

## Shareholders' Rights Directive (SRDII) Report to 31 December 2025 FTF ClearBridge US Value Fund

April 2026

### 1. Introduction

As investment managers, we are stewards of our clients' capital — our clients rely on us to responsibly manage their capital to create sustainable long-term value and to minimize related risks. Environmental, social, and governance (ESG) factors are increasingly material to investment decisions and stewardship responsibilities. Engagements are an important part of long-term equity ownership and being responsible stewards of our clients' capital. We engage with our portfolio companies to maintain a dialogue on material topics and provide feedback on their strategy and performance, often requested by the senior management. This helps improve our understanding of a business and its potential for long-term success, and it leads to companies' improved performance on financial and ESG topics, which can lead to positive business outcomes and results.

We take a partnership approach toward driving improvement within corporations, focusing on the impact we can have during our conversations with CEOs, CFOs and corporate sustainability teams over long periods of time. As a firm, ClearBridge conducts over 1,000 company meetings every year, many of which are focused around ESG topics. The frequency with which we engage with a given company can vary as needed. ESG engagement generally has two overlapping objectives:

1. **Research:** Gaining a better understanding of the ESG topics at a company that could impact our investment thesis.
2. **Impact:** Encouraging specific improvements at a company that could lead to positive business outcomes and results.

Company engagements, often consisting of long-term dialogues with company management on relevant material issues, provide valuable insights into topics that frequently appear in shareholder proposals. Company engagements and proxy voting are thus linked aspects of ClearBridge's long-term approach to public equity ownership.

Proxy votes are cast by the portfolio managers of each ClearBridge strategy. In voting proxies, we are guided by ClearBridge Proxy Voting Policies and Procedures, which include proxy guidelines for ESG proposals, and by general fiduciary principles. Our goal is to act prudently and solely in the best interest of the beneficial owners of the accounts we manage. We attempt to provide for the consideration of all factors that could affect the value of the investment and will vote proxies in the manner we believe will be consistent with efforts to support shareholder value.

## 2. Portfolio Commentary

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

ClearBridge's first priority is to provide top-tier investment performance for its clients. However, while ClearBridge always strives to produce returns that are better than those of its peers and specific benchmarks — to outperform on a relative basis — the Firm's standards for performance are higher still. ClearBridge's goal is to produce the greatest absolute returns possible for a given investment strategy. The Firm believes beating the competition or an unmanaged index is a good measure of success, but its aim is to consistently generate the strongest possible absolute returns over the long-term.

All of the investment strategies for the UCITS funds take a bottom-up, risk-aware approach to individual security selection based on detailed fundamental analysis. The focus is mainly on equities and/or equity like securities. Because of the bottom-up stock selection approach, sector and cash allocations are typically byproducts of the investment process.

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

Portfolio Managers are primarily responsible for ensuring compliance with investment guidelines. The Compliance Department maintains separate and independent oversight of compliance with regulatory restrictions and investment guidelines, using automated systems.

Compliance with investment guidelines and restrictions is independently monitored by Compliance on a pre-trade and post-trade basis using Charles River's compliance module ("CRD"). After a Portfolio Manager enters an order and before that order is sent to the Trading Desk it is checked by CRD. Portfolio Managers may request that Compliance override certain restrictions. On T+ 1, Compliance reviews any exceptions and addresses them immediately with the appropriate Portfolio Manager. If there is a breach, correction requires the approval of the Chief Compliance Officer.

On a daily basis, Compliance personnel review exceptions and query Portfolio Managers to determine if there is a breach of guidelines. Portfolio Managers are required to respond and Compliance tracks any corrective action that needs to be taken. In addition to the automated system, Compliance has created and maintains notebooks that it provides to each Portfolio Manager which act as a quick reference to each of his/her accounts' guidelines and restrictions. These references contain links to the underlying documents whether they are prospectuses and SAIs or client guidelines. The Portfolio Manager notebooks are updated as needed and no less frequently than quarterly.

