHCARE PRODUCTS 2.48% (2.48%)</b>		
245,000	Smith & Nephew.....	2,429	2.48
	<b>HOME BUILDERS 3.00% (2.65%)</b>		
110,000	Bellway .....	2,930	3.00
	<b>HOME FURNISHINGS 0.00% (2.56%)</b>		
	<b>HOUSEHOLD PRODUCTS 2.12% (2.49%)</b>		
45,900	Reckitt Benckiser .....	2,071	2.12
	<b>INSURANCE 2.71% (2.35%)</b>		
480,000	Phoenix .....	2,646	2.71
	<b>INTERNET 2.42% (0.00%)</b>		
382,000	Auction Technology .....	2,361	2.42
	<b>MACHINERY DIVERSIFIED 3.14% (2.49%)</b>		
620,000	Vesuvius.....	3,070	3.14
	<b>METAL &amp; HARDWARE 3.10% (2.75%)</b>		
435,500	Bodycote .....	3,033	3.10
	<b>MINING 2.50% (2.57%)</b>		
48,750	Rio Tinto.....	2,446	2.50

# FTF Martin Currie UK Managers' Focus Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>MISCELLANEOUS MANUFACTURING 4.87% (5.59%)</b>		
655,000	Chemring .....	2,374	2.43
550,000	Volusion .....	2,390	2.44
		<u>4,764</u>	<u>4.87</u>
	<b>OIL &amp; GAS PRODUCERS 7.93% (7.99%)</b>		
547,000	BP .....	2,711	2.77
41,500	DCC .....	2,390	2.45
101,000	Shell .....	2,651	2.71
		<u>7,752</u>	<u>7.93</u>
	<b>PHARMACEUTICALS 5.20% (5.13%)</b>		
25,000	AstraZeneca .....	2,669	2.73
141,500	GSK .....	2,418	2.47
		<u>5,087</u>	<u>5.20</u>
	<b>PRIVATE EQUITY 2.49% (2.46%)</b>		
118,500	Intermediate Capital .....	2,434	2.49
	<b>REAL ESTATE INVESTMENT &amp; SERVICES 2.95% (0.00%)</b>		
1,117,000	Grainger .....	2,880	2.95
	<b>REAL ESTATE INVESTMENT TRUSTS 5.18% (2.52%)</b>		
128,000	Derwent London .....	2,772	2.84
2,000,000	Urban Logistics .....	2,288	2.34
		<u>5,060</u>	<u>5.18</u>
	<b>RETAIL 5.33% (2.40%)</b>		
110,000	Associated British Foods .....	2,748	2.81
26,700	Next .....	2,465	2.52
		<u>5,213</u>	<u>5.33</u>
	<b>SOFTWARE 0.00% (3.73%)</b>		
	<b>TELECOMMUNICATIONS 0.00% (1.96%)</b>		
	TOTAL - EQUITIES .....	<u>96,312</u>	<u>98.52</u>
	<b>CERTIFICATE OF DEPOSITS 1.02% (1.62%)</b>		
1,000,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	1,000	1.02
	<b>TOTAL VALUE OF INVESTMENTS .....</b>	<b><u>97,312</u></b>	<b><u>99.54</u></b>
	<b>OTHER ASSETS .....</b>	<b><u>450</u></b>	<b><u>0.46</u></b>
	<b>TOTAL NET ASSETS .....</b>	<b><u>97,762</u></b>	<b><u>100.00</u></b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		1,246		(20,140)
Revenue	3	4,832		7,854	
Expenses	4	(950)		(1,721)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		3,882		6,133	
Taxation	6	-		-	
Net revenue after taxation			3,882		6,133
<b>Total return before distributions</b>			<b>5,128</b>		<b>(14,007)</b>
Distributions	7		(3,883)		(6,133)
<b>Change in net assets attributable to shareholders</b>			<b>1,245</b>		<b>(20,140)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>166,478</b>		<b>315,313</b>
Amounts received on creation of shares	6,224		5,610	
Amounts paid on cancellation of shares	(79,639)		(139,563)	
		(73,415)		(133,953)
Dilution adjustment		126		141
Change in net assets attributable to shareholders from investment activities (see above)		1,245		(20,140)
Retained distribution on accumulation shares		3,328		5,117
<b>Closing net assets attributable to shareholders</b>		<b>97,762</b>		<b>166,478</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		97,312	164,823
Current assets			
Debtors	8	1,114	2,513
Cash and bank balances	9	32	47
Total assets		98,458	167,383
<b>Liabilities</b>			
Creditors			
Bank overdrafts		-	(2)
Distributions payable		(13)	(29)
Other creditors	10	(683)	(874)
Total liabilities		(696)	(905)
<b>Net assets attributable to shareholders</b>		<b>97,762</b>	<b>166,478</b>

# FTF Martin Currie UK Managers' Focus Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	1,246	(20,139)
Currency losses	-	(1)
	<u>1,246</u>	<u>(20,140)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	2	17
Interest from certificates of deposit	135	1
Overseas dividends	173	367
UK dividends	4,349	7,339
UK property income dividends	173	130
	<u>4,832</u>	<u>7,854</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	856	1,555
ACD's administration charge	61	112
	<u>917</u>	<u>1,667</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	6	31
Safe custody fees	3	7
	<u>9</u>	<u>38</u>
<b>Other expenses:</b>		
Audit fees	15	14
Legal and publication fees	-	1
Printing fees	(1)	-
Other	10	1
	<u>24</u>	<u>16</u>
	<u>950</u>	<u>1,721</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>



# FTF Martin Currie UK Managers' Focus Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Total current tax	-	-
<b>Total taxation (see Note 6(b))</b>	<b>-</b>	<b>-</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	3,882	6,133
Corporation tax at 20% (2023: 20%)	776	1,227
Effects of:		
Movement in unrecognised tax losses	128	315
Revenue not subject to tax	(904)	(1,542)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>-</b>	<b>-</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £4,186,000 (2023: £4,058,000) due to tax losses of £20,929,000 (2023: £20,289,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	16	37
Accumulation	2,283	3,275
	2,299	3,312
<b>Final dividend distributions</b>		
Income	13	30
Accumulation	1,045	1,842
	1,058	1,872
Add: Revenue deducted on cancellation of shares	563	975
Deduct: Revenue received on issue of shares	(37)	(26)
<b>Total distribution</b>	<b>3,883</b>	<b>6,133</b>

# FTF Martin Currie UK Managers' Focus Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	3,882	6,133
Net revenue received on share class conversions	1	-
<b>Total distribution</b>	<b>3,883</b>	<b>6,133</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 285.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	493	665
Amounts receivable for issue of shares	-	1
Overseas tax recoverable	82	50
Sales awaiting settlement	539	1,797
	<b>1,114</b>	<b>2,513</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	32	47
<b>Total cash and bank balances</b>	<b>32</b>	<b>47</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	90	139
Amounts payable for cancellation of shares	593	735
	<b>683</b>	<b>874</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £66,000 (2023: £108,000).

# FTF Martin Currie UK Managers' Focus 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, 0.05% (2023: 0.04%) 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £9,731,000 (2023: £16,482,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	22,770	13	104	22,887	0.06	0.46
<b>Sales</b>						
Equities	89,984	(40)	-	89,944	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.04%</u>	<u>0.09%</u>			
	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
<b>Purchases</b>						
Equities	19,373	12	64	19,449	0.06	0.33
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.15% (2023: 0.25%).

# FTF Martin Currie UK Managers' Focus 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
S Accumulation	31,900,643	(111,403)	(23,138,868)	5,777,767	14,428,139
W Accumulation	42,671,145	2,256,374	(16,306,376)	(3,221,364)	25,399,779
W Income	2,870,474	235,172	(2,205,400)	347,776	1,248,022

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	96,312	-	162,123	-
Level 2	1,000	-	2,700	-
Level 3	-	-	-	-
<b>Total</b>	<b>97,312</b>	<b>-</b>	<b>164,823</b>	<b>-</b>

# FTF Martin Currie UK Managers' Focus Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	2.9121	-	2.9121	2.3876
Group 2	2.3534	0.5587	2.9121	2.3876
<b>W Accumulation</b>				
Group 1	5.1386	-	5.1386	4.1772
Group 2	2.3930	2.7456	5.1386	4.1772
<b>W Income</b>				
Group 1	1.7567	-	1.7567	1.4683
Group 2	0.6446	1.1121	1.7567	1.4683

### For the period 1 October 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	1.8066	-	1.8066	1.7582
Group 2	1.2348	0.5718	1.8066	1.7582
<b>W Accumulation</b>				
Group 1	3.0864	-	3.0864	3.0016
Group 2	1.5955	1.4909	3.0864	3.0016
<b>W Income</b>				
Group 1	1.0308	-	1.0308	1.0338
Group 2	0.6814	0.3494	1.0308	1.0338

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

The Fund may also invest in:

- Debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations;
- Convertible securities (a type of corporate debt security which can be exchanged for shares in the same organisation);
- Other types of 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 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).

#### *Geographic locations (where we invest)*

The Fund focuses on investment in the UK although the Fund's managers have discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

#### *ESG (environmental, social, and governance) factors*

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:

- 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.

## FTF Martin Currie UK Mid Cap Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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- 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.

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.

# FTF Martin Currie UK Mid Cap Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie UK Mid Cap Fund (W Accumulation) returned 9.78%, whilst its benchmark - the FTSE 250 ex-Investment Trusts Index - returned 10.05% (both returns in UK sterling).

### OVERVIEW

With the fallout from the regional banking crisis looking contained in the early months of 2023, policy makers could get back to the task at hand of fighting inflation through interest rate increases.

The Bank of England increased the bank rate by a further 1% to reach 5.25% in the summer. Despite the higher year-on-year inflation rate in the UK at 10.1% vs. 6.9% for the Eurozone (CPI as of March 2023, released in April 2023), much of this was down to the increased sensitivity of the economy to energy prices which were quickly moderating. This meant monetary policy could remain roughly aligned across the region.

As inflation began to fall back from 45-year highs by the summer, it became clear that elements of the inflation basket, particularly those linked to services which were having to increase prices to pay higher wages would likely remain sticky. Coupled with this was a wider understanding that the final reduction in inflation toward the 2% policy objective would become a lot more difficult as we annualised periods of much higher energy prices. The upshot was that asset prices began to incorporate a higher for longer rate profile leading to a meaningful selloff in equities. Much of this debate was captured succinctly by Bank of England economist Huw Pill who outlined that the future profile of interest rates should look more like Table Mountain than the Matterhorn.

This was a catalyst for a stock market sell off during October, another period of risk aversion for the more cyclical and interest rate sensitive areas, with UK small and midcap stocks coming under significant selling pressure. In fact, the FTSE 250 reached within 2% of the lows not seen since the Kwasi Kwarteng and Liz Truss "mini budget" episode.

Fortunately, this would prove to be an inflection and by November inflation data had eased sufficiently that central banks including the Bank of England could opt to hold the bank rate which helped to build consensus that we had in fact reached peak rates at 5.25%. UK Mid Cap led the bounce back and outperformed during the last two months of 2023 rising by around 18% from the October lows.

In December we had more evidence of this as the Federal Reserve future interest rate expectations pointed to a pivot in policy where Federal Open Market Committee members projections pointed to 3 cuts in 2024.

Throughout the year geopolitical tensions flared as conflict in the Middle East caused shipping routes to divert away from the Red Sea. Defence stocks rallied as Governments underlined their commitment to spending on arms in the wake of the war in Ukraine which has driven order book expansion across the sector.

More recently, in the first quarter of 2024 we have seen a more hawkish investor sentiment take over. Consecutive inflation data coming in higher than estimates due to more core items has caused concern and reversed some of the December rally across fixed income. Equity markets, however, have continued to approach or breach new highs.

Politically, the Conservative party have been unable to arrest the decline in popularity among voters with most polls and betting markets pointing to a Labour landslide in the coming election. Markets have been relatively sanguine on the prospect of a Labour administration and the tighter, US election will likely provide more concern for investors.

### SIGNIFICANT CHANGES

The top five buys during the 12-month period were: Dunelm; DiscoverIE; Derwent London; Watches of Switzerland; and Genuit.

The top five sells during the 12-month period were: Howden Joinery; Bytes Technology; RS; Cranswick; and Spectris.

### POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in investment banking and brokerage services and an overweight to personal goods detracted from performance, as did an overweight to retailers. Conversely, stock selection in food producers and software and computer services contributed to relative returns, as did stock selection in construction and materials.

Watches of Switzerland was the biggest detractor from the relative returns. The shares fell 56.2% after a profit warning driven by the mix of watches allocated and sold during the Christmas period leading to a lower average selling price. This was unexpected and particularly disappointing as management had been upbeat pre-Christmas regarding demand and watch allocations. Coming so soon after a very ambitious long range growth plan was announced, investors have significantly derated the business in the face of weaker demand in the UK and a now perceived overly ambitious growth plan.



# FTF Martin Currie UK Mid Cap Fund

## INVESTMENT REVIEW *(Continued)*

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Bytes Technology was the biggest contributor to performance, the shares advanced 35.1% during the year. The company has enjoyed strong demand for its services through the year and this resulted in an upgrade to current profit expectations. Strength has been seen from the small and medium sized clients for services relating to data, cloud and security. They also won a sizeable new order for the UK government. The business is a platinum reseller partner for Microsoft in the UK and they have recently launched their new Artificial Intelligence software, Co-Pilot, which has prompted investors to become increasingly excited about the prospects for commercial AI adoption and has led to an expansion of the group's valuation multiple.

### OUTLOOK

Although the UK economy suffered a small technical recession in the second half of 2023, it seems that policy makers have successfully achieved a soft landing in Western economies. A feat that was looking more remote this time last year.

There is open debate now around the appropriate future path for interest rates, as illustrated by the Bank of England split decision in their February Monetary Policy Committee meeting and market upheaval driven by small monthly beats/misses on the latest inflation data. However, from our point of view, a base rate at 5.25% and median economist inflation expectation of 2.5% for 2024 means that the market expectation for 2 cuts by the end of 2024 is understandable until we reach a clear trough in Consumer Price Index data.

From an equity market perspective, the most prominent risk remains the shape of inflation and its impact on policy as we move closer to a more normal level. There are concerns that consumer prices will re-accelerate into the end of the year and into 2025 driven by a trough in the energy price cap, inflation expectations, stronger growth, and continued wage pressure. Escalation of conflict in the Middle East and a stronger than expected consumer also provide upside risk to inflation.

However, to temper this risk we have some confidence that consumer energy prices should remain more stable. Gas storage levels in Europe remain high and the possibility of a reprieve from conflict in Ukraine remains a distinct possibility.

Markets are relaxed about a Labour government, but this is not without risk. By definition, a Labour landslide will mean the composition of the House of Commons will change dramatically with the risk the Keir Starmer ends up facing increasing pressure from the left of the party. Many of the contentious political topics of the moment will unlikely see a resolution and this could increasingly isolate the Labour leader which could result in a change of tack to placate the left or risk losing the confidence of the party.

The ongoing politicisation and heightened state/regulatory intervention across consumer facing sectors also poses a risk to equity investors as we look forward. Water utilities, financial advice, home building, banking, insurance, and energy are all sectors which have been impacted by this to some degree and we do not expect these risks to abate under a Labour Government.

Wider risks and opportunities from geopolitics, Artificial Intelligence and the drive towards sustainability remain difficult to predict but with UK equities remaining out of favour and valuations at multi-year lows, they continue to indicate a significant amount of upside from here.

We believe a lot of the risks and bad news is already discounted into current share prices of many of the FTSE 250 constituents. Current valuations are at trend lows versus both historic valuations and relative to the wider market valuations. The FTSE 250 currently trades on a 12-month forward Price to Earnings Ratio of 11x which is at an approximate 20% discount to its long-term average, and current dividend yields, at nearly 4%, are approximately 25% higher than historic levels. As inflation continues to fall, and monetary policy starts to ease, we think we're now in a period of trough earnings growth. As the macro headwinds start to ease, and economic and business activity is expected to increase, this will lead to corporate earnings growth which can be a catalyst for the Mid Cap valuation discount to narrow to historic averages.

As a further boost we are seeing concerted efforts to increase flows into UK equities which should begin to play out in the coming year and beyond.

We have seen the successes that policy can have on equity markets in Japan for instance and given the UK has the second largest aggregate pension pot globally we think there is a lot that can be done. In our view it will unlikely be one element that will be the key to diverting capital back to the UK but a series of small tweaks to policy and incentives that could compound into meaningful outcomes over time.

**Richard Bullas, Dan Green, Marcus Tregoning**

Fund Managers

31 March 2024

# FTF Martin Currie UK Mid Cap Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>S Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	136.64	143.59	148.04
Return before operating charges <sup>1</sup>	14.94	(6.11)	(3.46)
Operating charges <sup>2</sup>	(0.85)	(0.84)	(0.99)
Return after operating charges <sup>3</sup>	14.09	(6.95)	(4.45)
Distributions	(4.47)	(3.57)	(2.69)
Retained distributions on accumulation shares	4.47	3.57	2.69
Closing net asset value per share	150.73	136.64	143.59
After direct transaction costs of <sup>4</sup>	(0.06)	(0.07)	(0.11)
<b>Performance</b>			
Return after charges <sup>5</sup>	10.31%	(4.84)%	(3.01)%
<b>Other information</b>			
Closing net asset value (£)	99,838,438	94,697,757	117,100,006
Closing number of shares	66,236,059	69,303,959	81,554,151
Operating charges ratio <sup>6</sup>	0.61%	0.62%	0.62%
Direct transaction costs <sup>4</sup>	0.04%	0.05%	0.07%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	150.35	148.14	175.52
Lowest share price <sup>7</sup>	122.54	116.12	129.19
<u>S Income</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	99.52	107.70	112.96
Return before operating charges <sup>1</sup>	10.60	(4.90)	(2.47)
Operating charges <sup>2</sup>	(0.61)	(0.62)	(0.75)
Return after operating charges <sup>3</sup>	9.99	(5.52)	(3.22)
Distributions	(3.24)	(2.66)	(2.04)
Closing net asset value per share	106.27	99.52	107.70
After direct transaction costs of <sup>4</sup>	(0.04)	(0.05)	(0.09)
<b>Performance</b>			
Return after charges <sup>5</sup>	10.04%	(5.13)%	(2.85)%
<b>Other information</b>			
Closing net asset value (£)	110,333,268	116,169,205	187,166,688
Closing number of shares	103,822,851	116,731,694	173,793,080
Operating charges ratio <sup>6</sup>	0.61%	0.62%	0.62%
Direct transaction costs <sup>4</sup>	0.04%	0.05%	0.07%
<b>Prices (p)</b>			
Highest share price	106.93	108.65	133.94
Lowest share price	87.16	85.16	97.48

# FTF Martin Currie UK Mid Cap Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	244.33	257.26	265.78
Return before operating charges <sup>1</sup>	26.67	(10.94)	(6.17)
Operating charges <sup>2</sup>	(2.01)	(1.99)	(2.35)
Return after operating charges <sup>3</sup>	24.66	(12.93)	(8.52)
Distributions	(7.50)	(5.91)	(4.24)
Retained distributions on accumulation shares	7.50	5.91	4.24
Closing net asset value per share	268.99	244.33	257.26
After direct transaction costs of <sup>4</sup>	(0.10)	(0.13)	(0.20)
<b>Performance</b>			
Return after charges <sup>5</sup>	10.09%	(5.03)%	(3.21)%
<b>Other information</b>			
Closing net asset value (£)	250,520,012	297,299,307	341,879,063
Closing number of shares	93,134,759	121,679,293	132,890,512
Operating charges ratio <sup>6</sup>	0.81%	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.04%	0.05%	0.07%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	268.31	264.97	314.85
Lowest share price <sup>7</sup>	218.87	207.83	231.50
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	175.05	189.41	198.65
Return before operating charges <sup>1</sup>	18.63	(8.58)	(4.33)
Operating charges <sup>2</sup>	(1.42)	(1.45)	(1.75)
Return after operating charges <sup>3</sup>	17.21	(10.03)	(6.08)
Distributions	(5.34)	(4.33)	(3.16)
Closing net asset value per share	186.92	175.05	189.41
After direct transaction costs of <sup>4</sup>	(0.07)	(0.10)	(0.15)
<b>Performance</b>			
Return after charges <sup>5</sup>	9.83%	(5.30)%	(3.06)%
<b>Other information</b>			
Closing net asset value (£)	183,040,016	220,762,849	289,489,908
Closing number of shares	97,922,486	126,113,647	152,840,119
Operating charges ratio <sup>6</sup>	0.81%	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.04%	0.05%	0.07%
<b>Prices (p)</b>			
Highest share price	187.91	190.98	235.33
Lowest share price	153.29	149.79	171.26

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. Where the period is less than 12 months, the operating charges are annualised.

## FTF Martin Currie UK Mid Cap Fund

### COMPARATIVE TABLES *(Continued)*

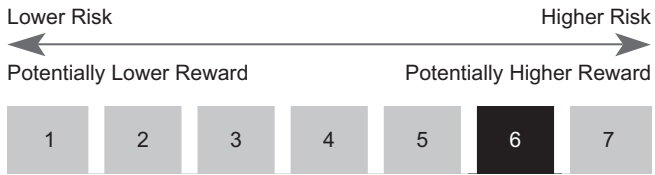
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7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

# FTF Martin Currie UK Mid Cap Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 97.51% (95.86%)</b>		
	<b>AEROSPACE &amp; DEFENCE 4.14% (0.00%)</b>		
7,300,000	QinetiQ.....	26,645	4.14
	<b>BANKS 3.11% (2.28%)</b>		
2,900,000	Paragon Banking.....	20,010	3.11
	<b>BUILDING MATERIALS 3.91% (2.01%)</b>		
5,700,000	Genuit.....	25,137	3.91
	<b>COMMERCIAL SERVICES 2.51% (6.75%)</b>		
3,600,000	Pagegroup.....	16,142	2.51
	<b>COMPUTERS 8.98% (9.77%)</b>		
1,700,000	Bytes Technology.....	8,687	1.35
750,000	Computacenter.....	20,220	3.14
15,250,000	Serco.....	28,929	4.49
		57,836	8.98
	<b>DISTRIBUTION &amp; WHOLESALE 2.81% (2.66%)</b>		
2,500,000	Inchcape.....	18,100	2.81
	<b>DIVERSIFIED FINANCIAL SERVICES 10.69% (11.36%)</b>		
5,750,000	Ashmore.....	11,253	1.75
3,150,000	JTC.....	25,862	4.02
2,250,000	Liontrust Asset Management.....	15,064	2.34
1,075,000	Rathbones.....	16,598	2.58
		68,777	10.69
	<b>ELECTRONICS 3.94% (7.78%)</b>		
734,838	DiscoverIE.....	5,555	0.86
600,000	Spectris.....	19,842	3.08
		25,397	3.94
	<b>FOOD PRODUCERS 9.73% (9.66%)</b>		
720,000	Cranswick.....	29,477	4.58
650,000	Greggs.....	18,681	2.90
6,600,000	SSP.....	14,467	2.25
		62,625	9.73
	<b>HOME BUILDERS 7.38% (5.65%)</b>		
960,000	Bellway.....	25,574	3.97
3,300,000	Redrow.....	21,962	3.41
		47,536	7.38
	<b>HOME FURNISHINGS 0.00% (3.30%)</b>		
	<b>MACHINERY DIVERSIFIED 6.86% (5.28%)</b>		
5,600,000	Rotork.....	18,402	2.86
5,200,000	Vesuvius.....	25,750	4.00
		44,152	6.86
	<b>METAL &amp; HARDWARE 4.73% (3.69%)</b>		
4,375,000	Bodycote.....	30,472	4.73
	<b>REAL ESTATE INVESTMENT &amp; SERVICES 4.41% (3.83%)</b>		
11,000,000	Grainger.....	28,358	4.41
	<b>REAL ESTATE INVESTMENT TRUSTS 7.47% (5.76%)</b>		
1,000,000	Derwent London.....	21,660	3.37
13,000,000	LondonMetric Property.....	26,390	4.10
		48,050	7.47
	<b>RETAIL 10.15% (9.42%)</b>		
1,600,000	Dunelm.....	18,096	2.81
1,550,000	Grafton.....	15,534	2.41

## FTF Martin Currie UK Mid Cap Fund

### PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>RETAIL (Continued)</b>		
8,500,000	Pets at Home .....	22,814	3.54
2,500,000	Watches of Switzerland .....	8,965	1.39
		<u>65,409</u>	<u>10.15</u>
	<b>TELECOMMUNICATIONS 3.26% (3.09%)</b>		
10,500,000	Spirent Communications .....	21,000	3.26
	<b>TOYS, GAMES &amp; HOBBIES 3.43% (3.57%)</b>		
220,000	Games Workshop .....	22,066	3.43
	<b>TOTAL - EQUITIES</b>	<u>627,712</u>	<u>97.51</u>
	<b>CERTIFICATE OF DEPOSITS 2.81% (4.48%)</b>		
18,100,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	18,100	2.81
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<u>645,812</u>	<u>100.32</u>
	<b>OTHER LIABILITIES</b> .....	<u>(2,080)</u>	<u>(0.32)</u>
	<b>TOTAL NET ASSETS</b> .....	<u>643,732</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		40,506		(71,807)
Revenue	3	26,065		26,144	
Expenses	4	(4,980)		(5,954)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		21,085		20,190	
Taxation	6	-		113	
Net revenue after taxation			21,085		20,303
<b>Total return before distributions</b>			<b>61,591</b>		<b>(51,504)</b>
Distributions	7		(21,089)		(20,302)
<b>Change in net assets attributable to shareholders</b>			<b>40,502</b>		<b>(71,806)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>728,929</b>		<b>935,640</b>
Amounts received on creation of shares	15,064		65,991	
Amounts paid on cancellation of shares	(151,506)		(210,789)	
		(136,442)		(144,798)
Dilution adjustment		4		180
Change in net assets attributable to shareholders from investment activities (see above)		40,502		(71,806)
Retained distribution on accumulation shares		10,739		9,713
<b>Closing net assets attributable to shareholders</b>		<b>643,732</b>		<b>728,929</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		645,812	731,423
Current assets			
Debtors	8	2,570	1,956
Cash and bank balances	9	60	49
<b>Total assets</b>		<b>648,442</b>	<b>733,428</b>
<b>Liabilities</b>			
Creditors			
Distributions payable		(2,402)	(2,141)
Other creditors	10	(2,308)	(2,358)
<b>Total liabilities</b>		<b>(4,710)</b>	<b>(4,499)</b>
<b>Net assets attributable to shareholders</b>		<b>643,732</b>	<b>728,929</b>



# FTF Martin Currie UK Mid Cap Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	40,506	(71,807)
	<u>40,506</u>	<u>(71,807)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	30	150
Interest from certificates of deposit	1,002	12
Overseas dividends	1,060	1,466
UK dividends	22,339	23,155
UK property income dividends	1,634	1,361
	<u>26,065</u>	<u>26,144</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	4,554	5,423
ACD's administration charge	332	394
	<u>4,886</u>	<u>5,817</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	48	108
Safe custody fees	13	15
	<u>61</u>	<u>123</u>
<b>Other expenses:</b>		
Audit fees	15	14
Legal and publication fees	1	2
Printing fees	(2)	-
VAT Reclaim	1	-
Other	18	(2)
	<u>33</u>	<u>14</u>
	<u>4,980</u>	<u>5,954</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Martin Currie UK Mid Cap Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge/(credit) for the year</b>		
Overseas tax	-	(113)
Total current tax	-	(113)
<b>Total taxation (see Note 6(b))</b>	<b>-</b>	<b>(113)</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	21,085	20,190
Corporation tax at 20% (2023: 20%)	4,217	4,038
Effects of:		
Movement in unrecognised tax losses	463	888
Overseas tax	-	(113)
Prior year adjustment to unrecognised tax losses	-	(1)
Revenue not subject to tax	(4,680)	(4,925)
<b>Total tax charge/(credit) for the year (see Note?(a))</b>	<b>-</b>	<b>(113)</b>

### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £19,773,000 (2023: £19,311,000) due to tax losses of £98,867,000 (2023: £96,553,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	6,703	7,257
Accumulation	7,922	7,278
	<b>14,625</b>	<b>14,535</b>
<b>Final dividend distributions</b>		
Income	2,402	2,141
Accumulation	2,817	2,440
	<b>5,219</b>	<b>4,581</b>
Add: Revenue deducted on cancellation of shares	1,386	1,536
Deduct: Revenue received on issue of shares	(141)	(350)
<b>Total distribution</b>	<b>21,089</b>	<b>20,302</b>

# FTF Martin Currie UK Mid Cap Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	21,085	20,303
Net revenue received/(paid) on share class conversions	4	(1)
<b>Total distribution</b>	<b>21,089</b>	<b>20,302</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 302.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	1,835	1,497
Amounts receivable for issue of shares	159	50
Overseas tax recoverable	576	409
	<b>2,570</b>	<b>1,956</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	60	49
<b>Total cash and bank balances</b>	<b>60</b>	<b>49</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	425	528
Amounts payable for cancellation of shares	1,225	1,830
Purchases awaiting settlement	658	-
	<b>2,308</b>	<b>2,358</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £396,000 (2023: £483,000).

# FTF Martin Currie UK Mid Cap 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, 0.01% (2023: 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £64,581,000 (2023: £73,142,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	38,537	17	186	38,740	0.04	0.48
<b>Sales</b>						
Equities	150,324	(67)	-	150,257	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.03%</u>			
	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
<b>Purchases</b>						
Equities	55,550	32	281	55,863	0.06	0.51
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.12% (2023: 0.14%).

# FTF Martin Currie UK Mid Cap 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
S Accumulation	69,303,959	6,647,636	(11,490,947)	1,775,411	66,236,059
S Income	116,731,694	(277,606)	(29,390,007)	16,758,770	103,822,851
W Accumulation	121,679,293	329,068	(27,581,410)	(1,292,192)	93,134,759
W Income	126,113,647	3,264,549	(22,344,200)	(9,111,510)	97,922,486

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	627,712	-	698,723	-
Level 2	18,100	-	32,700	-
Level 3	-	-	-	-
<b>Total</b>	<b>645,812</b>	<b>-</b>	<b>731,423</b>	<b>-</b>

# FTF Martin Currie UK Mid Cap Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	3.1628	-	3.1628	2.6203
Group 2	1.4373	1.7255	3.1628	2.6203
<b>S Income</b>				
Group 1	2.3024	-	2.3024	1.9628
Group 2	1.5899	0.7125	2.3024	1.9628
<b>W Accumulation</b>				
Group 1	5.4112	-	5.4112	4.4457
Group 2	2.7220	2.6892	5.4112	4.4457
<b>W Income</b>				
Group 1	3.8715	-	3.8715	3.2726
Group 2	1.8724	1.9991	3.8715	3.2726

### For the period 1 October 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	1.3117	-	1.3117	0.9508
Group 2	0.6074	0.7043	1.3117	0.9508
<b>S Income</b>				
Group 1	0.9328	-	0.9328	0.6973
Group 2	0.4337	0.4991	0.9328	0.6973
<b>W Accumulation</b>				
Group 1	2.0911	-	2.0911	1.4597
Group 2	0.8911	1.2000	2.0911	1.4597
<b>W Income</b>				
Group 1	1.4644	-	1.4644	1.0524
Group 2	0.7550	0.7094	1.4644	1.0524

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

The Investment Manager may invest up to 10% of the Fund's assets in Continental European companies, although this has historically been a rare occurrence. The Fund may also invest in:

- Debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations;
- Convertible securities (a type of corporate debt security which can be exchanged for shares in the same organisation);
- Other types of 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 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).

#### *Geographic location (where we invest)*

The Fund focuses on investment in the UK although the Fund's managers have discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund. The Investment Manager does not intend to invest in every company in the FTSE All-Share Index.

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.

#### *ESG (environmental, social, and governance) factors*

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:

- 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.

## FTF Martin Currie UK Opportunities Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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- 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.

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).



# FTF Martin Currie UK Opportunities Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie UK Opportunities Fund (W Accumulation) returned 6.82%, whilst its benchmark - the FTSE All-Share Index - returned 8.43% (both returns in UK sterling).

### OVERVIEW

With the fallout from the regional banking crisis looking contained in the early months of 2023, policy makers could get back to the task at hand of fighting inflation through interest rate increases.

The Bank of England increased the bank rate by a further 1% to reach 5.25% in the summer. Despite the higher year-on-year inflation rate in the UK at 10.1% vs. 6.9% for the Eurozone (CPI as of March 2023, released in April 2023), much of this was down to the increased sensitivity of the economy to energy prices which were quickly moderating. This meant monetary policy could remain roughly aligned across the region.

As inflation began to fall back from 45-year highs by the summer, it became clear that elements of the inflation basket, particularly those linked to services which were having to increase prices to pay higher wages would likely remain sticky. Coupled with this was a wider understanding that the final reduction in inflation toward the 2% policy objective would become a lot more difficult as we annualised periods of much higher energy prices. The upshot was that asset prices began to incorporate a higher for longer rate profile leading to a meaningful selloff in equities. Much of this debate was captured succinctly by Bank of England economist Huw Pill who outlined that the future profile of interest rates should look more like Table Mountain than the Matterhorn.

Continued public sector strikes and high single digit wage growth across developed economies appeared to corroborate this viewpoint. In October the German Bund Yield reached 3% for the first time since 2011 and the FTSE 250 reached within 2% of the lows not seen since the Kwasi Kwarteng and Liz Truss "mini budget" episode.

Fortunately, this would prove to be an inflection and by November inflation data had eased sufficiently that central banks including the Bank of England could opt to hold the bank rate which helped to build consensus that we had in fact reached peak rates at 5.25%.

In December we had more evidence of this as the Federal Reserve future interest rate expectations pointed to a pivot in policy where Federal Open Market Committee members projections pointed to 3 cuts in 2024.

Throughout the year geopolitical tensions flared as conflict in the middle east caused shipping routes to divert away from the Red Sea. Defence stocks rallied as Governments underlined their commitment to spending on arms in the wake of the war in Ukraine which has driven order book expansion across the sector.

More recently, in the first quarter of 2024 we have seen a more hawkish investor sentiment take over. Consecutive inflation data coming in higher than estimates due to more core items has caused concern and reversed some of the December rally across fixed income. Equity markets, however, have continued to approach or breach new highs.

Politically, the Conservative party have been unable to arrest the decline in popularity among voters with most polls and betting markets pointing to a Labour landslide in the coming election. Markets have been relatively sanguine on the prospect of a Labour administration and the tighter, US election will likely provide more concern for investors.

### SIGNIFICANT CHANGES

The top five buys during the 12-months period were: Bellway, Intertek, NatWest, Victrex and Smith & Nephew.

The top five sells during the 12-months period were: CRH, Persimmon, AstraZeneca, Dunelm and Rathbones.

### POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in and an underweight to banks detracted from relative returns, as did stock selection in and an underweight to aerospace and defense. Conversely, stock selection in industrial support services and construction and materials contributed to relative returns, as did an overweight to food producers.

At a stock level, financial advice firm St James's Place was the largest detractor to relative performance. The shares fell 59.67% after announcing they have taken provisions for historic client servicing issues. The company noted that the amount set aside should be sufficient, but the company has now faced successive issues which have weighed on sentiment.

In contrast, Intermediate Capital was one of the largest contributors to relative returns. The shares advanced 77.69% during the year as fundraising expectations for key funds have gradually increased as expected pressures from higher interest rates have had little impact on the sector. The company has also planning to broaden out and scale up many of its fund offerings which provides further growth in the future.

# FTF Martin Currie UK Opportunities Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Although the UK economy suffered a small technical recession in the second half of 2023, it seems that policy makers have successfully achieved a soft landing in Western economies. A feat that was looking more remote this time last year.

There is open debate now around the appropriate future path for interest rates, as illustrated by the Bank of England split decision in their February Monetary Policy Committee meeting and market upheaval driven by small monthly beats/misses on the latest inflation data. However, from our point of view, a base rate at 5.25% and median economist inflation expectation of 2.5% for 2024 means that the market expectation for 2 cuts by the end of 2024 is understandable until we reach a clear trough in Consumer Price Index data.

From an equity market perspective, the most prominent risk remains the shape of inflation and its impact on policy as we move closer to a more normal level. There are concerns that consumer prices will re-accelerate into the end of the year and into 2025 driven by a trough in the energy price cap, inflation expectations, stronger growth, and continued wage pressure. Escalation of conflict in the middle east and a stronger than expected consumer also provide upside risk to inflation.

