# Franklin Templeton Private Portfolio Group, LLC

**Martin Currie Inc.**

**January 2023**

**This PDF contains the following documents:**

I Franklin Templeton Private Portfolio Group, LLC

Form ADV Part 2A Disclosure Brochure (December 1, 2022)

II Martin Currie Inc.

- Form ADV Part 2A Disclosure Brochure (January 2023)
- Form ADV Part 2B Brochure Supplements

## Document I

# Franklin Templeton Private Portfolio Group, LLC

## Form ADV Part 2A Disclosure Brochure (December 1, 2022)

# FRANKLIN TEMPLETON
# Private Portfolio Group

# Form ADV Disclosure Brochure

December 1, 2022

Franklin Templeton Private Portfolio Group, LLC *
620 8th Avenue
New York, NY 10018
(212) 805-2000

* Effective December 1, 2022, Legg Mason Private Portfolio Group, LLC changed its name to Franklin Templeton Private Portfolio Group, LLC.

This brochure is a Form ADV disclosure document of Franklin Templeton Private Portfolio Group, LLC, formerly known as Legg Mason Private Portfolio Group, LLC ("FTPPG").

This brochure is for clients that select, or are considering selecting, investment management portfolios that FTPPG makes available in investment programs sponsored by certain unaffiliated financial firms ("Sponsor Firms") and for which one of the following affiliated subadvisers ("Subadvisers") serves as subadviser:

**ClearBridge Investments (North America) Pty Limited ("CINA")**
**Franklin Advisers, Inc. ("FAV")**
**Franklin Mutual Advisers, LLC ("FMA")**
**Franklin Templeton Institutional, LLC ("FTILLC")**
**Franklin Templeton Investment Management Limited ("FTIML")**
**Franklin Templeton Investments Corp. ("FTIC")**
**Martin Currie Inc. ("Martin Currie")**
**Royce & Associates, LP ("Royce") ***
**Templeton Asset Management Ltd. ("TAML")**
**Templeton Global Advisors Limited ("TGAL")**
**Templeton Investment Counsel, LLC ("TICLLC")**

* Royce primarily conducts business using the name "Royce Investment Partners."

This brochure provides information about the qualifications and business practices of FTPPG. Information concerning investment management portfolios that FTPPG, together with a Subadviser, makes available in investment programs sponsored by Sponsor Firms, as well as information concerning the qualifications and business practices of such Subadviser, is contained in such Subadviser's separate Form ADV disclosure document. FTPPG and the Subadvisers are wholly-owned subsidiaries of Franklin Resources.

This brochure provides information about the qualifications and business practices of Franklin Templeton Private Portfolio Group, LLC. If you have questions about the contents of this brochure, please contact us at (212) 805-2000. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Franklin Templeton Private Portfolio Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Investment adviser registration does not imply a certain level of skill or training.

**Item 2**

# MATERIAL CHANGES

While there were no material changes to report, the following is a summary of the updates, enhancements and clarifications that were made to the brochure since the last annual update (dated December 1, 2021):

- The brochure has been updated throughout to reflect the name change from Legg Mason Private Portfolio Group, LLC (LMPPG) to Franklin Templeton Private Portfolio Group, LLC (FTPPG) effective December 1, 2022.

- Item 4, Item 5, Item 7, Item 8 and Item 12 of the brochure were amended and updated to reflect the addition of the following new Subadvisers to FTPPG effective as of July 1, 2022: Franklin Mutual Advisers, LLC ("FMA"), Franklin Templeton Institutional, LLC ("FTILLC"), Franklin Templeton Investment Management Limited ("FTIML"), Franklin Templeton Investments Corp. ("FTIC"), Templeton Asset Management Ltd. ("TAML"), Templeton Global Advisors Limited ("TGAL") and Templeton Investment Counsel, LLC ("TICLLC"). Those Items were also amended and updated, as applicable, to reflect the addition of a number of new investment strategies (all effective as of July 1, 2022, except as noted otherwise) as follows:

***Subadvised by Franklin Advisers, Inc. ("FAV")***

Franklin Concentrated Core
Franklin Corporate Ladder 1-5 Year
Franklin Corporate Ladder 1-10 Year
Franklin Custom Muni
Franklin DynaTech
Franklin Equity Income
Franklin Growth Opportunities
Franklin Income
Franklin Intermediate Fixed Income
Franklin Intermediate Government Bond
Franklin Intermediate Investment Grade Credit
Franklin Intermediate Municipal
Franklin Limited Maturity Municipal
Franklin Long Maturity Municipal
Franklin Municipal Enhanced Income *
Franklin Municipal Green Bond
Franklin Municipal Ladder 1-7 Year
Franklin Municipal Ladder 1-15 Year
Franklin Municipal Ladder 5 -20 Year
Franklin Rising Dividends
Franklin Small Cap Growth
Franklin Templeton Digital Assets Core (effective September 1, 2022)
Franklin Templeton Digital Assets Core Capped (effective September 1, 2022)
Franklin U.S. Focused Growth
Franklin U.S. Government Ladder 1-5 Year
Franklin U.S. Government Ladder 1-10 Year
Franklin U.S. Government Ladder 5-20 Year

**Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program*

***Subadvised by FMA***

Franklin Mutual Beacon
Franklin Mutual U.S. Large Cap Value
Franklin Mutual U.S. Mid Cap Value (effective December 1, 2022)
Franklin Small Cap Value

***Subadvised by FTILLC***

Franklin International Growth Equity ADR

***Subadvised by Royce***

Royce Small-Cap Total Return SMA (effective August 1, 2022)

***Subadvised by TGAL***

Templeton Foreign ADR Only

***Subadvised by TICLLC***

Templeton Global ADR Equity
Templeton International ADR Equity

***Co-Subadvised by FTIML, FTIC and TGAL***

Templeton International Climate Change

***Co-Subadvised by FTIML and TAML***

Templeton Emerging Markets

- Item 5, Item 7 and Item 8 of the brochure were updated to reflect a Martin Currie strategy name change from Martin Currie International Sustainable Equity to Martin Currie Sustainable International Equity and a FMA strategy name change from Franklin Mutual Large Cap Value to Franklin Mutual U.S. Large Cap Value.

**Item 3**

# TABLE OF CONTENTS

Item 4
# ADVISORY BUSINESS

## *A. Ownership Structure*

Legg Mason, Inc. ("Legg Mason"), the parent company of FTPPG, CINA, Martin Currie and Royce, was acquired by Franklin Resources, a publicly traded company, in a transaction that closed on July 31, 2020. In the transaction, Franklin Resources purchased 100% of the outstanding equity of Legg Mason and, as a result, indirectly acquired 100% of Legg Mason's ownership interest in FTPPG, CINA, Martin Currie and Royce. FAV, FMA, FTILLC, FTIML, FTIC, TAML, TGAL and TICLLC are wholly-owned subsidiaries of Franklin Resources that existed prior to Franklin Resources' acquisition of Legg Mason. FTPPG and each Subadviser continue to operate as separate legal entities as part of the Franklin Resources organization and to provide discretionary and non-discretionary investment management and advisory services to clients, as described in this Brochure.

## *B. FTPPG*

***Firm Description***. FTPPG has provided separate account investment advisory services since April 2007. Before April 2007, the business now conducted by FTPPG was conducted by certain other Legg Mason subsidiaries and, prior to December 2005, by certain Citigroup Inc. affiliates. FTPPG, Legg Mason and Franklin Resources are not affiliated with Citigroup Inc.