### **2.1. Commentary on Specific Fund Investments**

Our experience demonstrates that ESG integration adds value to our own investment process while helping to mitigate risk and identify new opportunities. ClearBridge remains at the forefront among asset managers in promoting and communicating the benefits of integrating ESG factors into our fundamental analysis and stock selection and assigning proprietary ESG ratings to our investments. We also seek to improve the risk and return profile with our portfolio companies through our engagements and deep expertise on ESG best practices.

ClearBridge integrates ESG factors and materiality weightings into our fundamental research process using a proprietary framework that identifies key ESG considerations for each sector and subsector we invest in.

The top five holdings in the fund on an absolute basis are as follows:

Stock name	Sector	Fund Weight %
Alphabet Inc. Class A	Communication Services	4.5
Bank of America Corp	Financials	3.9
Johnson & Johnson	Health Care	3.2
Amazon.com, Inc.	Consumer Discretionary	2.7
Micron Technology, Inc.	Information Technology	2.5

Source: ClearBridge Investments as at 31 December 2025. Data shown for the FTF ClearBridge US Value Fund.

Below we summarise some of the key material medium- to long term-term risks of the fund. A full list can be found in the Fund's prospectus.

**Equity Risk:** This Fund invests in equity securities, which can offer long-term growth but may also fall materially in value. Share prices can be affected by factors linked to individual companies (such as earnings, balance sheet strength, management decisions, litigation or corporate events), as well as broader industry, market and economic conditions. Negative developments — or even a change in market expectations — can lead to sharp repricing and a significant decline in the value of the Fund's holdings.

**Concentration Risk:** This Fund may hold a meaningful portion of its assets in companies within a particular industry or product area and/or in issuers linked to a specific country or geographic region (as described in the Fund's Prospectus). This increases the Fund's sensitivity to events affecting those exposures — for example, sector-specific disruption, regulatory or policy change, commodity price moves, or local economic and political developments. As a result, the Fund's performance may be more volatile and drawdowns may be larger than for a more diversified fund, particularly during periods of elevated market stress.

**Sustainability Risk:** The Investment Manager considers sustainability risks to be relevant to the Fund's returns. Sustainability risks are events or conditions—environmental, social or governance-related—that may have a material negative impact on the value or liquidity of one or more investments, and therefore on the Fund's performance. Examples include reputational damage leading to reduced demand for a company's products, increased costs or liabilities from regulatory or legal change, fines or sanctions, operational disruption, or changes in consumer behaviour. Regulatory developments may also influence valuations by increasing demand for securities perceived as having stronger ESG characteristics; if market perceptions change, those securities may experience increased volatility. In addition, regulation or market incentives may increase the risk of misleading disclosures about ESG practices ("greenwashing"), which can negatively affect valuations if later corrected.

The identification and weighting of sustainability risks involves judgement, and there is no guarantee that the Fund's investments will reflect the views or values of any particular investor. The integration of sustainability risks may also exclude investments that later perform well, or lead the Fund to sell investments that continue to perform strongly.

***The information provided should not be considered a recommendation to purchase or sell any particular strategy/ fund / security. It should not be assumed that any of the securities discussed here were or will prove to be profitable. It is not known whether the stocks mentioned will feature in any future portfolios managed by ClearBridge. Any stock examples will represent a small part of a portfolio and are used purely to demonstrate our investment style.***

### 3. Fund review of turnover and turnover costs

<b>Annual turnover %</b>	48.4	<i>Lesser of (purchases or sales)/Average fund size x 100</i>
<b>Portfolio transaction costs (GBP)</b>	5,995	<i>Total brokerage and execution charges</i>

Source: ClearBridge Investments as at 31 December 2025. FTF ClearBridge US Value Fund.

### 4. Proxy voting

Proxy votes are cast by the portfolio managers of each ClearBridge strategy. In voting proxies, we are guided by the ClearBridge Proxy Voting Policy and by general fiduciary principles. Our goal is to act prudently and solely in the best interest of the beneficial owners of the accounts we manage. We attempt to consider all factors that could affect the value of the investment and will vote proxies in the manner we believe will be consistent with efforts to support shareholder value.

We use an external service provider, ISS, to provide us with proxy vote information and/or a recommendation in accordance with our voting policy, but we are not required to follow any such recommendations. The use of an external service provider does not discharge our responsibility for the proxy vote, and we retain full responsibility for voting decisions.