However, to temper this risk we have some confidence that consumer energy prices should remain more stable. Gas storage levels in Europe remain high and the possibility of a reprieve from conflict in Ukraine remains a distinct possibility.

Markets are relaxed about a Labour government, but this is not without risk. By definition, a Labour landslide will mean the composition of the House of Commons will change dramatically with the risk the Keir Starmer ends up facing increasing pressure from the left of the party. Many of the contentious political topics of the moment will unlikely see a resolution and this could increasingly isolate the Labour leader which could result in a change of tack to placate the left or risk losing the confidence of the party.

The ongoing politicisation and heightened state/regulatory intervention across consumer facing sectors also poses a risk to equity investors as we look forward. Water utilities, financial advice, homebuilding, banking, insurance, and energy are all sectors which have been impacted by this to some degree and we do not expect these risks to abate under a Labour Government.

Wider risks and opportunities from geopolitics, Artificial Intelligence and the drive towards sustainability remain difficult to predict but with UK equities remaining out of favour and valuations at multi-year lows, they continue to indicate a significant amount of upside from here.

As a further boost we are seeing concerted efforts to increase flows into UK equities which should begin to play out in the coming year and beyond.

We have seen the successes that policy can have on equity markets in Japan for instance and given the UK has the second largest aggregate pension pot globally we think there is a lot that can be done. In our view it will unlikely be one element that will be the key to diverting capital back to the UK but a series of small tweaks to policy and incentives that could compound into meaningful outcomes over time.

**Ben Russon, CFA, Will Bradwell & Joanne Rands**

Fund Managers

31 March 2024

# FTF Martin Currie UK Opportunities Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	227.25	220.48	191.73
Return before operating charges <sup>1</sup>	17.24	7.95	29.85
Operating charges <sup>2</sup>	(1.25)	(1.18)	(1.10)
Return after operating charges <sup>3</sup>	15.99	6.77	28.75
Distributions	(8.29)	(7.66)	(7.48)
Retained distributions on accumulation shares	8.29	7.66	7.48
Closing net asset value per share	243.24	227.25	220.48
After direct transaction costs of <sup>4</sup>	(0.06)	(0.17)	(0.15)
<b>Performance</b>			
Return after charges <sup>5</sup>	7.04%	3.07%	15.00%
<b>Other information</b>			
Closing net asset value (£)	13,146,025	13,785,424	13,113,112
Closing number of shares	5,404,547	6,066,152	5,947,472
Operating charges ratio <sup>6</sup>	0.55%	0.54%	0.53%
Direct transaction costs <sup>4</sup>	0.03%	0.08%	0.07%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	242.93	237.00	220.56
Lowest share price	215.18	198.39	191.21
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	121.23	122.03	109.99
Return before operating charges <sup>1</sup>	8.96	4.05	16.91
Operating charges <sup>2</sup>	(0.66)	(0.65)	(0.62)
Return after operating charges <sup>3</sup>	8.30	3.40	16.29
Distributions	(4.38)	(4.20)	(4.25)
Closing net asset value per share	125.15	121.23	122.03
After direct transaction costs of <sup>4</sup>	(0.03)	(0.09)	(0.08)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.85%	2.79%	14.81%
<b>Other information</b>			
Closing net asset value (£)	23,454,537	24,838,634	26,697,108
Closing number of shares	18,740,779	20,489,223	21,878,117
Operating charges ratio <sup>6</sup>	0.55%	0.54%	0.53%
Direct transaction costs <sup>4</sup>	0.03%	0.08%	0.07%
<b>Prices (p)</b>			
Highest share price	126.74	128.31	123.98
Lowest share price	112.38	107.41	109.68

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Martin Currie UK Opportunities Fund

## COMPARATIVE TABLES *(Continued)*

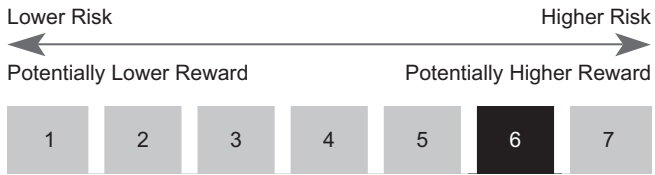
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7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

# FTF Martin Currie UK Opportunities Fund

**RISK PROFILE (W Accumulation Shares)** For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 99.14% (98.61%)</b>		
	<b>ADVERTISING 1.54% (1.86%)</b>		
75,000	WPP .....	565	1.54
	<b>AEROSPACE &amp; DEFENCE 1.63% (0.00%)</b>		
163,000	QinetiQ.....	595	1.63
	<b>AGRICULTURE 5.10% (5.36%)</b>		
46,000	British American Tobacco.....	1,107	3.02
43,100	Imperial Brands .....	763	2.08
		1,870	5.10
	<b>APPAREL 0.91% (1.54%)</b>		
27,500	Burberry .....	334	0.91
	<b>BANKS 1.75% (1.34%)</b>		
241,000	NatWest .....	640	1.75
	<b>BEVERAGES 3.28% (4.07%)</b>		
64,000	Britvic.....	526	1.44
23,000	Diageo .....	673	1.84
		1,199	3.28
	<b>BUILDING MATERIALS 1.78% (2.22%)</b>		
9,500	CRH .....	649	1.78
	<b>CHEMICALS 1.17% (1.11%)</b>		
33,000	Victrex.....	428	1.17
	<b>COMMERCIAL SERVICES 7.36% (6.19%)</b>		
20,800	Experian .....	718	1.96
10,000	Intertek .....	498	1.36
43,200	RELX .....	1,479	4.04
		2,695	7.36
	<b>COMPUTERS 1.90% (1.61%)</b>		
366,000	Serco .....	694	1.90
	<b>COSMETICS &amp; PERSONAL CARE 4.99% (4.99%)</b>		
46,000	Unilever .....	1,828	4.99
	<b>DISTRIBUTION &amp; WHOLESALE 1.65% (1.66%)</b>		
19,800	Bunzl .....	603	1.65
	<b>DIVERSIFIED FINANCIAL SERVICES 1.13% (4.30%)</b>		
11,400	Rathbones .....	176	0.48
51,000	St James's Place .....	237	0.65
		413	1.13
	<b>ELECTRICITY 5.21% (5.12%)</b>		
98,500	National Grid .....	1,050	2.87
52,000	SSE.....	858	2.34
		1,908	5.21
	<b>FOOD PRODUCERS 3.79% (5.15%)</b>		
19,000	Cranswick .....	778	2.13
204,500	Tesco .....	607	1.66
		1,385	3.79
	<b>HEALTHCARE PRODUCTS 1.61% (1.52%)</b>		
59,500	Smith & Nephew.....	590	1.61
	<b>HOME BUILDERS 1.53% (1.33%)</b>		
21,000	Bellway .....	559	1.53
	<b>HOUSEHOLD PRODUCTS 1.95% (2.52%)</b>		
15,800	Reckitt Benckiser .....	713	1.95

## FTF Martin Currie UK Opportunities Fund

### PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>INSURANCE 3.53% (3.22%)</b>		
287,000	Legal & General .....	730	1.99
102,000	Phoenix .....	562	1.54
		1,292	3.53
	<b>MEDIA 1.93% (1.94%)</b>		
84,900	Informa.....	706	1.93
	<b>METAL &amp; HARDWARE 1.67% (1.59%)</b>		
88,000	Bodycote .....	613	1.67
	<b>MINING 4.82% (5.41%)</b>		
30,000	Anglo American .....	586	1.60
23,500	Rio Tinto .....	1,179	3.22
		1,765	4.82
	<b>MISCELLANEOUS MANUFACTURING 1.64% (1.91%)</b>		
36,700	Smiths.....	602	1.64
	<b>OIL &amp; GAS PRODUCERS 12.47% (11.95%)</b>		
374,000	BP.....	1,854	5.07
14,000	DCC .....	806	2.20
72,500	Shell .....	1,903	5.20
		4,563	12.47
	<b>PACKAGING &amp; CONTAINERS 2.36% (1.77%)</b>		
218,000	DS Smith .....	864	2.36
	<b>PHARMACEUTICALS 8.16% (8.28%)</b>		
14,900	AstraZeneca.....	1,591	4.35
81,500	GSK .....	1,393	3.81
		2,984	8.16
	<b>PRIVATE EQUITY 1.99% (1.45%)</b>		
35,500	Intermediate Capital .....	729	1.99
	<b>REAL ESTATE INVESTMENT TRUSTS 3.40% (2.87%)</b>		
310,000	LondonMetric Property.....	629	1.72
63,000	UNITE.....	616	1.68
		1,245	3.40
	<b>RETAIL 5.61% (3.50%)</b>		
32,000	Associated British Foods .....	799	2.18
57,000	Grafton.....	571	1.56
7,400	Next.....	683	1.87
		2,053	5.61
	<b>SOFTWARE 1.80% (1.61%)</b>		
52,000	Sage.....	658	1.80
	<b>TELECOMMUNICATIONS 1.48% (1.22%)</b>		
271,000	Spirent Communications .....	542	1.48
	<b>TOTAL - EQUITIES</b>	36,284	99.14
	<b>CERTIFICATE OF DEPOSITS 1.09% (1.81%)</b>		
400,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	400	1.09
	<b>TOTAL VALUE OF INVESTMENTS</b>	<b>36,684</b>	<b>100.23</b>
	<b>OTHER LIABILITIES</b>	<b>(83)</b>	<b>(0.23)</b>
	<b>TOTAL NET ASSETS</b>	<b>36,601</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		1,047		(247)
Revenue	3	1,549		1,552	
Expenses	4	(202)		(209)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		1,347		1,343	
Taxation	6	-		3	
Net revenue after taxation			1,347		1,346
<b>Total return before distributions</b>			<b>2,394</b>		<b>1,099</b>
Distributions	7		(1,347)		(1,346)
<b>Change in net assets attributable to shareholders</b>			<b>1,047</b>		<b>(247)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>38,624</b>		<b>39,810</b>
Amounts received on creation of shares	1,538		3,481	
Amounts paid on cancellation of shares	(5,084)		(4,881)	
		(3,546)		(1,400)
Change in net assets attributable to shareholders from investment activities (see above)		1,047		(247)
Retained distribution on accumulation shares		476		461
<b>Closing net assets attributable to shareholders</b>		<b>36,601</b>		<b>38,624</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		-	38,786
Current assets			
Investments		36,684	-
Debtors	8	339	347
Cash and bank balances	9	24	8
Total assets		37,047	39,141
<b>Liabilities</b>			
Creditors			
Distributions payable		(327)	(370)
Other creditors	10	(119)	(147)
Total liabilities		(446)	(517)
<b>Net assets attributable to shareholders</b>		<b>36,601</b>	<b>38,624</b>



# FTF Martin Currie UK Opportunities Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	1,047	(247)
	<u>1,047</u>	<u>(247)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	1	2
Interest from certificates of deposit	24	-
Overseas dividends	73	141
UK dividends	1,402	1,371
UK property income dividends	49	38
	<u>1,549</u>	<u>1,552</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	165	173
ACD's administration charge	18	19
ACD Waiver	(9)	(6)
	<u>174</u>	<u>186</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	3	5
Safe custody fees	1	1
	<u>4</u>	<u>6</u>
<b>Other expenses:</b>		
Audit fees	15	14
Other	9	3
	<u>24</u>	<u>17</u>
	<u>202</u>	<u>209</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Martin Currie UK Opportunities Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge/(credit) for the year</b>		
Overseas tax	-	(3)
Total current tax	-	(3)
<b>Total taxation (see Note 6(b))</b>	<b>-</b>	<b>(3)</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	1,347	1,343
Corporation tax at 20% (2023: 20%)	269	269
Effects of:		
Movement in unrecognised tax losses	26	35
Overseas tax	-	(3)
Prior year adjustment to unrecognised tax losses	-	(2)
Revenue not subject to tax	(295)	(302)
<b>Total tax credit for the year (see Note 6(a))</b>	<b>-</b>	<b>(3)</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £2,092,000 (2023: £2,067,000) due to tax losses of £10,461,000 (2023: £10,333,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	519	507
Accumulation	295	259
	814	766
<b>Final dividend distributions</b>		
Income	327	370
Accumulation	181	202
	508	572
Add: Revenue deducted on cancellation of shares	38	35
Deduct: Revenue received on issue of shares	(13)	(27)
<b>Total distribution</b>	<b>1,347</b>	<b>1,346</b>

# FTF Martin Currie UK Opportunities Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. Distributions (Continued)

Details of the distribution in pence per share for this Fund are set out in the table on page 318.

### 8. Debtors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued income	160	225
Accrued Manager's charge rebates	6	3
Amounts receivable for issue of shares	132	36
Overseas tax recoverable	41	21
Sales awaiting settlement	-	62
	<u>339</u>	<u>347</u>

### 9. Cash and bank balances

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Cash and bank balances	24	8
<b>Total cash and bank balances</b>	<u>24</u>	<u>8</u>

### 10. Other creditors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	39	38
Amounts payable for cancellation of shares	80	109
	<u>119</u>	<u>147</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £9,000 (2023: £14,000).

# FTF Martin Currie UK Opportunities 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, 0.17% (2023: 0.13%) 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £3,668,000 (2023: £3,879,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	1,585	-	8	1,593	-	0.50
<b>Sales</b>						
Equities	4,445	(2)	-	4,443	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.01%</u>	<u>0.02%</u>			
	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
<b>Purchases</b>						
Equities	4,719	2	25	4,746	0.04	0.53
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.06% (2023: 0.05%).

# FTF Martin Currie UK Opportunities 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	6,066,152	435,948	(1,097,553)	-	5,404,547
W Income	20,489,223	459,612	(2,208,056)	-	18,740,779

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	36,284	-	38,086	-
Level 2	400	-	700	-
Level 3	-	-	-	-
<b>Total</b>	<b>36,684</b>	<b>-</b>	<b>38,786</b>	<b>-</b>

## FTF Martin Currie UK Opportunities Fund

### DISTRIBUTION TABLES For the year ended 31 March 2024

#### For the period 1 April 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	4.9440	-	4.9440	4.3279
Group 2	2.8839	2.0601	4.9440	4.3279
<b>W Income</b>				
Group 1	2.6364	-	2.6364	2.3959
Group 2	1.5116	1.1248	2.6364	2.3959

#### For the period 1 October 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	3.3477	-	3.3477	3.3363
Group 2	1.4156	1.9321	3.3477	3.3363
<b>W Income</b>				
Group 1	1.7465	-	1.7465	1.8060
Group 2	1.0009	0.7456	1.7465	1.8060

#### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

The Fund may also invest in:

- Debt securities or bonds (debt obligations that pay interest) issued by governments, government-related, supranational organisations or corporations;
- Convertible securities (a type of corporate debt security which can be exchanged for shares in the same organisation);
- Other types of 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 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).

#### *Geographical location (where we invest)*

The Fund focuses on investment in the UK although the Fund's managers have discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

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%.

## FTF Martin Currie UK Rising Dividends Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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#### *ESG (Environmental, social, and governance) factors*

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:

- 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.

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).



# FTF Martin Currie UK Rising Dividends Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie UK Rising Dividends Fund (W Accumulation) returned 5.22%, whilst its benchmark - the FTSE All-Share Index - returned 8.43% (both returns in UK sterling).

### OVERVIEW

With the fallout from the regional banking crisis looking contained in the early months of 2023, policy makers could get back to the task at hand of fighting inflation through interest rate increases.

The Bank of England increased the bank rate by a further 1% to reach 5.25% in the summer. Despite the higher year-on-year inflation rate in the UK at 10.1% vs. 6.9% for the Eurozone (CPI as of March 2023, released in April 2023), much of this was down to the increased sensitivity of the economy to energy prices which were quickly moderating. This meant monetary policy could remain roughly aligned across the region.

As inflation began to fall back from 45-year highs by the summer, it became clear that elements of the inflation basket, particularly those linked to services which were having to increase prices to pay higher wages would likely remain sticky. Coupled with this was a wider understanding that the final reduction in inflation toward the 2% policy objective would become a lot more difficult as we annualised periods of much higher energy prices. The upshot was that asset prices began to incorporate a higher for longer rate profile leading to a meaningful selloff in equities. Much of this debate was captured succinctly by Bank of England economist Huw Pill who outlined that the future profile of interest rates should look more like Table Mountain than the Matterhorn.

Continued public sector strikes and high single digit wage growth across developed economies appeared to corroborate this viewpoint. In October the German Bund Yield reached 3% for the first time since 2011 and the FTSE 250 reached within 2% of the lows not seen since the Kwasi Kwarteng and Liz Truss "mini budget" episode.

Fortunately, this would prove to be an inflection and by November inflation data had eased sufficiently that central banks including the Bank of England could opt to hold the bank rate which helped to build consensus that we had in fact reached peak rates at 5.25%.

In December we had more evidence of this as the Federal Reserve future interest rate expectations pointed to a pivot in policy where Federal Open Market Committee members projections pointed to 3 cuts in 2024.

Throughout the year geopolitical tensions flared as conflict in the middle east caused shipping routes to divert away from the Red Sea. Defence stocks rallied as Governments underlined their commitment to spending on arms in the wake of the war in Ukraine which has driven order book expansion across the sector.

More recently, in first quarter of 2024 we have seen a more hawkish investor sentiment take over. Consecutive inflation data coming in higher than estimates due to more core items has caused concern and reversed some of the December rally across fixed income. Equity markets, however, have continued to approach or breach new highs.

Politically, the Conservative party have been unable to arrest the decline in popularity among voters with most polls and betting markets pointing to a Labour landslide in the coming election. Markets have been relatively sanguine on the prospect of a Labour administration and the tighter, US election will likely provide more concern for investors.

### SIGNIFICANT CHANGES

The top five buys during the 12-months period were: Unilever, GSK, Diageo, Croda International and Reckitt Benckiser.

The top five sells during the 12-months period were: Flutter Entertainment, Spectris, Sage, Dunelm and Close Brothers.

### POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in banks and investment banking and brokerage services detracted from the relative returns as did an overweight to personal goods. In contrast, stock selection in industrial support services and an overweight position in food producers contributed to relative returns.

At a stock level, financial advice firm St James's Place was the largest detractor to relative performance. The shares fell 59.67% after announcing they have taken provisions for historic client servicing issues. The company noted that the amount set aside should be sufficient, but the company has now faced successive issues which have weighed on sentiment.

Alternative asset manager Intermediate Capital was one of the greatest contributors to relative performance over the 12 months ending 31 March 2024. The shares advanced 77.69% as fundraising expectations for key funds have gradually increased as expected pressures from higher interest rates have had little impact on the sector. The company has also planning to broaden out and scale up many of its fund offerings which provides further growth in the future.

# FTF Martin Currie UK Rising Dividends Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Although the UK economy suffered a small technical recession in the second half of 2023, it seems that policy makers have successfully achieved a soft landing in Western economies. A feat that was looking more remote this time last year.

There is open debate now around the appropriate future path for interest rates, as illustrated by the Bank of England split decision in their February Monetary Policy Committee meeting and market upheaval driven by small monthly beats/misses on the latest inflation data. However, from our point of view, a base rate at 5.25% and median economist inflation expectation of 2.5% for 2024 means that the market expectation for 2 cuts by the end of 2024 is understandable until we reach a clear trough in Consumer Price Index data.

From an equity market perspective, the most prominent risk remains the shape of inflation and its impact on policy as we move closer to a more normal level. There are concerns that consumer prices will re-accelerate into the end of the year and into 2025 driven by a trough in the energy price cap, inflation expectations, stronger growth, and continued wage pressure. Escalation of conflict in the middle east and a stronger than expected consumer also provide upside risk to inflation.

However, to temper this risk we have some confidence that consumer energy prices should remain more stable. Gas storage levels in Europe remain high and the possibility of a reprieve from conflict in Ukraine remains a distinct possibility.

Markets are relaxed about a Labour government, but this is not without risk. By definition, a Labour landslide will mean the composition of the House of Commons will change dramatically with the risk the Keir Starmer ends up facing increasing pressure from the left of the party. Many of the contentious political topics of the moment will unlikely see a resolution and this could increasingly isolate the Labour leader which could result in a change of tack to placate the left or risk losing the confidence of the party.

The ongoing politicisation and heightened state/regulatory intervention across consumer facing sectors also poses a risk to equity investors as we look forward. Water utilities, financial advice, homebuilding, banking, insurance, and energy are all sectors which have been impacted by this to some degree and we do not expect these risks to abate under a Labour Government.

Wider risks and opportunities from geopolitics, Artificial Intelligence and the drive towards sustainability remain difficult to predict but with UK equities remaining out of favour and valuations at multi-year lows, they continue to indicate a significant amount of upside from here.

As a further boost we are seeing concerted efforts to increase flows into UK equities which should begin to play out in the coming year and beyond.

We have seen the successes that policy can have on equity markets in Japan for instance and given the UK has the second largest aggregate pension pot globally we think there is a lot that can be done. In our view it will unlikely be one element that will be the key to diverting capital back to the UK but a series of small tweaks to policy and incentives that could compound into meaningful outcomes over time.

**Ben Russon, CFA, Will Bradwell & Joanne Rands**

Fund Managers

31 March 2024

# FTF Martin Currie UK Rising Dividends Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	260.36	245.60	222.41
Return before operating charges <sup>1</sup>	15.76	16.08	24.46
Operating charges <sup>2</sup>	(1.36)	(1.32)	(1.27)
Return after operating charges <sup>3</sup>	14.40	14.76	23.19
Distributions	(10.08)	(8.55)	(8.10)
Retained distributions on accumulation shares	10.08	8.55	8.10
Closing net asset value per share	274.76	260.36	245.60
After direct transaction costs of <sup>4</sup>	(0.62)	(0.44)	(0.26)
<b>Performance</b>			
Return after charges <sup>5</sup>	5.53%	6.01%	10.43%
<b>Other information</b>			
Closing net asset value (£)	187,203,837	122,207,372	110,541,244
Closing number of shares	68,132,757	46,938,364	45,008,733
Operating charges ratio <sup>6</sup>	0.52%	0.53%	0.53%
Direct transaction costs <sup>4</sup>	0.24%	0.18%	0.11%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	274.32	268.26	252.57
Lowest share price	244.50	226.03	219.90
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	128.48	125.57	117.59
Return before operating charges <sup>1</sup>	7.51	7.88	12.87
Operating charges <sup>2</sup>	(0.66)	(0.66)	(0.66)
Return after operating charges <sup>3</sup>	6.85	7.22	12.21
Distributions	(4.90)	(4.31)	(4.23)
Closing net asset value per share	130.43	128.48	125.57
After direct transaction costs of <sup>4</sup>	(0.30)	(0.22)	(0.14)
<b>Performance</b>			
Return after charges <sup>5</sup>	5.33%	5.75%	10.38%
<b>Other information</b>			
Closing net asset value (£)	35,129,126	35,367,520	34,667,970
Closing number of shares	26,933,721	27,528,302	27,609,387
Operating charges ratio <sup>6</sup>	0.52%	0.53%	0.53%
Direct transaction costs <sup>4</sup>	0.24%	0.18%	0.11%
<b>Prices (p)</b>			
Highest share price	133.46	133.45	130.68
Lowest share price	117.80	113.29	113.47

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Martin Currie UK Rising Dividends Fund

## COMPARATIVE TABLES *(Continued)*

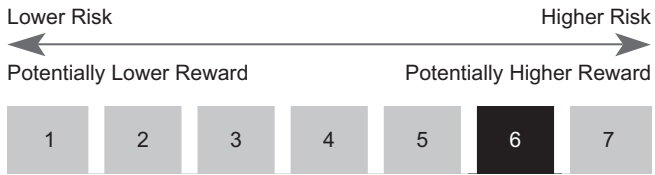
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7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

# FTF Martin Currie UK Rising Dividends Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 Rising Dividends Fund

PORTFOLIO OF INVESTMENTS As at 31 March 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.44% (97.39%)</b>		
	<b>ADVERTISING 2.18% (1.93%)</b>		
642,000	WPP .....	4,838	2.18
	<b>AEROSPACE &amp; DEFENCE 4.20% (2.21%)</b>		
370,000	BAE Systems.....	4,993	2.25
1,187,000	QinetiQ.....	4,333	1.95
		9,326	4.20
	<b>AGRICULTURE 5.57% (5.33%)</b>		
312,000	British American Tobacco.....	7,505	3.37
276,000	Imperial Brands .....	4,885	2.20
		12,390	5.57
	<b>APPAREL 1.22% (2.18%)</b>		
224,000	Burberry .....	2,717	1.22
	<b>BEVERAGES 5.53% (5.65%)</b>		
463,000	Britvic.....	3,806	1.71
290,000	Diageo .....	8,484	3.82
		12,290	5.53
	<b>CHEMICALS 3.28% (1.50%)</b>		
85,000	Croda International.....	4,167	1.87
242,000	Victrex.....	3,141	1.41
		7,308	3.28
	<b>COMMERCIAL SERVICES 10.83% (9.93%)</b>		
232,000	Experian .....	8,013	3.60
115,000	Intertek.....	5,729	2.58
302,000	RELX.....	10,340	4.65
		24,082	10.83
	<b>COSMETICS &amp; PERSONAL CARE 4.99% (4.47%)</b>		
279,000	Unilever .....	11,090	4.99
	<b>DISTRIBUTION &amp; WHOLESALE 1.59% (1.78%)</b>		
116,000	Bunzl .....	3,536	1.59
	<b>DIVERSIFIED FINANCIAL SERVICES 4.57% (8.12%)</b>		
488,000	IG .....	3,560	1.60
67,000	Rathbones .....	1,034	0.46
832,000	Schroders .....	3,132	1.41
525,000	St James's Place .....	2,438	1.10
		10,164	4.57
	<b>ELECTRICITY 4.79% (4.38%)</b>		
700,000	National Grid .....	7,458	3.35
194,000	SSE.....	3,201	1.44
		10,659	4.79
	<b>ELECTRONICS 1.05% (1.86%)</b>		
310,000	DiscoverIE .....	2,344	1.05
	<b>ENTERTAINMENT 0.00% (2.23%)</b>		
	<b>FOOD PRODUCERS 2.08% (3.46%)</b>		
113,000	Cranswick .....	4,626	2.08
	<b>HEALTHCARE PRODUCTS 2.02% (1.57%)</b>		
453,000	Smith & Nephew.....	4,491	2.02
	<b>HOME BUILDERS 1.81% (1.72%)</b>		
151,000	Bellway .....	4,023	1.81
	<b>HOUSEHOLD PRODUCTS 2.84% (3.28%)</b>		
140,000	Reckitt Benckiser.....	6,315	2.84

# FTF Martin Currie UK Rising Dividends Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>INSURANCE 5.95% (5.84%)</b>		
615,000	Beazley .....	4,093	1.84
2,145,000	Legal & General .....	5,455	2.45
670,000	Phoenix .....	3,693	1.66
		<u>13,241</u>	<u>5.95</u>
	<b>MACHINERY DIVERSIFIED 2.15% (1.85%)</b>		
264,000	IMI .....	4,792	2.15
	<b>MEDIA 1.53% (1.35%)</b>		
643,000	Bloomsbury Publishing.....	3,395	1.53
	<b>METAL &amp; HARDWARE 1.82% (1.74%)</b>		
581,000	Bodycote .....	4,047	1.82
	<b>MISCELLANEOUS MANUFACTURING 1.51% (2.72%)</b>		
90,000	Diploma.....	3,348	1.51
	<b>OIL &amp; GAS PRODUCERS 7.28% (6.58%)</b>		
85,000	DCC .....	4,895	2.20
430,000	Shell .....	11,287	5.08
		<u>16,182</u>	<u>7.28</u>
	<b>PHARMACEUTICALS 6.17% (5.19%)</b>		
42,000	AstraZeneca.....	4,485	2.02
540,000	GSK .....	9,226	4.15
		<u>13,711</u>	<u>6.17</u>
	<b>PRIVATE EQUITY 2.11% (1.66%)</b>		
228,000	Intermediate Capital .....	4,683	2.11
	<b>REAL ESTATE INVESTMENT TRUSTS 4.07% (3.15%)</b>		
195,000	Derwent London .....	4,224	1.90
493,000	UNITE.....	4,822	2.17
		<u>9,046</u>	<u>4.07</u>
	<b>RETAIL 3.94% (2.70%)</b>		
181,000	Associated British Foods .....	4,521	2.03
46,000	Next.....	4,247	1.91
		<u>8,768</u>	<u>3.94</u>
	<b>SOFTWARE 1.74% (2.02%)</b>		
305,000	Sage.....	3,860	1.74
	<b>TELECOMMUNICATIONS 1.62% (0.99%)</b>		
1,800,000	Spirent Communications .....	3,600	1.62
	<b>TOTAL - EQUITIES</b>	<u>218,872</u>	<u>98.44</u>
	<b>CERTIFICATE OF DEPOSITS 1.62% (2.79%)</b>		
3,600,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	3,600	1.62
	<b>TOTAL VALUE OF INVESTMENTS</b>	<u>222,472</u>	<u>100.06</u>
	<b>OTHER LIABILITIES</b>	<u>(139)</u>	<u>(0.06)</u>
	<b>TOTAL NET ASSETS</b>	<u>222,333</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains	2		4,577		5,419
Revenue	3	7,949		4,931	
Expenses	4	(1,074)		(754)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		6,875		4,177	
Taxation	6	-		21	
Net revenue after taxation			6,875		4,198
<b>Total return before distributions</b>			<b>11,452</b>		<b>9,617</b>
Distributions	7		(7,798)		(4,840)
<b>Change in net assets attributable to shareholders</b>			<b>3,654</b>		<b>4,777</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>157,575</b>		<b>145,209</b>
Amounts received on creation of shares	93,180		56,068	
Amounts paid on cancellation of shares	(38,689)		(52,462)	
		54,491		3,606
Dilution adjustment		204		110
Change in net assets attributable to shareholders from investment activities (see above)		3,654		4,777
Retained distribution on accumulation shares		6,409		3,873
<b>Closing net assets attributable to shareholders</b>		<b>222,333</b>		<b>157,575</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		222,472	157,865
Current assets			
Debtors	8	747	1,915
Cash and bank balances	9	96	20
Total assets		223,315	159,800
<b>Liabilities</b>			
Creditors			
Distributions payable		(231)	(287)
Other creditors	10	(751)	(1,938)
Total liabilities		(982)	(2,225)
<b>Net assets attributable to shareholders</b>		<b>222,333</b>	<b>157,575</b>



# FTF Martin Currie UK Rising Dividends Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	4,577	5,420
Currency losses	-	(1)
	<u>4,577</u>	<u>5,419</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	3	17
Interest from certificates of deposit	238	2
Overseas dividends	248	155
UK dividends	7,262	4,754
UK property income dividends	198	3
	<u>7,949</u>	<u>4,931</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	923	642
ACD's administration charge	103	71
	<u>1,026</u>	<u>713</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	18	20
Safe custody fees	5	4
	<u>23</u>	<u>24</u>
<b>Other expenses:</b>		
Audit fees	15	14
Other	10	3
	<u>25</u>	<u>17</u>
	<u>1,074</u>	<u>754</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Martin Currie UK Rising Dividends Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge/(credit) for the year</b>		
Overseas tax	-	(21)
Total current tax	-	(21)
<b>Total taxation (see Note 6(b))</b>	<b>-</b>	<b>(21)</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	6,875	4,177
Corporation tax at 20% (2023: 20%)	1,375	835
Effects of:		
Movement in unrecognised tax losses	127	624
Overseas tax	-	(21)
Prior year adjustment to unrecognised tax losses	-	(477)
Revenue not subject to tax	(1,502)	(982)
<b>Total tax credit for the year (see Note 6(a))</b>	<b>-</b>	<b>(21)</b>

### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £1,750,000 (2023: £1,623,000) due to tax losses of £8,747,000 (2023: £8,112,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	1,490	863
Accumulation	5,189	2,892
	6,679	3,755
<b>Final dividend distributions</b>		
Income	231	286
Accumulation	1,220	981
	1,451	1,267
Add: Revenue deducted on cancellation of shares	105	58
Deduct: Revenue received on issue of shares	(437)	(240)
<b>Total distribution</b>	<b>7,798</b>	<b>4,840</b>

# FTF Martin Currie UK Rising Dividends Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	6,875	4,198
Capitalised amounts	923	642
<b>Total distribution</b>	<b>7,798</b>	<b>4,840</b>

Details of the distribution in pence per share for this Fund are set out in the table on pages 334 and 335.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	660	716
Amounts receivable for issue of shares	4	814
Overseas tax recoverable	83	45
Sales awaiting settlement	-	340
	<b>747</b>	<b>1,915</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	96	20
<b>Total cash and bank balances</b>	<b>96</b>	<b>20</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	118	94
Amounts payable for cancellation of shares	633	36
Purchases awaiting settlement	-	1,808
	<b>751</b>	<b>1,938</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £93,000 (2023: £66,000).

# FTF Martin Currie UK Rising Dividends 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, 0.04% (2023: 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £22,247,000 (2023: £15,787,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	93,814	29	448	94,291	0.03	0.48
<b>Sales</b>						
Equities	33,474	(12)	-	33,462	(0.04)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.22%</u>			
	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
<b>Purchases</b>						
Equities	46,258	17	224	46,499	0.04	0.48
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.06% (2023: 0.07%).

# FTF Martin Currie UK Rising Dividends 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	46,938,364	26,803,731	(5,594,614)	(14,724)	68,132,757
W Income	27,528,302	18,448,124	(19,072,291)	29,586	26,933,721

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	218,872	-	153,465	-
Level 2	3,600	-	4,400	-
Level 3	-	-	-	-
<b>Total</b>	<b>222,472</b>	<b>-</b>	<b>157,865</b>	<b>-</b>

# FTF Martin Currie UK Rising Dividends Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	3.2093	-	3.2093	2.3183
Group 2	1.1030	2.1063	3.2093	2.3183
<b>W Income</b>				
Group 1	1.5836	-	1.5836	1.1838
Group 2	0.8007	0.7829	1.5836	1.1838

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	2.8656	-	2.8656	2.2645
Group 2	1.9531	0.9125	2.8656	2.2645
<b>W Income</b>				
Group 1	1.3947	-	1.3947	1.1464
Group 2	1.1629	0.2318	1.3947	1.1464

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	2.2113	-	2.2113	1.8804
Group 2	1.1811	1.0302	2.2113	1.8804
<b>W Income</b>				
Group 1	1.0651	-	1.0651	0.9422
Group 2	0.7473	0.3178	1.0651	0.9422

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.7903	-	1.7903	2.0905
Group 2	0.9741	0.8162	1.7903	2.0905
<b>W Income</b>				
Group 1	0.8567	-	0.8567	1.0400
Group 2	0.5578	0.2989	0.8567	1.0400

# FTF Martin Currie UK Rising Dividends Fund

## DISTRIBUTION TABLES *(Continued)*

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### **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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

The Fund may also invest in:

- Other types of 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 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).

#### *Geographical location (where we invest)*

The Fund focuses on investment in the UK although the Fund's managers have discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.

#### *ESG (environmental, social, and governance) factors*

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:

- 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.



## FTF Martin Currie UK Smaller Companies Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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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.

# FTF Martin Currie UK Smaller Companies Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie UK Smaller Companies Fund (W Accumulation) returned 6.16%, whilst its benchmark - the Numis Smaller Companies ex-Investment Trusts Index - returned 9.00% (both returns in UK sterling).

### OVERVIEW

With the fallout from the regional banking crisis looking contained in the early months of 2023, policy makers could get back to the task at hand of fighting inflation through interest rate increases.

The Bank of England increased the bank rate by a further 1% to reach 5.25% in the summer. Despite the higher year-on-year inflation rate in the UK at 10.1% vs. 6.9% for the Eurozone (CPI as of March 2023, released in April 2023), much of this was down to the increased sensitivity of the economy to energy prices which were quickly moderating. This meant monetary policy could remain roughly aligned across the region.

As inflation began to fall back from 45-year highs by the summer, it became clear that elements of the inflation basket, particularly those linked to services which were having to increase prices to pay higher wages would likely remain sticky. Coupled with this was a wider understanding that the final reduction in inflation toward the 2% policy objective would become a lot more difficult as we annualised periods of much higher energy prices. The upshot was that asset prices began to incorporate a higher for longer rate profile leading to a meaningful selloff in equities. Much of this debate was captured succinctly by Bank of England economist Huw Pill who outlined that the future profile of interest rates should look more like Table Mountain than the Matterhorn.