***Types of Advisory Services***. FTPPG, together with the Subadvisers, provides investment advisory services primarily in investment programs offered or sponsored by Sponsor Firms. The investment advisory services FTPPG and the Subadvisers provide differ depending on the type of Sponsor Firm investment program in which a client participates.

- ***FTPPG-Implemented Programs***. In these programs, FTPPG has investment discretion and responsibility for applying Subadviser investment advice to client accounts. FTPPG delegates its investment discretion to the Subadviser(s) for the investment management portfolio selected for the client's account. FTPPG may also delegate its responsibility to apply investment advice to client accounts to such Subadviser(s).

- ***Discretionary Model Programs***. In these programs, FTPPG has investment discretion, which it delegates to the applicable Subadviser(s), but not responsibility for applying investment advice to client accounts. FTPPG forwards Subadviser investment advice to the Sponsor Firm, which agrees to apply the advice to client accounts.

- ***Non-Discretionary Model Programs***. In these programs, FTPPG forwards Subadviser investment advice to the Sponsor Firm, which exercises discretion over client accounts and decides whether to apply this investment advice to client accounts. FTPPG does not have investment discretion or responsibility for applying investment advice to the Sponsor Firm's client accounts, and does not have an investment advisory relationship with clients in these programs.

In all types of programs, Subadviser investment advice is consistent with the selected investment management portfolio.

***FTPPG Assets Under Management***. As of September 30, 2022, FTPPG managed approximately $94,610,100,000 *, including:

- $61,188,700,000 * in assets on a discretionary basis, and
- $33,421,400,000 * in assets on a non-discretionary basis.

Assets managed on a discretionary basis are client assets for which FTPPG provides investment advisory services in FTPPG-Implemented Programs and Discretionary Model Programs. Assets managed on a non-discretionary basis are client assets for which FTPPG provides investment advisory services in Non-Discretionary Model Programs.

* These numbers are rounded to the nearest 100,000.

## *C. Subadvisers*

In the case of a Subadviser, please refer to such Subadviser's Form ADV disclosure document for a description of such Subadviser's advisory business.

## *D. Sponsor Firm Investment Programs*

Certain Sponsor Firm investment programs for which FTPPG and the Subadvisers provide investment advisory services are wrap fee programs in which FTPPG receives (from the Sponsor Firm) a portion of the wrap fees clients pay to the Sponsor Firm. FTPPG typically pays all or substantially all of the compensation it receives to the Subadvisers as compensation for the investment advisory services they provide for the program. For additional information on FTPPG and Subadviser compensation, see Item 5 in this brochure.

The investment advisory services the Subadvisers provide in Sponsor Firm investment programs, including wrap fee and non-wrap fee programs, generally differ from the investment advisory services the Subadvisers provide to clients outside such programs in one or more of the following ways:

1. The Subadvisers' investment advisory services for clients in Sponsor Firm investment programs generally involve investments only in publicly-traded equity securities, fixed income securities, and/or cash equivalents, while their investment advisory services for other clients may involve additional strategies and investments, such as short selling, privately-offered securities and derivatives (e.g., options, futures, currency forward contracts and swaps).

2. A Subadviser's investment advisory service for clients in Sponsor Firm investment programs generally do not involve investments in initial or secondary offerings of equity securities because, as a practical matter, it is unlikely FTPPG would be able to obtain allocations in such offerings for FTPPG-Implemented Program clients (a Subadviser may invest assets of its non-FTPPG clients in such offerings);

3. The Subadvisers' investment advisory services for clients outside of Sponsor Firm investment programs may involve different investment strategies or investments in a larger or smaller number of securities than the Subadvisers include in the investment management portfolios they provide to clients in Sponsor Firm investment programs.

4. For separately managed accounts outside of Sponsor Firm investment programs, the Subadvisers may be able to tailor the investment advisory services they provide more closely to client needs and preferences, as reflected in client investment guidelines and client restrictions.

5. A Subadviser may provide regular reports to clients outside of Sponsor Firm investment programs. As described in Item 13 below, FTPPG and the Subadvisers typically do not provide such reports to clients in Sponsor Firm investment programs.

A Subadviser may make available certain of its investment strategies and investment advisory services only (i) in a closed or open end fund or other commingled investment vehicle, and/or (ii) to clients that meet the Subadviser's requirements for entering into an investment advisory agreement directly with the Subadviser (including, potentially, minimum investment and client qualification requirements).

## *E. Individual Client Needs*

In addition to providing investment management portfolios that reflect a wide range of investment strategies, FTPPG and the Subadvisers may tailor the investment services they provide more closely to the individual needs of clients as described below.

***Client Restrictions***. For client accounts in FTPPG-Implemented Programs, FTPPG accepts client-imposed restrictions on management if FTPPG and the applicable Subadviser, in their discretion, determine that the proposed restriction is reasonably practical as an investment and operational matter.

Subject to this standard, clients in FTPPG-Implemented Programs may impose restrictions on investments in specific securities (e.g., stock of Company ABC) or on investments in certain categories of securities (e.g., tobacco company stocks). Where a client restricts investment in a category of securities, FTPPG and the applicable Subadviser determine in their discretion the specific securities in the restricted category. FTPPG relies on the client's Sponsor Firm to notify FTPPG of any restrictions desired by clients.

In FTPPG-Implemented Programs, FTPPG applies client account restrictions it accepts only at the time of purchase, and does not apply these restrictions to securities transferred into the account, securities already held in the account at the time the restriction is imposed, securities that first come within a restriction following purchase of such securities, and securities acquired as a result of corporate actions (e.g., stock splits, stock dividends).

***Directed Sales and Temporary ETF Investments***. A client in a FTPPG-Implemented Program may direct FTPPG to sell particular securities or types of securities held in the client's account by contacting his or her Sponsor Firm. FTPPG seeks to begin implementing sell directions no later than the close of business on the business day after FTPPG receives the direction in proper form from the client's Sponsor Firm (FTPPG determines what constitutes proper form). FTPPG generally does not implement sell directions immediately upon receipt. As a result, the proceeds from a directed sale may be more or less than the client would have received had FTPPG implemented the sell direction immediately.

In connection with a client-directed sale of securities, FTPPG in its sole discretion may accept and implement a client direction to temporarily invest the sale proceeds in an exchange-traded fund ("ETF"). Such directions involve an increased risk of loss (or missed gains) to the client relative to client accounts for which such directions are not given. Neither FTPPG nor any of its affiliates, including the Subadvisers, will have any responsibility for the suitability or performance of any client-directed ETF investments. FTPPG will be responsible only for implementing any directions it accepts to make such investments, subject to any account-, security- or tax lot-level realized loss or gain minimums FTPPG establishes from time to time.

ETFs are exchange-traded funds that typically represent U.S. securities markets, industry and market capitalization sectors, non-U.S. country and regional markets, and other types of non-U.S. securities markets and market sectors (e.g., emerging markets). ETFs generally are subject to the same investment risks associated with the underlying securities they represent. Also, in addition to fees charged at the account level, a client will bear a proportionate share of the separate fees and expenses incurred by any ETF held in the client's account.

Item 5

# FEES AND COMPENSATION

## *A. Compensation of FTPPG and the Subadvisers*

How FTPPG is compensated for the services FTPPG and the Subadvisers provide in an investment program depends on whether the program is a Single-Contract Program or a Dual-Contract Program.

In Single-Contract Programs and Dual-Contract Programs, FTPPG pays the Subadvisers all or substantially all of the fees FTPPG receives as compensation for the Subadvisers' services.