Our Proxy Committee periodically reviews these advisors' conflict management policies and ensures their recommendations are not followed mechanically. This oversight safeguards the independence of ClearBridge's stewardship practices and ensures that third-party services support, rather than substitute, our responsibilities.

#### 4.1 Significant votes

<b>Company name</b>	Johnson & Johnson	Meta Platforms Inc	UnitedHealth Group Incorporated
<b>Company descriptor</b>	Global healthcare company making medicines, medtech, and consumer care products.	Global technology company that builds digital platforms and services for people and businesses.	global health services company providing insurance, care and data solutions.
<b>Issue</b>	Remuneration	Shareholder Rights and Disclosure	Remuneration
<b>Governance, Environmental or Social</b>	Governance	Governance	Governance
<b>Objective</b>	The company sought approval for an updated executive compensation plan.	The shareholder proposal requested that the company disclose voting results according to the class of shares, differentiating between those shares with one voting right and those with multiple voting rights.	The company sought approval for its 2024 compensation plan.

<p><b>Scope &amp; process (of relevant engagement)</b></p>	<p>We disagree with the three major areas of the compensation structure. First, it being heavily weighted towards EPS allowing for strong management influence. Secondly, we feel the board has not set competitive financial goals allowing for mediocre performance. Finally, we do not see accountability for poor M&amp;A decisions reflected in the proposed compensation.</p>	<p>A previous shareholder proposal requesting that all stock be recapitalised to ensure equal voting rights between share classes received significant shareholder support, however this has not been addressed by the Board.</p> <p>We believe that disclosure of voting results differentiated by share class, namely between those shares carrying one voting right versus those carrying multiple voting rights is a reasonable step to facilitate improved accountability.</p>	<p>We felt the increased compensation for the CEO and CFO is not reasonable considering the recent disappointing operating results of the company and significant underperformance of the stock for both 2023 and 2024.</p>
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## Important information

The opinions and views expressed herein are of the ClearBridge Investments, LLC, portfolio management team as of the date shown, and may differ from other managers, or the firm as a whole, and are not intended to be a forecast of future events, a guarantee of future results or investment advice. The statistics have been obtained from sources believed to be reliable, but the accuracy and completeness of this information cannot be guaranteed.

Portfolio holdings and characteristics are subject to change at any time. Portfolio holdings may not be representative of the portfolio managers' current or future investments and are subject to change at any time. The information provided is for informational purposes only and should not be construed as a recommendation to purchase or sell a particular security or be used as the sole basis for an investor to make an investment decision.

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

**For UK domiciled funds:** This is a sub-fund of Franklin Templeton Funds ICVC ('the Company'), an umbrella investment company with variable capital, authorised in the UK by the Financial Conduct Authority as an undertaking for collective investment in transferable securities ('UCITS'). Before investing you should read the application form, Prospectus and KIID (and accompanying Supplementary Information Document). These and other relevant documents may be obtained free of charge in English from Franklin Templeton Fund Management, 78 Cannon Street, London EC4N 6HL or from [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

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

These opinions are not intended to be a forecast of future events, research, a guarantee of future results or investment advice. Please note the information within this report has been produced internally using unaudited data and has not been independently verified. Whilst every effort has been made to ensure its accuracy, no guarantee can be given.

**The information provided should not be considered a recommendation to purchase or sell any particular strategy/ fund / security. It should not be assumed that any of the securities discussed here were or will prove to be profitable.**

**It is not known whether the stocks mentioned will feature in any future portfolios managed by ClearBridge. Any stock examples will represent a small part of a portfolio and are used purely to demonstrate our investment style.**

**The analysis of Environmental, Social and Governance (ESG) factors forms an important part of the investment process and helps inform investment decisions. The strategy/ies do not necessarily target particular sustainability outcomes.**

**Risk warnings – Investors should also be aware of the following risk factors which may be applicable to the strategy shown in this document.**

- Investing in foreign markets introduces a risk where adverse movements in currency exchange rates could result in a decrease in the value of your investment.
- This strategy may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the strategy's value than if it held a larger number of investments.
- Smaller companies may be riskier and their shares may be less liquid than larger companies, meaning that their share price may be more volatile.