Continued public sector strikes and high single digit wage growth across developed economies appeared to corroborate this viewpoint. In October the German Bund Yield reached 3% for the first time since 2011 and the FTSE 250 reached within 2% of the lows not seen since the Kwasi Kwarteng and Liz Truss "mini budget" episode.

Fortunately, this would prove to be an inflection and by November inflation data had eased sufficiently that central banks including the Bank of England could opt to hold the bank rate which helped to build consensus that we had in fact reached peak rates at 5.25%.

In December we had more evidence of this as the Federal Reserve future interest rate expectations pointed to a pivot in policy where Federal Open Market Committee members projections pointed to 3 cuts in 2024.

Throughout the year geopolitical tensions flared as conflict in the middle east caused shipping routes to divert away from the Red Sea. Defence stocks rallied as Governments underlined their commitment to spending on arms in the wake of the war in Ukraine which has driven order book expansion across the sector.

More recently, in the first quarter of 2024 we have seen a more hawkish investor sentiment take over. Consecutive inflation data coming in higher than estimates due to more core items has caused concern and reversed some of the December rally across fixed income. Equity markets, however, have continued to approach or breach new highs.

Politically, the Conservative party have been unable to arrest the decline in popularity among voters with most polls and betting markets pointing to a Labour landslide in the coming election. Markets have been relatively sanguine on the prospect of a Labour administration and the tighter US election will likely provide more concern for investors.

### SIGNIFICANT CHANGES

The top five buys during the 12-months period were: Loungers; GB; Urban Logistics; Bodycote; Big Technologies.

The top five sells during the 12-months period were: Gresham House; Hotel Chocolat; Bytes Technology; Big Technologies; Foresight.

### POSITIVE/NEGATIVE CONTRIBUTORS

At the sector level, stock selection in leisure goods and travel and leisure detracted from returns, as did stock selection in industrial engineering. Conversely, an overweight position in closed end investments and stock selection in personal care, drug and grocery stores contributed to relative returns.

At the stock level, Hotel Chocolat was the largest contributor to fund performance during the year. The shares advanced 100.5% during the period after receiving a bid approach from Mars at 375p a share in November. We believe the bid will go through at 375p with nearly 70% of shareholders giving their support already with the two founders Angus Thirlwell and Peter Harris owning 54% between them. This demonstrates how founder-led businesses create value for long term shareholders and have skin in the game to achieve the best outcome for all shareholders. Our original purchase of Hotel Chocolat was at 148p in the IPO in May 2016 and we supported two equity raises by the company to grow the company in March 2020 and July 2021 as we believed in the value of the brand and the growth potential. While the share price decline over the past 18 months has made it a tough time to be shareholders, we believed the management team were setting the company on the right path for value creation and building brand value.

# FTF Martin Currie UK Smaller Companies Fund

## INVESTMENT REVIEW *(Continued)*

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Videndum was the largest detractor to performance, the shares declined 57.1% during the year. The company published its delayed interim results in September with market conditions being more challenging than anticipated a few months previously and the Writer's and Actor's strikes in the US lasting longer than expected impacting on the forecast earnings for the second half of the year. The downturn in earnings means that the banking covenants on its debt need to be relaxed for the next twelve months to prevent a breach and the company is exploring options to strengthen the balance sheet which may include an equity raise. Over the past year we have sold 55% of our holding in the company prior to these results on concerns about the balance sheet, but we had not forecast that the strikes in North America would set new records for an industry shutdown.

### OUTLOOK

Although the UK economy suffered a small technical recession in the second half of 2023, it seems that policy makers have successfully achieved a soft landing in Western economies. A feat that was looking more remote this time last year.

There is open debate now around the appropriate future path for interest rates, as illustrated by the Bank of England split decision in their February Monetary Policy Committee meeting and market upheaval driven by small monthly beats/misses on the latest inflation data. However, from our point of view, a base rate at 5.25% and median economist inflation expectation of 2.5% for 2024 means that the market expectation for 2 cuts by the end of 2024 is understandable until we reach a clear trough in Consumer Price Index data.

From an equity market perspective, the most prominent risk remains the shape of inflation and its impact on policy as we move closer to a more normal level. There are concerns that consumer prices will re-accelerate into the end of the year and into 2025 driven by a trough in the energy price cap, inflation expectations, stronger growth, and continued wage pressure. Escalation of conflict in the middle east and a stronger than expected consumer also provide upside risk to inflation.

However, to temper this risk we have some confidence that consumer energy prices should remain more stable. Gas storage levels in Europe remain high and the possibility of a reprieve from conflict in Ukraine remains a distinct possibility.

Wider risks and opportunities from geopolitics, Artificial Intelligence and the drive towards sustainability remain difficult to predict but with UK equities remaining out of favour and valuations at multi-year lows, they continue to indicate a significant amount of upside from here.

As a further boost we are seeing concerted efforts to increase flows into UK equities which should begin to play out in the coming year and beyond. We have seen some tentative signs that the UK Smaller Companies sector is starting to see more positive flows over recent months after outflows every month since September 2021. The amount of merger and acquisition activity which stepped up in the second half of 2023 and has continued in to 2024 supports our view that UK equities and especially smaller companies remain at a compelling valuation compared to historical levels and relative to other international equity markets. The fund has benefited from five bid approaches for holdings in the past twelve months.

We have seen the successes that policy can have on equity markets in Japan for instance and given the UK has the second largest aggregate pension pot globally we think there is a lot that can be done. In our view it will unlikely be one element that will be the key to diverting capital back to the UK but a series of small tweaks to policy and incentives that could compound into meaningful outcomes over time.

**Richard Bullas, Dan Green, CFA & Marcus Tregoning**  
Fund Managers  
31 March 2024

# FTF Martin Currie UK Smaller Companies Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>S Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022*</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	719.72	944.58	1,000.00
Return before operating charges <sup>1</sup>	51.24	(218.95)	(48.71)
Operating charges <sup>2</sup>	(5.17)	(5.91)	(6.71)
Return after operating charges <sup>3</sup>	46.07	(224.86)	(55.42)
Distributions	(14.47)	(11.27)	(8.64)
Retained distributions on accumulation shares	14.47	11.27	8.64
Closing net asset value per share	765.79	719.72	944.58
After direct transaction costs of <sup>4</sup>	(0.99)	(0.46)	(0.82)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.40%	(23.81)%	(5.54)%
<b>Other information</b>			
Closing net asset value (£)	20,628,986	23,685,760	34,205,877
Closing number of shares	2,693,812	3,290,982	3,621,289
Operating charges ratio <sup>6</sup>	0.72%	0.72%	0.65%
Direct transaction costs <sup>4</sup>	0.14%	0.06%	0.08%
<b>Prices (p)</b>			
Highest share price	768.09	963.90	1,164.90
Lowest share price	631.72	715.13	851.37
<b>S Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	702.71	936.51	1,000.00
Return before operating charges <sup>1</sup>	48.93	(216.82)	(48.19)
Operating charges <sup>2</sup>	(5.08)	(5.84)	(6.71)
Return after operating charges <sup>3</sup>	43.85	(222.66)	(54.90)
Distributions	(14.05)	(11.14)	(8.59)
Closing net asset value per share	732.51	702.71	936.51
After direct transaction costs of <sup>4</sup>	(0.96)	(0.45)	(0.82)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.24%	(23.78)%	(5.49)%
<b>Other information</b>			
Closing net asset value (£)	37,217,146	38,255,223	9,363,705
Closing number of shares	5,080,766	5,443,992	999,848
Operating charges ratio <sup>6</sup>	0.73%	0.72%	0.66%
Direct transaction costs <sup>4</sup>	0.14%	0.06%	0.08%
<b>Prices (p)</b>			
Highest share price	739.37	955.72	1,164.85
Lowest share price	608.09	703.05	848.16

# FTF Martin Currie UK Smaller Companies Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	263.54	346.23	340.75
Return before operating charges <sup>1</sup>	18.77	(80.22)	8.64
Operating charges <sup>2</sup>	(2.18)	(2.47)	(3.16)
Return after operating charges <sup>3</sup>	16.59	(82.69)	5.48
Distributions	(5.03)	(3.83)	(2.85)
Retained distributions on accumulation shares	5.03	3.83	2.85
Closing net asset value per share	280.13	263.54	346.23
After direct transaction costs of <sup>4</sup>	(0.36)	(0.17)	(0.31)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.30%	(23.88)%	1.61%
<b>Other information</b>			
Closing net asset value (£)	75,734,250	83,641,284	145,958,699
Closing number of shares	27,035,086	31,737,365	42,156,359
Operating charges ratio <sup>6</sup>	0.83%	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.14%	0.06%	0.08%
<b>Prices (p)</b>			
Highest share price	280.98	353.31	427.23
Lowest share price	231.19	261.87	312.09
<b>W Income</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	122.65	163.44	162.09
Return before operating charges <sup>1</sup>	8.54	(37.83)	4.20
Operating charges <sup>2</sup>	(1.01)	(1.16)	(1.50)
Return after operating charges <sup>3</sup>	7.53	(38.99)	2.70
Distributions	(2.33)	(1.80)	(1.35)
Closing net asset value per share	127.85	122.65	163.44
After direct transaction costs of <sup>4</sup>	(0.17)	(0.08)	(0.15)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.14%	(23.86)%	1.67%
<b>Other information</b>			
Closing net asset value (£)	20,942,028	23,708,321	86,377,337
Closing number of shares	16,380,024	19,330,248	52,850,651
Operating charges ratio <sup>6</sup>	0.83%	0.82%	0.83%
Direct transaction costs <sup>4</sup>	0.14%	0.06%	0.08%
<b>Prices (p)</b>			
Highest share price	128.99	166.78	203.23
Lowest share price	106.13	122.64	147.94

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.

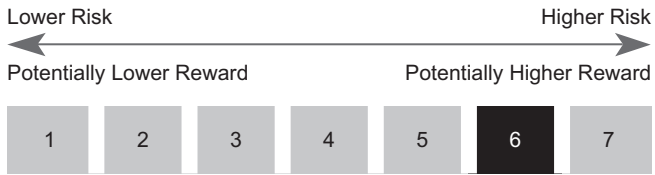
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

\* This share class launched on 30 April 2021.

# FTF Martin Currie UK Smaller Companies Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.79% (97.22%)</b>		
	<b>ADVERTISING 1.26% (0.00%)</b>		
3,000,000	Pebble# .....	1,950	1.26
	<b>AEROSPACE &amp; DEFENCE 0.00% (1.97%)</b>		
	<b>AIRLINES 4.15% (3.88%)</b>		
445,000	JET2# .....	6,412	4.15
	<b>BEVERAGES 2.35% (2.52%)</b>		
610,000	Young & Co's Brewery Non Voting Rights# .....	3,636	2.35
	<b>BUILDING MATERIALS 1.06% (0.00%)</b>		
600,000	Marshalls .....	1,645	1.06
	<b>COMMERCIAL SERVICES 16.04% (11.48%)</b>		
1,410,000	Fintel# .....	4,018	2.60
375,000	Keystone Law# .....	2,213	1.43
1,000,000	Mears .....	3,685	2.39
2,200,000	Restore# .....	4,752	3.08
900,000	Robert Walters .....	3,663	2.37
1,800,000	RWS# .....	3,375	2.18
12,250,000	Speedy Hire .....	3,081	1.99
		24,787	16.04
	<b>COMPUTERS 6.18% (7.58%)</b>		
640,000	FDM .....	2,182	1.41
1,150,000	GB# .....	3,130	2.03
1,000,000	Midwich# .....	4,240	2.74
		9,552	6.18
	<b>COSMETICS &amp; PERSONAL CARE 0.99% (1.86%)</b>		
1,700,000	PZ Cussons.....	1,525	0.99
	<b>DIVERSIFIED FINANCIAL SERVICES 16.95% (19.42%)</b>		
440,000	Alpha International# .....	8,272	5.35
1,000,000	Foresight .....	4,450	2.88
550,000	JTC .....	4,516	2.92
1,175,000	Polar Capital# .....	5,346	3.46
640,000	Tatton Asset Management# .....	3,610	2.34
		26,194	16.95
	<b>ELECTRONICS 3.28% (3.87%)</b>		
670,000	DiscoverIE .....	5,065	3.28
	<b>FOOD PRODUCERS 0.00% (2.51%)</b>		
	<b>HOME BUILDERS 3.41% (2.55%)</b>		
1,100,000	MJ Gleeson .....	5,269	3.41
	<b>INTERNET 4.37% (3.84%)</b>		
750,000	Auction Technology .....	4,635	3.00
5,570,000	Ebiquity# .....	2,117	1.37
		6,752	4.37
	<b>INVESTMENT COMPANIES 0.00% (4.62%)</b>		
	<b>MEDIA 3.04% (1.44%)</b>		
550,000	Bloomsbury Publishing.....	2,904	1.88
2,400,000	LBG Media# .....	1,790	1.16
		4,694	3.04
	<b>METAL &amp; HARDWARE 4.17% (2.03%)</b>		
925,000	Bodycote .....	6,443	4.17
	<b>MISCELLANEOUS MANUFACTURING 10.72% (7.66%)</b>		
361,757	Avon Protection.....	3,907	2.53
1,600,000	Chemring.....	5,800	3.75

## FTF Martin Currie UK Smaller Companies Fund

### PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>MISCELLANEOUS MANUFACTURING (Continued)</b>		
990,000	Videndum .....	2,861	1.85
920,000	Volution .....	3,998	2.59
		<u>16,566</u>	<u>10.72</u>
	<b>PHARMACEUTICALS 0.00% (1.45%)</b>		
	<b>REAL ESTATE INVESTMENT &amp; SERVICES 0.00% (1.68%)</b>		
	<b>REAL ESTATE INVESTMENT TRUSTS 3.15% (1.66%)</b>		
4,250,000	Urban Logistics .....	4,862	3.15
	<b>RETAIL 3.62% (1.85%)</b>		
1,800,000	DFS Furniture .....	1,991	1.29
1,750,000	Loungers <sup>#</sup> .....	3,605	2.33
1,077,428	Patisserie <sup>1</sup> .....	-	0.00
		<u>5,596</u>	<u>3.62</u>
	<b>SOFTWARE 11.06% (12.26%)</b>		
2,220,000	Big Technologies <sup>#</sup> .....	2,997	1.94
1,600,000	Boku <sup>#</sup> .....	2,912	1.88
9,275,000	Devolver Digital <sup>#</sup> .....	1,762	1.14
4,341,111	dotdigital group <sup>#</sup> .....	3,690	2.39
1,650,000	Hostelworld .....	2,574	1.67
350,000	Tracsis <sup>#</sup> .....	3,150	2.04
		<u>17,085</u>	<u>11.06</u>
	<b>TELECOMMUNICATIONS 2.99% (1.09%)</b>		
170,000	Gamma Communications <sup>#</sup> .....	2,319	1.50
1,150,000	Spirent Communications .....	2,300	1.49
		<u>4,619</u>	<u>2.99</u>
	<b>TOTAL - EQUITIES</b>	<u>152,652</u>	<u>98.79</u>
	<b>CERTIFICATE OF DEPOSITS 1.23% (2.95%)</b>		
1,900,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	1,900	1.23
	<b>TOTAL VALUE OF INVESTMENTS</b>	<u>154,552</u>	<u>100.02</u>
	<b>OTHER LIABILITIES</b>	<u>(30)</u>	<u>(0.02)</u>
	<b>TOTAL NET ASSETS</b>	<u>154,522</u>	<u>100.00</u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>1</sup> These securities are fair valued by the manager.

<sup>#</sup> Traded on an alternative investment market.



# FTF Martin Currie UK Smaller Companies Fund

## STATEMENT OF TOTAL RETURN For the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		6,039		(63,624)
Revenue	3	4,375		4,614	
Expenses	4	(1,245)		(1,731)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		3,130		2,883	
Taxation	6	-		-	
Net revenue after taxation			3,130		2,883
<b>Total return before distributions</b>			<b>9,169</b>		<b>(60,741)</b>
Distributions	7		(3,130)		(2,885)
<b>Change in net assets attributable to shareholders</b>			<b>6,039</b>		<b>(63,626)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>169,291</b>		<b>275,906</b>
Amounts received on creation of shares	9,110		12,979	
Amounts paid on cancellation of shares	(31,801)		(58,002)	
		(22,691)		(45,023)
Dilution adjustment		23		268
Change in net assets attributable to shareholders from investment activities (see above)		6,039		(63,626)
Retained distribution on accumulation shares		1,860		1,766
<b>Closing net assets attributable to shareholders</b>		<b>154,522</b>		<b>169,291</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		154,552	169,574
Current assets			
Debtors	8	1,267	779
Cash and bank balances	9	29	71
Total assets		155,848	170,424
<b>Liabilities</b>			
Creditors			
Distributions payable		(358)	(414)
Other creditors	10	(968)	(719)
Total liabilities		(1,326)	(1,133)
<b>Net assets attributable to shareholders</b>		<b>154,522</b>	<b>169,291</b>

# FTF Martin Currie UK Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	6,039	(63,624)
	<u>6,039</u>	<u>(63,624)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	3	20
Interest from certificates of deposit	212	1
Overseas dividends	270	383
UK dividends	3,605	4,138
UK property income dividends	285	72
	<u>4,375</u>	<u>4,614</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	1,127	1,571
ACD's administration charge	79	110
	<u>1,206</u>	<u>1,681</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	10	30
Safe custody fees	3	5
	<u>13</u>	<u>35</u>
<b>Other expenses:</b>		
Audit fees	15	14
Printing fees	(1)	-
Other	12	1
	<u>26</u>	<u>15</u>
	<u>1,245</u>	<u>1,731</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Martin Currie UK Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Total current tax	-	-
<b>Total taxation (see Note 6(b))</b>	<u>-</u>	<u>-</u>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	3,130	2,883
Corporation tax at 20% (2023: 20%)	626	577
Effects of:		
Movement in unrecognised tax losses	149	327
Prior year adjustment to unrecognised tax losses	-	1
Revenue not subject to tax	(775)	(905)
<b>Total tax charge for the year (see Note 6(a))</b>	<u>-</u>	<u>-</u>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £4,068,000 (2023: £3,919,000) due to tax losses of £20,338,000 (2023: £19,593,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	796	548
Accumulation	1,289	1,076
	<u>2,085</u>	<u>1,624</u>
<b>Final dividend distributions</b>		
Income	358	414
Accumulation	571	690
	<u>929</u>	<u>1,104</u>
Add: Revenue deducted on cancellation of shares	156	210
Deduct: Revenue received on issue of shares	(40)	(53)
<b>Total distribution</b>	<u>3,130</u>	<u>2,885</u>

# FTF Martin Currie UK Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	3,130	2,883
Net revenue received on share class conversions	-	2
<b>Total distribution</b>	<b>3,130</b>	<b>2,885</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 351.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	270	267
Amounts receivable for issue of shares	2	21
Sales awaiting settlement	995	491
	<b>1,267</b>	<b>779</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	29	71
<b>Total cash and bank balances</b>	<b>29</b>	<b>71</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	125	145
Amounts payable for cancellation of shares	561	574
Purchases awaiting settlement	282	-
	<b>968</b>	<b>719</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £100,000 (2023: £114,000).

# FTF Martin Currie UK 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

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

At the year end date, 0.00% (2023: 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £15,455,000 (2023: £16,957,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	56,798	32	143	56,973	0.06	0.25
<b>Sales</b>						
Equities	74,976	(42)	-	74,934	(0.06)	-
Total cost of the Fund's average net asset value (%)		<u>0.05%</u>	<u>0.09%</u>			
	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
<b>Purchases</b>						
Equities	33,253	19	61	33,333	0.06	0.18
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.97% (2023: 1.25%).

# FTF Martin Currie UK Smaller Companies 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
S Accumulation	3,290,982	102,471	(633,949)	(65,692)	2,693,812
S Income	5,443,992	517,282	(844,328)	(36,180)	5,080,766
W Accumulation	31,737,365	987,247	(5,838,588)	149,062	27,035,086
W Income	19,330,248	1,953,235	(5,177,019)	273,560	16,380,024

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	152,652	-	164,574	-
Level 2	1,900	-	5,000	-
Level 3 <sup>1</sup>	-	-	-	-
<b>Total</b>	<b>154,552</b>	<b>-</b>	<b>169,574</b>	<b>-</b>

<sup>1</sup>Includes 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 2024

### For the period 1 April 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	9.6467	-	9.6467	6.3513
Group 2	5.6033	4.0434	9.6467	6.3513
<b>S Income</b>				
Group 1	9.4118	-	9.4118	6.3039
Group 2	5.0944	4.3174	9.4118	6.3039
<b>W Accumulation</b>				
Group 1	3.4006	-	3.4006	2.1689
Group 2	1.7037	1.6969	3.4006	2.1689
<b>W Income</b>				
Group 1	1.5815	-	1.5815	1.0230
Group 2	0.8402	0.7413	1.5815	1.0230

### For the period 1 October 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	4.8214	-	4.8214	4.9225
Group 2	1.3049	3.5165	4.8214	4.9225
<b>S Income</b>				
Group 1	4.6409	-	4.6409	4.8391
Group 2	1.9618	2.6791	4.6409	4.8391
<b>W Accumulation</b>				
Group 1	1.6317	-	1.6317	1.6607
Group 2	0.7422	0.8895	1.6317	1.6607
<b>W Income</b>				
Group 1	0.7488	-	0.7488	0.7776
Group 2	0.4840	0.2648	0.7488	0.7776

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

The Fund invests at least 80% of its assets in shares of US 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.

#### *Other investments*

The Fund may also invest in:

- 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 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.

#### *Geographic location (where we invest)*

The Fund's focus is the US. The majority of the Fund's investments will be in shares in companies listed in the US, although the Fund's managers have discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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 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.



## FTF Martin Currie US Unconstrained Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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#### *ESG (environmental, social, and governance) factors*

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:

- 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.

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.

# FTF Martin Currie US Unconstrained Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Martin Currie US Unconstrained Fund (W Accumulation) returned 19.74%, whilst its benchmark - the MSCI USA (Net Dividends) Index - returned 26.92% (both returns in UK sterling).

### OVERVIEW

The global equity market delivered positive returns on the whole over the 12-month period ending March 31, 2024, with markets witnessing a see-saw performance during the first half but remaining on an upward trajectory during the second half. From a regional perspective, the first half saw US equities outperforming non-US equities, while developed markets outperformed emerging markets. In terms of style leadership, Growth continued to outperform Value in global equities. However, this was much more pronounced in the US thanks to a handful of large-cap technology stocks that extended their rally on rising expectations of generative artificial intelligence (AI), which highlights some narrowness in the market. In contrast, emerging market (EM) stocks finished the period with a small gain due to fading enthusiasm over China's immediate recovery. The period also saw concerns around US regional banks which weighed on the market. The prospect of a collapse of First Republic Bank became apparent in April, at which point JPMorgan stepped in to purchase the company.

After a sell-off in the second quarter owing to a hawkish stance by the US Federal Reserve, the latter half of the period saw market registering gains on the back of indications from the central bank that rate hiking cycle has ended and the resulting optimism around rate cuts. In fact, market participants are now pricing in three rate cuts of 25 basis points in 2024. The performance was also driven by easing inflation prints from the US and Europe, overall resilient economic data and relatively strong earnings results, which outweighed the impact of stickier inflation. Investor sentiment was effectively supported by optimism over a soft-landing scenario. From a regional perspective, developed markets outperformed emerging markets. In terms of style performance, Growth delivered stronger gains than Value, being more sensitive to the end of the policy rate hike cycle. Within developed markets, Japan was the best performing region in the last quarter of the reporting period, driven more by Value than Growth and in part helped by the Yen weakness. However, the US and Europe saw continued outperformance from Growth, led by the Technology sector. Whilst gains in US equities were again driven by the Magnificent 7 (Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta and Tesla), performance within this group was mixed. In comparison, Emerging markets delivered moderate gains, as concerns around China's growth prospects linger.

### SIGNIFICANT CHANGES

At the end of the period, the portfolio's largest sector exposure was in Information Technology followed by Health Care and Consumer Discretionary. Purchases over the period were Cadence Design Systems and Idexx Laboratories. Sales included Adobe, Masimo and Teradyne.

### POSITIVE/NEGATIVE CONTRIBUTORS

At a stock level, Technology companies Nvidia and Microsoft were the top performers. The largest detractors were Consumer Staples company Estee Lauder, and Health Care company Masimo.

At a sector level, Information Technology and Financials provided the strongest contribution. Health Care and Consumer Staples were the only sectors to provide a negative contribution to returns for the period.

### OUTLOOK

Looking into 2024, there are two aspects to consider in our view: on the negative side, the risk of a slowing economic momentum globally, as China's economic momentum continues to weaken amid lack of any policy initiatives and the rapid rate hikes in the US. Both could lead to a higher risk of recession in the US, and an ongoing risk of stagflation in Europe and the UK. This should feed into the continued downside risk to corporate earnings forecasts and a negative earnings momentum. On the more supportive side, we believe a pivot by central banks in the 2nd half of 2024 towards rate cuts could provide support for equity markets generally, and for quality growth stocks in particular. Geopolitical risks and ongoing speculation around central banks' interest rate trajectory will likely continue to fuel a high degree of volatility across markets and intra-markets.

In 2024, we foresee inflation to be stickier and longer lasting with slower economic growth, particularly in the US and China. In Europe and the UK, we continue to forecast ongoing stagflation. Despite the muted growth outlook, the expected pivot by the Western central banks has the potential to be supportive for equity markets and quality growth stocks in particular. As the market continues to speculate on central bank policies each time new inflation data is released, volatility should persist. However, we believe investors should focus on the bigger picture that monetary policies should be supportive for long duration quality growth stocks when central banks do pivot towards rate cut.

**Zehrid Osmani & Robbie McNab, CFA**

Fund Managers

31 March 2024

# FTF Martin Currie US Unconstrained Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	715.19	643.90
Return before operating charges <sup>1</sup>	134.53	74.16
Operating charges <sup>2</sup>	(6.03)	(2.87)
Return after operating charges <sup>3</sup>	128.50	71.29
Distributions	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	843.69	715.19
After direct transaction costs of <sup>4</sup>	(0.16)	(0.03)
<b>Performance</b>		
Return after charges <sup>5</sup>	17.97%	11.07%
<b>Other information</b>		
Closing net asset value (£)	127,730,028	131,498,071
Closing number of shares	15,139,439	18,386,439
Operating charges ratio <sup>6</sup>	0.82%	0.84%
Direct transaction costs <sup>4</sup>	0.02%	0.01%
<b>Prices (p)</b>		
Highest share price	853.68	710.35
Lowest share price	665.07	610.38
<u>W H2 Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	359.75	293.54
Return before operating charges <sup>1</sup>	73.02	67.61
Operating charges <sup>2</sup>	(3.06)	(1.40)
Return after operating charges <sup>3</sup>	69.96	66.21
Distributions	-	-
Retained distributions on accumulation shares	-	-
Closing net asset value per share	429.71	359.75
After direct transaction costs of <sup>4</sup>	(0.08)	(0.01)
<b>Performance</b>		
Return after charges <sup>5</sup>	19.45%	22.56%
<b>Other information</b>		
Closing net asset value (£)	646,784	601,261
Closing number of shares	150,517	167,133
Operating charges ratio <sup>6</sup>	0.82%	0.84%
Direct transaction costs <sup>4</sup>	0.02%	0.01%
<b>Prices (p)</b>		
Highest share price	433.24	354.97
Lowest share price	326.29	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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Martin Currie US Unconstrained Fund

## COMPARATIVE TABLES *(Continued)*

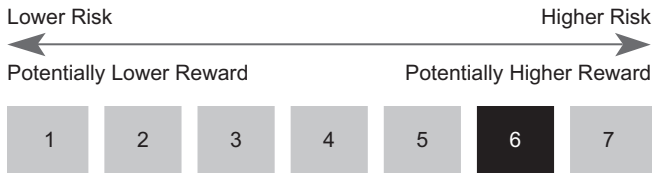
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\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Martin Currie US Unconstrained Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 98.77% (99.39%)</b>		
	<b>APPAREL 3.63% (4.38%)</b>		
62,750	NIKE .....	4,667	3.63
	<b>BIOTECHNOLOGY 5.72% (2.80%)</b>		
67,542	Illumina .....	7,338	5.72
	<b>CHEMICALS 7.74% (5.91%)</b>		
27,049	Linde .....	9,937	7.74
	<b>COSMETICS &amp; PERSONAL CARE 4.96% (7.50%)</b>		
52,273	Estee Lauder .....	6,373	4.96
	<b>DIVERSIFIED FINANCIAL SERVICES 9.30% (7.72%)</b>		
16,191	Mastercard .....	6,164	4.80
26,182	Visa .....	5,777	4.50
		11,941	9.30
	<b>ELECTRONICS 4.22% (4.47%)</b>		
5,139	Mettler-Toledo International .....	5,416	4.22
	<b>HEALTHCARE PRODUCTS 10.59% (12.63%)</b>		
10,658	IDEXX Laboratories .....	4,553	3.55
57,662	ResMed .....	9,038	7.04
		13,591	10.59
	<b>INTERNET 4.85% (3.57%)</b>		
43,619	Amazon.com .....	6,224	4.85
	<b>PHARMACEUTICALS 4.23% (4.60%)</b>		
40,565	Zoetis .....	5,432	4.23
	<b>RETAIL 3.18% (3.35%)</b>		
56,557	Starbucks .....	4,089	3.18
	<b>SEMICONDUCTORS 9.45% (14.02%)</b>		
16,980	NVIDIA .....	12,132	9.45
	<b>SOFTWARE 30.90% (28.44%)</b>		
14,160	ANSYS .....	3,886	3.03
30,591	Autodesk .....	6,305	4.91
24,489	Cadence Design Systems .....	6,029	4.70
2,836	Constellation Software .....	5,929	4.62
36,679	Microsoft .....	12,195	9.50
28,965	Veeva Systems .....	5,311	4.14
		39,655	30.90
	TOTAL - EQUITIES	126,795	98.77
	<b>WARRANTS 0.00% (0.00%)</b>		
3,801	Constellation Software 31/03/2040 Warrant <sup>1</sup> .....	-	0.00
	<b>HEDGE SHARE CLASS DERIVATIVES 0.00% (0.00%)</b>		
	<b>HEDGE FORWARD CURRENCY CONTRACTS</b>		
GBP 31,665	Buy GBP 31,665 sell CAD (54,364) dated 30/04/2024 .....	-	0.00
GBP 616,254	Buy GBP 616,254 sell USD (779,271) dated 30/04/2024 .....	(1)	0.00
		(1)	0.00
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	(1)	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
	TOTAL VALUE OF INVESTMENTS .....	<u>126,794</u>	<u>98.77</u>
	OTHER ASSETS .....	<u>1,583</u>	<u>1.23</u>
	TOTAL NET ASSETS .....	<u><u>128,377</u></u>	<u><u>100.00</u></u>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>1</sup> Priced at zero.

## FTF Martin Currie US Unconstrained Fund

### STATEMENT OF TOTAL RETURN For the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains	2		20,164		13,810
Revenue	3	712		321	
Expenses	4	(1,019)		(562)	
Interest payable and similar charges	5	(1)		(1)	
Net expense before taxation		(308)		(242)	
Taxation	6	(82)		(40)	
Net expense after taxation			(390)		(282)
<b>Total return before distributions</b>			<b>19,774</b>		<b>13,528</b>
Distributions	7		-		-
<b>Change in net assets attributable to shareholders</b>			<b>19,774</b>		<b>13,528</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>132,099</b>		-
In-specie transfer	-		137,085	
Amounts received on creation of shares	3,774		2,255	
Amounts paid on cancellation of shares	(27,270)		(20,769)	
		(23,496)		118,571
Change in net assets attributable to shareholders from investment activities (see above)		19,774		13,528
Retained distribution on accumulation shares		-		-
<b>Closing net assets attributable to shareholders</b>		<b>128,377</b>		<b>132,099</b>

### BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		126,795	131,288
<b>Current assets</b>			
Debtors	8	62	417
Cash and bank balances	9	2,140	812
<b>Total assets</b>		<b>128,997</b>	<b>132,517</b>
<b>Liabilities</b>			
Investment liabilities		(1)	-
<b>Creditors</b>			
Other creditors	10	(619)	(418)
<b>Total liabilities</b>		<b>(620)</b>	<b>(418)</b>
<b>Net assets attributable to shareholders</b>		<b>128,377</b>	<b>132,099</b>



# FTF Martin Currie US Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	20,178	13,849
Derivative losses	(47)	-
Currency gains/(losses)	14	(91)
Forward currency contracts	19	52
	<u>20,164</u>	<u>13,810</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	8	2
Overseas dividends	704	319
	<u>712</u>	<u>321</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	928	501
ACD's administration charge	62	33
ACD Waiver	-	(8)
	<u>990</u>	<u>526</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	11	9
Safe custody fees	(2)	4
	<u>9</u>	<u>13</u>
<b>Other expenses:</b>		
Audit fees	18	11
Legal and publication fees	(4)	5
Other	6	7
	<u>20</u>	<u>23</u>
	<u>1,019</u>	<u>562</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	1	1
<b>Total interest payable and similar charges</b>	<u>1</u>	<u>1</u>

# FTF Martin Currie US Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	82	40
Total current tax	82	40
<b>Total taxation (see Note 6(b))</b>	<b>82</b>	<b>40</b>

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

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net expenses before taxation	(308)	(242)
Corporation tax at 20% (2023: 20%)	(62)	(48)
Effects of:		
Movement in unrecognised tax losses	202	112
Overseas tax	82	40
Revenue not subject to tax	(140)	(64)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>82</b>	<b>40</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £314,000 (2023: £112,000) due to tax losses of £1,573,000 (2023: £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:

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
<b>Total distribution</b>	<b>-</b>	<b>-</b>

# FTF Martin Currie US Unconstrained Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net expense after taxation	(390)	(282)
Revenue deficit payable from capital	390	282
<b>Total distribution</b>	<b>-</b>	<b>-</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 367.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	17	14
Accrued Manager's charge rebates	-	5
Amounts receivable for issue of shares	-	136
Currency sales awaiting settlement	30	14
Overseas tax recoverable	15	17
Sales awaiting settlement	-	231
	<b>62</b>	<b>417</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	2,140	812
<b>Total cash and bank balances</b>	<b>2,140</b>	<b>812</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	111	118
Amounts payable for cancellation of shares	478	286
Currency purchases awaiting settlement	30	14
	<b>619</b>	<b>418</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £87,000 (2023: £83,000).

# FTF Martin Currie US Unconstrained 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>Currency</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Canadian Dollar	5,897	6,611
United States Dollar	120,273	124,338
	<u>126,170</u>	<u>130,949</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £12,617,000 (2023: £13,095,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £12,679,000 (2023: £13,129,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	<u>1 April 2023 to 31 March 2024</u>					
	<u>Principal</u> £000	<u>Commissions</u> £000	<u>Taxes and other</u> £000	<u>Total cost</u> £000	<u>Commissions</u> % of principal	<u>Taxes and other</u> % of principal
<b>Purchases</b>						
Equities	31,071	10	-	31,081	0.03	-
<b>Sales</b>						
Equities	55,762	(17)	-	55,745	(0.03)	-
Total cost of the Fund's average net asset value (%)		<u>0.02%</u>	<u>0.00%</u>			

## FTF Martin Currie US Unconstrained Fund

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	5,385	3	-	5,388	0.06	-
Inspecie transfers	136,809	-	-	136,809	-	-
	<b>142,194</b>	<b>3</b>	<b>-</b>	<b>142,197</b>		
<b>Sales</b>						
Equities	24,686	(8)	(1)	24,677	(0.03)	-
Total cost of the Fund's average net asset value (%)		<b>0.01%</b>	<b>0.00%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.24% (2023: 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.

#### 14. Creations and Cancellations of Shares

	Number of shares in issue as at 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	18,386,439	454,400	(3,701,400)	-	15,139,439
W H2 Accumulation	167,133	134,439	(151,055)	-	150,517

## FTF Martin Currie US Unconstrained 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	126,795	-	131,287	-
Level 2	-	1	1	-
Level 3	-	-	-	-
<b>Total</b>	<b>126,795</b>	<b>1</b>	<b>131,288</b>	<b>-</b>

#### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of New York Mellon International	-	(1)	-	-	-	-	(1)

Counterparty	31 March 2023						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options 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 year ended 31 March 2024

### For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023* Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>W H2 Accumulation</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 March 2023.