***FTPPG Compensation in Single-Contract Programs***. In a Single-Contract Program, the client does not enter into an agreement directly with FTPPG. Instead, the client enters into an agreement with the client's Sponsor Firm that covers investment advisory services FTPPG and one or more Subadvisers provide and also certain investment services the Sponsor Firm provides. The client pays the Sponsor Firm fees for all the services under such agreement. The Sponsor Firm, in turn, compensates FTPPG for the investment advisory services FTPPG and the applicable Subadviser(s) provide. In a limited number of cases, the Sponsor Firm does not charge clients any management fees and pays FTPPG for its investment management services provided to such clients out of its own resources.

The fees agreed to by FTPPG and a Sponsor Firm under a Single-Contract Program are dependent upon a variety of factors, including without limitation the size of the program, the portfolio selected by the client, Sponsor Firm administrative requirements and administrative charges, Sponsor Firm parameters for compensation of participating managers or advisers, and the nature and extent of the responsibilities of and services provided by each of the Sponsor Firm and FTPPG and its Subadvisers under the program. Based on such factors, FTPPG and or Sponsor Firm may agree to a fee rate under a particular Single-Contract Program that is different from the fee rate or outside of the fee range indicated below. A Sponsor Firm and FTPPG may agree to a fee rate with respect to a particular account under a Single-Contract Program that is lower than the standard fee rate at which FTPPG is compensated by the Sponsor Firm under such Single-Contract Program. Such fee concessions are very unusual and agreed to by FTPPG only in special circumstances (e.g., in the case of accounts with unusually large asset levels). In addition, a Sponsor Firm and FTPPG may agree to a fee rate with respect to a particular account under a Single-Contract Program that is higher than the fee rate at which FTPPG is compensated under such Single-Contract Program based on such account's unique servicing needs and compliance requirements. The fees paid to FTPPG in FTPPG-Implemented Programs, where FTPPG is responsible for providing full discretionary portfolio management, implementation and trade placement services with respect to client accounts, may be higher than the fees paid to FTPPG in Discretionary Model Programs, where FTPPG and its Subadvisers have investment discretion but the Sponsor Firm is responsible for applying Subadviser investment advice forwarded to it by FTPPG to client accounts, and Non-Discretionary Model Programs, where the Sponsor Firm has investment discretion and decides whether to apply Subadviser investment advice, in whole or in part, forwarded to it by FTPPG to client accounts.

- In the case of **FTPPG-Implemented Programs**, FTPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

| Subadviser(s) | Investment Management Portfolio | Fee Rates or Ranges |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | 0.42% - 0.45% |
| **FAV** | Franklin Templeton Multi-Asset Class | 0.00% - 0.40% |
| | Franklin Corporate Ladder 1-5 Year<br>Franklin Corporate Ladder 1-10 Year<br>Franklin Municipal Ladder 1-7 Year<br>Franklin Municipal Ladder 1-15 Year<br>Franklin Municipal Ladder 5 -20 Year<br>Franklin U.S. Government Ladder 1-5 Year<br>Franklin U.S. Government Ladder 1-10 Year<br>Franklin U.S. Government Ladder 5-20 Year | 0.07% |

| | | |
|---|---|---|
| **FAV** | Franklin Custom Muni<br>Franklin Intermediate Fixed Income<br>Franklin Intermediate Government Bond<br>Franklin Intermediate Investment Grade Credit<br>Franklin Intermediate Municipal<br>Franklin Limited Maturity Municipal<br>Franklin Long Maturity Municipal<br>Franklin Municipal Green Bond | 0.15% - 0.25% |
| | Franklin Templeton Low Volatility High Dividend Equity | 0.20% - 0.40% |
| | Franklin Municipal Enhanced Income * | 0.25% |
| | Franklin Income | 0.34% |
| | Franklin Concentrated Core<br>Franklin DynaTech<br>Franklin Equity Income<br>Franklin Growth Opportunities<br>Franklin Rising Dividends<br>Franklin U.S. Focused Growth | 0.40% - 0.42% |
| | Franklin Small Cap Growth | 0.50% |
| **FMA** | Franklin Mutual Beacon<br>Franklin Mutual U.S. Large Cap Value<br>Franklin Mutual U.S. Mid Cap Value | 0.42% |
| | Franklin Small Cap Value | 0.50% |
| **FTILLC** | Franklin International Growth Equity ADR | 0.40% - 0.42% |
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | 0.43% |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | 0.50% |
| **Martin Currie** | Martin Currie Sustainable International Equity | 0.43% - 0.45% |
| | Martin Currie Emerging Market Equities | 0.50% - 0.60% |
| **Royce** | Royce SMID Dividend Value | 0.38% |
| | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income<br>Royce Small-Cap Total Return SMA | 0.45% |
| **TICLLC** | Templeton Global ADR Equity<br>Templeton International ADR Equity | 0.45% - 0.60% |

* Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

- In the case of **Discretionary Model Programs**, FTPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

| Subadviser(s) | Investment Management Portfolio | Fee Rates or Ranges |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | 0.30% - 0.32% |
| **FAV** | Franklin Templeton Multi-Asset Class | 0.00% - 0.40% |
| | Franklin Templeton Low Volatility High Dividend Equity | 0.20% - 0.40% |
| | Franklin Concentrated Core<br>Franklin Equity Income<br>Franklin U.S. Focused Growth | 0.28% |
| | Franklin Growth Opportunities<br>Franklin Rising Dividends | 0.28% - 0.30% |
| | Franklin DynaTech | 0.28% - 0.31% |
| | Franklin Small Cap Growth | 0.40% |
| **FMA** | Franklin Mutual U.S. Large Cap Value | 0.28% |
| | Franklin Mutual Beacon<br>Franklin Mutual U.S. Mid Cap Value | 0.30% |
| | Franklin Small Cap Value | 0.35% |
| **FTILLC** | Franklin International Growth Equity ADR | 0.30% |
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | 0.33% |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | 0.45% |
| **Martin Currie** | Martin Currie Sustainable International Equity | 0.33% - 0.35% |
| | Martin Currie Emerging Market Equities | 0.50% |
| **Royce** | Royce SMID Dividend Value | 0.35% |
| | Royce Small-Cap Total Return SMA | 0.42% |
| | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income | 0.42% - 0.45% |
| **TGAL** | Templeton Foreign ADR Only | 0.30% |
| **TICLLC** | Templeton International ADR Equity | 0.25% - 0.40% |
| | Templeton Global ADR Equity | 0.30% |

- In the case of **Non-Discretionary Model Programs**, FTPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges or at the following rates depending upon the portfolio selected by the client:

| Subadviser(s) | Investment Management Portfolio | Fee Rates or Ranges |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | 0.30% - 0.32% |
| **FAV** | Franklin Templeton Multi-Asset Class | 0.00% - 0.40% |
| | Franklin Templeton Low Volatility High Dividend Equity | 0.20% - 0.40% |
| | Franklin Concentrated Core<br>Franklin Equity Income<br>Franklin U.S. Focused Growth | 0.28% |
| | Franklin Growth Opportunities<br>Franklin Rising Dividends | 0.28% - 0.30% |
| | Franklin DynaTech | 0.28% - 0.31% |
| | Franklin Templeton Digital Assets Core | 0.60% - 1.50% |
| | Franklin Templeton Digital Assets Core Capped | 0.75% - 1.50% |
| | Franklin Small Cap Growth | 0.40% |
| **FMA** | Franklin Mutual U.S. Large Cap Value | 0.28% |
| | Franklin Mutual Beacon<br>Franklin Mutual U.S. Mid Cap Value | 0.30% |
| | Franklin Small Cap Value | 0.35% |
| **FTILLC** | Franklin International Growth Equity ADR | 0.30% |
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | 0.33% |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | 0.45% |
| **Martin Currie** | Martin Currie Sustainable International Equity | 0.33% - 0.35% |
| | Martin Currie Emerging Market Equities | 0.50% |
| **Royce** | Royce SMID Dividend Value | 0.35% |
| | Royce Small-Cap Total Return SMA | 0.42% |
| | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income | 0.42% - 0.45% |
| **TGAL** | Templeton Foreign ADR Only | 0.30% |
| **TICLLC** | Templeton International ADR Equity | 0.25% - 0.40% |
| | Templeton Global ADR Equity | 0.30% |

Please refer to FAV's Form ADV Part 2A Brochure for more information concerning the fees and fee ranges applicable to particular Franklin Templeton Multi-Asset Class portfolios.