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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.

#### *Other investments*

The Fund may also invest in:

- Other 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, each of which are issued by companies in any jurisdiction and of any size;
- 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). 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.

#### *Geographical location (where we invest)*

The Fund's focus is the US. The majority of the Fund's assets will be invested in shares and preference shares of US companies, although the Investment Manager has discretion to invest in any other country to a lesser extent.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

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.



# FTF Royce US Smaller Companies Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

In selecting investments, the Investment Manager also assesses material ESG factors. The Investment Manager defines material ESG factors as those that it believes may impact a company's cash flows, balance sheet, reputation, and/or enterprise value. This assessment enables the Investment Manager to determine whether a company's ESG practices represent a material risk or create an opportunity for investment for the Fund. These material ESG factors may include:

- 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.

The Investment Manager's assessment of a company's ESG characteristics may impact its view of that company's financial valuation, risk profile, and attractiveness. Where the Investment Manager identifies areas that do not meet its expectations on adequately managing material ESG issues, the Investment Manager will engage with companies to encourage improvement. The Investment Manager's assessment of material ESG factors and risks is only one component of its assessment of potential investments for the Fund and, as with its consideration of other factors and risks, may not be a determining factor in any decision to purchase, sell, or hold an investment for the Fund. In addition, in evaluating material ESG factors for the Fund, the analysis given to such ESG factors will vary across different types of investments, sectors, industries, regions, and company size and maturity.

# FTF Royce US Smaller Companies Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Royce US Smaller Companies Fund (W Accumulation) returned 17.07%, whilst its benchmark - the Russell 2000 Index - returned 17.17% (both returns in UK sterling). The Fund beat the small-cap benchmark for the 3 and 5-year periods ended 31 March 2024 while trailing for the 10-year period.

### SIGNIFICANT CHANGES

The Fund initiated 13 new positions during the 12-month period while exiting 11. A common theme among these new holdings is that their respective stocks have been underperforming at the time of initial purchase for what we believe are temporary reasons that are obscuring attractive, long-term cash-flow growth prospects.

### POSITIVE/NEGATIVE CONTRIBUTORS

Eight of the Fund's 10 equity sectors contributed to performance for the period, with the largest positive impacts coming from Industrials, Information Technology, and Financials. Real Estate and Communication Services detracted, while Consumer Staples made the smallest contribution.

At the industry level, machinery (Industrials), semiconductors & semiconductor equipment (Information Technology), and capital markets (Financials) made the biggest contributions. The biggest detractors were real estate management & development (Real Estate), hotels, restaurants & leisure (Consumer Discretionary), and interactive media & services (Communication Services).

The top contributor at the position level was commercial real estate brokerage MKS Instruments ("MKS"), a U.S. headquartered company that provides critical components and subsystems to semiconductor capital equipment and semiconductor manufacturers. MKS also has leading positions in chemicals and equipment used to manufacture advanced electronics, including specialty plating chemicals. The stock rallied as the company and industry datapoints appear to indicate a bottom to the slump in the memory sector of semiconductors, which looks poised to reverse in 2024's second half, setting the stage for an uptick in new equipment purchases. MKS company should emerge from the down cycle in a stronger position given the investment it has made in world class optics, which are broadening its addressable market in lithography, metrology, and inspection applications. The move to advanced packaging of chips at the leading edge also plays to MKS's expertise in laser drilling, plating equipment, and its number one share in plating chemistries for packaged substrates. In addition, customer engagements that are leading to design wins are also planting seeds for future revenue growth.

The Fund's top detractor at the position level was real estate, investment firm Kennedy-Wilson Holdings, a U.S.-based real estate investment firm whose stock declined in concert with the release of fourth quarter earnings that were adversely impacted by a decline in the fair value estimate for its co-investment portfolio. This is a non-cash charge required to estimate the fair value of certain of Kennedy Wilson's investments at a specific point in time. Management attributed the decline in the estimate to higher cap rates associated with the rise in interest rates since 2022. It emphasised that the underlying properties are generating growing cash flow, that many have cost bases well below their "fair value", and that its partners in the investment vehicles in which the properties are held plan to hold the assets for the long term. Nevertheless, this second sequential decline in value unnerved investors who pushed Kennedy Wilson's stock price down to a level that appears to value the company at a meaningful discount to its net asset value at these higher cap rates.

The Fund's slight disadvantage versus the Russell 2000 for the 12 months ended 31 March 2024 was attributable to stock selection. At the sector level, stock selection detracted most in Real Estate, Consumer Discretionary, and Communication Services (where the portfolio's slightly larger exposure also hurt). Conversely, stock selection was additive in both Financials, where it was enhanced by a lower weight in the sector, and Materials. Lack of exposure to Utilities also helped relative performance.

### OUTLOOK

From its 27 October 2023 trough, the Russell 2000 Index rose 24.3% for the remainder of the fourth quarter and handily outperformed the Russell 1000's 16.9% total return. Through the end of the first quarter of 2024, the total return for the small-cap benchmark since this low was 31%, though its lead over the Russell 1000 narrowed to about two percentage points, reflecting large-cap's outperformance in the first quarter of 2024 (+10.3% vs. +5.2% for the Russell 2000). As a result, the relative valuation for small-caps as a whole remains at historic lows, despite projections for the asset class to generate superior earnings growth relative to large-caps. The Quality cohort continues to trade below its historical average within small-cap, and with the ongoing normalisation of interest rates, we believe Quality is well positioned to return to being the dominant contributor to small-cap performance over the long term. While it is too soon to tell if the October low for the Russell 2000 was in fact the long-awaited small-cap bear market bottom, the historical returns from owning small-caps upon reemergence from such periods have been highly attractive and persistent.

# FTF Royce US Smaller Companies Fund

## INVESTMENT REVIEW *(Continued)*

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Earnings growth for the small-cap index is projected to be 16.4% in 2024, an attractive pace on an absolute basis and relative to large-cap. While this partially is due to small-cap earnings bouncing back from negative growth in 2023, it also reflects the fact that smaller companies generate a higher percentage of their sales in the US. The Federal Reserve ("Fed") recently revised its forecast for 2024 real GDP growth to 2.1%, up from the 1.4% projected in December. Based on our conversations with company managements, U.S. demand appears to remain generally healthy, particularly as various industries have worked through inventory destocking. Spending related to the U.S. infrastructure bill, the CHIPS Act, ongoing reshoring, and an AI-driven improvement in IT spending are also providing tailwinds across a variety of U.S. industries.

While recency bias seems to have the market fixated on when the Fed may cut rates, the reality is that the current level is actually typical relative to history. In past periods of similar real yields, the U.S. economy was able to generate solid GDP growth, just as it appears poised to do over the next few years, based on Fed forecasts. As always, we will monitor portfolio laggards while planting new seeds in that should bear fruit for the Fund in the years ahead - assuming we've correctly assessed the attractiveness of the business models. The portfolio's time-tested discipline and sole focus on buying and holding a select group of companies that we believe are premier businesses with durable competitive advantages appears well aligned with the reemergence of quality and profitability factors within small-caps.

**Lauren Romeo CFA**  
Fund Manager  
31 March 2024

# FTF Royce US Smaller Companies Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	294.34	277.48
Return before operating charges <sup>1</sup>	48.22	19.07
Operating charges <sup>2</sup>	(2.28)	(2.21)
Return after operating charges <sup>3</sup>	45.94	16.86
Distributions	(1.50)	(0.40)
Retained distributions on accumulation shares	1.50	0.40
Closing net asset value per share	340.28	294.34
After direct transaction costs of <sup>4</sup>	(0.33)	(0.20)
<b>Performance</b>		
Return after charges <sup>5</sup>	15.61%	6.08%
<b>Other information</b>		
Closing net asset value (£)	279,332,937	247,366,669
Closing number of shares	82,088,660	84,041,508
Operating charges ratio <sup>6</sup>	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.11%	0.07%
<b>Prices (p)</b>		
Highest share price <sup>7</sup>	339.50	322.71
Lowest share price	277.19	270.58
<u>W H2 Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	183.42	156.21
Return before operating charges <sup>1</sup>	32.65	28.54
Operating charges <sup>2</sup>	(1.44)	(1.33)
Return after operating charges <sup>3</sup>	31.21	27.21
Distributions	(0.95)	-
Retained distributions on accumulation shares	0.95	-
Closing net asset value per share	214.63	183.42
After direct transaction costs of <sup>4</sup>	(0.21)	(0.12)
<b>Performance</b>		
Return after charges <sup>5</sup>	17.02%	17.42%
<b>Other information</b>		
Closing net asset value (£)	9,183,256	753,364
Closing number of shares	4,278,581	410,738
Operating charges ratio <sup>6</sup>	0.82%	0.82%
Direct transaction costs <sup>4</sup>	0.11%	0.07%
<b>Prices (p)</b>		
Highest share price <sup>7</sup>	213.83	197.09
Lowest share price	171.15	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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Royce US Smaller Companies Fund

## COMPARATIVE TABLES *(Continued)*

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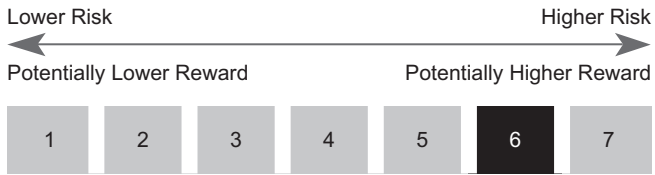
7 The “closing net asset value per share” figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.

# FTF Royce US Smaller Companies Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 96.71% (96.44%)</b>		
	<b>AEROSPACE &amp; DEFENCE 1.60% (1.33%)</b>		
264,104	Leonardo DRS .....	4,610	1.60
	<b>APPAREL 2.32% (2.71%)</b>		
43,487	Carter's .....	2,914	1.01
113,435	Steven Madden .....	3,792	1.31
		6,706	2.32
	<b>AUTOMOBILE PARTS &amp; EQUIPMENT 2.71% (3.66%)</b>		
114,121	Gentex .....	3,260	1.13
115,018	Miller Industries .....	4,547	1.58
		7,807	2.71
	<b>BIOTECHNOLOGY 0.84% (0.00%)</b>		
74,933	Halozyyme Therapeutics .....	2,410	0.84
	<b>BUILDING MATERIALS 1.95% (2.04%)</b>		
84,668	Louisiana-Pacific .....	5,621	1.95
	<b>CHEMICALS 3.07% (3.44%)</b>		
60,343	Innospec .....	6,142	2.13
16,796	Quaker Chemical .....	2,724	0.94
		8,866	3.07
	<b>COMMERCIAL SERVICES 9.97% (8.36%)</b>		
122,449	Cass Information Systems .....	4,637	1.61
674,209	Dun & Bradstreet .....	5,353	1.86
341,142	Forrester Research .....	5,822	2.02
161,855	Korn Ferry .....	8,417	2.92
128,021	Valvoline .....	4,515	1.56
		28,744	9.97
	<b>COMPUTERS 0.64% (0.00%)</b>		
37,845	Crane NXT .....	1,852	0.64
	<b>COSMETICS &amp; PERSONAL CARE 2.13% (2.01%)</b>		
55,312	Inter Parfums .....	6,145	2.13
	<b>DISTRIBUTION &amp; WHOLESALE 0.74% (1.03%)</b>		
244,376	Hudson Technologies .....	2,128	0.74
	<b>DIVERSIFIED FINANCIAL SERVICES 8.21% (7.30%)</b>		
176,860	Air Lease .....	7,200	2.50
151,255	Artisan Partners Asset Management .....	5,477	1.90
49,253	Houlihan Lokey .....	4,995	1.73
180,826	Lazard .....	5,989	2.08
		23,661	8.21
	<b>ELECTRONICS 8.16% (5.76%)</b>		
137,552	Atmus Filtration Technologies .....	3,512	1.22
122,968	Brady .....	5,770	2.00
95,767	ESCO Technologies .....	8,107	2.81
203,034	Kimball Electronics .....	3,476	1.20
54,866	Sanmina .....	2,698	0.93
		23,563	8.16
	<b>ENGINEERING &amp; CONSTRUCTION 3.96% (2.22%)</b>		
128,585	Arcosa .....	8,728	3.02
41,681	Exponent .....	2,723	0.94
		11,451	3.96
	<b>ENVIRONMENTAL CONTROL 0.00% (0.85%)</b>		
	<b>HEALTHCARE PRODUCTS 7.28% (6.01%)</b>		
132,627	Bio-Techne .....	7,385	2.56
138,314	Enovis .....	6,829	2.37

# FTF Royce US Smaller Companies Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>HEALTHCARE PRODUCTS (Continued)</b>		
106,432	Envista .....	1,801	0.62
41,864	Haemonetics .....	2,826	0.98
10,915	UFP Technologies .....	2,174	0.75
		<u>21,015</u>	<u>7.28</u>
	<b>HOME BUILDERS 2.93% (3.93%)</b>		
27,288	LCI Industries .....	2,653	0.92
86,249	Skyline Champion .....	5,808	2.01
		<u>8,461</u>	<u>2.93</u>
	<b>INSURANCE 3.56% (4.91%)</b>		
33,325	RLI .....	3,915	1.36
4,453	White Mountains Insurance .....	6,355	2.20
		<u>10,270</u>	<u>3.56</u>
	<b>INTERNET 2.98% (3.05%)</b>		
172,573	Ziff Davis .....	8,605	2.98
	<b>LEISURE TIME 2.01% (1.57%)</b>		
75,830	Brunswick .....	5,792	2.01
	<b>LODGING 0.66% (1.57%)</b>		
762,223	Century Casinos .....	1,901	0.66
	<b>MACHINERY DIVERSIFIED 2.97% (3.49%)</b>		
44,852	Esab .....	3,930	1.36
17,915	Kadant .....	4,642	1.61
		<u>8,572</u>	<u>2.97</u>
	<b>METAL &amp; HARDWARE 2.00% (0.52%)</b>		
231,012	Janus International .....	2,763	0.96
44,135	Northwest Pipe .....	1,211	0.42
67,328	Ryerson .....	1,783	0.62
		<u>5,757</u>	<u>2.00</u>
	<b>MISCELLANEOUS MANUFACTURING 5.18% (5.80%)</b>		
49,756	Enpro .....	6,647	2.30
11,548	Fabrinet .....	1,726	0.60
79,335	John Bean Technologies .....	6,584	2.28
		<u>14,957</u>	<u>5.18</u>
	<b>OIL &amp; GAS SERVICES 1.77% (1.39%)</b>		
560,262	Pason Systems .....	5,090	1.77
	<b>PHARMACEUTICALS 2.09% (3.06%)</b>		
478,812	Catalyst Pharmaceuticals .....	6,034	2.09
	<b>REAL ESTATE INVESTMENT &amp; SERVICES 5.23% (3.84%)</b>		
1,185,477	Kennedy-Wilson .....	8,042	2.79
260,492	Marcus & Millichap .....	7,036	2.44
		<u>15,078</u>	<u>5.23</u>
	<b>RETAIL 1.11% (1.38%)</b>		
145,561	Movado .....	3,215	1.11
	<b>SEMICONDUCTORS 8.83% (8.41%)</b>		
38,730	Cirrus Logic .....	2,834	0.98
146,244	Cohu .....	3,859	1.34
163,618	FormFactor .....	5,905	2.05
72,122	MKS Instruments .....	7,593	2.63
189,496	Vishay Precision .....	5,294	1.83
		<u>25,485</u>	<u>8.83</u>
	<b>SOFTWARE 0.50% (3.10%)</b>		
44,642	Simulations Plus .....	1,450	0.50



# FTF Royce US Smaller Companies Fund

## PORTFOLIO OF INVESTMENTS *(Continued)*

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>TRANSPORTATION 1.31% (3.70%)</b>		
24,734	Landstar System .....	3,768	1.31
	TOTAL - EQUITIES	279,014	96.71
	<b>COLLECTIVE INVESTMENT SCHEMES 1.90% (1.84%)</b>		
43,691	iShares Russell 2000 Value ETF .....	5,495	1.90
	TOTAL - COLLECTIVE INVESTMENT SCHEMES	5,495	1.90
	<b>HEDGE SHARE CLASS DERIVATIVES 0.00% (0.00%)</b>		
	<b>HEDGE FORWARD CURRENCY CONTRACTS</b>		
GBP 388	Buy GBP 388 sell CAD (666) dated 30/04/2024 .....	-	0.00
GBP 13	Buy GBP 13 sell CAD (21) dated 30/04/2024 .....	-	0.00
GBP 153,373	Buy GBP 153,373 sell CAD (263,319) dated 30/04/2024 .....	(1)	0.00
GBP 7	Buy GBP 7 sell CAD (13) dated 30/04/2024 .....	-	0.00
GBP 346	Buy GBP 346 sell CAD (592) dated 30/04/2024 .....	-	0.00
GBP 8,496	Buy GBP 8,496 sell CAD (14,580) dated 30/04/2024 .....	-	0.00
GBP 22,834	Buy GBP 22,834 sell USD (28,875) dated 30/04/2024 .....	-	0.00
GBP 8,736,863	Buy GBP 8,736,863 sell USD (11,048,007) dated 30/04/2024 .....	(7)	0.00
GBP 19,681	Buy GBP 19,681 sell USD (24,873) dated 30/04/2024 .....	-	0.00
USD 9	Buy USD 9 sell GBP (7) dated 30/04/2024 .....	-	0.00
	TOTAL - HEDGE SHARE CLASS DERIVATIVES	(8)	0.00
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>284,501</b>	<b>98.61</b>
	<b>OTHER ASSETS</b> .....	<b>4,015</b>	<b>1.39</b>
	<b>TOTAL NET ASSETS</b> .....	<b>288,516</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains	2		39,489		11,849
Revenue	3	4,011		1,495	
Expenses	4	(2,026)		(880)	
Interest payable and similar charges	5	-		(2)	
Net revenue before taxation		1,985		613	
Taxation	6	(482)		(208)	
Net revenue after taxation			1,503		405
<b>Total return before distributions</b>			<b>40,992</b>		<b>12,254</b>
Distributions	7		(1,324)		(311)
<b>Change in net assets attributable to shareholders</b>			<b>39,668</b>		<b>11,943</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>248,120</b>		<b>-</b>
In-specie transfer	-		204,937	
Amounts received on creation of shares	55,710		41,268	
Amounts paid on cancellation of shares	(56,259)		(10,387)	
		(549)		235,818
Dilution adjustment		2		24
Change in net assets attributable to shareholders from investment activities (see above)		39,668		11,943
Retained distribution on accumulation shares		1,275		335
<b>Closing net assets attributable to shareholders</b>		<b>288,516</b>		<b>248,120</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		284,509	243,855
Current assets			
Debtors	8	3,267	1,693
Cash and bank balances	9	4,338	4,321
Total assets		292,114	249,869
<b>Liabilities</b>			
Investment liabilities		(8)	-
Creditors			
Other creditors	10	(3,590)	(1,749)
Total liabilities		(3,598)	(1,749)
<b>Net assets attributable to shareholders</b>		<b>288,516</b>	<b>248,120</b>

# FTF Royce US Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains during the year comprise:		
Non-derivative securities gains	39,591	11,894
Currency losses	(48)	(95)
Forward currency contracts	(54)	50
	<u>39,489</u>	<u>11,849</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	42	15
Overseas dividends	3,969	1,480
	<u>4,011</u>	<u>1,495</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	2,025	880
ACD's administration charge	135	59
ACD Waiver	-	(7)
	<u>2,160</u>	<u>932</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	26	16
Safe custody fees	-	2
	<u>26</u>	<u>18</u>
<b>Other expenses:</b>		
Audit fees	18	11
Legal and publication fees	(4)	-
Research fees reimbursement	(179)	(94)
Printing fees	(1)	1
Other	6	12
	<u>(160)</u>	<u>(70)</u>
	<u>2,026</u>	<u>880</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	-	2
<b>Total interest payable and similar charges</b>	<u>-</u>	<u>2</u>

# FTF Royce US Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	482	208
Total current tax	482	208
<b>Total taxation (see Note 6(b))</b>	<b>482</b>	<b>208</b>

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

The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	1,985	613
Corporation tax at 20% (2023: 20%)	397	123
Effects of:		
Movement in unrecognised tax losses	304	173
Overseas tax	482	208
Capitalised income subject to tax	93	-
Revenue not subject to tax	(794)	(296)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>482</b>	<b>208</b>

### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £477,000 (2023: £173,000) due to tax losses of £2,384,000 (2023: £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:

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	1,275	336
	1,275	336
Add: Revenue deducted on cancellation of shares	161	2
Deduct: Revenue received on issue of shares	(112)	(27)
<b>Total distribution</b>	<b>1,324</b>	<b>311</b>

# FTF Royce US Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	1,503	405
Capitalised amounts	(179)	(94)
<b>Total distribution</b>	<b>1,324</b>	<b>311</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 385.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	300	147
Accrued Manager's charge rebates	-	5
Amounts receivable for issue of shares	1,595	772
Currency sales awaiting settlement	-	269
Overseas tax recoverable	6	14
Sales awaiting settlement	1,366	486
	<b>3,267</b>	<b>1,693</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	4,338	4,321
<b>Total cash and bank balances</b>	<b>4,338</b>	<b>4,321</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	219	187
Amounts payable for cancellation of shares	55	38
Currency purchases awaiting settlement	-	270
Purchases awaiting settlement	3,316	1,254
	<b>3,590</b>	<b>1,749</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £194,000 (2023: £165,000).

# 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.

	31 March 2024	31 March 2023
<u>Currency</u>	<u>Total net foreign currency assets and (liabilities)</u>	<u>Total net foreign currency assets and (liabilities)</u>
	<u>£000</u>	<u>£000</u>
Canadian Dollar	4,967	3,434
Norwegian Krone	6	14
United States Dollar	269,489	239,956
	<u>274,462</u>	<u>243,404</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £27,446,000 (2023: £24,340,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £28,450,000 (2023: £24,390,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	<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>
<b>Purchases</b>						
Equities	150,557	157	-	150,714	0.10	-
Collective Investment schemes	6,344	2	-	6,346	0.03	-
	<u>156,901</u>	<u>159</u>	<u>-</u>	<u>157,060</u>		
<b>Sales</b>						
Equities	150,054	(128)	(1)	149,925	(0.09)	-
Collective Investment schemes	6,072	(1)	-	6,071	(0.02)	-
	<u>156,126</u>	<u>(129)</u>	<u>(1)</u>	<u>155,996</u>		
Total cost of the Fund's average net asset value (%)		<u>0.11%</u>	<u>0.00%</u>			

# FTF Royce US Smaller Companies Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	81,261	87	-	81,348	0.11	-
Collective Investment schemes	2,457	1	-	2,458	0.04	-
Inspecie transfers	191,566	-	-	191,566	-	-
	<b>275,284</b>	<b>88</b>	<b>-</b>	<b>275,372</b>		
<b>Sales</b>						
Equities	54,984	(45)	(1)	54,938	(0.08)	-
Collective Investment schemes	1,771	(1)	-	1,770	(0.06)	-
	<b>56,755</b>	<b>(46)</b>	<b>(1)</b>	<b>56,708</b>		
Total cost of the Fund's average net asset value (%)		<b>0.07%</b>	<b>0.00%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.14% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	84,041,508	15,489,708	(17,442,556)	-	82,088,660
W H2 Accumulation	410,738	4,418,474	(550,631)	-	4,278,581

# FTF Royce US Smaller Companies 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	284,509	-	243,853	-
Level 2	-	8	2	-
Level 3	-	-	-	-
<b>Total</b>	<b>284,509</b>	<b>8</b>	<b>243,855</b>	<b>-</b>

### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of New York Mellon International	-	(8)	-	-	-	-	(8)

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



# FTF Royce US Smaller Companies Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023* Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.5042	-	1.5042	0.4003
Group 2	0.7621	0.7421	1.5042	0.4003
<b>W H2 Accumulation</b>				
Group 1	0.9471	-	0.9471	0.0000
Group 2	0.3423	0.6048	0.9471	0.0000

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 March 2023.

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investment*

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 shares of 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.

#### *Other investments*

The Fund may also invest 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 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).

#### *Geographic location (where we invest)*

The Fund has a focus on investments in emerging markets. Up to one third of the Fund's portfolio could be invested outside of emerging markets.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Managers do not copy a benchmark when selecting investments for the Fund.

The Investment 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 Investment 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.

## FTF Templeton Global Emerging Markets Fund

### INVESTMENT OBJECTIVE & POLICY *(Continued)*

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#### *ESG (environmental, social, and governance) factors*

The Investment Managers assess ESG factors that could impact the ability of an issuer to generate future sustainable returns. Examples of these ESG factors could include:

- Environmental factors, which can include issues such as resource efficiency, carbon emissions management, waste prevention and recycling and pollution prevention and control.
- Social factors, which can include issues such as labour standards, fair wages, diversity and gender balance, health and safety practices and product safety.
- Governance considerations, which can include issues such as appropriate accounting practices, alignment of interests, board effectiveness, capital allocation, shareholder rights and quality of disclosures.

These ESG factors are used to inform the Investment Managers' assessment of the wider attractiveness of each potential investment. The Investment Manager also uses the results of these assessments to inform its strategy for engagement with companies included in the portfolio where applicable. The Investment Managers track and monitor investments against ESG criteria and in some cases will engage actively with issuers to seek improvements in ESG factors, both directly in discussions with management and via the exercise of shareholder voting rights.

# FTF Templeton Global Emerging Markets Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Templeton Global Emerging Markets Fund (W Accumulation) returned 6.81%, whilst its benchmark - the MSCI Emerging Markets (Net Dividends) Index - returned 5.86% (both returns in UK sterling).

### OVERVIEW

Emerging markets (“EMs”) collectively advanced over the 12 months under review. The macroeconomic environment, however, has been challenging, given ongoing geopolitical conflicts and high interest rates. The information technology sector was one of the key drivers of returns in the period, led by expectations of a recovery in demand. The emergence of artificial intelligence (“AI”) has been a big catalyst for large EMs such as South Korea and Taiwan.

### SIGNIFICANT CHANGES

In the last 12 months, we increased the portfolio’s holdings in Mexico, South Africa and Thailand as we continued to identify companies that, in our analysis, have long-term earnings power and are trading at a discount to their intrinsic worth. In terms of sectors, we undertook purchases in health care and financials. We added to our existing high-conviction portfolio holdings with increments in Samsung SDI, a South Korea-based leading manufacturer of lithium-ion batteries for electric vehicles (“EVs”), energy storage, power tools and information technology products; WuXi Biologics Cayman, a specialist biotechnology contract development and manufacturing organisation; and Hon Hai Precision Industry, a Taiwan-based provider of electronic manufacturing services for consumer electronics, cloud and networking products, computing products and components. We also initiated holdings in Grupo Financiero Banorte, a financial institution based in Mexico, and SK Hynix, a South Korean semiconductor company.

We trimmed some of the fund’s positions in Taiwan, South Korea and India in favour of opportunities that we regarded as more compelling. Sectors that experienced the largest sales were materials, consumer discretionary and information technology. We sold into strength in several holdings within the information technology sector, including Taiwan Semiconductor Manufacturing Company (“TSMC”), the world’s largest semiconductor foundry company, and MediaTek, a Taiwan-based chip designer for smartphones and other technology devices. Trims in other sectors included consumer discretionary holding Brilliance China Automotive, a China-based automotive manufacturer noted for its association with German luxury car maker Bayerische Motoren Werke (a.k.a. “BMW,” which is not held by the fund). We also exited the fund’s position in POSCO Holdings, a South Korea-based steel product manufacturer. Furthermore, there was a net sale of China Merchants Bank, a China-based commercial bank.

### POSITIVE/NEGATIVE CONTRIBUTORS

The fund finished the reporting period higher in absolute terms. From a relative perspective, the fund’s return exceeded that of the benchmark index, which also moved higher over the 12-month period.

From a sector perspective, stock selection in communication services and energy aided relative performance alongside an overweight allocation in the information technology sector. A top contributor to relative performance was Petroleo Brasileiro (a.k.a. “Petrobras”), a Brazilian energy company engaged in the exploration, production, and distribution of oil and gas. Its shares generally remained on an upward trend over most of the period. The company announced a new shareholder return policy and raised gasoline and diesel prices, which alleviated some concerns regarding its capital allocation and pricing policy. An increase in crude oil prices and improving investor confidence with regard to policy risks continued to support its share price well. However, dividends in March 2024 missed consensus expectations, which led to a modest share-price weakness, paring some gains. Samsung Life Insurance also performed well and contributed. It is the leading life insurance company in South Korea and owns a meaningful stake in Samsung Electronics. Its share price rallied in the last quarter amid the country’s Corporate Value-Up Programme and hopes that it could lead to a better shareholder return policy. Rounding out the top three stock-level contributors is TSMC. An optimistic outlook coupled with in-line or better-than-expected sales and earnings data supported TSMC’s share price. Expectations of healthy revenue growth driven by demand from AI applications, as well as a recovery in the demand for smartphones and personal computers, further supported investor sentiment in the stock. Encouraged by the structural growth in demand for computing and the company’s technology leadership, we remain confident in the resilience of the TSMC business model.

# FTF Templeton Global Emerging Markets Fund

## INVESTMENT REVIEW *(Continued)*

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Health care, utilities and materials were the largest sector detractors from relative returns, largely due to stock selection. An underweight allocation in the utilities sector pressured performance further. Guangzhou Tinci Materials Technology, a China-based producer of electrolytes for EV batteries, saw its stock price fall over the period due to continued investor concerns of an oversupply in the industry as well as weak sentiment towards the general China equity market. Slower growth in EV demand, higher competition (driven by an increase in industry capacity for electrolytes) and declining lithium prices were an overhang on the stock. The shares of Alibaba Group Holding, a Chinese e-commerce company, also declined and rendered it a detractor. Alibaba's platform provides brands and merchants the infrastructure to acquire and sell to customers online. Investor concerns about a slower demand recovery and the lack of strategic clarity after the company cancelled and/or delayed plans for a spinoff and initial public offering of some of its key businesses drove its share price lower. News that its co-founder plans to reduce holdings in the company (subsequently postponed) added onto existing negative sentiment and pressured the share price further. While the stock experienced some bouts of recovery during the 12-month period—from indications that the regulatory crackdown of the internet segment in China is reaching an end, and China's National Development and Reform Commission's endorsement of the company's projects—these were insufficient to reverse losses. The stock has seen a significant derating over the past couple of years, driven by a loss of market share in the company's e-commerce business. The company, however, continues to generate strong cash flows, in our assessment, and we expect share-price appreciation to be supported by corporate actions, including share buybacks. Rounding out the top three stock-level detractors is WuXi Biologics. Its shares declined sharply after the release of a draft US Senate bill, which aims to sanction Wuxi AppTec (not a portfolio holding) and related companies. The company, however, has denied the allegations and is engaging with various stakeholders. The situation remains uncertain and we continue to monitor the developments closely.

### OUTLOOK

While the first quarter of 2024 saw some volatility, we believe that the current investment backdrop is still conducive for EM equities. Interest rates are now expected to be higher for longer; however, they are poised to be reduced eventually.

Our overweight positions in Latin America—where real (i.e., inflation-adjusted) interest rates are high—reflect our view on interest rates.

In China, excess manufacturing capacity and tepid local demand have resulted in lower consumer prices. This could mean that the country could export deflation. Investor sentiment in China seems lacklustre, with geopolitical tensions continuing to loom in the horizon. Local policy support is now more evident, and it may help to drive the performance of Chinese equities. However, structurally, we continue to see challenges of a slowing property segment, ageing demographics and declining population.

In South Korea and Taiwan, we expect an AI-led recovery for the semiconductor industry. We remain overweight in the semiconductor industry, with long-term structural investment themes underpinning our conviction. Conversely, the EV supply chain is currently experiencing a material slowdown in growth expectations. We remain aligned with the outlook for EVs but have lowered our exposure to the EV value chain slightly. Our existing positions in EV-related stocks reflect the long-term investment thesis of EVs—a global energy transition to a cleaner environment, which supports the growth potential of the industry in the long run.

These uncorrelated drivers of returns in EM economies present an investment opportunity that our team's deep experience, local expertise and bottom-up investment approach can uncover.

**Chetan Sehgal, CFA & Andrew Ness**

Fund Managers

31 March 2024

# FTF Templeton Global Emerging Markets Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>S Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022*</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	836.11	821.69	1,000.00
Return before operating charges <sup>1</sup>	66.86	20.04	(172.52)
Operating charges <sup>2</sup>	(5.89)	(5.62)	(5.79)
Return after operating charges <sup>3</sup>	60.97	14.42	(178.31)
Distributions	(19.41)	(24.74)	(10.89)
Retained distributions on accumulation shares	19.41	24.74	10.89
Closing net asset value per share	897.08	836.11	821.69
After direct transaction costs of <sup>4</sup>	(0.83)	(1.82)	(0.92)
<b>Performance</b>			
Return after charges <sup>5</sup>	7.29%	1.75%	(17.83)%
<b>Other information</b>			
Closing net asset value (£)	319,135	32,608	2,951
Closing number of shares	35,575	3,900	359
Operating charges ratio <sup>6</sup>	0.70%	0.70%	0.63%
Direct transaction costs <sup>4</sup>	0.10%	0.23%	0.10%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	896.23	886.58	1,005.70
Lowest share price <sup>7</sup>	796.90	717.37	741.83
<b>W Accumulation</b>			
	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	152.68	150.44	179.23
Return before operating charges <sup>1</sup>	12.17	3.71	(27.10)
Operating charges <sup>2</sup>	(1.53)	(1.47)	(1.69)
Return after operating charges <sup>3</sup>	10.64	2.24	(28.79)
Distributions	(3.08)	(4.09)	(1.45)
Retained distributions on accumulation shares	3.08	4.09	1.45
Closing net asset value per share	163.32	152.68	150.44
After direct transaction costs of <sup>4</sup>	(0.15)	(0.33)	(0.17)
<b>Performance</b>			
Return after charges <sup>5</sup>	6.97%	1.49%	(16.06)%
<b>Other information</b>			
Closing net asset value (£)	14,225,826	14,811,616	16,344,645
Closing number of shares	8,710,531	9,701,203	10,864,583
Operating charges ratio <sup>6</sup>	1.00%	1.00%	1.00%
Direct transaction costs <sup>4</sup>	0.10%	0.23%	0.10%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	163.17	161.89	185.50
Lowest share price <sup>7</sup>	145.49	131.09	135.83

# FTF Templeton Global Emerging Markets Fund

## COMPARATIVE TABLES (Continued)

<u>Y Income</u>	<u>31 March 2024**</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	137.94	139.69	168.19
Return before operating charges <sup>1</sup>	8.05	3.38	(25.53)
Operating charges <sup>2</sup>	(0.40)	(0.14)	(0.22)
Return after operating charges <sup>3</sup>	7.65	3.24	(25.75)
Distributions	-	(4.99)	(2.75)
Closing net asset value per share	145.59	137.94	139.69
After direct transaction costs of <sup>4</sup>	(0.13)	(0.31)	(0.16)
<b>Performance</b>			
Return after charges <sup>5</sup>	5.55%	2.32%	(15.31)%
<b>Other information</b>			
Closing net asset value (£)	-	7,629	14,502,691
Closing number of shares	-	5,531	10,381,795
Operating charges ratio <sup>6</sup>	-	0.10%	0.14%
Direct transaction costs <sup>4</sup>	-	0.23%	0.10%
<b>Prices (p)</b>			
Highest share price	145.59	151.42	174.26
Lowest share price	131.51	122.34	128.58

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. Where the period is less than 12 months, the operating charges are annualised.

7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

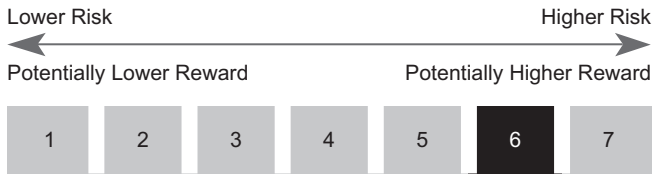
\* This share class launched on 30 April 2021.

\*\* This share class closed on 11 March 2024.