Each Franklin Templeton Multi-Asset Class portfolio invests all or a portion of its assets in mutual funds, ETFs and/or separately managed account ("SMA") portfolios that are managed or advised by Franklin Resources affiliates, including FAV and/or other Franklin Resources investment advisory affiliates, and that pay fees or other compensation to such affiliates. Please refer to FAV's Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by FTPPG and the Sponsor Firm unless such crediting or offset is required by contract or applicable law. In cases where FTPPG receives no advisory fee or a relatively small advisory fee from a Sponsor Firm for a Multi-Asset Class portfolio due to the fund-related compensation that Franklin Resources affiliates will receive in connection with such portfolios, FAV will provide compensation out of its general resources to FTPPG for its services at a rate agreed to by FAV and FTPPG.

For Single-Contract Program client fee information, clients should refer to their Sponsor Firm's Form ADV disclosure document or contact their Sponsor Firm representative.

***FTPPG Compensation in Dual-Contract Programs***. In a Dual-Contract Program, the client enters into an investment management agreement directly with FTPPG and a separate agreement with the client's Sponsor Firm. The client pays an investment management fee directly to FTPPG as compensation for the investment advisory services FTPPG and the applicable Subadviser(s) provide. FTPPG's standard fee schedules for Dual-Contract Programs are set forth below in this Item 5. The client typically pays a separate fee to the Sponsor Firm for services the Sponsor Firm provides pursuant to its separate agreement with the client. FTPPG may receive higher compensation in Dual-Contract Programs than in Single-Contract Programs.

***FTPPG Standard Fee Rates for Dual-Contract Programs***. For Dual-Contract Programs, FTPPG's standard fee rates are set forth below.

| Subadviser(s) | Investment Management Portfolio | Fee Rates or Ranges |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | 0.50% |
| **FAV** | Franklin Templeton Multi-Asset Class | 0.00% - 0.40% |
| | Franklin Corporate Ladder 1-5 Year<br>Franklin Corporate Ladder 1-10 Year<br>Franklin Municipal Ladder 1-7 Year<br>Franklin Municipal Ladder 1-15 Year<br>Franklin Municipal Ladder 5 -20 Year<br>Franklin U.S. Government Ladder 1-5 Year<br>Franklin U.S. Government Ladder 1-10 Year<br>Franklin U.S. Government Ladder 5-20 Year | 0.10% |
| | Franklin Municipal Enhanced Income * | 0.25% |
| | Franklin Templeton Low Volatility High Dividend Equity | 0.50% |
| | Franklin Custom Muni<br>Franklin Intermediate Fixed Income<br>Franklin Intermediate Government Bond<br>Franklin Intermediate Investment Grade Credit<br>Franklin Intermediate Municipal<br>Franklin Limited Maturity Municipal<br>Franklin Long Maturity Municipal<br>Franklin Municipal Green Bond | 0.30% on first $5 million<br>0.25% on next $5 million<br>0.20% on next $40 million<br>0.15% over $50 million |

*Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

| | | |
|---|---|---|
| **FAV** | Franklin Concentrated Core<br>Franklin DynaTech<br>Franklin Equity Income<br>Franklin Growth Opportunities<br>Franklin Income<br>Franklin Rising Dividends<br>Franklin U.S. Focused Growth | 0.60% on first $1 million<br>0.55% on next $2 million<br>0.50% on next $7 million<br>0.45% over $10 million |
| | Franklin Small Cap Growth | 0.90% on first $10 million<br>0.85% on next $40 million<br>0.80% on next $50 million<br>0.75% on assets over $100 million |
| **FMA** | Franklin Mutual Beacon<br>Franklin Mutual U.S. Large Cap Value<br>Franklin Mutual U.S. Mid Cap Value<br>Franklin Small Cap Value | 0.50% |
| **FTILLC** | Franklin International Growth Equity ADR | 0.60% on first $1 million<br>0.55% on next $2 million<br>0.50% on next $7 million<br>0.45% over $10 million |
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | 0.50% |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | 0.50% |
| **Martin Currie** | Martin Currie Sustainable International Equity | 0.50% |
| | Martin Currie Emerging Market Equities | 0.60% |
| **Royce** | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income<br>Royce Small-Cap Total Return SMA<br>Royce SMID Dividend Value | 0.50% |
| **TICLLC** | Templeton Global ADR Equity<br>Templeton International ADR Equity | 0.75% on first $25 million<br>0.55% on next $25 million<br>0.50% on next $50 million<br>0.40% on next $150 million<br>0.35% on next $250 million<br>0.30% on assets over $500 million |

Please refer to FAV's Form ADV Part 2A Brochure for more information concerning the fees and fee ranges applicable to particular Franklin Templeton Multi-Asset Class portfolios.

Each Franklin Templeton Multi-Asset Class portfolio invests all or a portion of its assets in mutual funds, ETFs and/or SMA portfolios that are managed or advised by Franklin Resources affiliates, including FAV and/or other Franklin Resources investment advisory affiliates, and that pay fees or other compensation to such affiliates. Please refer to FAV's Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by FTPPG and the client unless such crediting or offset is required by contract or applicable law. In cases where FTPPG receives no advisory fee or a very small advisory fee from a Sponsor Firm for a Multi-Asset Class portfolio due to the fund-related compensation that Franklin Resources affiliates will receive in connection with such portfolios, FAV will provide compensation out of its general resources to FTPPG for its services at a rate agreed to by FAV and FTPPG.

FTPPG generally considers client requests to negotiate investment management fee rates lower than the above fee rates. However, FTPPG in its sole discretion may refuse to agree to lower fee rates for any one or more clients. In addition, FTPPG may establish fee rates that are lower than the above fee rates for certain accounts in a particular Dual-Contract Program, based on expectations as to future aggregate asset levels from clients of one or more particular Sponsor Firm representatives.

FTPPG may establish fee rates that are higher than the above fee rates for accounts that have unique servicing needs or compliance requirements. In addition, FTPPG may establish fee rates that are different from the above fee rates for accounts in a particular Dual-Contract Program due to Sponsor Firm operational constraints, such as an inability to calculate and process fees under a tiered fee schedule.

For client accounts in Dual-Contract Programs, FTPPG typically charges its investment management fee quarterly in advance. Following one of the approaches set forth below, the client's Sponsor Firm typically deducts FTPPG's fee from the client's account and forwards the fee to FTPPG:

1. The Sponsor Firm calculates FTPPG's fee based on the client's agreed FTPPG fee rate and the value of the client account assets; or

2. The Sponsor Firm relies on FTPPG's calculation of FTPPG's fee based on the client's agreed FTPPG fee rate and the value of the client account assets, as set forth in fee invoices FTPPG sends to the Sponsor Firm.