# FTF Templeton Global Emerging Markets Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 95.55% (97.06%)</b>		
	<b>AFRICA 1.01% (0.81%)</b>		
	<b>KENYA</b>		
2,492	East African Breweries .....	2	0.02
	<b>SOUTH AFRICA</b>		
9,558	Discovery .....	48	0.33
192,431	Netcare .....	96	0.66
		144	0.99
	TOTAL - AFRICA	146	1.01
	<b>ASIA 72.72% (76.64%)</b>		
	<b>CAMBODIA</b>		
64,062	NagaCorp .....	22	0.15
	<b>CHINA</b>		
74,451	Alibaba .....	529	3.64
615	Alibaba ADR <sup>†</sup> .....	35	0.24
110,416	BAIC Motor .....	24	0.16
19,530	Baidu .....	203	1.40
18,500	Beijing Oriental Yuhong Waterproof Technology .....	32	0.22
9,219	Chervon .....	18	0.12
86,009	China Merchants Bank .....	269	1.85
3,903	Daqo New Energy <sup>†</sup> .....	87	0.60
41,817	Greentown Service .....	12	0.08
60,607	Guangzhou Tinci Materials Technology .....	147	1.01
61,067	Haier Smart Home .....	67	0.46
954	JD.com .....	10	0.07
9,189	Meituan .....	90	0.62
6,256	NetEase .....	103	0.71
59,195	Ping An Bank .....	68	0.47
35,626	Ping An Insurance of China .....	119	0.82
17,365	Tencent .....	534	3.67
188,260	Uni-President China .....	106	0.73
26,364	Weifu High-Technology .....	27	0.18
55,719	Wuxi Biologics Cayman .....	81	0.56
		2,561	17.61
	<b>HONG KONG</b>		
194,473	Brilliance China Automotive .....	106	0.73
189,987	China Resources Building Materials Technology .....	23	0.16
10,654	China Resources Land .....	27	0.19
74,623	COSCO SHIPPING Ports .....	32	0.22
49,431	Health & Happiness H&H International .....	53	0.36
26,129	Techtronic Industries .....	280	1.92
		521	3.58
	<b>INDIA</b>		
4,557	ACC .....	107	0.73
1,600	Bajaj & Investment .....	126	0.87
77,427	Federal Bank .....	110	0.76
22,890	HDFC Bank .....	314	2.16
6,064	Hindalco Industries .....	32	0.22
70,765	ICICI Bank .....	736	5.06
10,936	Infosys .....	155	1.06
23,308	One 97 Communications .....	89	0.61
55,781	Zomato .....	96	0.66
		1,765	12.13

# FTF Templeton Global Emerging Markets Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>INDONESIA</b>			
298,528	Astra International .....	76	0.52
<b>PHILIPPINES</b>			
30,691	BDO Unibank .....	67	0.46
<b>SOUTH KOREA</b>			
5,166	Doosan Bobcat .....	162	1.11
3,604	Fila .....	81	0.56
372	Hankook Tire & Technology .....	12	0.08
7,984	KT Skylife .....	26	0.18
1,218	LegoChem Biosciences .....	54	0.37
5,966	LG .....	307	2.11
3,490	NAVER .....	384	2.64
19,443	Samsung Electronics .....	941	6.47
7,726	Samsung Life Insurance .....	419	2.88
1,022	Samsung SDI .....	283	1.95
2,196	SK Hynix .....	236	1.62
701	Soulbrain .....	129	0.89
		<u>3,034</u>	<u>20.86</u>
<b>TAIWAN</b>			
76,848	Hon Hai Precision Industry .....	285	1.96
12,431	MediaTek .....	366	2.52
74,186	Taiwan Semiconductor Manufacturing .....	1,428	9.82
6,307	Yageo .....	92	0.63
		<u>2,171</u>	<u>14.93</u>
<b>THAILAND</b>			
64,973	Kasikornbank .....	175	1.21
41,859	Kiatnakin Phatra Bank .....	47	0.32
50,427	Minor International .....	36	0.25
240,564	Star Petroleum Refining .....	47	0.32
193,275	Thai Beverage .....	55	0.38
		<u>360</u>	<u>2.48</u>
	TOTAL - ASIA	<u>10,577</u>	<u>72.72</u>
<b>CENTRAL AMERICA 2.38% (1.85%)</b>			
<b>MEXICO</b>			
38,186	Grupo Financiero Banorte .....	321	2.21
157,969	Nemak .....	25	0.17
		<u>346</u>	<u>2.38</u>
	TOTAL - CENTRAL AMERICA	<u>346</u>	<u>2.38</u>
<b>EUROPE - NON EU 0.00% (0.00%)</b>			
<b>RUSSIA</b>			
14,020	LUKOIL <sup>1,*</sup> .....	-	0.00
173,460	Sberbank of Russia <sup>1,*</sup> .....	-	0.00
		<u>-</u>	<u>0.00</u>
	TOTAL - EUROPE - NON EU	<u>-</u>	<u>0.00</u>
<b>EUROPE - OTHER EU 4.52% (3.78%)</b>			
<b>HUNGARY</b>			
7,739	Richter Gedeon Nyrt .....	156	1.07
2,979	Wizz Air .....	64	0.44
		<u>220</u>	<u>1.51</u>
<b>NETHERLANDS</b>			
17,599	Prosus .....	437	3.01
	TOTAL - EUROPE - OTHER EU	<u>657</u>	<u>4.52</u>

# FTF Templeton Global Emerging Markets Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>MIDDLE EAST 0.43% (0.46%)</b>		
	<b>UNITED ARAB EMIRATES</b>		
178,836	Emirates Central Cooling Systems .....	63	0.43
	TOTAL - MIDDLE EAST	63	0.43
	<b>NORTH AMERICA 3.10% (3.31%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
3,844	Cognizant Technology Solutions .....	223	1.53
8,764	Genpact .....	228	1.57
	TOTAL - NORTH AMERICA	451	3.10
	<b>SOUTH AMERICA 10.52% (8.64%)</b>		
	<b>BRAZIL</b>		
108,681	Banco Bradesco <sup>†</sup> .....	245	1.68
9,941	Hypera .....	52	0.36
59,165	Itau Unibanco <sup>†</sup> .....	324	2.23
41,511	Oncoclinicas do Brasil Servicos Medicos .....	58	0.40
71,800	Petroleo Brasileiro .....	424	2.92
9,770	TOTVS .....	44	0.30
19,237	Vale .....	185	1.27
	TOTAL - BRAZIL	1,332	9.16
	<b>CHILE</b>		
8,901	Banco Santander Chile <sup>†</sup> .....	140	0.96
	<b>PERU</b>		
3,079	Intercorp Financial Services .....	58	0.40
	TOTAL - SOUTH AMERICA	1,530	10.52
	<b>UNITED KINGDOM 0.87% (1.57%)</b>		
3,202	Unilever .....	127	0.87
	TOTAL - UNITED KINGDOM	127	0.87
	TOTAL - EQUITIES	13,897	95.55
	<b>CERTIFICATE OF DEPOSITS 4.81% (0.00%)</b>		
700,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	700	4.81
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>14,597</b>	<b>100.36</b>
	<b>OTHER LIABILITIES</b> .....	<b>(52)</b>	<b>(0.36)</b>
	<b>TOTAL NET ASSETS</b> .....	<b>14,545</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>1</sup> These securities are fair valued by the manager.

<sup>†</sup> 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 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		668		(1,124)
Revenue	3	475		833	
Expenses	4	(143)		(150)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		332		683	
Taxation	6	(51)		(149)	
Net revenue after taxation			281		534
<b>Total return before distributions</b>			<b>949</b>		<b>(590)</b>
Distributions	7		(290)		(602)
<b>Change in net assets attributable to shareholders</b>			<b>659</b>		<b>(1,192)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>14,852</b>		<b>30,850</b>
Amounts received on creation of shares	793		5,259	
Amounts paid on cancellation of shares	(2,034)		(20,491)	
		(1,241)		(15,232)
Dilution adjustment		-		28
Change in net assets attributable to shareholders from investment activities (see above)		659		(1,192)
Retained distribution on accumulation shares		275		398
<b>Closing net assets attributable to shareholders</b>		<b>14,545</b>		<b>14,852</b>

## BALANCE SHEET As at 31 March 2024

Notes	31 March 2024	31 March 2023
	£000	£000
<b>Assets</b>		
Fixed assets		
Investments	14,597	14,416
Current assets		
Debtors	112	223
Cash and bank balances	28	474
<b>Total assets</b>	<b>14,737</b>	<b>15,113</b>
<b>Liabilities</b>		
Creditors		
Bank overdrafts	(2)	(27)
Other creditors	(190)	(234)
<b>Total liabilities</b>	<b>(192)</b>	<b>(261)</b>
<b>Net assets attributable to shareholders</b>	<b>14,545</b>	<b>14,852</b>

# FTF Templeton Global Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	671	(1,146)
Currency (losses)/gains	(3)	22
	<u>668</u>	<u>(1,124)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	3	1
Interest from certificates of deposit	10	-
Overseas dividends	456	748
Stock dividends	-	74
UK dividends	6	10
	<u>475</u>	<u>833</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	128	132
ACD's administration charge	7	7
ACD Waiver	(29)	(23)
	<u>106</u>	<u>116</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	1	3
Safe custody fees	5	9
	<u>6</u>	<u>12</u>
<b>Other expenses:</b>		
Audit fees	17	14
Legal and publication fees	1	-
VAT Reclaim	(2)	-
Other	15	8
	<u>31</u>	<u>22</u>
	<u>143</u>	<u>150</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Templeton Global Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	42	81
Overseas tax on capital gains	9	68
Total current tax	51	149
<b>Total taxation (see Note 6(b))</b>	<b>51</b>	<b>149</b>

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

The tax assessed for the year is lower (2023: higher) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	332	683
Corporation tax at 20% (2023: 20%)	66	137
Effects of:		
Movement in unrecognised tax losses	16	363
Overseas tax	42	81
Overseas tax on capital gains	9	68
Prior year adjustment to unrecognised tax losses	-	(343)
Relief on overseas tax expensed	-	(2)
Revenue not subject to tax	(82)	(155)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>51</b>	<b>149</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £879,000 (2023: £862,000) due to tax losses of £4,393,000 (2023: £4,312,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Final dividend distributions</b>		
Income	-	-
Accumulation	275	398
	275	398
Add: Revenue deducted on cancellation of shares	25	217
Deduct: Revenue received on issue of shares	(10)	(13)
<b>Total distribution</b>	<b>290</b>	<b>602</b>

# FTF Templeton Global Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. (a) Distributions (Continued)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	281	534
Tax charge taken from capital account	9	68
<b>Total distribution</b>	<b>290</b>	<b>602</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 403.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	60	55
Accrued Manager's charge rebates	4	2
Amounts receivable for issue of shares	17	87
Currency sales awaiting settlement	17	45
Sales awaiting settlement	14	34
	<b>112</b>	<b>223</b>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	28	474
<b>Total cash and bank balances</b>	<b>28</b>	<b>474</b>

### 10. Other creditors

	31 March 2024	31 March 2023
	£000	£000
Accrued expenses	31	32
Amounts payable for cancellation of shares	39	49
Currency purchases awaiting settlement	17	45
Overseas capital gains tax provision	77	68
Purchases awaiting settlement	26	40
	<b>190</b>	<b>234</b>

### 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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £7,000 (2023: £10,000).

# FTF Templeton Global Emerging Markets 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>Currency</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Brazilian Real	761	545
China Yuan Renminbi	247	809
Euro	505	418
Hong Kong Dollar	2,670	3,147
Hungarian Forint	156	145
Indian Rupee	1,688	1,637
Indonesian Rupiah	76	124
Kenyan Shilling	2	-
Korean Won	3,076	2,946
Mexican Peso	346	33
New Taiwan Dollar	2,176	2,142
Philippines Peso	67	21
Singapore Dollar	55	64
South African Rand	124	94
Thailand Baht	305	298
United Arab Emirates Dirham	63	69
United States Dollar	1,350	1,725
	<u>13,667</u>	<u>14,217</u>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £1,367,000 (2023: £1,422,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £1,460,000 (2023: £1,442,000). A 10% decrease would have an equal and opposite effect.



# FTF Templeton Global Emerging Markets Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs

1 April 2023 to 31 March 2024						
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	3,292	2	2	3,296	0.06	0.06
<b>Sales</b>						
Equities	4,469	(4)	(6)	4,459	(0.09)	(0.13)
Total cost of the Fund's average net asset value (%)		<u>0.04%</u>	<u>0.06%</u>			

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
<b>Purchases</b>						
Equities	4,350	2	3	4,355	0.05	0.07
<b>Sales</b>						
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>			

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 2024, the average dealing spread for the underlying Fund investments is 0.18% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
S Accumulation	3,900	31,675	-	-	35,575
W Accumulation	9,701,203	349,196	(1,339,868)	-	8,710,531
Y Income	5,531	-	(5,531)	-	-

# FTF Templeton Global 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.

Fair Value Hierarchy	31 March 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	13,897	-	14,416	-
Level 2	700	-	-	-
Level 3 <sup>1</sup>	-	-	-	-
<b>Total</b>	<b>14,597</b>	<b>-</b>	<b>14,416</b>	<b>-</b>

<sup>1</sup>Includes 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 2024

For the period 1 April 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	19.4051	-	19.4051	24.7444
Group 2	0.8922	18.5129	19.4051	24.7444
<b>W Accumulation</b>				
Group 1	3.0783	-	3.0783	4.0946
Group 2	1.6319	1.4464	3.0783	4.0946
<b>Y Income</b>				
Group 1	n/a	n/a	n/a	4.9877
Group 2	n/a	n/a	n/a	4.9877

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

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.

#### *Other investments*

The Fund may also invest in:

- Shares in companies that the Investment Manager considers are "emerging leaders" up to a maximum of 30% of the Fund.
- Other transferable securities (including bonds and other debt securities);
- Cash and cash equivalents;
- Money market instruments;
- 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; and
- Derivatives (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).

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.

#### *Geographical location (where we invest)*

The Fund can invest anywhere in the world.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Managers do not copy a benchmark when selecting investments for the Fund.

"Established leaders" 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.

Companies which are "emerging leaders" 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 Investment Managers 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 Country 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.

# FTF Templeton Global Leaders Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social and governance factors)*

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:

- 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.

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.

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 produce controversial weapons (i.e. antipersonnel mines, biological and chemical weaponry and cluster munitions).

# FTF Templeton Global Leaders Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, Templeton Global Leaders Fund (W Accumulation) returned 31.10%, while its benchmark—the MSCI All Country World (Net Dividends) Index—returned 20.60%, both returns in UK sterling.

### OVERVIEW

Global equities overall rose significantly during the 12 months ended 31 March 2024. Stronger-than-expected earnings reports released during the 12-month period, growth opportunities tied to artificial intelligence (AI), receding global recession fears and optimism about an economic soft landing in certain regions supported investor sentiment. While inflation moderated substantially in many regions, it remained elevated in certain developed markets, including the United States and Europe—leading their central banks to pause interest-rate hikes and leaving their key rates at historically high levels as they sought to reach their inflation targets. Although economic growth slowed in some regions, most countries avoided recession despite higher interest rates and borrowing costs. Towards the end of the reporting period, global manufacturing activity expanded in February for the first time since August 2022 and continued growing in March, while global services activity grew in March at the fastest pace since July 2023.

US stocks rose substantially during the 12-month period as stronger-than-expected earnings reports, enthusiasm about AI, ongoing economic resilience, and hopes for interest-rate cuts drove the Standard & Poor's® 500 Index, Dow Jones Industrial Average, NASDAQ Composite Index and MSCI USA Index to reach new record highs towards period-end. The US Federal Reserve (Fed) raised the federal funds target rate in May and July 2023 to the highest level since January 2001, then kept it unchanged for the rest of the reporting period. As of March 2024, the Fed guided for three quarter-point rate cuts in 2024, although market expectations have since dimmed amid persistently elevated inflation. Annual inflation, as measured by the core personal consumption expenditures price index, remained above the Fed's target despite cooling in February for the 13th consecutive month. The US economy remained strong, as reflected in solid gross domestic product (GDP) growth readings released during the reporting period. Manufacturing activity expanded in March after contracting for 16 consecutive months, while services activity expanded throughout the 12-month reporting period.

European stocks similarly advanced, with the STOXX® Europe 600 and MSCI All Country Europe Index reaching new record highs in the latter part of the period, driven by positive earnings reports and investor optimism for interest-rate cuts by the European Central Bank (ECB) and the Bank of England (BoE). The eurozone's economy avoided a recession as its gross domestic product (GDP) stalled in the fourth quarter of 2023 after contracting in the prior quarter. Meanwhile, the currency bloc's manufacturing activity contracted for the 21st successive month in March, while its services activity expanded in February and continued to grow in March. The ECB raised its key refinancing rate four times to the highest level in 22 years but held interest rates steady following its September 2023 meeting, indicating that reductions could be possible later in 2024. In the United Kingdom, the economy fell into a recession as the country's GDP contracted sequentially in the fourth quarter for the second consecutive time. More recently, UK manufacturing activity expanded in March for the first time since July 2022. The BoE raised its key rate three times during the first half of the period to the highest level since 2008 but paused at its five subsequent meetings, indicating it may need to keep its policy rate restrictive for a longer period to reach its inflation target.

Most Asian markets advanced during the period, with the MSCI Japan Index and Nikkei 225 Index rising to new record highs. However, China's equity market declined amid concerns about the country's economy and troubled property market, though investors were somewhat encouraged in the latter part of the period by the central bank's stimulative measures. Following a solid first-quarter 2023 result, China's GDP grew at modest sequential rates during the rest of that year. Manufacturing activity expanded in March 2024 after contracting for five consecutive months, while non-manufacturing activity expanded for the 15th successive month. During the period, the People's Bank of China lowered the one-year loan prime rate (LPR) and the five-year LPR to record lows, while cutting the reserve requirement ratio for banks to the lowest level since 2007. In Japan, revised data showed the country's GDP expanded sequentially in the fourth quarter after contracting in the previous quarter. More recently, the country's manufacturing activity contracted for the 10th successive month in March, while services activity expanded for the 19th consecutive month and at the strongest pace since August 2023. Importantly, the Bank of Japan ("BoJ") exited its yield curve control, after earlier loosening moves, and ended its negative interest-rate policy by raising the rate for the first time since 2007 to a still highly accommodative level.

### SIGNIFICANT CHANGES

During the year under review, the fund's top five purchases by monetary value of transactions were T-Mobile US, a position that was closed and reinitiated over the 12-month period, and new positions in Bayer, Thermo Fisher Scientific, CNH Industrial and Albemarle. In contrast, the top five sales during the period were Schneider Electric (eliminated), T-Mobile US (see above), Westinghouse Air Brake Technologies (eliminated), Tokyo Electron (trimmed) and AstraZeneca (eliminated).

These key trades reflected the quality-value orientation that we adopted for the strategy in 2022, as we sought to add positions in what we regard as industry leaders or high-quality companies that stand out with favourable valuations relative to their strong fundamentals, defensible competitive positions and future earnings power. Simultaneously, we continued to make timely portfolio adjustments for risk/reward optimisation, trimming or closing positions that, in our analysis, have become fairly valued or showed a diminishing investment case. This in turn gave us the flexibility to invest in higher-conviction ideas.

# FTF Templeton Global Leaders Fund

## INVESTMENT REVIEW *(Continued)*

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For more information on our portfolio positioning and investment approach, please refer to the sections below.

### POSITIVE/NEGATIVE CONTRIBUTORS

The fund was significantly ahead of its benchmark over the 12 months ended 31 March 2024. With interest rates stabilising and developed economies staying resilient, quality and growth stocks—the kind that the portfolio is geared towards—performed better than classic value stocks. The fund was able to deliver alpha against that conducive backdrop with bottom-up stock selection expertise and valuation discipline.

In attribution terms, stock selection in the industrials, consumer discretionary and information technology sectors was a major contributor to relative performance during the period under review.

The top contributing stock of the year was Rolls-Royce Holdings in the industrials sector. Having added significantly to the fund's performance in 2023, Rolls-Royce's shares have rallied further since roughly the start of 2024, as the jet engine maker reported in February huge profit growth and record free cash flow for full-year 2023, as well as a bullish outlook for 2024. In our view, the company is a major beneficiary of the ongoing long-haul air traffic recovery. We believe Rolls-Royce can achieve its mid-term targets, including further improvements in profitability and cash flow. All factors considered, we believe its stock valuation remains reasonable despite the rally. Also in the industrials sector, we closed the position in Schneider Electric, as its stock has rallied to a level that we considered fully valued, while shifting the capital to a new position in agricultural equipment producer CNH Industrial. We believe CNH Industrial represents an opportunity to benefit from a multiyear margin improvement from the bottom of the agriculture cycle, and we think the company is poised to become the kind of established industry leader that this portfolio aims to hold.

The market excitement surrounding AI's growth potential has spurred a tech stock rally—especially in the big-capitalisation segment—which also benefitted many of our technology-related positions. Specifically, Micron Technology and Tokyo Electron were the top contributing stocks in the information technology sector; Amazon.com, categorised under the consumer discretionary sector, was also accretive. We maintain our positive view on these positions, especially Micron and Amazon, both among the top 10 holdings of the fund. For instance, we favour Amazon for its ability to sustain earnings growth given the efficiency gains and the ongoing shift in business mix towards higher-margin market segments, particularly cloud- and AI-related Amazon Web Services. Memory chip producer Micron Technology stands out as one of the three industry leaders globally and is hence a clear beneficiary of the growing memory chip demand in the age of digitalisation and AI.

Overall, our conviction in the information technology sector remains high. However, mindful of potentially stretched valuations in the sector, we will not attempt to chase the rally. Our current information technology exposure is focused on select quality value positions across the semiconductors and software segments. In our view, these are companies with the best combination of structural growth opportunities and robust fundamentals, especially in terms of earnings, cash flow and capital discipline. We stay equal-weighted in the sector relative to the benchmark and will only selectively add to the exposure when valuations become more favourable, in our analysis.

At the other end of the spectrum, overweight exposure to the health care sector detracted from relative performance during the period under review. Stock selection in the communication services and financials sectors also hindered relative results.

In the health care sector, Bayer was the top detracting stock; we exited the position as our investment thesis did not pan out as we had expected. We also closed our position in AstraZeneca, and with that sale we reduced our exposure to the pharmaceuticals industry to zero. This was done to shift our health care portfolio slightly towards the life sciences tools and services industry. We set our eyes on the more defensive “picks and shovels” providers that we believe should benefit more from the structural growth driven by sustained research and development spending amid technological advancements and the demographic need for better life quality. As part of this thinking, we initiated a new position in Thermo Fisher Scientific, a high-quality blue-chip industry leader in the life sciences tools and services market. We have also built up our holding in ICON—a provider of contract clinical research services—to a top 10 position, and the company was one of the notable contributing stocks over the past 12 months. Overall, while the health care sector underperformed as investors rotated capital out of defensive sectors amid the market rally in 2023, we stay overweight in the health care sector. It is a cornerstone for the portfolio's defensive growth qualities, given our assessment of its generally strong free cash flow generation, reasonable valuations and robust earnings growth driven by visible near-term catalysts as well as secular drivers.

Also among the key detracting stocks during the period under review was Albemarle in the materials sector. Albemarle is another addition to the portfolio over the past 12 months. It is a leading producer of lithium, which is an essential material for electric vehicle (EV) battery production. Its shares have continued to underperform the broader market amid weak lithium prices and headwinds in the EV industry, but we regard the stock as part of our exposure to EV's structural growth potential, which may yet drive lithium demand to potentially rise significantly within this decade. T-Mobile US in the communication services sector also detracted, due mainly to allocation effects. We recently reinitiated our position in the US wireless network operator, adding the established sector leader back to the portfolio at what we considered a reasonable valuation relative to its superior spectrum assets, competitive advantages, and multiyear cost synergies arising from its merger with Sprint.

# FTF Templeton Global Leaders Fund

## INVESTMENT REVIEW *(Continued)*

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### OUTLOOK

Factors that have spurred the global market rally in the first quarter of 2024—from the excitement surrounding AI, to gradually moderating inflation and to expectations of imminent interest-rate cuts—should continue to drive sentiment in the coming months. However, volatility cannot be ruled out and we see a range of potential downside risks that necessitate a prudent approach to stock selection and portfolio positioning. To begin with, the timing and frequency of rate cuts across the developed economies this year are not set in stone. Sticky inflation may yet complicate the interest-rate outlook and roil the stock market. Meanwhile, still-elevated inflation and interest rates are likely to strain corporate profitability, potentially resulting in headwinds to earnings growth in 2024. We are additionally mindful of geopolitical uncertainties as the US presidential election cycle ramps up towards the end of this year. Risks associated with the US election have been somewhat neglected by investors as US stocks continued to climb a wall of worry, but they may prove disruptive in the coming months.

As always, attention to valuations and bottom-up fundamentals will anchor our investment process as we navigate these uncertain market conditions. Importantly, the global market rally may have stretched valuations in various key markets, especially the United States where the market run has been driven primarily by large-capitalisation technology stocks. A strong focus on balance sheet strength—especially in terms of cash flow generation and capital discipline—is critical as we look to avoid overpriced companies with weak fundamentals, eroding competitive positions and strained earnings power.

On the flip side, we are ready to selectively act on mispriced opportunities presented by volatility, adding more quality and growth to the portfolio at prices we consider favourable. We see these opportunities across multiple themes and sectors. For instance, we are keen to identify more ideas to enhance our green commodity exposure. This can be achieved through lithium and copper producers that may be poised for commodity price recovery after the decline last year; over the longer term, they are also viable proxies for energy transition and vehicle electrification, for which lithium and copper are essential materials. On this front, our decision to build up the position in Freeport-McMoRan during its share price weakness over the past six months has proven rewarding. The stock is now a top-10 holding. We may also consider gaining exposure directly to EV producers, if we see the EV market headwinds easing meaningfully. On balance, we will stay nimble in making risk/reward adjustments, shifting capital out of positions we consider fully valued to other high-quality stocks that we believe have more compelling investment cases. This will be consistent with our actions amid the market rally in the first quarter of 2024, when we exited Schneider Electric after its strong run and rotated to a new position in CNH Industrials; we also exited KDDI and deployed capital on T-Mobile US, for instance.

Geographically, Japan remains a high-conviction market and we look to selectively build on our exposure there, potentially by shifting capital out of other developed markets. Despite the rally over the past year, we believe Japan still has a potential for considerable upside as corporate governance reforms continue to drive shareholder return enhancements. Additionally, the end of the BoJ's negative interest-rate policy marks a gradual but significant shift in Japan's macro environment, putting the country firmly on track for exiting the deflation of yesteryears. A return of sustained inflation may boost corporate earnings and the capital-expenditure cycle; for households, rising prices coupled with wage growth may release pent-up consumption demand. Meanwhile, Japanese stocks are starting to fetch stronger appetite from local investors. If this trend continues to gain momentum, it may further boost the already lively Japanese market. Against this backdrop, we are positive on the banking industry and the industrials and consumer discretionary sectors—all beneficiaries of the normalised interest rates and inflationary tailwinds in Japan.

**Peter Sartori, Warren Pustam, CFA, Alan Chua, CFA & Ferdinand Cheuk, CFA**  
Fund Managers  
31 March 2024



# FTF Templeton Global Leaders Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	310.69	319.30	293.87
Return before operating charges <sup>1</sup>	97.40	(6.29)	27.89
Operating charges <sup>2</sup>	(2.69)	(2.32)	(2.46)
Return after operating charges <sup>3</sup>	94.71	(8.61)	25.43
Distributions	(2.78)	(1.73)	(0.75)
Retained distributions on accumulation shares	2.78	1.73	0.75
Closing net asset value per share	405.40	310.69	319.30
After direct transaction costs of <sup>4</sup>	(0.21)	(0.25)	(0.58)
<b>Performance</b>			
Return after charges <sup>5</sup>	30.48%	(2.70)%	8.65%
<b>Other information</b>			
Closing net asset value (£)	38,229,266	32,623,425	34,960,483
Closing number of shares	9,429,924	10,500,356	10,948,950
Operating charges ratio <sup>6</sup>	0.80%	0.79%	0.80%
Direct transaction costs <sup>4</sup>	0.06%	0.09%	0.14%
<b>Prices (p)</b>			
Highest share price <sup>7</sup>	404.94	316.96	325.53
Lowest share price <sup>7</sup>	304.55	273.66	288.81

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.

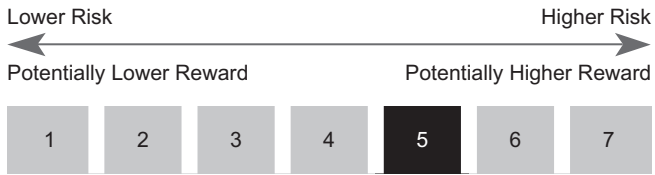
6 The "operating charges ratio" represents all operating charges and expenses of the share class in the prior 12 months as a percentage of the share class's average net assets during the year. Where the period is less than 12 months, the operating charges are annualised.

7 The "closing net asset value per share" figure is based on the bid-market prices at close of business, whilst the highest/lowest share prices are based on mid dealing prices (the price at which shares are sold).

# FTF Templeton Global Leaders Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 94.78% (92.69%)</b>		
	<b>ASIA 14.64% (16.00%)</b>		
	<b>CHINA</b>		
320,000	Li Ning .....	673	1.76
	<b>INDIA</b>		
6,642	HDFC Bank .....	294	0.77
21,695	Reliance Industries^ .....	1,226	3.21
		<u>1,520</u>	<u>3.98</u>
	<b>JAPAN</b>		
21,800	Asics .....	832	2.17
28,000	Mitsubishi Electric .....	368	0.96
1,538	SMC .....	683	1.79
1,827	Tokyo Electron .....	378	0.99
		<u>2,261</u>	<u>5.91</u>
	<b>TAIWAN</b>		
59,424	Taiwan Semiconductor Manufacturing .....	1,144	2.99
	TOTAL - ASIA	<u>5,598</u>	<u>14.64</u>
	<b>EUROPE - NON EU 0.91% (1.06%)</b>		
	<b>SWITZERLAND</b>		
2,872	Cie Financiere Richemont .....	347	0.91
	TOTAL - EUROPE - NON EU	<u>347</u>	<u>0.91</u>
	<b>EUROPE - OTHER EU 9.68% (16.65%)</b>		
	<b>FRANCE</b>		
800	LVMH Moet Hennessy Louis Vuitton .....	570	1.49
	<b>GERMANY</b>		
20,304	Infineon Technologies .....	547	1.43
6,545	SAP .....	1,011	2.65
		<u>1,558</u>	<u>4.08</u>
	<b>IRELAND</b>		
5,909	ICON .....	1,571	4.11
	TOTAL - EUROPE - OTHER EU	<u>3,699</u>	<u>9.68</u>
	<b>NORTH AMERICA 58.94% (49.30%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
910	Adobe .....	363	0.95
5,959	Albemarle .....	622	1.63
10,380	Alphabet .....	1,239	3.24
13,704	Amazon.com .....	1,955	5.11
4,588	American Express .....	827	2.16
6,585	Applied Materials .....	1,074	2.81
364	Booking .....	1,044	2.73
1,717	Equifax .....	364	0.95
35,220	Freeport-McMoRan .....	1,310	3.43
2,819	HCA Healthcare .....	744	1.95
8,435	Intercontinental Exchange .....	917	2.40
13,414	Micron Technology .....	1,252	3.27
5,837	Microsoft .....	1,941	5.08
5,467	Salesforce .....	1,302	3.40
7,450	Target .....	1,044	2.73
2,435	Thermo Fisher Scientific .....	1,119	2.93
8,898	T-Mobile US .....	1,149	3.00
4,993	Union Pacific .....	972	2.54
3,934	UnitedHealth .....	1,540	4.03

# FTF Templeton Global Leaders Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>UNITED STATES OF AMERICA (Continued)</b>			
5,539	Visa .....	1,222	3.20
5,117	Zimmer Biomet.....	534	1.40
		<u>22,534</u>	<u>58.94</u>
	TOTAL - NORTH AMERICA	<u>22,534</u>	<u>58.94</u>
<b>UNITED KINGDOM 10.61% (9.68%)</b>			
95,908	CNH Industrial .....	983	2.57
60,351	Persimmon.....	794	2.08
533,798	Rolls-Royce.....	2,278	5.96
	TOTAL - UNITED KINGDOM	<u>4,055</u>	<u>10.61</u>
	TOTAL - EQUITIES	<u>36,233</u>	<u>94.78</u>
<b>CERTIFICATE OF DEPOSITS 1.83% (7.05%)</b>			
700,000	Royal Bank of Canada, 5.180%, 02/04/2024 .....	700	1.83
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b><u>36,933</u></b>	<b><u>96.61</u></b>
	<b>OTHER ASSETS</b> .....	<b><u>1,296</u></b>	<b><u>3.39</u></b>
	<b>TOTAL NET ASSETS</b> .....	<b><u>38,229</u></b>	<b><u>100.00</u></b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>^</sup> Global Depository Receipt.

# FTF Templeton Global Leaders Fund

## STATEMENT OF TOTAL RETURN For the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		8,656		(1,182)
Revenue	3	570		453	
Expenses	4	(257)		(251)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		313		202	
Taxation	6	(44)		(17)	
Net revenue after taxation			269		185
<b>Total return before distributions</b>			<b>8,925</b>		<b>(997)</b>
Distributions	7		(269)		(185)
<b>Change in net assets attributable to shareholders</b>			<b>8,656</b>		<b>(1,182)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>32,623</b>		<b>34,960</b>
Amounts received on creation of shares	1,337		202	
Amounts paid on cancellation of shares	(4,649)		(1,541)	
		(3,312)		(1,339)
Change in net assets attributable to shareholders from investment activities (see above)		8,656		(1,182)
Retained distribution on accumulation shares		262		184
<b>Closing net assets attributable to shareholders</b>		<b>38,229</b>		<b>32,623</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		36,933	32,538
Current assets			
Debtors	8	1,339	43
Cash and bank balances	9	1,192	96
Total assets		39,464	32,677
<b>Liabilities</b>			
Creditors			
Other creditors	10	(1,235)	(54)
Total liabilities		(1,235)	(54)
<b>Net assets attributable to shareholders</b>		<b>38,229</b>	<b>32,623</b>

# FTF Templeton Global Leaders Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	8,650	(1,201)
Currency gains	6	19
	<u>8,656</u>	<u>(1,182)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	3	-
Interest from certificates of deposit	90	55
Overseas dividends	450	335
Stock dividends	-	12
UK dividends	27	51
	<u>570</u>	<u>453</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	225	221
ACD's administration charge	16	16
ACD Waiver	(22)	(7)
	<u>219</u>	<u>230</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	2	4
Safe custody fees	2	1
	<u>4</u>	<u>5</u>
<b>Other expenses:</b>		
Audit fees	15	14
Legal and publication fees	2	-
VAT Reclaim	(2)	-
Other	19	2
	<u>34</u>	<u>16</u>
	<u>257</u>	<u>251</u>

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Total interest payable and similar charges	<u>-</u>	<u>-</u>

# FTF Templeton Global Leaders Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	44	17
Total current tax	44	17
<b>Total taxation (see Note 6(b))</b>	<b>44</b>	<b>17</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	313	202
Corporation tax at 20% (2023: 20%)	63	40
Effects of:		
Movement in unrecognised tax losses	33	8,154
Overseas tax	44	17
Prior year adjustment to unrecognised tax losses	-	(8,115)
Revenue not subject to tax	(96)	(79)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>44</b>	<b>17</b>

#### (c) Provision for deferred tax

At the year end, there is a potential deferred tax asset of £11,971,000 (2023: £11,938,000) due to tax losses of £59,858,000 (2023: £59,693,000). 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:

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Accumulation	216	133
	216	133
<b>Final dividend distributions</b>		
Accumulation	46	51
	46	51
Add: Revenue deducted on cancellation of shares	9	1
Deduct: Revenue received on issue of shares	(2)	-
<b>Total distribution</b>	<b>269</b>	<b>185</b>

Details of the distribution in pence per share for this Fund are set out in the table on page 419.

# FTF Templeton Global Leaders Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. Debtors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued income	19	30
Accrued Manager's charge rebates	11	2
Amounts receivable for issue of shares	119	4
Overseas tax recoverable	10	7
Sales awaiting settlement	1,180	-
	<u>1,339</u>	<u>43</u>

### 9. Cash and bank balances

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Cash and bank balances	1,192	96
<b>Total cash and bank balances</b>	<u>1,192</u>	<u>96</u>

### 10. Other creditors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<u>£000</u>	<u>£000</u>
Accrued expenses	55	42
Amounts payable for cancellation of shares	-	12
Purchases awaiting settlement	1,180	-
	<u>1,235</u>	<u>54</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £12,000 (2023: £19,000).