Under both approaches, FTPPG's fees typically are calculated in accordance with procedures, including those applicable to account additions and withdrawals, established by the client's Sponsor Firm so that FTPPG's fee is calculated following a methodology that is similar to that used in calculating the Sponsor Firm's fee. For any one or more client accounts in a Dual-Contract Program, FTPPG may in its sole discretion agree to bill the client directly for its investment management fee instead of having the client's Sponsor Firm follow one of the above fee-deduction approaches. In addition, FTPPG may in its sole discretion agree to charge its fee in arrears (instead of in advance) or more or less frequently than quarterly.

***<u>FTPPG Fee Refunds in Dual-Contract Programs</u>***. If FTPPG's management of a client's Dual-Contract Program account is terminated during a period for which the client pre-paid FTPPG's investment management fee, FTPPG will calculate the appropriate refund amount and send this amount to the client's Sponsor Firm for forwarding to the client or deposit into an account the client maintains at the Sponsor Firm. FTPPG calculates refunds in these circumstances by:

1. dividing the number of days left (after termination) in the period for which the client paid the fee by the total number of days in the period; and

2. multiplying the result by the dollar amount of the pre-paid fee.

FTPPG sends termination-related fee refunds to Sponsor Firms on a quarterly basis. Accordingly, there may be a delay of up to approximately ninety days between the time FTPPG's management of a Dual-Contract Program account is terminated and the time FTPPG sends the related fee refund to the client's Sponsor Firm.

## *B. Other Fees and Expenses*

In addition to the investment management fees FTPPG receives for the investment advisory services FTPPG and the Subadvisers provide, a client generally will incur brokerage and trade execution costs for securities transactions FTPPG and the Subadvisers recommend or effect for the client's account. These costs generally are imposed by the broker-dealer firms used to execute such transactions. For securities transactions executed by the client's Sponsor Firm or by a broker-dealer the Sponsor Firm designates, these costs often are included in the fee the client pays to the client's Sponsor Firm (in both Single-Contract Programs and Dual-Contract Programs). For securities transactions executed by another broker-dealer firm, these costs are in addition to fees the client pays to the client's Sponsor Firm. For more information on brokerage and transaction costs in investment programs for which FTPPG or a Subadviser selects broker-dealers to execute securities transactions for client accounts, clients should refer to Item 12 of this brochure.

A client may also incur any one or more of the costs listed below. The costs described in items 1, 2 and 3 below, as well as the costs of trade execution by a client's Sponsor Firm or designated broker-dealer (see above), typically are covered by the fees clients pay to their Sponsor Firms.

1. Fees for account custody services and related services such as security transfers and wire transfers.

2. Fees for investment advisory services a Sponsor Firm or other person or firm (other than FTPPG or a Subadviser) provides to the client. These may include services such as evaluation, recommendation and monitoring of investment managers, financial planning services and asset allocation advice.

3. Fees for account reporting by the client's Sponsor Firm – for example, preparation of periodic account statements.

4. Any SEC fees, transfer taxes or other governmental charges based on securities transactions.

5. Conversion and foreign exchange fees and charges associated with purchases and sales of American Depositary Receipts ("ADRs") in non-U.S. markets for ordinary shares underlying the ADRs. See Item 12 of this brochure for more information.

6. Ongoing custody or service fees charged by ADR depository banks for inventorying the underlying non-U.S. shares and performing related administrative services.

7. Internal fees and expenses of any mutual fund or ETF purchased or held for the client's account, as part of the investment management portfolio the client selects or at the client's direction. Mutual fund and ETF prospectuses, which should be available from Sponsor Firms, include descriptions of these fees and expenses.

Clients should contact their Sponsor Firms and any other service providers for information on the costs associated with the services these firms provide, including the potential costs noted in items 1 – 4 above. The compensation FTPPG and the Subadvisers receive does not cover any of the potential costs noted in items 1 –7 above.

**Item 6**
# PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

## *A. Performance-Based Fees and Side-by-Side Management*

Performance-based fees are investment advisory fees that are based on a share of capital gains on, or capital appreciation of, client assets. Performance-based fees do not include fees that are based merely on a percentage of client account assets managed or advised.

FTPPG does not charge performance-based fees, but instead charges fees based on the amount of client account assets for which FTPPG, together with one or more of the Subadvisers, provides investment advisory services. The Subadvisers also do not charge performance-based fees for FTPPG client accounts. See Item 5 of this brochure for FTPPG/Subadviser fee information applicable to FTPPG client accounts.

Each of the Subadvisers may charge performance-based fees for certain client accounts that do not access its investment advisory services through FTPPG – i.e., non-FTPPG client accounts. These performance-based fees typically are based on account performance relative to a benchmark index agreed on by the Subadviser and the client.

Each of the Subadvisers, including any of its portfolio management teams, may simultaneously manage or otherwise provide investment advice for non-FTPPG client accounts that are subject to performance-based fees and FTPPG client accounts that are not subject to performance-based fees. As noted in Section B below, management of non-FTPPG client accounts, including those subject to performance-based fees, may differ from the management of FTPPG client accounts based on the particular needs and circumstances of client accounts. Side-by-side management involves a potential conflict of interest to the extent that a Subadviser determines to purchase or sell the same securities for both non-FTPPG client accounts and FTPPG client accounts. It may give the Subadviser and the applicable portfolio management team an incentive to maximize the Subadviser’s fee compensation by favoring the non-FTPPG client accounts subject to performance-based fees in order to maximize its fee revenues.

Please refer to Item 6 of a Subadviser’s Form ADV disclosure document for information concerning whether such Subadviser charges performance-based fees for non-FTPPG accounts and how such Subadviser addresses the potential conflict of interest associated with side-by-side management.

## *B. Additional Side-by-Side Management Information*

A Subadviser’s portfolio manager may determine, in light of a client account’s available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations, that an investment opportunity is appropriate for only some of the client accounts under their management or that they should take differing positions with respect to a particular security on behalf of certain client accounts.

Each Subadviser may give advice and take action in the performance of its duties to clients which differs from advice given, and/or the timing and nature of action taken, with respect to other clients’ accounts. The timing and nature of action taken for one or more client accounts may positively or negatively impact one or more other client accounts. For example, the value of a security held in client accounts may be positively affected by purchases, and negatively affected by sales, of the same security for other client accounts.

Please refer to Item 6 of a Subadviser’s Form ADV disclosure document for additional information concerning side-by-side management.

Item 7
# TYPES OF CLIENTS

## *A. Clients*

FTPPG, together with the Subadvisers, provides investment advisory services for a wide range of clients in Sponsor Firm investment programs, including individuals, pension and profit sharing plans, endowments, foundations, unions and state and local governmental entities. Sponsor Firms, which include broker-dealer firms, banks and investment advisory firms, are another type of client to which FTPPG and the Subadvisers may provide investment advisory services (for use by such Sponsor Firms or their designees in managing accounts on behalf of clients of such Sponsor Firms).

## *B. Investment Minimums*

For new client accounts, FTPPG generally imposes the investment minimums listed below. FTPPG, in its sole discretion and in consultation with the applicable Subadvisers, may waive any one or more of these minimums for any one or more client accounts. In addition, for certain investment programs, FTPPG and a Sponsor Firm may establish investment minimums for particular investment management portfolios that are higher or lower than those indicated below. FTPPG, in its sole discretion and in consultation with the applicable Subadvisers, may freeze management of a client account in the event that the value of such account falls below the applicable investment minimum for the selected investment management portfolio. Franklin Templeton Multi-Asset Class portfolios with allocations to SMA portfolios may have significantly higher investment minimums than that indicated below.

| Subadviser(s) | Investment Management Portfolio | Investment Minimum |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | $50,000 |
| **FAV** | Franklin Templeton Multi-Asset Class | $25,000 |
| | Franklin Templeton Low Volatility High Dividend Equity<br>Franklin Templeton Digital Assets Core<br>Franklin Templeton Digital Assets Core Capped | $50,000 |
| | Franklin Concentrated Core<br>Franklin DynaTech<br>Franklin Equity Income<br>Franklin Growth Opportunities<br>Franklin Intermediate Fixed Income<br>Franklin Intermediate Government Bond<br>Franklin Rising Dividends<br>Franklin Small Cap Growth<br>Franklin U.S. Government Ladder 1-5 Year<br>Franklin U.S. Government Ladder 1-10 Year<br>Franklin U.S. Government Ladder 5-20 Year | $100,000 |
| | Franklin Corporate Ladder 1-5 Year<br>Franklin Corporate Ladder 1-10 Year | $125,000 |
| | Franklin U.S. Focused Growth | $150,000 |
| | Franklin Income<br>Franklin Intermediate Investment Grade Credit<br>Franklin Intermediate Municipal<br>Franklin Limited Maturity Municipal<br>Franklin Municipal Ladder 1-7 Year<br>Franklin Municipal Ladder 1-15 Year | $175,000 |

| | | |
|---|---|---|
| **FAV** | Franklin Long Maturity Municipal<br>Franklin Municipal Enhanced Income *<br>Franklin Municipal Ladder 5-20 Year | $250,000 |
| | Franklin Municipal Green Bond | $500,000 |
| | Franklin Custom Muni | $3,000,000 |
| **FMA** | Franklin Mutual Beacon<br>Franklin Mutual U.S. Large Cap Value<br>Franklin Mutual U.S. Mid Cap Value | $50,000 |
| | Franklin Small Cap Value | $100,000 |
| **FTILLC** | Franklin International Growth Equity ADR | $100,000 |
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | $50,000 |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | $50,000 |
| **Martin Currie** | Martin Currie Emerging Market Equities<br>Martin Currie Sustainable International Equity | $50,000 |
| **Royce** | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income<br>Royce Small-Cap Total Return SMA<br>Royce SMID Dividend Value | $50,000 |
| **TGAL** | Templeton Foreign ADR Only | $100,000 |
| **TICLLC** | Templeton Global ADR Equity<br>Templeton International ADR Equity | $100,000 |

* Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

**Item 8**
# METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

FTPPG and the Subadvisers make available the investment strategies listed below in Section A of this item 8. Such investment strategies are referred to in this brochure as "investment management portfolios" or "portfolios.". Please refer to Item 8 of a Subadviser's Form ADV disclosure document for a description of the portfolios for which such Subadviser provides investment subadvisory services and such Subadviser's methods of investment analysis.

Each investment management portfolio involves risk of loss, which clients should be prepared to bear. Please refer to Item 8 of a Subadviser's Form ADV disclosure document for a description of the main risks for the portfolios for which such Subadviser provides investment subadvisory services. For all portfolios, there is no assurance or guarantee that client investment objectives will be met.

## *A. Investment Management Portfolios*

The investment management portfolios FTPPG and the Subadvisers may make available in Sponsor Firm investment programs include the portfolios listed below. Clients should check with their Sponsor Firm representatives for portfolio availability. Also, as indicated below, certain portfolios may be referred to by different names at particular Sponsor Firms.

Portfolios for which CINA, FAV, FMA, FTIC, FTILLC, FTIML, Martin Currie, Royce, TAML, TGAL and TICLLC provide investment subadvisory services to FTPPG and make investment decisions or (where another firm has investment discretion) recommendations for each portfolio include the following:

- **CINA**
  - ClearBridge Global Infrastructure Income Portfolio
- **FAV**
  - Franklin Concentrated Core
  - Franklin Corporate Ladder 1-5 Year
  - Franklin Corporate Ladder 1-10 Year
  - Franklin Custom Muni
  - Franklin DynaTech
  - Franklin Equity Income
  - Franklin Growth Opportunities
  - Franklin Income
  - Franklin Intermediate Fixed Income
  - Franklin Intermediate Government Bond
  - Franklin Intermediate Investment Grade Credit
  - Franklin Intermediate Municipal
  - Franklin Limited Maturity Municipal
  - Franklin Long Maturity Municipal
  - Franklin Municipal Enhanced Income*
  - Franklin Municipal Green Bond
  - Franklin Municipal Ladder 1-7 Year
  - Franklin Municipal Ladder 1-15 Year
  - Franklin Municipal Ladder 5 -20 Year
  - Franklin Rising Dividends
  - Franklin Small Cap Growth
  - Franklin U.S. Focused Growth
  - Franklin U.S. Government Ladder 1-5 Year
  - Franklin U.S. Government Ladder 1-10 Year
  - Franklin U.S. Government Ladder 5-20 Year
  - Franklin Templeton Digital Assets Core
  - Franklin Templeton Digital Assets Core Capped
  - Franklin Templeton Low Volatility High Dividend Equity
  - Franklin Templeton Multi-Asset Class**

* *Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.*
*** Item 8 of FAV's Form ADV disclosure brochure includes a list of available Franklin Templeton Multi-Asset Class portfolios and a description of each such portfolio.*

- **FMA**
    - Franklin Mutual Beacon
    - Franklin Mutual U.S. Large Cap Value
    - Franklin Mutual U.S. Mid Cap Value
    - Franklin Small Cap Value
- **FTILLC**
    - Franklin International Growth Equity ADR
- **Martin Currie**
    - Martin Currie Emerging Market Equities
    - Martin Currie Sustainable International Equity
- **Royce**
    - Royce Concentrated Value SMA
    - Royce Premier
    - Royce Small Cap Income
    - Royce Small-Cap Total Return SMA
    - Royce SMID Dividend Value
- **TGAL**
    - Templeton Foreign ADR Only
- **TICLLC**
    - Templeton Global ADR Equity
    - Templeton International ADR Equity
- **Co-Managed by FTIML, FTIC and TGAL**
    - Templeton International Climate Change
- **Co-Managed by FTIML and TAML**
    - Templeton Emerging Markets

Working with a Sponsor Firm representative, the client typically determines his or her investment strategy based on personal circumstances and objectives and selects one or more investment management portfolios. Clients are responsible for asset allocation decisions when selecting portfolios. Unless otherwise noted in the description of a portfolio in Item 8 of a Subadviser's Form ADV disclosure document, FTPPG and the Subadvisers do not provide asset allocation advice.

## *B. Certain Additional Information*

***Cash Balances***. Significant cash balances may exist in client accounts from time to time, including when a Subadviser instructs or determines that account contributions and sales proceeds to be invested gradually. FTPPG and the Subadvisers do not determine the short-term investments in which cash balances are invested and are not responsible for the suitability or performance of such investments. Such short-term investments are commonly referred to as "cash sweeps" or "sweep vehicles" and are selected by the Sponsor Firm and/or the Sponsor Firm's client without the involvement of FTPPG or the Subadvisers. Under a very limited number of programs, the Sponsor Firm has established the operational capability to allow FTPPG and the Subadvisers to invest, in their discretion, a portion of the cash balances in client accounts in one or more money market funds designated by the Sponsor Firm as an alternative to having all available cash balances invested in such account's cash sweep or sweep vehicle. A description of a money market fund's investment objectives, strategies, fees and expenses, and risks is included in the fund's prospectus, which may be obtained from the client's Sponsor Firm. A money market fund's fees and expenses are in addition to, and will not reduce, the fees charged by your Sponsor Firm for your managed account or the fees received by FTPPG with respect to such account. Money market funds designated by the Sponsor Firm in many cases will be funds that are managed by the Sponsor Firm or an affiliate. If an account's assets are invested in a money market fund managed by the Sponsor Firm or an affiliate, the Sponsor Firm or its affiliate will earn incremental revenue as a result of such investment.