# FTF Templeton Global Leaders 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.

Currency	31 March 2024	31 March 2023
	Total net foreign currency assets and (liabilities) £000	Total net foreign currency assets and (liabilities) £000
Danish Krone	-	623
Euro	3,317	3,936
Hong Kong Dollar	673	-
Japanese Yen	2,270	3,070
New Taiwan Dollar	1,148	1,190
Norwegian Krone	-	346
Swiss Franc	347	-
United States Dollar	26,581	17,953
	<b>34,336</b>	<b>27,118</b>

If sterling (the Fund's base currency) increased by 10% against non-sterling currencies as at the balance sheet date, the net asset value of the fund would have decreased by £3,434,000 (2023: £2,712,000). A weakening in sterling against non-sterling currencies of 10% will have resulted in an equal but opposite effect.

#### 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, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £3,693,000 (2023: £3,254,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Equities	17,450	4	8	17,462	0.02	0.05
<b>Sales</b>						
Equities	20,096	(5)	(3)	20,088	(0.02)	(0.01)
Total cost of the Fund's average net asset value (%)		<b>0.03%</b>	<b>0.03%</b>			

# FTF Templeton Global Leaders Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Equities	21,049	4	14	21,067	0.02	0.07
<b>Sales</b>						
Equities	22,994	(5)	(4)	22,985	(0.02)	(0.02)
Total cost of the Fund's average net asset value (%)		<u>0.03%</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 2024, the average dealing spread for the underlying Fund investments is 0.06% (2023: 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 31 March 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	10,500,356	370,638	(1,441,070)	-	9,429,924

### 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	36,233	-	30,238	-
Level 2	700	-	2,300	-
Level 3	-	-	-	-
<b>Total</b>	<u>36,933</u>	<u>-</u>	<u>32,538</u>	<u>-</u>

# FTF Templeton Global Leaders Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	2.2869	-	2.2869	1.2368
Group 2	1.2660	1.0209	2.2869	1.2368

### For the period 1 October 2023 to 31 March 2024

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	0.4924	-	0.4924	0.4887
Group 2	0.1674	0.3250	0.4924	0.4887

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

The Fund will invest 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, including China.
- Derivatives (financial contracts 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.

#### *Other investments*

The Fund may also invest in:

- Bonds whose value is secured by mortgages or other assets (mortgage or asset-backed securities);
- Convertible bonds (a type of corporate debt security which can be exchanged for shares in the same organisation);
- 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 (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 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.

#### *Geographical location (where we invest)*

The Fund can invest anywhere in the world.

#### *How we select investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund. The Investment Manager has the freedom to choose securities that their research indicates have the strongest potential to meet the Fund's objective.

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.

# FTF Templeton Global Total Return Bond Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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### *ESG (environmental, social, and governance) factors*

As part of the overall research process for government debt issuers, the Investment Managers assess ESG factors using a proprietary rating methodology which incorporates ratings from third party providers alongside the Investment Manager's own views. Assessment includes consideration of forward-looking analysis to determine where conditions are anticipated to improve or deteriorate over the medium term. ESG factors include the following (which may change over time):

- Environmental factors, such as resource insecurity, extreme weather risk and unsustainable practices;
- Social factors such as social cohesion & stability, infrastructure, health security, labour, human capital, and demographics.
- Governance factors such as business climate, institutional strength, corruption & transparency, policy mix and reform mindedness and effectiveness.

These ESG factors are used to inform the Investment Manager's wider assessment of the investment worthiness of a particular government issuer. The Investment Managers typically give preference to investments with either a higher ESG rating or ESG ratings which are projected to be neutral or improving, although a low ESG rating will not automatically result in exclusion from the portfolio, if the Investment Manager considers the investment to be sufficiently attractive.

For corporate issuers, the Investment Manager does not always assess ESG factors. When the Investment manager does look at ESG factors, they use ESG ratings sourced from third party providers (such as MSC) to inform their assessment of the investment worthiness of the issuer.

The Fund does not automatically exclude any particular investment from the portfolio based solely on its ESG assessment (where undertaken). Whilst an ESG assessment will always be performed on bonds issued by governments, bonds issued by corporates will not always be assessed.

# FTF Templeton Global Total Return Bond Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Templeton Global Total Return Bond Fund (W Accumulation - H3) returned 3.67% (in UK sterling), whilst its benchmark - the Bloomberg Multiverse Index - returned 0.94% (in US dollars).

### OVERVIEW

The 12 months under review witnessed the unwinding of supply-chain shocks sparked by the COVID pandemic and the Russia-Ukraine war. This meant that for most countries, inflation was still relatively high during the period, but it was also in a clear downward trend from its peaks (which, broadly speaking, had been reached in late 2022). By March-end 2024, a handful of countries saw inflation back inside their central bank target ranges, but most had not yet reached that stage. Notably, although core inflation measures (which usually exclude food and energy prices) were stickier, they too had generally retreated sharply off their highs. The US Consumer Price Index had fallen from a high of 9.1% year-over-year during 2022 to 3.2% in February 2024. Likewise, euro area inflation fell from its monetary union record high of 10.6% year-over-year in 2022 to 2.6% by February 2024. Other areas have shown similar trends; inflation in certain European countries has fallen from double digits to levels inside their target ranges in the most recent data, while some Latin American countries have also fallen back sharply from prior double-digit or high single-digit inflation rates. In emerging Asia, inflation levels were more subdued than in other regions, though they also were elevated before falling back. The notable exception to the global softening trend is Japan, where after years of quite low inflation or deflation, higher inflation seems to be taking hold; headline inflation was 2.8% year-over-year in February 2024.

The better inflation trends meant that most countries also saw the peak of their interest-rate cycles during this period, with some countries starting to lower rates while others paused. Those central banks, mostly among emerging markets, who had been early movers in raising interest rates were also able to be first movers in the downcycle; a number of Latin American central banks started to cut rates during the second half of 2023. Some eastern European central banks also began to reduce rates in 2023. Major developed market central banks were mostly latecomers to the hiking cycle, and consequently while these banks have completed their rate-hiking cycles, none had yet cut rates during the period under review. The US Federal Reserve ("Fed") reached its federal funds target rate peak at 5.25%–5.50% in July 2023, but it took some months before confirming it would not raise interest rates further from that level. Similarly, the European Central Bank reached a peak policy rate of 4.5% in September, but took some time before confirming it had peaked. Asian central banks, whose inflation cycles and therefore rate cycles had lagged other regions, are also mostly paused at this stage. The Bank of Japan has taken a different path; due to the inflation developments discussed above, it finally exited its negative interest-rate policy by raising rates to 0.1% in March 2024. It also removed the yield curve control policy by which it had restrained bond yields.

Sovereign bond yields exhibited mixed performance over the 12-month period amid the global shifts in monetary policy and the differing inflation and monetary policy rate outlooks in individual countries. Sovereign bonds in developed markets, most of whom had not yet cut interest rates by end-March, generally saw rising yields. Yields on 10-year US Treasuries rose from 3.47% to 4.20% over the period, as some higher-than-expected US inflation data pushed back expectations of Fed rate cuts. In Europe, by contrast, the yield on the 10-year German Bund rose marginally from 2.29% a year ago to 2.30% in March. In Japan, the relaxation and then removal of yield curve control saw the 10-year bond yield rise from 0.33% to 0.72% over the period.

Movements in the US dollar ("USD") ebbed and flowed over the period. It ended the 12-month period slightly higher than where it started, but off the peaks it reached during the period. The USD gained modestly as interest-rate expectations were recalibrated somewhat and US growth continued to be more robust than initially expected. The DXY dollar index appreciated 2.0% over the past 12 months, although its end-March level was 2.3% below its highest levels earlier in the period. In general, Asian and European currencies were weaker against the USD, while those in Latin America gained. In terms of major currencies, the Japanese yen depreciated by 12.3% against the USD over the 12 months to end-March, while the euro fell by a moderate 0.5%. By contrast, UK sterling gained 2.3%.

Fears about global economic growth were prevalent at the start of the period, but they moderated somewhat as incoming data indicated that recession had been avoided by most countries. Growth in Europe has remained relatively weak, while the United States has shown relative strength, helped by a robust labour market, albeit with signs of slowing closer to the end of the period. The International Monetary Fund's January projections forecast global growth at 3.1% for 2024, the same growth rate as 2023, with advanced economies expected to expand by 1.5% while emerging markets are anticipated to grow at 4.1%.

### SIGNIFICANT CHANGES

The top five buys during the twelve-month period were:

- Japan Treasury Discount Bill, 0.000%, 20/02/2024
- United States Treasury Notes, 3.625%, 15/08/2043
- Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2029
- Japan Treasury Discount Bill, 0.000%, 20/09/2023

# FTF Templeton Global Total Return Bond Fund

## INVESTMENT REVIEW *(Continued)*

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- Indonesia Treasury Bond, 8.375%, 15/03/2034

The top five sells during the twelve-month period were:

- Japan Treasury Discount Bill, 0.000%, 20/09/2023
- United States Treasury Notes, 4.500%, 30/11/2024
- Japan Treasury Discount Bill, 0.000%, 20/02/2024
- Indonesia Treasury Bond, 5.500%, 15/04/2026
- Brazil Letras do Tesouro Nacional, 0.000%, 01/01/2025

### POSITIVE/NEGATIVE CONTRIBUTORS

For the 12-month period ended 31 March 2024, overall credit exposures contributed to the Fund's relative performance, as did interest-rate strategies. Currency positions detracted from relative performance.

Among credit exposures, overweighted exposure to sub investment-grade sovereign credits contributed to relative return, while underweighted exposure to investment-grade corporate bonds detracted.

The Fund maintained duration exposures primarily in select emerging markets, and also had duration exposures in select developed markets. Overweighted duration exposures in Brazil, Colombia, Hungary and Indonesia contributed to relative performance, while overweighted duration exposure in Ghana detracted.

Among currencies, overweighted positions in the Japanese yen, Malaysian ringgit and South Korean won detracted from relative performance, while the Fund's overweighted position in the Colombian peso contributed.

### OUTLOOK

We broadly expect inflation to continue declining this year, though the pace of deceleration should slow from last year, and inflation may remain above targets for a while yet in a number of countries. The timing of developed market central banks initiating rate cut cycles, in this context, is likely to be particularly dependent on inflation dynamics, as well as the growth outlook.

Global trends aside, certain countries remain more vulnerable to inflation dynamics and weaker fundamentals that may limit their ability to participate in the global easing cycle; such heterogeneity in fundamentals and policy responses should create relative valuation opportunities among countries. We therefore continue to closely monitor individual inflation drivers and outcomes, as well as policy responses, in different regions and countries. Risks remain to the lower global inflation outlook, including upward risks to oil prices from the continued conflicts in Russia/Ukraine and Israel/Gaza.

We maintain the view that the USD is at stretched valuations. We anticipate that both cyclical factors and structural factors will lead to USD weakness, although the path has been and is likely to remain uneven. Thus, given our views of both USD weakness and positive fundamentals in specific countries, we believe the greatest areas of value in the sovereign bond markets are to be found in these non-USD assets.

On a regional basis, areas of both emerging and developed Asia stand out. Structurally, several countries in Asia have solid fundamentals in the form of current account surpluses, small fiscal deficits and low levels of debt. Some of these countries are also set to benefit from global reshoring trends. Looking ahead, we expect Asia to remain an important driver of global growth.

In Latin America, those countries whose central banks had responded early and/or aggressively to higher inflation expectations are benefitting now as they reduce rates following a sharp slowdown in inflation. Moreover, several Latin American countries have exhibited significant fiscal improvement since the pandemic. This too provides comfort in holding select Latin American assets.

Geopolitics will continue to have varying effects. The post-COVID new normal for the world has been characterised by the constant shadow of various geopolitical factors. US-China relations were already quite strained during the pandemic, with distrust around the pandemic itself and renewed tensions in the South China Sea exacerbating the situation, though more recently there have been some efforts at alleviating tensions.

**Michael Hasenstab, Ph.D & Calvin Ho, Ph.D**

Fund Managers

31 March 2024

# FTF Templeton Global Total Return Bond Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	99.27	105.34	101.95
Return before operating charges <sup>1</sup>	2.93	(5.35)	4.19
Operating charges <sup>2</sup>	(0.74)	(0.72)	(0.80)
Return after operating charges <sup>3</sup>	2.19	(6.07)	3.39
Distributions	(5.80)	(4.67)	(7.54)
Retained distributions on accumulation shares	5.80	4.67	7.54
Closing net asset value per share	101.46	99.27	105.34
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	2.21%	(5.76)%	3.33%
<b>Other information</b>			
Closing net asset value (£)	7,928,731	11,040,297	14,087,870
Closing number of shares	7,814,595	11,121,691	13,373,949
Operating charges ratio <sup>6</sup>	0.75%	0.71%	0.79%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	102.25	107.00	105.61
Lowest share price	94.74	95.20	100.82
<b>W Accumulation H3</b>			
	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	74.06	85.04	86.44
Return before operating charges <sup>1</sup>	3.12	(10.45)	(0.74)
Operating charges <sup>2</sup>	(0.56)	(0.53)	(0.66)
Return after operating charges <sup>3</sup>	2.56	(10.98)	(1.40)
Distributions	(4.38)	(3.57)	(6.22)
Retained distributions on accumulation shares	4.38	3.57	6.22
Closing net asset value per share	76.62	74.06	85.04
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	3.46%	(12.91)%	(1.62)%
<b>Other information</b>			
Closing net asset value (£)	9,746,644	10,631,211	11,056,867
Closing number of shares	12,720,012	14,355,810	13,001,358
Operating charges ratio <sup>6</sup>	0.75%	0.71%	0.79%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	78.49	86.31	90.56
Lowest share price	69.23	66.09	82.03



# FTF Templeton Global Total Return Bond Fund

## COMPARATIVE TABLES (Continued)

<u>W Income</u>	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	59.78	66.51	69.26
Return before operating charges <sup>1</sup>	1.70	(3.37)	2.75
Operating charges <sup>2</sup>	(0.44)	(0.45)	(0.53)
Return after operating charges <sup>3</sup>	1.26	(3.82)	2.22
Distributions	(3.42)	(2.91)	(4.97)
Closing net asset value per share	57.62	59.78	66.51
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	2.11%	(5.74)%	3.21%
<b>Other information</b>			
Closing net asset value (£)	2,221,943	2,778,105	4,074,956
Closing number of shares	3,856,184	4,646,832	6,127,128
Operating charges ratio <sup>6</sup>	0.75%	0.71%	0.79%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	60.51	67.54	70.60
Lowest share price	55.41	58.65	64.68
<b>W Income H3</b>			
<b>Change in net assets per share (p)</b>			
Opening net asset value per share	50.20	60.40	66.20
Return before operating charges <sup>1</sup>	2.05	(7.43)	(0.54)
Operating charges <sup>2</sup>	(0.37)	(0.37)	(0.51)
Return after operating charges <sup>3</sup>	1.68	(7.80)	(1.05)
Distributions	(2.90)	(2.40)	(4.75)
Closing net asset value per share	48.98	50.20	60.40
After direct transaction costs of <sup>4</sup>	-	-	-
<b>Performance</b>			
Return after charges <sup>5</sup>	3.35%	(12.91)%	(1.59)%
<b>Other information</b>			
Closing net asset value (£)	2,739,778	5,254,660	11,347,694
Closing number of shares	5,593,966	10,467,287	18,787,113
Operating charges ratio <sup>6</sup>	0.75%	0.72%	0.79%
Direct transaction costs <sup>4</sup>	-	-	-
<b>Prices (p)</b>			
Highest share price	51.83	61.32	69.37
Lowest share price	45.57	45.82	59.23

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.

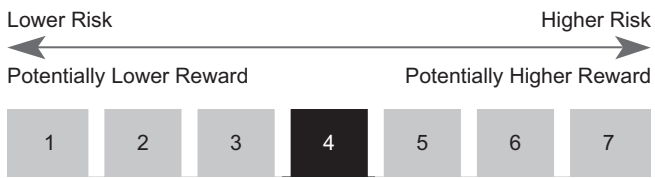
5 The "return after charges" is calculated as the "return after operating charges" per share divided by the "opening net asset value per share". This figure will differ from "performance return" figure disclosed under "Investment Review" section due to alternative calculation methodology used.

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. Where the period is less than 12 months, the operating charges are annualised.

# FTF Templeton Global Total Return Bond Fund

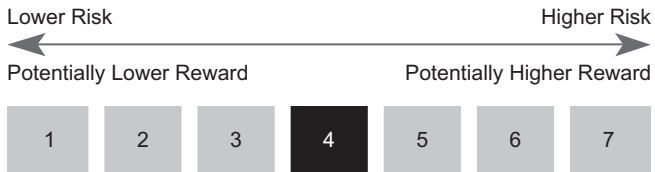
## RISK PROFILE (W Income Shares) For the year ended 31 March 2024

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## RISK PROFILE (W Accumulation - H3 Shares) As at 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 0.00% (0.00%)</b>		
	<b>AFRICA 0.00% (0.00%)</b>		
	<b>SOUTH AFRICA</b>		
60,579	K2016470219 South Africa Ltd. <sup>1</sup> .....	-	0.00
12,082,204	K2016470219 South Africa Ltd., A <sup>1</sup> .....	-	0.00
1,447,454	K2016470219 South Africa Ltd., B <sup>1</sup> .....	-	0.00
	TOTAL - AFRICA	-	0.00
	TOTAL - EQUITIES	-	0.00
	<b>BONDS 96.17% (92.54%)</b>		
	<b>AFRICA 6.32% (5.21%)</b>		
	<b>EGYPT</b>		
400,000	Egypt Government International Bond, 8.500%, 31/01/2047 .....	251	1.11
390,000	Egypt Government International Bond, 8.700%, 01/03/2049 .....	249	1.10
200,000	Egypt Government International Bond, 8.875%, 29/05/2050 .....	130	0.57
570,000	Egypt Government International Bond, 8.750%, 30/09/2051 .....	364	1.61
200,000	Egypt Government International Bond, 7.500%, 16/02/2061 .....	113	0.50
		<u>1,107</u>	<u>4.89</u>
	<b>GHANA</b>		
1,466,128	Republic of Ghana Government Bonds, 8.350%, 16/02/2027 .....	56	0.25
1,468,291	Republic of Ghana Government Bonds, 8.500%, 15/02/2028 .....	49	0.21
1,393,500	Republic of Ghana Government Bonds, 8.650%, 13/02/2029 .....	43	0.19
1,395,554	Republic of Ghana Government Bonds, 8.800%, 12/02/2030 .....	40	0.18
1,362,383	Republic of Ghana Government Bonds, 8.950%, 11/02/2031 .....	37	0.16
1,364,389	Republic of Ghana Government Bonds, 9.100%, 10/02/2032 .....	35	0.15
1,366,395	Republic of Ghana Government Bonds, 9.250%, 08/02/2033 .....	32	0.14
283,052	Republic of Ghana Government Bonds, 9.400%, 07/02/2034 .....	7	0.03
283,468	Republic of Ghana Government Bonds, 9.550%, 06/02/2035 .....	6	0.03
283,884	Republic of Ghana Government Bonds, 9.700%, 05/02/2036 .....	6	0.03
284,300	Republic of Ghana Government Bonds, 9.850%, 03/02/2037 .....	6	0.03
284,716	Republic of Ghana Government Bonds, 10.000%, 02/02/2038 .....	6	0.03
		<u>323</u>	<u>1.43</u>
	<b>SOUTH AFRICA</b>		
1,047,052	K2016470219 South Africa, 3.000%, 31/12/2022 <sup>1</sup> .....	-	0.00
523,181	K2016470219 South Africa, 8.000%, 31/12/2022 <sup>1</sup> .....	-	0.00
555,265	K2016470260 South Africa, 25.000%, 31/12/2022 <sup>1</sup> .....	-	0.00
		<u>-</u>	<u>0.00</u>
	TOTAL - AFRICA	<u>1,430</u>	<u>6.32</u>
	<b>ASIA 31.02% (43.71%)</b>		
	<b>INDIA</b>		
87,690,000	India Government Bond, 7.260%, 22/08/2032 .....	842	3.72
	<b>INDONESIA</b>		
375,000,000	Indonesia Treasury Bond, 6.375%, 15/04/2032 .....	19	0.08
21,429,000,000	Indonesia Treasury Bond, 7.000%, 15/02/2033 .....	1,090	4.82
		<u>1,109</u>	<u>4.90</u>
	<b>KAZAKHSTAN</b>		
27,900,000	Kazakhstan Government Bond - MEOKAM, 10.670%, 21/01/2026 .....	48	0.21
4,700,000	Kazakhstan Government Bond - MEOKAM, 15.350%, 18/11/2027 .....	9	0.04
63,900,000	Kazakhstan Government Bond - MEUKAM, 9.000%, 03/07/2027 .....	103	0.46
68,000,000	Kazakhstan Government Bond - MEUKAM, 5.500%, 20/09/2028 .....	93	0.41
23,700,000	Kazakhstan Government Bond - MEUKAM, 15.300%, 03/03/2029 .....	46	0.20
9,500,000	Kazakhstan Government Bond - MEUKAM, 10.550%, 28/07/2029 .....	15	0.07

# FTF Templeton Global Total Return Bond Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
<b>KAZAKHSTAN (Continued)</b>			
98,800,000	Kazakhstan Government Bond - MEUKAM, 7.680%, 13/08/2029 .....	143	0.63
5,700,000	Kazakhstan Government Bond - MEUKAM, 14.000%, 12/05/2031 .....	11	0.05
		468	2.07
<b>MALAYSIA</b>			
610,000	Malaysia Government Bond, 3.478%, 14/06/2024 .....	102	0.45
1,220,000	Malaysia Government Bond, 4.181%, 15/07/2024 .....	205	0.91
1,500,000	Malaysia Government Bond, 4.059%, 30/09/2024 .....	252	1.11
1,320,000	Malaysia Government Bond, 3.882%, 14/03/2025 .....	222	0.98
507,000	Malaysia Government Bond, 3.955%, 15/09/2025 .....	85	0.38
860,000	Malaysia Government Bond, 3.900%, 30/11/2026 .....	145	0.64
30,000	Malaysia Government Bond, 3.892%, 15/03/2027 .....	5	0.02
210,000	Malaysia Government Bond, 3.502%, 31/05/2027 .....	35	0.15
7,110,000	Malaysia Government Bond, 3.899%, 16/11/2027 .....	1,204	5.32
		2,255	9.96
<b>MONGOLIA</b>			
350,000	Mongolia Government International Bond, 3.500%, 07/07/2027 .....	249	1.10
200,000	Mongolia Government International Bond, 4.450%, 07/07/2031 .....	134	0.59
		383	1.69
<b>PHILIPPINES</b>			
2,290,000,000	Asian Development Bank, 11.750%, 24/07/2024 .....	468	2.07
1,352,000,000	Asian Development Bank, 11.200%, 31/01/2025 .....	276	1.22
		744	3.29
<b>SRI LANKA</b>			
200,000	Sri Lanka Government International Bond, 6.750%, 18/04/2028 <sup>2</sup> .....	93	0.41
200,000	Sri Lanka Government International Bond, 7.850%, 14/03/2029 <sup>2</sup> .....	93	0.41
		186	0.82
<b>THAILAND</b>			
25,100,000	Thailand Government Bond, 0.750%, 17/09/2024 .....	541	2.39
23,680,000	Thailand Government Bond, 1.000%, 17/06/2027 .....	495	2.18
		1,036	4.57
	TOTAL - ASIA	7,023	31.02
<b>AUSTRALIA 4.50% (0.94%)</b>			
686,000	New South Wales Treasury, 2.000%, 08/03/2033 .....	289	1.28
112,000	New South Wales Treasury, 1.750%, 20/03/2034 .....	45	0.20
680,000	Queensland Treasury, 2.000%, 22/08/2033 .....	283	1.25
223,000	Queensland Treasury, 1.750%, 20/07/2034 .....	88	0.39
509,000	Treasury of Victoria, 2.250%, 15/09/2033 .....	214	0.94
244,000	Treasury of Victoria, 2.250%, 20/11/2034 .....	99	0.44
		1,018	4.50
	TOTAL - AUSTRALIA	1,018	4.50
<b>CENTRAL AMERICA 10.41% (5.69%)</b>			
<b>DOMINICAN REPUBLIC</b>			
160,000	Dominican Republic International Bond, 5.300%, 21/01/2041 .....	108	0.48
150,000	Dominican Republic International Bond, 6.400%, 05/06/2049 .....	111	0.49
490,000	Dominican Republic International Bond, 5.875%, 30/01/2060 .....	329	1.45
		548	2.42
<b>MEXICO</b>			
970,000	Mexican Bonos, 8.500%, 31/05/2029 .....	45	0.20
19,440,000	Mexican Bonos, 7.500%, 26/05/2033 .....	824	3.64
2,390,000	Mexican Bonos, 7.750%, 23/11/2034 .....	102	0.45
790,000	Mexican Bonos, 10.000%, 20/11/2036 .....	39	0.17

# FTF Templeton Global Total Return Bond Fund

## PORTFOLIO OF INVESTMENTS (Continued)

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>MEXICO (Continued)</b>		
1,440,000	Mexican Bonos, 8.500%, 18/11/2038.....	64	0.29
3,100,000	Mexican Bonos, 7.750%, 13/11/2042.....	125	0.55
		<u>1,199</u>	<u>5.30</u>
	<b>PANAMA</b>		
280,000	Panama Government International Bond, 6.400%, 14/02/2035.....	213	0.94
200,000	Panama Government International Bond, 6.700%, 26/01/2036.....	154	0.68
310,000	Panama Government International Bond, 6.875%, 31/01/2036.....	242	1.07
		<u>609</u>	<u>2.69</u>
	TOTAL - CENTRAL AMERICA	<u>2,356</u>	<u>10.41</u>
	<b>EUROPE - OTHER EU 10.32% (9.61%)</b>		
	<b>GERMANY</b>		
227,000	Bundesschatzanweisungen, 0.000%, 18/10/2024.....	190	0.84
492,000	Bundesschatzanweisungen, 0.400%, 13/09/2024.....	415	1.83
224,870	German Treasury Bill, 0.000%, 15/05/2024.....	191	0.84
459,000	German Treasury Bill, 0.000%, 18/09/2024.....	386	1.71
		<u>1,182</u>	<u>5.22</u>
	<b>HUNGARY</b>		
89,800,000	Hungary Government Bond, 1.000%, 26/11/2025.....	178	0.79
23,800,000	Hungary Government Bond, 3.000%, 27/10/2027.....	46	0.20
490,300,000	Hungary Government Bond, 4.750%, 24/11/2032.....	929	4.11
		<u>1,153</u>	<u>5.10</u>
	TOTAL - EUROPE - OTHER EU	<u>2,335</u>	<u>10.32</u>
	<b>NORTH AMERICA 15.51% (7.73%)</b>		
	<b>UNITED STATES OF AMERICA</b>		
2,235,000	Fed Home Loan Bank 0% Disc NTS, 0.000%, 01/04/2024.....	1,768	7.81
610,000	United States Treasury Notes, 3.375%, 15/08/2042.....	418	1.84
360,000	United States Treasury Notes, 3.125%, 15/02/2043.....	237	1.05
1,230,000	United States Treasury Notes, 3.625%, 15/08/2043.....	867	3.83
310,000	United States Treasury Notes, 3.750%, 15/11/2043.....	222	0.98
		<u>3,512</u>	<u>15.51</u>
	TOTAL - NORTH AMERICA	<u>3,512</u>	<u>15.51</u>
	<b>SOUTH AMERICA 18.09% (19.65%)</b>		
	<b>BRAZIL</b>		
2,480,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2027.....	391	1.73
4,666,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2029.....	722	3.19
4,916,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2031.....	747	3.30
1,572,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2033.....	236	1.04
		<u>2,096</u>	<u>9.26</u>
	<b>COLOMBIA</b>		
176,000,000	Colombia Government International Bond, 9.850%, 28/06/2027.....	35	0.16
1,149,000,000	Colombian TES, 7.250%, 18/10/2034.....	192	0.85
776,000,000	Colombian TES, 6.250%, 09/07/2036.....	114	0.50
2,484,000,000	Colombian TES, 9.250%, 28/05/2042.....	449	1.98
		<u>790</u>	<u>3.49</u>
	<b>ECUADOR</b>		
909,000	Ecuador Government International Bond, 6.000%, 31/07/2030.....	487	2.15
1,737,000	Ecuador Government International Bond, 3.500%, 31/07/2035.....	722	3.19
		<u>1,209</u>	<u>5.34</u>
	TOTAL - SOUTH AMERICA	<u>4,095</u>	<u>18.09</u>
	TOTAL - BONDS	<u>21,769</u>	<u>96.17</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
<b>DERIVATIVES (1.15%) (0.46%)</b>			
<b>OPTIONS</b>			
(1,516,000)	US Dollar Call Japanese Yen Put 25/6/2024 154.0 .....	(6)	(0.03)
1,516,000	US Dollar Call Japanese Yen Put 25/6/2024 160.0 .....	1	0.00
1,516,000	US Dollar Put Japanese Yen Call 12/6/2024 136.4 .....	1	0.01
(3,031,000)	US Dollar Put Japanese Yen Call 12/6/2024 141.2 .....	(5)	(0.02)
(5,557,000)	US Dollar Put Japanese Yen Call 12/9/2024 135.9 .....	(16)	(0.07)
8,083,000	US Dollar Put Japanese Yen Call 12/9/2024 140.3 .....	46	0.20
1,334,000	US Dollar Put Japanese Yen Call 13/8/2024 132.9 .....	2	0.01
(4,041,000)	US Dollar Put Japanese Yen Call 13/8/2024 137.3 .....	(10)	(0.04)
4,041,000	US Dollar Put Japanese Yen Call 13/8/2024 141.35 .....	20	0.09
		<u>33</u>	<u>0.15</u>
<b>SWAPS</b>			
1,250,000	Interest Rate Swap J.P. Morgan Pay floating SOFR Receive fixed, 3.285%, 03/05/2033 .....	(63)	(0.28)
		<u>(63)</u>	<u>(0.28)</u>
<b>FORWARD CURRENCY CONTRACTS</b>			
AUD 605,000	Buy AUD 605,000 sell USD (394,605) dated 07/05/2024 .....	-	0.00
AUD 890,000	Buy AUD 890,000 sell USD (579,942) dated 07/05/2024 .....	1	0.00
AUD 885,000	Buy AUD 885,000 sell USD (581,657) dated 22/05/2024 .....	(3)	(0.01)
AUD 945,000	Buy AUD 945,000 sell USD (621,558) dated 22/05/2024 .....	(3)	(0.01)
AUD 770,000	Buy AUD 770,000 sell USD (511,172) dated 11/06/2024 .....	(6)	(0.03)
AUD 670,000	Buy AUD 670,000 sell USD (443,612) dated 25/09/2024 .....	(4)	(0.02)
INR 9,110,000	Buy INR 9,110,000 sell USD (108,915) dated 05/04/2024 .....	-	0.00
INR 92,855,675	Buy INR 92,855,675 sell USD (1,114,219) dated 08/05/2024 .....	(1)	0.00
INR 64,011,650	Buy INR 64,011,650 sell USD (770,668) dated 18/06/2024 .....	(4)	(0.02)
JPY 22,200,000	Buy JPY 22,200,000 sell USD (151,482) dated 05/04/2024 .....	(4)	(0.02)
JPY 214,764,030	Buy JPY 214,764,030 sell USD (1,503,580) dated 15/04/2024 .....	(65)	(0.29)
JPY 177,057,720	Buy JPY 177,057,720 sell USD (1,240,221) dated 15/04/2024 .....	(54)	(0.24)
JPY 97,787,050	Buy JPY 97,787,050 sell USD (684,994) dated 15/04/2024 .....	(30)	(0.13)
JPY 449,262,689	Buy JPY 449,262,689 sell USD (3,072,838) dated 15/04/2024 .....	(78)	(0.34)
JPY 26,872,640	Buy JPY 26,872,640 sell USD (184,964) dated 21/05/2024 .....	(5)	(0.02)
JPY 269,400,000	Buy JPY 269,400,000 sell USD (1,838,546) dated 13/08/2024 .....	(18)	(0.08)
KRW 323,000,000	Buy KRW 323,000,000 sell USD (242,939) dated 04/04/2024 .....	(2)	(0.01)
KRW 1,059,200,000	Buy KRW 1,059,200,000 sell USD (812,712) dated 19/09/2024 .....	(16)	(0.07)
KRW 741,500,000	Buy KRW 741,500,000 sell USD (569,159) dated 19/09/2024 .....	(11)	(0.05)
KRW 1,996,000,000	Buy KRW 1,996,000,000 sell USD (1,532,308) dated 19/09/2024 .....	(31)	(0.14)
KRW 323,000,000	Buy KRW 323,000,000 sell USD (242,511) dated 20/09/2024 .....	(1)	0.00
NOK 14,433,000	Buy NOK 14,433,000 sell USD (1,331,636) dated 11/06/2024 .....	1	0.00
USD 151,604	Buy USD 151,604 sell JPY (22,200,000) dated 05/04/2024 .....	4	0.02
USD 1,469,020	Buy USD 1,469,020 sell JPY (214,764,030) dated 15/04/2024 .....	38	0.17
USD 668,874	Buy USD 668,874 sell JPY (97,787,050) dated 15/04/2024 .....	17	0.07
USD 58,141	Buy USD 58,141 sell JPY (8,500,000) dated 15/04/2024 .....	2	0.01
USD 1,019,002	Buy USD 1,019,002 sell JPY (149,739,254) dated 15/04/2024 .....	22	0.10
USD 1,018,226	Buy USD 1,018,226 sell JPY (149,761,717) dated 15/04/2024 .....	21	0.09
USD 201,983	Buy USD 201,983 sell JPY (30,522,610) dated 15/04/2024 .....	-	0.00
		<u>(230)</u>	<u>(1.02)</u>
	<b>TOTAL - DERIVATIVES</b>	<u>(260)</u>	<u>(1.15)</u>
<b>HEDGED SHARE CLASS DERIVATIVES (0.73%) (1.64%)</b>			
<b>HEDGE FORWARD CURRENCY CONTRACTS</b>			
GBP 9	Buy GBP 9 sell USD (11) dated 15/04/2024 .....	-	0.00
GBP 17	Buy GBP 17 sell USD (21) dated 15/04/2024 .....	-	0.00
GBP 2	Buy GBP 2 sell USD (2) dated 15/04/2024 .....	-	0.00
GBP 10,125,579	Buy GBP 10,125,579 sell USD (12,955,675) dated 15/04/2024 .....	(129)	(0.57)
GBP 2,913,919	Buy GBP 2,913,919 sell USD (3,728,359) dated 15/04/2024 .....	(37)	(0.16)
GBP 123	Buy GBP 123 sell USD (157) dated 15/04/2024 .....	-	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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
GBP 240	Buy GBP 240 sell USD (307) dated 15/04/2024 .....	-	0.00
GBP 3	Buy GBP 3 sell USD (3) dated 15/04/2024 .....	-	0.00
GBP 0	Buy GBP 0 sell USD (0) dated 15/04/2024 .....	-	0.00
GBP 22	Buy GBP 22 sell USD (28) dated 15/04/2024 .....	-	0.00
GBP 11	Buy GBP 11 sell USD (14) dated 15/04/2024 .....	-	0.00
GBP 50	Buy GBP 50 sell USD (64) dated 15/04/2024 .....	-	0.00
GBP 5	Buy GBP 5 sell USD (6) dated 15/04/2024 .....	-	0.00
GBP 44	Buy GBP 44 sell USD (56) dated 15/04/2024 .....	-	0.00
GBP 1,290	Buy GBP 1,290 sell USD (1,640) dated 15/04/2024 .....	-	0.00
GBP 377	Buy GBP 377 sell USD (480) dated 15/04/2024 .....	-	0.00
GBP 119	Buy GBP 119 sell USD (152) dated 15/04/2024 .....	-	0.00
GBP 3	Buy GBP 3 sell USD (4) dated 15/04/2024 .....	-	0.00
GBP 5	Buy GBP 5 sell USD (6) dated 15/04/2024 .....	-	0.00
GBP 328	Buy GBP 328 sell USD (417) dated 15/04/2024 .....	-	0.00
GBP 106,621	Buy GBP 106,621 sell USD (135,073) dated 15/04/2024 .....	-	0.00
GBP 78	Buy GBP 78 sell USD (99) dated 15/04/2024 .....	-	0.00
GBP 30,418	Buy GBP 30,418 sell USD (38,535) dated 15/04/2024 .....	-	0.00
GBP 71	Buy GBP 71 sell USD (90) dated 15/04/2024 .....	-	0.00
GBP 3,045	Buy GBP 3,045 sell USD (3,838) dated 15/04/2024 .....	-	0.00
GBP 48	Buy GBP 48 sell USD (60) dated 15/04/2024 .....	-	0.00
GBP 5	Buy GBP 5 sell USD (6) dated 15/04/2024 .....	-	0.00
GBP 50	Buy GBP 50 sell USD (63) dated 15/04/2024 .....	-	0.00
GBP 8	Buy GBP 8 sell USD (10) dated 15/04/2024 .....	-	0.00
GBP 105	Buy GBP 105 sell USD (133) dated 15/04/2024 .....	-	0.00
GBP 2,758	Buy GBP 2,758 sell USD (3,484) dated 15/04/2024 .....	-	0.00
GBP 5	Buy GBP 5 sell USD (6) dated 15/04/2024 .....	-	0.00
GBP 3	Buy GBP 3 sell USD (4) dated 15/04/2024 .....	-	0.00
GBP 3	Buy GBP 3 sell USD (4) dated 15/04/2024 .....	-	0.00
USD 745	Buy USD 745 sell GBP (583) dated 15/04/2024 .....	-	0.00
USD 11,815	Buy USD 11,815 sell GBP (9,250) dated 15/04/2024 .....	-	0.00
USD 484	Buy USD 484 sell GBP (378) dated 15/04/2024 .....	-	0.00
USD 3,537	Buy USD 3,537 sell GBP (2,762) dated 15/04/2024 .....	-	0.00
USD 18	Buy USD 18 sell GBP (14) dated 15/04/2024 .....	-	0.00
USD 8,872	Buy USD 8,872 sell GBP (6,956) dated 15/04/2024 .....	-	0.00
USD 4,782	Buy USD 4,782 sell GBP (3,750) dated 15/04/2024 .....	-	0.00
USD 50,315	Buy USD 50,315 sell GBP (39,525) dated 15/04/2024 .....	-	0.00
USD 174,880	Buy USD 174,880 sell GBP (137,376) dated 15/04/2024 .....	1	0.00
USD 2,884	Buy USD 2,884 sell GBP (2,263) dated 15/04/2024 .....	-	0.00
USD 2,880	Buy USD 2,880 sell GBP (2,260) dated 15/04/2024 .....	-	0.00
USD 11,821	Buy USD 11,821 sell GBP (9,290) dated 15/04/2024 .....	-	0.00
USD 2,723	Buy USD 2,723 sell GBP (2,140) dated 15/04/2024 .....	-	0.00
USD 143,157	Buy USD 143,157 sell GBP (112,495) dated 15/04/2024 .....	1	0.00
USD 95	Buy USD 95 sell GBP (75) dated 15/04/2024 .....	-	0.00
USD 41,133	Buy USD 41,133 sell GBP (32,323) dated 15/04/2024 .....	-	0.00
USD 32,102	Buy USD 32,102 sell GBP (25,246) dated 15/04/2024 .....	-	0.00
USD 61,617	Buy USD 61,617 sell GBP (48,457) dated 15/04/2024 .....	-	0.00
USD 56,222	Buy USD 56,222 sell GBP (44,254) dated 15/04/2024 .....	-	0.00
USD 7,993	Buy USD 7,993 sell GBP (6,291) dated 15/04/2024 .....	-	0.00
USD 11	Buy USD 11 sell GBP (9) dated 15/04/2024 .....	-	0.00
USD 1,921	Buy USD 1,921 sell GBP (1,513) dated 15/04/2024 .....	-	0.00
USD 110	Buy USD 110 sell GBP (87) dated 15/04/2024 .....	-	0.00
USD 6,553	Buy USD 6,553 sell GBP (5,199) dated 15/04/2024 .....	-	0.00
USD 1,569	Buy USD 1,569 sell GBP (1,245) dated 15/04/2024 .....	-	0.00
USD 29	Buy USD 29 sell GBP (23) dated 15/04/2024 .....	-	0.00
USD 9	Buy USD 9 sell GBP (7) dated 15/04/2024 .....	-	0.00
USD 898	Buy USD 898 sell GBP (710) dated 15/04/2024 .....	-	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
<b>HEDGE FORWARD CURRENCY CONTRACTS (Continued)</b>			
USD 22,022	Buy USD 22,022 sell GBP (17,416) dated 15/04/2024 .....	-	0.00
USD 22,777	Buy USD 22,777 sell GBP (18,031) dated 15/04/2024 .....	-	0.00
USD 1,959	Buy USD 1,959 sell GBP (1,551) dated 15/04/2024 .....	-	0.00
USD 19	Buy USD 19 sell GBP (15) dated 15/04/2024 .....	-	0.00
USD 4	Buy USD 4 sell GBP (3) dated 15/04/2024 .....	-	0.00
USD 2,524	Buy USD 2,524 sell GBP (2,000) dated 15/04/2024 .....	-	0.00
USD 1,841	Buy USD 1,841 sell GBP (1,459) dated 15/04/2024 .....	-	0.00
		<u>(164)</u>	<u>(0.73)</u>
	TOTAL - HEDGED SHARE CLASS DERIVATIVES	<u>(164)</u>	<u>(0.73)</u>
	<b>TOTAL VALUE OF INVESTMENTS .....</b>	<b><u>21,345</u></b>	<b><u>94.29</u></b>
	<b>OTHER ASSETS .....</b>	<b><u>1,292</u></b>	<b><u>5.71</u></b>
	<b>TOTAL NET ASSETS .....</b>	<b><u>22,637</u></b>	<b><u>100.00</u></b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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.