***Client Contributions of Securities***. If a client contributes securities to the client's account and they are not included in the selected investment management portfolio, FTPPG or the other firm responsible for applying Subadviser investment decisions or recommendations to the account may sell such securities. Sales of contributed securities may result in taxable gains or losses. Also, investment of sales proceeds in accordance with the selected portfolio may not be immediate. Accounts funded in whole or in part with securities may perform differently and have different holdings and weightings than accounts funded solely with cash equivalents.

***Account Uniformity and Certain Potential Differences***. There may be a substantial degree of uniformity among client accounts (of either FTPPG or a Sponsor Firm) in FTPPG-Implemented Programs, Discretionary Model Programs and Non-Discretionary Model Programs that select the same investment management portfolio. However, many factors may cause differences in the composition and performance of such client accounts, including:

- Date of account inception
- Levels and timing of client-initiated activity, such as account contributions and withdrawals
- Client-imposed or sponsor-imposed restrictions
- Differing portfolio composition requirements and implementation approaches of implementing firms in Discretionary Model Programs and Non-Discretionary Model Programs (see below)
- A Subadviser's approach to model portfolio maintenance and adjustment (see below)
- A Subadviser's and FTPPG's approach to adjusting or rebalancing account positions in response to market movements (see below)
- The relative outperformance or underperformance of individual portfolio holdings
- Differences in the timing of trade executions and prices obtained by FTPPG on behalf of clients in FTPPG-Implemented Programs relative to the timing of trade executions and prices obtained by an implementing firm on behalf of clients in Discretionary Model Programs and Non-Discretionary Model Programs

Certain regulatory or other limits on the amount a Subadviser (alone or together with its affiliates) may invest in a company may cause the composition and performance of client accounts for which the same portfolio is selected to vary from one another more than they otherwise might. For portfolios that involve investments in more volatile securities, these limits may cause even greater performance differences.

In the case of certain investment management portfolios, a Subadviser, may utilize a "static" model approach in maintaining and adjusting the model portfolio that it furnishes to FTPPG in FTPPG-Implemented Programs. Under such approach, the model portfolio's percentage weightings to individual portfolio holdings are not continually adjusted to reflect the relative market performance of such holdings. Accordingly, a new account's percentage weightings to portfolio holdings typically will differ from the percentage weightings in previously established accounts in the same strategy. In addition, in the case of certain investment management portfolios, client accounts may not be regularly adjusted or rebalanced in response to the relative underperformance or outperformance of such names over time. This will cause differences in portfolio weightings across client accounts over longer periods than in the case of strategies that adjust or rebalance client accounts more frequently. Differences in portfolio weightings across client accounts, combined with the relative outperformance or underperformance of individual portfolio holdings, will cause client accounts in the same investment management portfolio to experience differing performance over time.

For Discretionary Model Programs and Non-Discretionary Model Programs, the Sponsor Firm or another firm it selects (not FTPPG or a Subadviser) applies Subadviser investment decisions or recommendations to client accounts. Such a firm may impose model composition and/or minimum account size requirements, or follow implementation practices, that result in client accounts in these programs having different weightings of holdings, particularly as it relates to highly-priced securities. Consequently, the performance of those client accounts also may be different than the performance of FTPPG-Implemented Program client accounts or client accounts of other Sponsor Firms for which the same investment management portfolio is selected.

***Transfers to New Investment Programs—Potential Account Adjustments***. If a client transfers an account from one investment program to another and selects the same investment management portfolio, FTPPG or the other firm responsible for implementing Subadviser investment decisions or recommendations for the new program may adjust the account's holdings. This may result in the realization of capital gains or losses that would not have occurred if the client had not transferred the account. Account adjustments in this situation may result from FTPPG or the other implementing firm treating the transferred account as a new account in the new program, different model composition requirements or implementation practices in the old and new programs, or other factors.

***Margin Loans***. A Sponsor Firm may permit a client to take out a loan secured by assets in the client's account. Such loans are referred to as "margin loans." Clients should understand that, if they obtain margin loans secured by assets in their accounts, the Sponsor Firm generally will be able to liquidate all or part of the account at any time to repay any portion of the loan, even if the timing of the liquidation is disadvantageous to the client and disrupts management of the account in accordance with the selected investment management portfolio. Neither FTPPG nor any Subadviser has any responsibility for (i) a client's decision to take out a margin loan, (ii) the terms of any margin or related agreement to which a client is a party, or (iii) the sale, liquidation, or disposition of securities in the client's account in order to satisfy the client's obligations under such an agreement.

**Item 9**

# DISCIPLINARY INFORMATION

There are no reportable legal or disciplinary events for FTPPG.

**Item 10**

# OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

## *A. Certain Arrangements and Relationships with Affiliates*

In addition to the subadvisory arrangements between FTPPG and each Subadviser described in this brochure, FTPPG has the following business arrangements and relationships with affiliates that clients may wish to consider.

**Other Affiliated Subadvisers**. FTPPG has entered into arrangements with each of ClearBridge Investments, LLC ("ClearBridge") and Western Asset Management Company, LLC ("Western Asset"), as Subadvisers, that are similar to the arrangements described in this brochure. ClearBridge and Western Asset are both wholly-owned subsidiaries of Franklin Resources. FTPPG may enter into similar subadvisory arrangements with other Franklin Resources affiliates.

**Franklin Distributors, LLC**. Franklin Distributors, LLC (formerly Legg Mason Investor Services, LLC) ("FD"), is registered as a broker-dealer under U.S. securities laws and is an affiliate of FTPPG and the Subadvisers. FD markets the FTPPG/Subadviser investment advisory services described in this brochure and other Legg Mason and Franklin Templeton investment products and services, including Legg Mason and Franklin Templeton mutual funds managed by the Subadvisers. Certain employees of FTPPG and the Subadvisers, including certain management personnel of each Subadviser, are registered representatives of FD. This status enables these employees to assist FD with its marketing activities. FTPPG and Subadviser employees do not receive commissions or other sales-based compensation and spend no more than a limited amount of their time assisting FD.

**FTPPG/ClearBridge Relationship**. FTPPG has a relationship with ClearBridge in which ClearBridge supports FTPPG in the following functional areas: management, client service, legal, compliance, technology, finance and human resources.

**Affiliated Mutual Fund Investments**. As described in Item 8 of a Subadviser's Form ADV disclosure document, certain investment management portfolios for which a Subadviser provides investment subadvisory services involve investments in mutual funds, ETFs and/or SMA portfolios that are managed or advised by such Subadviser or its affiliates.

**Affiliated Custodian**. From time to time, FTPPG may, upon a client's request, suggest or recommend that the client use FTPPG's affiliate, Fiduciary Trust Company International ("FTCI"), to provide custodial services to the client in connection with FTPPG's management of such client's custom account. When a client chooses to use FTCI as its custodian, FTCI will charge fees to the client for its custodial services; however, FTPPG does not receive any fees or compensation in connection with its recommendation or the client's use of FTCI's services, which are operationally independent from those of FTPPG.

Registration with or licensing by a regulator does not imply endorsement by the regulator. Nor does it imply a certain level of skill or training.