<sup>1</sup> These securities are fair valued by the manager.

<sup>2</sup> Income currently suspended on security.



# FTF Templeton Global Total Return Bond Fund

## STATEMENT OF TOTAL RETURN For the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital losses	2		(924)		(4,346)
Revenue	3	1,762		1,921	
Expenses	4	(194)		(248)	
Interest payable and similar charges	5	(17)		(11)	
Net revenue before taxation		1,551		1,662	
Taxation	6	(26)		(39)	
Net revenue after taxation			1,525		1,623
<b>Total return before distributions</b>			<b>601</b>		<b>(2,723)</b>
Distributions	7		(1,520)		(1,628)
<b>Change in net assets attributable to shareholders</b>			<b>(919)</b>		<b>(4,351)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023	1 April 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>29,704</b>		<b>40,570</b>
Amounts received on creation of shares	1,553		14,363	
Amounts paid on cancellation of shares	(8,829)		(21,987)	
		(7,276)		(7,624)
Change in net assets attributable to shareholders from investment activities (see above)		(919)		(4,351)
Retained distribution on accumulation shares		1,128		1,109
<b>Closing net assets attributable to shareholders</b>		<b>22,637</b>		<b>29,704</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
Fixed assets			
Investments		21,947	28,402
Current assets			
Debtors	8	752	3,371
Cash and bank balances	9	1,002	1,481
<b>Total assets</b>		<b>23,701</b>	<b>33,254</b>
<b>Liabilities</b>			
Investment liabilities		(602)	(290)
Creditors			
Amounts due to futures clearing houses and brokers		-	(170)
Distributions payable		(75)	(90)
Other creditors	10	(387)	(3,000)
<b>Total liabilities</b>		<b>(1,064)</b>	<b>(3,550)</b>
<b>Net assets attributable to shareholders</b>		<b>22,637</b>	<b>29,704</b>

# FTF Templeton Global Total Return Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital losses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
The net capital losses during the year comprise:		
Non-derivative securities gains/(losses)	91	(951)
Derivative (losses)/gains	(110)	210
Currency losses	(203)	(417)
Forward currency contracts	(702)	(3,188)
	<u>(924)</u>	<u>(4,346)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Bank and other interest	13	15
Interest on debt securities	1,703	1,884
Interest on balances held at futures clearing houses and brokers	5	-
Interest on margin deposits	3	6
Interest rate swap income	-	16
Option premiums	38	-
	<u>1,762</u>	<u>1,921</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	143	192
ACD's administration charge	13	17
	<u>156</u>	<u>209</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	2	5
Safe custody fees	9	15
	<u>11</u>	<u>20</u>
<b>Other expenses:</b>		
Audit fees	20	18
Legal and publication fees	1	-
VAT Reclaim	(4)	-
Other	10	1
	<u>27</u>	<u>19</u>
	<u>194</u>	<u>248</u>

# FTF Templeton Global Total Return Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Interest on bank overdrafts	1	11
Interest rate swap income	16	-
<b>Total interest payable and similar charges</b>	<b>17</b>	<b>11</b>

### 6. Taxation

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Corporation tax	6	-
Double taxation relief	(6)	-
Overseas tax	31	34
Overseas tax on capital gains	(5)	5
Total current tax	26	39
<b>Total taxation (see Note 6(b))</b>	<b>26</b>	<b>39</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	1,551	1,662
Corporation tax at 20% (2023: 20%)	310	332
Effects of:		
Movement in unrecognised tax losses	(7)	7
Overseas tax	31	34
Overseas tax on capital gains	(5)	5
Tax deductible interest distributions	(304)	(332)
Prior year adjustment to unrecognised tax losses	7	-
Relief on overseas tax expensed	(6)	(7)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>26</b>	<b>39</b>

#### (c) Provision for deferred tax

At the year end, there is no potential deferred tax asset (2023: £7,000) due to no tax losses (2023: £34,000). Accordingly no 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 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	269	422
Accumulation	866	867
	<u>1,135</u>	<u>1,289</u>
<b>Final dividend distributions</b>		
Income	75	90
Accumulation	262	242
	<u>337</u>	<u>332</u>
Add: Revenue deducted on cancellation of shares	59	62
Deduct: Revenue received on issue of shares	(11)	(55)
<b>Total distribution</b>	<u><u>1,520</u></u>	<u><u>1,628</u></u>
	1 April 2023 to 31 March 2024	1 April 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	1,525	1,623
Tax charge taken from capital account	(5)	5
<b>Total distribution</b>	<u><u>1,520</u></u>	<u><u>1,628</u></u>

Details of the distribution in pence per share for this Fund are set out in the table on pages 441 and 442.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	347	361
Amounts receivable for issue of shares	2	15
Amounts receivable from counterparties in respect of collateral on derivatives	104	180
Currency sales awaiting settlement	299	525
Sales awaiting settlement	-	2,290
	<u>752</u>	<u>3,371</u>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Cash and bank balances	1,002	1,481
<b>Total cash and bank balances</b>	<u><u>1,002</u></u>	<u><u>1,481</u></u>

# FTF Templeton Global Total Return Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

### 10. Other creditors

	<u>31 March 2024</u>	<u>31 March 2023</u>
	<b>£000</b>	<b>£000</b>
Accrued expenses	36	50
Amounts payable for cancellation of shares	52	146
Currency purchases awaiting settlement	299	526
Overseas capital gains tax provision	-	5
Purchases awaiting settlement	-	2,273
	<u><b>387</b></u>	<u><b>3,000</b></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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £12,000 (2023: £16,000).

# FTF Templeton Global Total Return Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12. Portfolio Transaction Costs

During the year bond purchases amounted to £15,076,000 (2023: £34,447,000) and bond sales amounted to £22,407,000 (2023: £39,461,000). 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 2024, the average dealing spread for the underlying Fund investments is 0.71% (2023: 0.40%).

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 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
W Accumulation	11,121,691	426,312	(3,733,408)	-	7,814,595
W Accumulation H3	14,355,810	1,263,695	(2,899,493)	-	12,720,012
W Income	4,646,832	279,448	(1,070,096)	-	3,856,184
W Income H3	10,467,287	94,185	(4,967,506)	-	5,593,966

# 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	2,996	37	-	-
Level 2	18,951	565	28,402	290
Level 3 <sup>1</sup>	-	-	-	-
<b>Total</b>	<b>21,947</b>	<b>602</b>	<b>28,402</b>	<b>290</b>

<sup>1</sup>Includes 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
<b>31 March 2024</b>				
Investment grade		BBB or higher	9,512	42.02
Non-investment grade		below BBB	5,887	26.01
Not rated		Not rated	6,370	28.14
<b>Total Value of Bonds</b>			<b>21,769</b>	<b>96.17</b>
<b>31 March 2023</b>				
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
<b>Total Value of Bonds</b>			<b>27,487</b>	<b>92.54</b>

### 16. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
Bank of America Merrill Lynch	(52)	-	-	-	-	-	(52)
Bank of New York Mellon International	-	(164)	-	-	-	-	(164)
BNP Paribas AG	(29)	-	-	-	-	-	(29)
Citigroup Global Markets Limited	(15)	-	-	-	-	-	(15)
Deutsche Bank	(28)	-	-	-	-	-	(28)
Goldman Sachs International	(3)	-	-	-	-	-	(3)
HSBC Bank	(32)	-	-	-	-	-	(32)
J.P. Morgan Securities Plc	(26)	-	-	(63)	-	-	(89)
Morgan Stanley International	(45)	-	-	-	33	-	(12)

# FTF Templeton Global Total Return Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 16. Counterparty and Collateral Exposure (Continued)

31 March 2023							
Counterparty	Forward Currency Contracts £000	Hedged Class Forward Currency Contracts £000	Futures £000	Swaps £000	Options Contract £000	Swaptions £000	Total £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)

Collateral pledged to these counterparties in respect of derivative contracts was £104,000 (2023 - £180,000) in the form of cash.

### 17. Calculation Method of the Risk Exposure

The risk management policies are on pages 14 to 16.

#### Global Exposure using VaR Approach

Market Risk	Limit	Lowest	Highest	Average	Reference Portfolio	Model Type	Confidence Interval	Holding period	Observation period
<b>31 March 2024</b>									
Relative VaR	200%	67.93%	83.20%	74.07%	50% Bloomberg Multiverse Index + 25% Bloomberg 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 2023 to 31 March 2024
<b>31 March 2023</b>									
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



# FTF Templeton Global Total Return Bond Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.3288	-	1.3288	1.1164
Group 2	0.8023	0.5265	1.3288	1.1164
<b>W Accumulation H3</b>				
Group 1	1.0024	-	1.0024	0.9998
Group 2	0.4257	0.5767	1.0024	0.9998
<b>W Income</b>				
Group 1	0.8007	-	0.8007	0.7210
Group 2	0.2802	0.5205	0.8007	0.7210
<b>W Income H3</b>				
Group 1	0.6798	-	0.6798	0.6139
Group 2	0.2263	0.4535	0.6798	0.6139

### For the period 1 July 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.4964	-	1.4964	1.2806
Group 2	0.4736	1.0228	1.4964	1.2806
<b>W Accumulation H3</b>				
Group 1	1.1361	-	1.1361	0.9168
Group 2	0.7669	0.3692	1.1361	0.9168
<b>W Income</b>				
Group 1	0.8894	-	0.8894	0.7994
Group 2	0.4556	0.4338	0.8894	0.7994
<b>W Income H3</b>				
Group 1	0.7600	-	0.7600	0.6445
Group 2	0.3020	0.4580	0.7600	0.6445

# FTF Templeton Global Total Return Bond Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 October 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.4796	-	1.4796	1.1615
Group 2	0.8398	0.6398	1.4796	1.1615
<b>W Accumulation H3</b>				
Group 1	1.1002	-	1.1002	0.8329
Group 2	0.5445	0.5557	1.1002	0.8329
<b>W Income</b>				
Group 1	0.8657	-	0.8657	0.7158
Group 2	0.2652	0.6005	0.8657	0.7158
<b>W Income H3</b>				
Group 1	0.7242	-	0.7242	0.5774
Group 2	0.2655	0.4587	0.7242	0.5774

### For the period 1 January 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>W Accumulation</b>				
Group 1	1.4985	-	1.4985	1.1136
Group 2	0.9199	0.5786	1.4985	1.1136
<b>W Accumulation H3</b>				
Group 1	1.1381	-	1.1381	0.8217
Group 2	0.3839	0.7542	1.1381	0.8217
<b>W Income</b>				
Group 1	0.8642	-	0.8642	0.6782
Group 2	0.5121	0.3521	0.8642	0.6782
<b>W Income H3</b>				
Group 1	0.7382	-	0.7382	0.5631
Group 2	0.2706	0.4676	0.7382	0.5631

### 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 OBJECTIVE & POLICY

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### 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.

### WHAT THE FUND CAN INVEST IN (INVESTMENT POLICY)

#### *Core investments*

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).

#### *Other investments*

The Fund may also invest up to 10% of the portfolio in:

- Shares in companies which are acquired as a result of a corporate action or as part of a company restructure, or conversion via convertible bonds (a type of corporate debt security which can be exchanged for shares in the same organisation), and preference shares (shares where dividends are paid out in advance of dividends due to other shares in the Company);
- 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 may also invest in:

- Other non-Sterling denominated debt securities or bonds;
- Cash and cash equivalents;
- Money market instruments; and
- Derivatives (financial contracts whose value is linked to the price of another asset (e.g. indices, interest rates, share prices of currencies)).

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.

#### *Geographical location (where we invest)*

The Fund can invest anywhere in the world.

#### *How we select invest investments (investment strategy)*

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

# FTF Western Asset Global Multi Strategy Bond Fund

## INVESTMENT OBJECTIVE & POLICY *(Continued)*

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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.

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.

### *ESG (environmental, social, and governance factors)*

In selecting investments, the Investment Manager also assesses each investee company against various 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:
  - 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.

# FTF Western Asset Global Multi Strategy Bond Fund

## INVESTMENT REVIEW

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### PERFORMANCE

For the 12 months ended 31 March 2024, the FTF Western Asset Global Multi Strategy Bond Fund (W Accumulation) returned 8.49%. Performance is measured against the Fund's performance target - the SONIA Compounded Index + 3.5%. The SONIA Compounded Index returned 5.05% therefore the total performance target for the period was 8.55% (both returns in UK sterling).

### OVERVIEW

The path of inflation, the strength of the global economy and the trajectory of global central bank monetary policy rates were the dominant themes throughout the review period. During the first half of the reporting period, risk assets gained as concerns over a near-term economic hard landing eased. As we moved into Q3 2023, US economic resilience as well as higher policy rate expectations from Federal Open Market Committee (FOMC) members revived a "higher-for-longer" narrative for global policy rates. The Federal Reserve (Fed) raised interest rates twice to a target rate of 5.25%-5.5% during the first half of the reporting period, before leaving interest rates unchanged in September; where they would remain until the end of the review period. Heightened uncertainty over long-run interest rates coupled with concerns over the supply and demand for US debt saw global government bond yields rise.

The European Central Bank (ECB) hiked the Deposit Facility rates by 25 basis points (bps) on four separate occasions to 4%. UK inflation moderated sharply in September, paving the way for the Bank of England (BoE) to leave the Bank rate on hold at its September policy meeting; this followed a 100-bps of hikes earlier in the period.

As inflation continued to slow towards central bank targets, there was a sharp change in sentiment through the last two months of 2023. Focus shifted to the recognition that central banks had tightened monetary policy sufficiently to bring inflation back to target. Markets began to price-in several policy rate cuts for key developed market central banks in 2024 and beyond. The change in rhetoric saw global government bond yields plummet. Optimism that major global central banks have succeeded in sufficiently tightening monetary policy while averting an economic "hard landing" and the prospect of monetary easing during 2024 lifted risk assets and tightened credit spreads.

However, during Q1 2024, government bond yields rose as central banks, including the Fed, ECB and BoE, emphasised that rate cuts were conditional on greater confidence that inflation was approaching central bank targets. The ECB maintained the deposit rate at 4.00%, but in the March meeting, ECB President Christine Lagarde mentioned that a June cut could be possible. This is a view broadly shared by investors and such a cut is fully priced. The BoE kept the Bank Rate at 5.25%, but indicated that "monetary policy could remain restrictive even if the Bank Rate were to be reduced", suggesting that it is no longer opposed to rate cuts.

In China, authorities announced several rounds of measures aimed at boosting economic activity, including easing curbs on the property sector. As inflation rates had declined following the aggressive and prompt tightening of monetary policy, an increasing number of emerging market (EM) central banks had begun to ease monetary policy. Select local EM government bond yields ended the period lower. Credit markets continued to be supported by resilient economic activity and strong inflows into the asset class, with corporate bond spreads ending the period tighter. The US dollar and the Japanese yen underperformed over the period.

### SIGNIFICANT CHANGES

A number of changes were made to the portfolio during the reporting period.

The Fund reduced its allocation to investment grade credit given tighter spreads, rotating into US Treasuries. The Fund also reduced its allocation to high yield credit and bank loans as well as its exposure to hard currency EM sovereign and corporate issues, changes which were also attributed to tighter spreads.

The Fund added duration in the UK, in core Europe and at the short-end of the US yield curve, while reducing some exposure to the long-end of the US yield curve.

The Fund's foreign exchange exposure was also adjusted with an increase in exposure to Japanese Yen, Polish Zloty and Indian Rupee (INR) via the purchase of INR denominated supranational bonds; a reduction in Indonesia Rupiah (IDR) via the sale of local government bonds and a change to close the Taiwan Dollar underweight.

Examples of sales relating to the reduction in investment grade and emerging market debt include the sale of USD denominated Delta Air Lines, 7.000%, 01/05/2025, Netflix, 6.375%, 15/05/2029 and DP World Ltd 5.625%, 25/09/2048.

Examples of purchases include purchases of United Kingdom Gilt, 4.250%, 07/06/2032, United Kingdom Gilt 0.25 31/01/2025, Bundesrepublik Deutschland Bundesanleihe, 1.700%, 15/08/2032 and United States Treasury Notes, 4.125%, 31/10/2027.

### POSITIVE/NEGATIVE CONTRIBUTORS

The Fund's exposure to investment-grade and high-yield bond corporate bonds plus bank loans positively impacted results as corporate spreads tightened. Elsewhere, the Fund's emerging market allocation and asset-back security exposures contributed to returns.

# FTF Western Asset Global Multi Strategy Bond Fund

## INVESTMENT REVIEW *(Continued)*

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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. On the upside, yield-curve and income positioning contributed to performance.

Currency positioning overall detracted from returns as the Japanese yen and select emerging market currencies weakened versus the US dollar and British pound.

### OUTLOOK

Global growth has downshifted and inflation rates worldwide are generally receding. Deflationary pressures in China, tightening financial conditions in the US and Europe, and subdued demand for manufacturing and services across a number of countries are easing price pressures globally. These trends, coupled with the major central banks promoting a measured and gradual approach to easing monetary policy, are expected to further dampen economic growth and inflation, which, in turn, should lead to lower developed market government bond yields and a modestly weaker US dollar. That stated, concerns over monetary policy missteps, inflation rates stabilising above central banks targets, stronger-than-expected growth in the US and increased US Treasury supply to cover a growing fiscal deficit are all phenomena that may lead to periods of heightened market volatility. Spread sectors such as EM, high-yield, bank loans and select areas of the mortgage backed securities space offer attractive yield, but we acknowledge their vulnerability to unanticipated shifts in macro-related sentiment, geopolitical developments and the ongoing uncertainty over monetary policy rate trajectories.

**Annabel Rudebeck, Gordon Brown, Ian Edmonds, S. Kenneth Leech & Michael Buchanan**

Fund Managers

31 March 2024

# FTF Western Asset Global Multi Strategy Bond Fund

## COMPARATIVE TABLES For the year ended 31 March 2024

<u>S Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	131.02	130.67
Return before operating charges <sup>1</sup>	11.45	0.73
Operating charges <sup>2</sup>	(0.60)	(0.38)
Return after operating charges <sup>3</sup>	10.85	0.35
Distributions	(8.60)	(4.26)
Retained distributions on accumulation shares	8.60	4.26
Closing net asset value per share	141.87	131.02
After direct transaction costs of <sup>4</sup>	(0.01)	-
<b>Performance</b>		
Return after charges <sup>5</sup>	8.28%	0.27%
<b>Other information</b>		
Closing net asset value (£)	4,597,129	3,574,806
Closing number of shares	3,240,291	2,728,451
Operating charges ratio <sup>6</sup>	0.44%	0.56%
Direct transaction costs <sup>4</sup>	-	-
<b>Prices (p)</b>		
Highest share price	142.09	136.11
Lowest share price	129.80	124.84
<b>S Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	86.55	89.16
Return before operating charges <sup>1</sup>	7.29	0.52
Operating charges <sup>2</sup>	(0.38)	(0.26)
Return after operating charges <sup>3</sup>	6.91	0.26
Distributions	(5.52)	(2.87)
Closing net asset value per share	87.94	86.55
After direct transaction costs of <sup>4</sup>	-	-
<b>Performance</b>		
Return after charges <sup>5</sup>	7.98%	0.29%
<b>Other information</b>		
Closing net asset value (£)	65,160,229	62,542,066
Closing number of shares	74,092,105	72,262,442
Operating charges ratio <sup>6</sup>	0.44%	0.56%
Direct transaction costs <sup>4</sup>	-	-
<b>Prices (p)</b>		
Highest share price	89.36	90.90
Lowest share price	83.21	85.18

# FTF Western Asset Global Multi Strategy Bond Fund

## COMPARATIVE TABLES (Continued)

<u>W Accumulation</u>	<u>31 March 2024</u>	<u>31 March 2023*</u>
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	100.33	100.17
Return before operating charges <sup>1</sup>	8.74	0.56
Operating charges <sup>2</sup>	(0.60)	(0.40)
Return after operating charges <sup>3</sup>	8.14	0.16
Distributions	(6.58)	(3.23)
Retained distributions on accumulation shares	6.58	3.23
Closing net asset value per share	108.47	100.33
After direct transaction costs of <sup>4</sup>	-	-
<b>Performance</b>		
Return after charges <sup>5</sup>	8.11%	0.16%
<b>Other information</b>		
Closing net asset value (£)	22,347	39,394
Closing number of shares	20,601	39,266
Operating charges ratio <sup>6</sup>	0.58%	0.77%
Direct transaction costs <sup>4</sup>	-	-
<b>Prices (p)</b>		
Highest share price	108.65	104.27
Lowest share price	99.37	95.68
<b>W Income</b>		
<b>Change in net assets per share (p)</b>		
Opening net asset value per share	66.57	68.64
Return before operating charges <sup>1</sup>	5.60	0.39
Operating charges <sup>2</sup>	(0.39)	(0.27)
Return after operating charges <sup>3</sup>	5.21	0.12
Distributions	(4.24)	(2.19)
Closing net asset value per share	67.54	66.57
After direct transaction costs of <sup>4</sup>	-	-
<b>Performance</b>		
Return after charges <sup>5</sup>	7.83%	0.17%
<b>Other information</b>		
Closing net asset value (£)	3,543,577	4,019,116
Closing number of shares	5,246,364	6,037,221
Operating charges ratio <sup>6</sup>	0.58%	0.77%
Direct transaction costs <sup>4</sup>	-	-
<b>Prices (p)</b>		
Highest share price	68.65	69.94
Lowest share price	63.95	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. Where the period is less than 12 months, the operating charges are annualised.

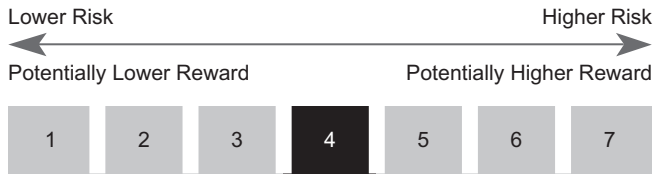
\* The Fund launched on 23 September 2022. The opening net asset value per share is calculated from the merger price.



# FTF Western Asset Global Multi Strategy Bond Fund

RISK PROFILE (W Accumulation Shares) For the year ended 31 March 2024

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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 2024

Number of Shares or Face Value	Description	Market Value £000	% of Net Assets
	<b>EQUITIES 0.00% (0.28%)</b>		
	<b>NORTH AMERICA 0.00% (0.28%)</b>		
	<b>BONDS 87.67% (87.41%)</b>		
	<b>AFRICA 4.27% (4.28%)</b>		
	<b>CÔTE D'IVOIRE</b>		
310,000	Ivory Coast Government International Bond, 5.250%, 22/03/2030 .....	246	0.33
	<b>EGYPT</b>		
550,000	Egypt Government International Bond, 3.875%, 16/02/2026 .....	400	0.55
550,000	Egypt Government International Bond, 6.375%, 11/04/2031 .....	389	0.53
		789	1.08
	<b>KENYA</b>		
230,000	Republic of Kenya Government International Bond, 9.750%, 16/02/2031 .....	186	0.25
	<b>NIGERIA</b>		
600,000	Nigeria Government International Bond, 7.625%, 28/11/2047 .....	368	0.50
	<b>SOUTH AFRICA</b>		
44,810,000	Republic of South Africa Government Bond, 6.500%, 28/02/2041 .....	1,069	1.46
830,000	Republic of South Africa Government International Bond, 5.750%, 30/09/2049 .....	475	0.65
		1,544	2.11
	TOTAL - AFRICA	3,133	4.27
	<b>ASIA 0.71% (1.47%)</b>		
	<b>INDONESIA</b>		
6,742,000,000	Indonesia Treasury Bond, 7.000%, 15/05/2027 .....	342	0.47
	<b>KAZAKHSTAN</b>		
230,000	KazMunayGas National JSC, 5.375%, 24/04/2030 .....	178	0.24
	TOTAL - ASIA	520	0.71
	<b>CENTRAL AMERICA 4.79% (5.21%)</b>		
	<b>DOMINICAN REPUBLIC</b>		
560,000	Dominican Republic International Bond, 4.875%, 23/09/2032 .....	397	0.54
	<b>MEXICO</b>		
32,200,000	Mexican Bonos, 8.500%, 31/05/2029 .....	1,483	2.02
34,526,400	Mexican Bonos, 7.750%, 13/11/2042 .....	1,396	1.90
330,000	Orbia Advance, 5.875%, 17/09/2044 .....	238	0.33
		3,117	4.25
	TOTAL - CENTRAL AMERICA	3,514	4.79
	<b>EUROPE - NON EU 0.53% (2.15%)</b>		
	<b>JERSEY</b>		
310,000	Wheel Bidco, 6.750%, 15/07/2026 .....	265	0.36
	<b>NORWAY</b>		
100,000	Adevinta, 3.000%, 15/11/2027 .....	86	0.12
	<b>SWITZERLAND</b>		
440,000	Credit Suisse, 7.500%, Perpetual .....	40	0.05
	TOTAL - EUROPE - NON EU	391	0.53
	<b>EUROPE - OTHER EU 19.16% (16.28%)</b>		
	<b>DENMARK</b>		
110,000	Orsted, 2.500%, 18/02/3021 .....	80	0.11
	<b>FINLAND</b>		
100,000	Huhtamaki, 4.250%, 09/06/2027 .....	86	0.12
	<b>FRANCE</b>		
200,000	Accor, 2.375%, 29/11/2028 .....	163	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
<b>FRANCE (Continued)</b>			
310,000	Altice France, 2.125%, 15/02/2025 .....	238	0.32
200,000	Altice France, 8.125%, 01/02/2027 .....	122	0.17
120,000	Banijay Entertainment, 7.000%, 01/05/2029 .....	108	0.15
100,000	BNP Paribas, 2.500%, 31/03/2032 .....	81	0.11
380,000	BNP Paribas, 7.000%, Perpetual .....	298	0.41
350,000	BNP Paribas, 7.375%, Perpetual .....	278	0.38
260,000	CAB SELAS, 3.375%, 01/02/2028 .....	201	0.27
300,000	Goldstory, 6.750%, 01/02/2030 .....	262	0.36
170,000	Rexel, 5.250%, 15/09/2030 .....	150	0.20
		<u>1,901</u>	<u>2.59</u>
<b>GERMANY</b>			
1,000,000	Allianz, 3.200%, Perpetual .....	649	0.89
310,000	APCOA Parking, 4.625%, 15/01/2027 .....	260	0.35
250,000	Bundesrepublik Deutschland Bundesanleihe, 0.250%, 15/02/2029 .....	194	0.26
310,000	Bundesrepublik Deutschland Bundesanleihe, 0.000%, 15/02/2031 .....	228	0.31
2,980,000	Bundesrepublik Deutschland Bundesanleihe, 1.700%, 15/08/2032 .....	2,443	3.33
280,000	Nidda Healthcare, 7.500%, 21/08/2026 .....	246	0.34
300,000	ZF Finance, 5.750%, 03/08/2026 .....	263	0.36
		<u>4,283</u>	<u>5.84</u>
<b>IRELAND</b>			
230,000	AerCap Ireland Capital / AerCap Global Aviation Trust, 3.300%, 30/01/2032 .....	156	0.21
<b>ITALY</b>			
160,000	International Design, FRN, 8.151%, 15/05/2026 .....	137	0.19
280,000	Intesa Sanpaolo, 6.500%, 14/03/2029 .....	286	0.39
		<u>423</u>	<u>0.58</u>
<b>LUXEMBOURG</b>			
300,000	Altice Financing, 2.250%, 15/01/2025 .....	244	0.33
140,000	Cidron Aida Finco Sarl, 6.250%, 01/04/2028 .....	135	0.19
432,000	Millicom International Cellular, 5.125%, 15/01/2028 .....	324	0.44
		<u>703</u>	<u>0.96</u>
<b>NETHERLANDS</b>			
180,000	Boost Newco Borrower / GTCR W Dutch Finance Sub, 8.500%, 15/01/2031 .....	194	0.27
200,000	Cooperatieve Rabobank UA, 3.250%, Perpetual .....	157	0.21
200,000	Cooperatieve Rabobank UA, 4.875%, Perpetual .....	161	0.22
400,000	ING Groep, 5.000%, 30/08/2026 .....	398	0.54
110,000	IPD 3, 8.000%, 15/06/2028 .....	99	0.14
450,000	Prosus, 3.832%, 08/02/2051 .....	220	0.30
740,000	Sunrise HoldCo IV, 5.500%, 15/01/2028 .....	562	0.77
100,000	Telefonica Europe, 3.875%, Perpetual .....	84	0.11
300,000	Teva Pharmaceutical Finance Netherlands III, 3.150%, 01/10/2026 .....	222	0.30
520,000	Teva Pharmaceutical Finance Netherlands III, 4.750%, 09/05/2027 .....	398	0.54
270,000	Trivium Packaging Finance, 5.500%, 15/08/2026 .....	211	0.29
290,000	United, 5.250%, 01/02/2030 .....	242	0.33
610,000	VZ Secured Financing, 5.000%, 15/01/2032 .....	415	0.57
		<u>3,363</u>	<u>4.59</u>
<b>POLAND</b>			
8,210,000	Republic of Poland Government Bond, 1.750%, 25/04/2032 .....	1,248	1.70
<b>SPAIN</b>			
400,000	Banco Santander, 5.750%, 23/08/2033 .....	359	0.49
500,000	Cellnex Finance, 2.000%, 15/02/2033 .....	370	0.50
290,000	Lorca Telecom Bondco, 4.000%, 18/09/2027 .....	241	0.33
290,000	Via Celere Desarrollos Inmobiliarios, 5.250%, 01/04/2026 .....	243	0.33
		<u>1,213</u>	<u>1.65</u>

# 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
	<b>SWEDEN</b>		
130,000	Assemblin, FRN, 8.929%, 05/07/2029 .....	113	0.16
330,000	Heimstaden Bostad, 3.625%, Perpetual .....	184	0.25
200,000	Verisure, 7.125%, 01/02/2028 .....	178	0.24
140,000	Verisure Midholding, 5.250%, 15/02/2029 .....	116	0.16
		591	0.81
	TOTAL - EUROPE - OTHER EU	14,047	19.16
	<b>MIDDLE EAST 0.00% (0.79%)</b>		
	<b>NORTH AMERICA 31.42% (38.25%)</b>		
	<b>CANADA</b>		
412,000	MEG Energy, 7.125%, 01/02/2027 .....	330	0.45
	<b>UNITED STATES OF AMERICA</b>		
737	Alterra Mountain, FRN, 8.945%, 17/08/2028 .....	1	0.00
352,500	American Airlines/AAAdvantage Loyalty IP, 5.500%, 20/04/2026 .....	277	0.38
280,000	American Axle & Manufacturing, 5.000%, 01/10/2029 .....	200	0.27
290,000	American Express, 3.550%, Perpetual .....	212	0.29
678	Asurion, FRN, 8.692%, 31/07/2027 .....	1	0.00
140,000	Bank of America, 5.288%, 25/04/2034 .....	111	0.15
630,000	Bank of America, 3.311%, 22/04/2042 .....	384	0.52
680,000	BBVA Bancomer, 5.125%, 18/01/2033 .....	500	0.68
320,000	CCO / CCO Capital, 4.500%, 15/08/2030 .....	213	0.29
220,000	CCO / CCO Capital, 4.500%, 01/06/2033 .....	136	0.19
390,000	Centene, 4.625%, 15/12/2029 .....	293	0.40
130,000	Charles Schwab, 4.000%, Perpetual .....	87	0.12
130,000	Cigna, 4.800%, 15/08/2038 .....	97	0.13
480,000	Citigroup, 6.300%, Perpetual .....	378	0.52
350,000	Connecticut Avenue Trust, FRN, 8.420%, 25/10/2041 .....	285	0.39
760,000	Continental Resources, 4.900%, 01/06/2044 .....	503	0.69
325,000	DCP Midstream Operating, 6.450%, 03/11/2036 .....	269	0.37
248,000	Devon Energy, 5.250%, 15/10/2027 .....	197	0.27
540,000	Directv Financing / Directv Financing Co-Obligor, 5.875%, 15/08/2027 .....	405	0.55
570,000	DISH DBS, 7.750%, 01/07/2026 .....	302	0.41
340,000	DISH DBS, 5.750%, 01/12/2028 .....	185	0.25
170,000	Diversified Healthcare Trust, 9.750%, 15/06/2025 .....	135	0.18
210,000	Enterprise Products Operating, 4.800%, 01/02/2049 .....	153	0.21
520,000	EQT, 5.000%, 15/01/2029 .....	403	0.55
766	Focus Financial Partners, FRN, 8.080%, 30/06/2028 .....	1	0.00
450,000	Ford Motor Credit, 2.748%, 14/06/2024 .....	447	0.61
200,000	Ford Motor Credit, 3.815%, 02/11/2027 .....	148	0.20
335,000	Ford Motor Credit, 2.900%, 10/02/2029 .....	234	0.32
340,000	Freddie Mac STACR REMIC Trust, FRN, 8.820%, 25/10/2033 .....	296	0.40
280,000	Freeport-McMoRan, 5.450%, 15/03/2043 .....	212	0.29
230,000	Goldman Sachs, 3.625%, 29/10/2029 .....	217	0.30
144,000	Goldman Sachs Capital II, FRN, 6.370%, Perpetual .....	96	0.13
290,000	Hilton USA Trust, FRN, 4.194%, 05/11/2038 .....	216	0.30
18,500,000	International Bank for Reconstruction & Development, 6.750%, 13/07/2029 .....	174	0.24
445,000	JPMorgan Chase, 3.328%, 22/04/2052 .....	256	0.35
100,000	Kinder Morgan, 7.750%, 15/01/2032 .....	90	0.12
150,000	MetLife, 6.400%, 15/12/2066 .....	122	0.17
230,000	NGPL PipeCo, 7.768%, 15/12/2037 .....	203	0.28
310,000	Occidental Petroleum, 3.500%, 15/08/2029 .....	222	0.30
740,000	Range Resources, 4.750%, 15/02/2030 .....	546	0.75
340,000	Rockies Express Pipeline, 6.875%, 15/04/2040 .....	264	0.36
100,000	Royal Caribbean Cruises, 6.250%, 15/03/2032 .....	80	0.11
630,000	Sasol Financing USA, 5.500%, 18/03/2031 .....	420	0.57
330,000	Southwestern Energy, 4.750%, 01/02/2032 .....	240	0.33

# 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
<b>UNITED STATES OF AMERICA (Continued)</b>			
723,000	Sprint Capital, 8.750%, 15/03/2032 .....	693	0.95
340,000	Targa Resources Partners / Targa Resources Partners Finance, 5.500%, 01/03/2030 .....	268	0.37
220,000	T-Mobile USA, 3.875%, 15/04/2030 .....	163	0.22
660,000	United Airlines, 4.625%, 15/04/2029 .....	486	0.66
150,000	United Rentals North America, 3.875%, 15/02/2031 .....	106	0.14
469,000	United States Treasury Bonds, 4.375%, 15/08/2043 .....	367	0.50
1,040,000	United States Treasury Notes, 2.000%, 15/11/2026 .....	773	1.05
610,000	United States Treasury Notes, 2.250%, 15/02/2027 .....	455	0.62
1,700,000	United States Treasury Notes, 0.625%, 31/03/2027 .....	1,204	1.64
2,720,000	United States Treasury Notes, 4.125%, 31/10/2027 .....	2,137	2.91
260,000	United States Treasury Notes, 3.375%, 31/03/2028 .....	201	0.27
1,070,000	United States Treasury Notes, 2.875%, 15/05/2032 .....	770	1.05
140,000	United States Treasury Notes, 2.750%, 15/08/2032 .....	100	0.14
590,000	United States Treasury Notes, 4.125%, 15/11/2032 .....	464	0.63
70,000	United States Treasury Notes, 1.750%, 15/08/2041 .....	37	0.05
110,000	United States Treasury Notes, 2.000%, 15/11/2041 .....	61	0.08
950,000	United States Treasury Notes, 4.000%, 15/11/2042 .....	709	0.97
1,314,000	United States Treasury Notes, 3.000%, 15/11/2045 .....	828	1.13
80,000	United States Treasury Notes, 3.125%, 15/05/2048 .....	51	0.07
120,000	United States Treasury Notes, 3.375%, 15/11/2048 .....	80	0.11
300,000	United States Treasury Notes, 3.000%, 15/02/2049 .....	186	0.25
210,000	United States Treasury Notes, 2.875%, 15/05/2049 .....	127	0.17
100,000	United States Treasury Notes, 1.250%, 15/05/2050 .....	41	0.06
500,000	United States Treasury Notes, 1.375%, 15/08/2050 .....	209	0.29
140,000	United States Treasury Notes, 2.375%, 15/05/2051 .....	75	0.10
70,000	United States Treasury Notes, 3.000%, 15/08/2052 .....	43	0.06
180,000	United States Treasury Notes, 3.625%, 15/05/2053 .....	125	0.17
780,000	VOC Escrow, 5.000%, 15/02/2028 .....	594	0.81
340,000	Wells Fargo, 3.473%, 26/04/2028 .....	323	0.44
130,000	Wells Fargo, 5.389%, 24/04/2034 .....	102	0.14
210,000	Wells Fargo, 5.013%, 04/04/2051 .....	156	0.21
320,000	Western Midstream Operating, 5.500%, 15/08/2048 .....	224	0.31
430,000	Williams, 5.750%, 24/06/2044 .....	340	0.46
		<u>22,709</u>	<u>30.97</u>
	<b>TOTAL - NORTH AMERICA</b>	<u>23,039</u>	<u>31.42</u>
	<b>SOUTH AMERICA 3.72% (4.19%)</b>		
	<b>ARGENTINA</b>		
1,380,888	Provincia de Buenos Aires/Government Bonds, 6.375%, 01/09/2037 .....	445	0.61
560,000	YPF, 8.500%, 28/07/2025 .....	434	0.59
		<u>879</u>	<u>1.20</u>
	<b>BRAZIL</b>		
5,204,000	Brazil Notas do Tesouro Nacional Serie F, 10.000%, 01/01/2027 .....	820	1.12
370,000	Suzano Austria, 3.750%, 15/01/2031 .....	259	0.35
		<u>1,079</u>	<u>1.47</u>
	<b>COLOMBIA</b>		
640,000	Colombia Government International Bond, 5.625%, 26/02/2044 .....	401	0.55
220,000	Ecopetrol, 8.875%, 13/01/2033 .....	184	0.25
		<u>585</u>	<u>0.80</u>
	<b>PERU</b>		
340,000	Petroleos del Peru, 5.625%, 19/06/2047 .....	180	0.25
	<b>TOTAL - SOUTH AMERICA</b>	<u>2,723</u>	<u>3.72</u>
	<b>UNITED KINGDOM 23.07% (14.79%)</b>		
100,000	B&M European Value Retail, 8.125%, 15/11/2030 .....	107	0.14

# 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
<b>UNITED KINGDOM (Continued)</b>			
290,000	Barclays, 7.125%, Perpetual .....	285	0.39
290,000	Bellis Acquisition, 4.500%, 16/02/2026.....	279	0.38
17,800,000	European Bank for Reconstruction & Development, 6.300%, 26/10/2027.....	166	0.23
380,000	Gatwick Airport Finance, 4.375%, 07/04/2026 .....	365	0.50
480,000	HSBC, 6.375%, Perpetual.....	377	0.51
590,000	Lloyds Banking, 4.716%, 11/08/2026.....	461	0.63
200,000	NatWest, 3.619%, 29/03/2029 .....	188	0.26
770,000	NatWest, 4.500%, Perpetual .....	659	0.90
200,000	PEU Fin, 7.250%, 01/07/2028.....	176	0.24
200,000	Pinewood Finance, 3.250%, 30/09/2025 .....	196	0.27
200,000	Pinnacle Bidco, 10.000%, 11/10/2028.....	208	0.28
230,000	Premier Foods Finance, 3.500%, 15/10/2026 .....	219	0.30
163,000	Saga, 3.375%, 12/05/2024.....	160	0.22
250,000	Saga, 5.500%, 15/07/2026.....	222	0.30
280,500	Tesco Property Finance 5, 5.661%, 13/10/2041 .....	284	0.39
444,972	Tesco Property Finance 6, 5.411%, 13/07/2044 .....	441	0.60
3,640,000	United Kingdom Gilt, 2.750%, 07/09/2024 .....	3,606	4.92
5,340,000	United Kingdom Gilt, 0.250%, 31/01/2025 .....	5,147	7.02
1,840,000	United Kingdom Gilt, 4.250%, 07/06/2032 .....	1,898	2.59
290,000	United Kingdom Gilt, 0.625%, 31/07/2035 .....	202	0.27
380,000	Vmed O2 UK Financing I, 4.500%, 15/07/2031 .....	323	0.44
400,000	Vodafone, 8.000%, 30/08/2086 .....	430	0.59
470,000	Whitbread, 2.375%, 31/05/2027 .....	429	0.58
100,000	Whitbread, 3.000%, 31/05/2031 .....	87	0.12
	<b>TOTAL - UNITED KINGDOM</b>	<b>16,915</b>	<b>23.07</b>
	<b>TOTAL - BONDS</b>	<b>64,282</b>	<b>87.67</b>
	<b>COLLECTIVE INVESTMENT SCHEMES 0.00% (0.01%)</b>		
	<b>DERIVATIVES (0.32%) (1.61%)</b>		
	<b>FORWARD CURRENCY CONTRACTS</b>		
AUD 1,289,145	Buy AUD 1,289,145 sell GBP (672,923) dated 13/05/2024 .....	(7)	(0.01)
EUR 260,000	Buy EUR 260,000 sell GBP (222,709) dated 13/05/2024.....	-	0.00
GBP 692,554	Buy GBP 692,554 sell EUR (808,099) dated 13/05/2024.....	1	0.00
GBP 8,983,409	Buy GBP 8,983,409 sell EUR (10,473,910) dated 13/05/2024 .....	16	0.02
GBP 171,215	Buy GBP 171,215 sell EUR (200,000) dated 13/05/2024.....	-	0.00
GBP 407,351	Buy GBP 407,351 sell MXN (9,027,757) dated 13/05/2024.....	(20)	(0.03)
GBP 879,720	Buy GBP 879,720 sell PLN (4,500,000) dated 13/05/2024.....	(13)	(0.02)
GBP 1,344,160	Buy GBP 1,344,160 sell USD (1,703,590) dated 13/05/2024.....	(4)	0.00
GBP 2,031,358	Buy GBP 2,031,358 sell USD (2,574,558) dated 13/05/2024.....	(6)	(0.01)
GBP 17,480,937	Buy GBP 17,480,937 sell USD (22,158,283) dated 13/05/2024 .....	(56)	(0.08)
GBP 18,791,595	Buy GBP 18,791,595 sell USD (23,820,507) dated 13/05/2024 .....	(61)	(0.08)
GBP 2,190,000	Buy GBP 2,190,000 sell USD (2,779,233) dated 13/05/2024.....	(10)	(0.01)
JPY 232,531,288	Buy JPY 232,531,288 sell GBP (1,263,936) dated 13/05/2024 .....	(40)	(0.05)
JPY 131,441,000	Buy JPY 131,441,000 sell GBP (714,894) dated 13/05/2024 .....	(23)	(0.03)
USD 800,000	Buy USD 800,000 sell GBP (637,650) dated 13/05/2024.....	(4)	(0.01)
USD 1,100,000	Buy USD 1,100,000 sell GBP (871,490) dated 13/05/2024 .....	(1)	0.00
USD 350,000	Buy USD 350,000 sell GBP (274,429) dated 13/05/2024.....	3	0.00
USD 1,400,000	Buy USD 1,400,000 sell GBP (1,108,918) dated 13/05/2024.....	(1)	0.00
USD 1,300,000	Buy USD 1,300,000 sell GBP (1,029,709) dated 13/05/2024 .....	(1)	0.00
USD 832,299	Buy USD 832,299 sell MXN (14,050,000) dated 13/05/2024 .....	(6)	(0.01)
		<b>(233)</b>	<b>(0.32)</b>
	<b>FUTURES</b>		
21	Euro-Bund Future June 2024.....	20	0.03
(51)	US 10 Year Note (CBT) Future June 2024 .....	(23)	(0.03)
8	US 2 Year Note (CBT) Future June 2024.....	(2)	0.00
77	US 5 Year Note (CBT) Future June 2024.....	13	0.02

# 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
	<b>FUTURES (Continued)</b>		
3	US Long Bond (CBT) Future June 2024 .....	4	0.00
(9)	US Ultra Bond CBT Future June 2024 .....	(14)	(0.02)
		(2)	0.00
	TOTAL - DERIVATIVES	(235)	(0.32)
	<b>TOTAL VALUE OF INVESTMENTS</b> .....	<b>64,047</b>	<b>87.35</b>
	<b>OTHER ASSETS</b> .....	<b>9,276</b>	<b>12.65</b>
	<b>TOTAL NET ASSETS</b> .....	<b>73,323</b>	<b>100.00</b>

The total percentage figures in brackets next to each category heading represent holdings as at 31 March 2023.

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 Western Asset Global Multi Strategy Bond Fund

## STATEMENT OF TOTAL RETURN For the year ended 31 March 2024

	Notes	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
		£000	£000	£000	£000
<b>Income</b>					
Net capital gains/(losses)	2		1,449		(1,976)
Revenue	3	4,637		2,425	
Expenses	4	(314)		(213)	
Interest payable and similar charges	5	(85)		(24)	
Net revenue before taxation		4,238		2,188	
Taxation	6	(8)		(19)	
Net revenue after taxation			4,230		2,169
<b>Total return before distributions</b>			<b>5,679</b>		<b>193</b>
Distributions	7		(4,520)		(2,320)
<b>Change in net assets attributable to shareholders</b>			<b>1,159</b>		<b>(2,127)</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS For the year ended 31 March 2024

	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023	23 September 2022 to 31 March 2023
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		70,175		-
In-specie transfer	-		72,494	
Amounts received on creation of shares	4,002		2,311	
Amounts paid on cancellation of shares	(2,277)		(2,619)	
		1,725		72,186
Change in net assets attributable to shareholders from investment activities (see above)		1,159		(2,127)
Retained distribution on accumulation shares		264		116
<b>Closing net assets attributable to shareholders</b>		<b>73,323</b>		<b>70,175</b>

## BALANCE SHEET As at 31 March 2024

	Notes	31 March 2024	31 March 2023
		£000	£000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		-	62,948
<b>Current assets</b>			
Investments		64,339	-
Debtors	8	3,928	2,808
Cash and bank balances	9	5,797	5,443
<b>Total assets</b>		<b>74,064</b>	<b>71,199</b>
<b>Liabilities</b>			
<b>Investment liabilities</b>			
		-	(272)
<b>Creditors</b>			
Investment liabilities		(292)	-
Distributions payable		(352)	(369)
Other creditors	10	(97)	(383)
<b>Total liabilities</b>		<b>(741)</b>	<b>(1,024)</b>
<b>Net assets attributable to shareholders</b>		<b>73,323</b>	<b>70,175</b>



# FTF Western Asset Global Multi Strategy Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The accounting policies are on pages 12 to 14.

### 2. Net capital gains/(losses)

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities gains/(losses)	1,060	(2,127)
Derivative losses	(22)	(334)
Currency gains/(losses)	15	(437)
Forward currency contracts	396	922
	<u>1,449</u>	<u>(1,976)</u>

### 3. Revenue

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Bank and other interest	55	25
Interest on debt securities	4,515	2,363
Interest on balances held at futures clearing houses and brokers	19	-
Interest on margin deposits	3	1
Overseas dividends	11	24
Returns from bond futures	34	12
	<u>4,637</u>	<u>2,425</u>

### 4. Expenses

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's annual management charge	290	151
ACD's administration charge	36	19
ACD Waiver	(1)	(21)
	<u>325</u>	<u>149</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fee	6	5
Safe custody fees	(9)	14
	<u>(3)</u>	<u>19</u>
<b>Other expenses:</b>		
Audit fees	24	14
Legal and publication fees	(36)	25
Other	4	6
	<u>(8)</u>	<u>45</u>
	<u>314</u>	<u>213</u>

# FTF Western Asset Global Multi Strategy Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5. Interest payable and similar charges

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Interest on bond futures	85	24
<b>Total interest payable and similar charges</b>	<b>85</b>	<b>24</b>

### 6. Taxation

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(a) Analysis of the charge for the year</b>		
Overseas tax	8	19
Total current tax	8	19
<b>Total taxation (see Note 6(b))</b>	<b>8</b>	<b>19</b>

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

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK for Open-ended Investment Companies (20% (2023: 20%)).

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
Net revenue before taxation	4,238	2,188
Corporation tax at 20% (2023: 20%)	848	438
Effects of:		
Movement in unrecognised tax losses	(3)	3
Overseas tax	8	19
Tax deductible interest distributions	(844)	(433)
Prior year adjustment to unrecognised tax losses	3	-
Relief on overseas tax expensed	(1)	(3)
Revenue not subject to tax	(3)	(5)
<b>Total tax charge for the year (see Note 6(a))</b>	<b>8</b>	<b>19</b>

#### (c) Provision for deferred tax

At the year end there is no potential deferred tax asset (2023: £3,000) due to no tax losses (2023: £15,000). Accordingly, no 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:

	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>Interim dividend distributions</b>		
Income	3,914	1,834
Accumulation	240	96
	<u>4,154</u>	<u>1,930</u>
<b>Final dividend distributions</b>		
Income	352	369
Accumulation	24	20
	<u>376</u>	<u>389</u>
Add: Revenue deducted on cancellation of shares	7	10
Deduct: Revenue received on issue of shares	(17)	(9)
<b>Total distribution</b>	<u><u>4,520</u></u>	<u><u>2,320</u></u>
	1 April 2023 to 31 March 2024	23 September 2022 to 31 March 2023
	£000	£000
<b>(b) Difference between net revenue and distribution:</b>		
Net revenue after taxation	4,230	2,169
Capitalised amounts	290	151
<b>Total distribution</b>	<u><u>4,520</u></u>	<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 465 to 470.

### 8. Debtors

	31 March 2024	31 March 2023
	£000	£000
Accrued income	848	824
Accrued Manager's charge rebates	-	8
Amounts receivable for issue of shares	329	220
Amounts receivable from counterparties in respect of collateral on derivatives	293	301
Currency sales awaiting settlement	-	242
Sales awaiting settlement	2,458	1,213
	<u><u>3,928</u></u>	<u><u>2,808</u></u>

### 9. Cash and bank balances

	31 March 2024	31 March 2023
	£000	£000
Amount held at futures clearing houses and brokers	443	494
Cash and bank balances	5,354	4,949
<b>Total cash and bank balances</b>	<u><u>5,797</u></u>	<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 2024	31 March 2023
	£000	£000
Accrued expenses	57	100
Amounts payable for cancellation of shares	40	40
Currency purchases awaiting settlement	-	242
Overseas capital gains tax provision	-	1
	<u>97</u>	<u>383</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.

Reimbursed expenses from the ACD during the year are disclosed in Note 4 and reimbursed expenses due to the Fund as at 31 March 2024 are disclosed in Note 8.

The amounts due to the ACD and associates of the ACD in respect of management and administration fees at 31 March 2024 are £28,000 (2023: £19,000).

### 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

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

At the year end date, 7.33% (2023: 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.

#### 2024

	Floating rate investments	Fixed rate investments	Investments not carrying interest	Total
	£000	£000	£000	£000
Investment assets	1,146	63,096	97	64,339
Investment liabilities	-	-	(292)	(292)

#### 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.

Category	31 March 2024	31 March 2023
	£000	£000
Investments	(2,620)	(2,374)
<b>Total</b>	<b>(2,620)</b>	<b>(2,374)</b>

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.

Category	31 March 2024	31 March 2023
	£000	£000
Investments	2,844	2,699
<b>Total</b>	<b>2,844</b>	<b>2,699</b>

#### Other price risk

At the year end date, a 10% increase in the value of the Fund's portfolio would have the effect of increasing the net assets by £6,405,000 (2023: £6,268,000). A 10% decrease would have an equal and opposite effect.

### 13. Portfolio Transaction Costs

	1 April 2023 to 31 March 2024					
	Principal	Commissions	Taxes and other	Total cost	Commissions	Taxes and other
	£000	£000	£000	£000	% of principal	% of principal
<b>Purchases</b>						
Bonds	31,292	-	-	31,292	-	-
<b>Sales</b>						
Equities	172	(1)	-	171	(0.58)	-
Bonds	30,400	-	-	30,400	-	-
Collective Investment schemes	9	-	-	9	-	-
	<b>30,581</b>	<b>(1)</b>	<b>-</b>	<b>30,580</b>		
<b>Derivative Transaction Costs</b>		<b>2</b>				
Total cost of the Fund's average net asset value (%)		<b>0.00%</b>	<b>0.00%</b>			

# FTF Western Asset Global Multi Strategy Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. Portfolio Transaction Costs (Continued)

	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
<b>Purchases</b>						
Bonds	11,797	-	-	11,797	-	-
Collective Investment schemes	1,195	-	-	1,195	-	-
Inspecie transfers	65,940	-	-	65,940	-	-
	<b>78,932</b>	<b>-</b>	<b>-</b>	<b>78,932</b>		
<b>Sales</b>						
Equities	25	-	-	25	-	-
Bonds	8,738	-	-	8,738	-	-
Collective Investment schemes	1,153	-	-	1,153	-	-
	<b>9,916</b>	<b>-</b>	<b>-</b>	<b>9,916</b>		
<b>Derivative Transaction Costs</b>		<b>1</b>				
Total cost of the Fund's average net asset value (%)		<b>0.00%</b>	<b>0.00%</b>			

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 2024, the average dealing spread for the underlying Fund investments is 0.35% (2023: 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 2023	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue as at 31 March 2024
S Accumulation	2,728,451	727,471	(215,631)	-	3,240,291
S Income	72,262,442	3,189,271	(1,359,608)	-	74,092,105
W Accumulation	39,266	-	(18,665)	-	20,601
W Income	6,037,221	399,224	(1,190,081)	-	5,246,364

# FTF Western Asset Global Multi Strategy 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 2024		31 March 2023	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Level 1	22,798	39	244	144
Level 2	41,541	253	62,704	128
Level 3	-	-	-	-
<b>Total</b>	<b>64,339</b>	<b>292</b>	<b>62,948</b>	<b>272</b>

### 16. Portfolio Statement by Credit Rating

Standard & Poor's Rating		Market Value £000	% of Net Assets
<b>31 March 2024</b>			
Investment grade	BBB or higher	40,787	55.62
Non-investment grade	below BBB	23,455	32.00
Not rated	Not rated	40	0.05
<b>Total Value of Bonds</b>		<b>64,282</b>	<b>87.67</b>
<b>31 March 2023</b>			
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
<b>Total Value of Bonds</b>		<b>61,340</b>	<b>87.41</b>

### 17. Counterparty and Collateral Exposure

Counterparty	31 March 2024						
	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options Contract	Swaptions	Total
	£000	£000	£000	£000	£000	£000	£000
BNP Paribas AG	(97)	-	-	-	-	-	(97)
Goldman Sachs International	(39)	-	-	-	-	-	(39)
J.P. Morgan Securities Plc	(34)	-	-	-	-	-	(34)
Merrill Lynch International	-	-	(2)	-	-	-	(2)
Morgan Stanley International	3	-	-	-	-	-	3
Royal Bank of Canada	(66)	-	-	-	-	-	(66)

# FTF Western Asset Global Multi Strategy Bond Fund

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 17. Counterparty and Collateral Exposure (Continued)

31 March 2023							
Counterparty	Forward Currency Contracts	Hedged Class Forward Currency Contracts	Futures	Swaps	Options 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 £293,000 (2023 - £301,000) in the form of cash.



# FTF Western Asset Global Multi Strategy Bond Fund

## DISTRIBUTION TABLES For the year ended 31 March 2024

### For the period 1 April 2023 to 30 April 2023

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased in the period 1 April 2023 to 30 April 2023

	Net Income	Equalisation	30 April 2023 Pence per Share	30 April 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7687	-	0.7687	n/a
Group 2	0.5215	0.2472	0.7687	n/a
<b>S Income</b>				
Group 1	0.5081	-	0.5081	n/a
Group 2	0.0381	0.4700	0.5081	n/a
<b>W Accumulation</b>				
Group 1	0.5884	-	0.5884	n/a
Group 2	0.5884	0.0000	0.5884	n/a
<b>W Income</b>				
Group 1	0.3905	-	0.3905	n/a
Group 2	0.1494	0.2411	0.3905	n/a

### For the period 1 May 2023 to 31 May 2023

Group 1 Shares purchased prior to 1 May 2023

Group 2 Shares purchased in the period 1 May 2023 to 31 May 2023

	Net Income	Equalisation	31 May 2023 Pence per Share	31 May 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7122	-	0.7122	n/a
Group 2	0.4826	0.2296	0.7122	n/a
<b>S Income</b>				
Group 1	0.4680	-	0.4680	n/a
Group 2	0.0120	0.4560	0.4680	n/a
<b>W Accumulation</b>				
Group 1	0.5454	-	0.5454	n/a
Group 2	0.5454	0.0000	0.5454	n/a
<b>W Income</b>				
Group 1	0.3598	-	0.3598	n/a
Group 2	0.1599	0.1999	0.3598	n/a

# FTF Western Asset Global Multi Strategy Bond Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 June 2023 to 30 June 2023

Group 1 Shares purchased prior to 1 June 2023

Group 2 Shares purchased in the period 1 June 2023 to 30 June 2023

	Net Income	Equalisation	30 June 2023 Pence per Share	30 June 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.6548	-	0.6548	n/a
Group 2	0.5011	0.1537	0.6548	n/a
<b>S Income</b>				
Group 1	0.4277	-	0.4277	n/a
Group 2	-	0.4277	0.4277	n/a
<b>W Accumulation</b>				
Group 1	0.5016	-	0.5016	n/a
Group 2	0.5016	0.0000	0.5016	n/a
<b>W Income</b>				
Group 1	0.3288	-	0.3288	n/a
Group 2	0.1552	0.1736	0.3288	n/a

### For the period 1 July 2023 to 31 July 2023

Group 1 Shares purchased prior to 1 July 2023

Group 2 Shares purchased in the period 1 July 2023 to 31 July 2023

	Net Income	Equalisation	31 July 2023 Pence per Share	31 July 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7252	-	0.7252	n/a
Group 2	0.4040	0.3212	0.7252	n/a
<b>S Income</b>				
Group 1	0.4717	-	0.4717	n/a
Group 2	0.0038	0.4679	0.4717	n/a
<b>W Accumulation</b>				
Group 1	0.5551	-	0.5551	n/a
Group 2	0.5551	0.0000	0.5551	n/a
<b>W Income</b>				
Group 1	0.3625	-	0.3625	n/a
Group 2	0.1153	0.2472	0.3625	n/a

# FTF Western Asset Global Multi Strategy Bond Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 August 2023 to 31 August 2023

Group 1 Shares purchased prior to 1 August 2023

Group 2 Shares purchased in the period 1 August 2023 to 31 August 2023

	Net Income	Equalisation	31 August 2023 Pence per Share	31 August 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7425	-	0.7425	n/a
Group 2	0.4433	0.2992	0.7425	n/a
<b>S Income</b>				
Group 1	0.4801	-	0.4801	n/a
Group 2	0.0009	0.4792	0.4801	n/a
<b>W Accumulation</b>				
Group 1	0.5682	-	0.5682	n/a
Group 2	0.5682	0.0000	0.5682	n/a
<b>W Income</b>				
Group 1	0.3691	-	0.3691	n/a
Group 2	0.2187	0.1504	0.3691	n/a

### For the period 1 September 2023 to 30 September 2023

Group 1 Shares purchased prior to 1 September 2023

Group 2 Shares purchased in the period 1 September 2023 to 30 September 2023

	Net Income	Equalisation	30 September 2023 Pence per Share	30 September 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7793	-	0.7793	n/a
Group 2	0.5112	0.2681	0.7793	n/a
<b>S Income</b>				
Group 1	0.5011	-	0.5011	n/a
Group 2	0.0215	0.4796	0.5011	n/a
<b>W Accumulation</b>				
Group 1	0.5964	-	0.5964	n/a
Group 2	0.5964	0.0000	0.5964	n/a
<b>W Income</b>				
Group 1	0.3851	-	0.3851	n/a
Group 2	0.2118	0.1733	0.3851	n/a

# FTF Western Asset Global Multi Strategy Bond Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 October 2023 to 31 October 2023

Group 1 Shares purchased prior to 1 October 2023

Group 2 Shares purchased in the period 1 October 2023 to 31 October 2023

	Net Income	Equalisation	31 October 2023 Pence per Share	31 October 2022* Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7316	-	0.7316	0.7997
Group 2	0.4811	0.2505	0.7316	0.7997
<b>S Income</b>				
Group 1	0.4678	-	0.4678	0.5455
Group 2	-	0.4678	0.4678	0.5455
<b>W Accumulation</b>				
Group 1	0.5597	-	0.5597	0.6127
Group 2	0.5597	0.0000	0.5597	0.6127
<b>W Income</b>				
Group 1	0.3595	-	0.3595	0.4199
Group 2	0.1986	0.1609	0.3595	0.4199

\*The Fund launched on 23 September 2022. The prior year distribution covers the period from 23 September 2022 to 31 October 2022.

### For the period 1 November 2023 to 30 November 2023

Group 1 Shares purchased prior to 1 November 2023

Group 2 Shares purchased in the period 1 November 2023 to 30 November 2023

	Net Income	Equalisation	30 November 2023 Pence per Share	30 November 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.6443	-	0.6443	0.6728
Group 2	0.4365	0.2078	0.6443	0.6728
<b>S Income</b>				
Group 1	0.4096	-	0.4096	0.4564
Group 2	0.0215	0.3881	0.4096	0.4564
<b>W Accumulation</b>				
Group 1	0.4927	-	0.4927	0.5157
Group 2	0.4927	0.0000	0.4927	0.5157
<b>W Income</b>				
Group 1	0.3147	-	0.3147	0.3512
Group 2	0.0966	0.2181	0.3147	0.3512

# FTF Western Asset Global Multi Strategy Bond Fund

## DISTRIBUTION TABLES *(Continued)*

### For the period 1 December 2023 to 31 December 2023

Group 1 Shares purchased prior to 1 December 2023

Group 2 Shares purchased in the period 1 December 2023 to 31 December 2023

	Net Income	Equalisation	31 December 2023 Pence per Share	31 December 2022 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7177	-	0.7177	0.6738
Group 2	0.4346	0.2831	0.7177	0.6738
<b>S Income</b>				
Group 1	0.4541	-	0.4541	0.4550
Group 2	0.0248	0.4293	0.4541	0.4550
<b>W Accumulation</b>				
Group 1	0.5489	-	0.5489	0.5107
Group 2	0.5489	0.0000	0.5489	0.5107
<b>W Income</b>				
Group 1	0.3489	-	0.3489	0.3467
Group 2	0.2205	0.1284	0.3489	0.3467

### For the period 1 January 2024 to 31 January 2024

Group 1 Shares purchased prior to 1 January 2024

Group 2 Shares purchased in the period 1 January 2024 to 31 January 2024

	Net Income	Equalisation	31 January 2024 Pence per Share	31 January 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7154	-	0.7154	0.6789
Group 2	0.4968	0.2186	0.7154	0.6789
<b>S Income</b>				
Group 1	0.4504	-	0.4504	0.4560
Group 2	0.0005	0.4499	0.4504	0.4560
<b>W Accumulation</b>				
Group 1	0.5472	-	0.5472	0.5142
Group 2	0.5472	0.0000	0.5472	0.5142
<b>W Income</b>				
Group 1	0.3460	-	0.3460	0.3466
Group 2	0.1855	0.1605	0.3460	0.3466

# FTF Western Asset Global Multi Strategy Bond Fund

## DISTRIBUTION TABLES (Continued)

### For the period 1 February 2024 to 29 February 2024

Group 1 Shares purchased prior to 1 February 2024

Group 2 Shares purchased in the period 1 February 2024 to 29 February 2024

	Net Income	Equalisation	29 February 2024 Pence per Share	28 February 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.6873	-	0.6873	0.7095
Group 2	0.3608	0.3265	0.6873	0.7095
<b>S Income</b>				
Group 1	0.4305	-	0.4305	0.4739
Group 2	0.0006	0.4299	0.4305	0.4739
<b>W Accumulation</b>				
Group 1	0.5256	-	0.5256	0.5369
Group 2	0.5256	0.0000	0.5256	0.5369
<b>W Income</b>				
Group 1	0.3306	-	0.3306	0.3600
Group 2	0.2324	0.0982	0.3306	0.3600

### For the period 1 March 2024 to 31 March 2024

Group 1 Shares purchased prior to 1 March 2024

Group 2 Shares purchased in the period 1 March 2024 to 31 March 2024

	Net Income	Equalisation	31 March 2024 Pence per Share	31 March 2023 Pence per Share
	p	p	p	p
<b>S Accumulation</b>				
Group 1	0.7238	-	0.7238	0.7230
Group 2	0.4764	0.2474	0.7238	0.7230
<b>S Income</b>				
Group 1	0.4511	-	0.4511	0.4805
Group 2	0.0441	0.4070	0.4511	0.4805
<b>W Accumulation</b>				
Group 1	0.5536	-	0.5536	0.5414
Group 2	0.5536	0.0000	0.5536	0.5414
<b>W Income</b>				
Group 1	0.3465	-	0.3465	0.3612
Group 2	0.0654	0.2811	0.3465	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

### 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***	X	X	X	X

\*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	0.60	0.675	Capital
FTF ClearBridge US Value Fund	0.45	0.60	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	0.70	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	0.35	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 EB Shares, 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 preliminary charge or 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

As of noon on 13 June 2024, FTF Western Asset Global Multi Strategy Bond Fund was no longer available for investment. Franklin Templeton Fund Management Limited, the Authorised Corporate Director ("ACD"), wrote to investors in FTF Martin Currie UK



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## **FURTHER INFORMATION** *(Continued)*

### **Subsequent events** *(Continued)*

Opportunities Fund proposing a merger of FTF Martin Currie UK Opportunities Fund into FTF Martin Currie UK Rising Dividends Fund. The merger will require investor approval at an Extraordinary General Meeting (“EGM”) that is scheduled to take place on 18 July 2024.

### **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 Fund Management Limited  
Cannon Place  
78 Cannon Street  
London, EC4N 6HL  
United Kingdom

#### Client Dealer Services

Freefone:

0800 305 306

Telephone:

+44 (0)20 7904 1843

### **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  
Cannon Place, 78 Cannon Street, London EC4N 6HL  
[www.franklintempleton.co.uk](http://www.franklintempleton.co.uk)