## *B. FTPPG and the Subadvisers: Commodity Law-Related Status*

The principal business of FTPPG and the Subadvisers is providing securities-related investment advisory services to clients. FTPPG and the Subadvisers do not provide advice on commodity interests (e.g., futures, options on futures, swaps) as part of the investment advisory services they provide in Sponsor Firm investment programs.

FTPPG is not registered as a commodity trading advisor under U.S. commodities laws.

## *C. Subadvisers*

Please refer to Item 10 of a Subadviser's Form ADV disclosure document for a description of such Subadviser's financial industry activities and affiliations that are in addition to the subadvisory arrangement between FTPPG and such Subadviser and for a description of whether such Subadviser is registered as a commodity trading adviser or commodity pool operator under U.S. commodities laws.

**Item 11**

# CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

As briefly described below in Sections A, B and C, FTPPG has adopted a code of ethics designed to comply with applicable legal requirements and address potential conflicts of interest associated with personal trading by its employees.

## *A. FTPPG*

FTPPG has adopted a Code of Ethics imposing standards of business conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information. The Code is intended to prevent conflicts of interest between employees and clients from affecting the investment advisory services FTPPG provides to clients and to assure compliance with applicable laws. To prevent employees from taking advantage of their knowledge of which securities FTPPG is purchasing and selling (and recommending for purchase and sale) for clients, the Code imposes restrictions on employee personal securities transactions. The Code requires FTPPG employees to obtain pre-approval of most personal securities transactions from FTPPG's Compliance Department. In addition, except in the case of smaller personal trades in large capitalization stocks (which FTPPG expects will not affect client trades), the Code prohibits personal trades in a security on any day during which there are open, executed or pending FTPPG trades in the same security as a result of a model portfolio change a Subadviser has communicated to FTPPG before the employee's placing of a personal trade for the security. This prohibition under the Code seeks to prevent employees from "front-running" client trades and possibly benefitting personally from the impact of client trades on the market. In addition, when seeking preclearance for personal trades, FTPPG requires its employees to certify that they are not trading on material non-public information.

Additional restrictions imposed by the Code include minimum holding periods for profitable trades, as well as minimum holding periods for ClearBridge managed funds. FTPPG requires all employees to report their personal securities accounts, transactions and holdings to FTPPG's Compliance Department and to certify to the completeness of the information and their compliance with the Code on an annual basis.

Existing and prospective FTPPG clients may obtain copies of the Code of Ethics by mailing a written request to:

Franklin Templeton Private Portfolio Group, LLC
620 8th Avenue, 47th Floor
New York, NY 10018
Attention: Compliance Department

## *B. Discussion of Potential Conflicts of Interest Associated with Employee Personal Trading*

FTPPG employees may make personal investments in the same securities FTPPG and the Subadviser invest in for client accounts. Employees may also make personal investments in related securities or financial instruments, such as options, futures and warrants. In some cases, employees may make these investments at or about the same time FTPPG or a Subadviser is making the same investments or related investments for client accounts. This possibility involves a potential conflict between client interests and the personal interests of the employee. For example, if a FTPPG or a Subadviser employee learns of a Subadviser investment decision prior to the decision's implementation for client accounts, the employee may have an incentive to seek to benefit himself or herself by making a personal transaction in the security before such implementation takes place, potentially disadvantaging the client accounts. Another example involves an employee's personal investment in a particular security giving the employee an incentive to benefit himself or herself by investing client accounts, or recommending client investment, in the same security or a related security (instead of investing client accounts or recommending investments based solely on what the employee believes is in the best interests of clients).

FTPPG seeks to prevent personal trading-related potential conflicts of interest from affecting their investment advisory services by subjecting their employees' personal trading activity to the requirements and restrictions of the applicable Code of Ethics described above. Examples of requirements and restrictions that address these potential conflicts of interest include:

- pre-clearance requirements for certain personal securities transactions;

- prohibitions on certain personal securities transactions at or near the time the same or related securities are being purchased or sold (or recommended for purchase or sale) for client accounts;

- minimum holding periods for certain employee personal investments; and

- Compliance Department monitoring of employee personal investments and securities transactions.

## *C. Other Potential Conflicts of Interest*

In addition to the Code of Ethics described above applicable to employee personal securities transactions, FTPPG has adopted other policies and procedures that are designed to address various potential conflicts of interest that may arise in the course of their business as an investment adviser. Such potential conflicts and related policies and procedures pertain to matters such as political contributions, receipt of gifts and entertainment, prohibition on outside public company board service and business activities, personal investment with business contacts, prohibitions on trading while in possession of material non-public information and error resolution.

## *D. Subadvisers*

In the case of a Subadviser, please refer to Item 11 of such Subadviser's Form ADV disclosure document for a discussion of such Subadviser's code of ethics, conflicts of interest associated with personal trading by such Subadviser's employees and with proprietary accounts managed by such Subadviser, and other conflicts of interest that may arise.

Item 12
# BROKERAGE PRACTICES

Except as noted below, FTPPG selects broker-dealers to execute equity securities transactions for client accounts in FTPPG-Implemented Programs as described below in Section A. FAV selects broker-dealers to execute fixed income securities transactions for client accounts in its fixed income investment strategies available in FTPPG-Implemented Programs as described in Item 12 of FAV's Form ADV disclosure document.[1]

In FTPPG-Implemented Programs, each client (or the Sponsor Firm on the client's behalf) generally directs FTPPG or FAV, as applicable, to place securities trades for execution with the client's Sponsor Firm or a designated broker ("Designated Broker"), subject to the obligation to seek best execution. For clients who enter into investment management agreements directly with FTPPG, FTPPG typically requires such a direction. Also, in many Sponsor Firm investment programs, the Sponsor Firm and/or applicable laws prohibit, or make impractical, the execution of fixed income securities trades with the client's Sponsor Firm.

FTPPG generally does not have trade placement responsibility under Discretionary Model Programs and Non-Discretionary Model Programs. However, FTPPG's agreement with the Sponsor of such a program may permit FTPPG or a Subadviser, as applicable, to include accounts in a block trade that FTPPG or the Subadviser places on behalf of accounts under FTPPG-Implemented Programs. Assuming such inclusion is contractually permitted, it is anticipated that the circumstances in which FTPPG or the Subadviser will seek in practice to include accounts from non-FTPPG-Implemented Programs in a block trade will be very limited due to the significant operational, coordination and timing challenges presented by such inclusion.

In addition to describing how FTPPG selects broker-dealers to execute equity trades for client accounts, Sections A, B and C below describe the trade aggregation, allocation and communication (including model change communication) practices of FTPPG.

In the case of a Subadviser, please refer to Item 12 of such Subadviser's Form ADV disclosure document for a description of such Subadviser's trade aggregation, allocation and communication (including model change communication) practices. The Subadvisers provide, in conjunction with FTPPG, investment advisory services under Discretionary Model Programs and Non-Discretionary Model Programs as well as under FTPPG-Implemented Programs.

## *A. FTPPG*[1]

*Selection of Broker-Dealers By FTPPG to Execute Equity Securities Transactions*

FTPPG seeks best execution when selecting broker-dealers to execute securities transactions. Best execution consists of obtaining the most favorable result for clients within the current parameters of the market. FTPPG does not necessarily measure best execution by the circumstances surrounding a single transaction and may seek best execution over time across multiple transactions. FTPPG selects broker-dealers it believes will provide prompt and reliable execution at favorable security prices with reasonable commission rates and/or other transaction costs. FTPPG considers the best net price, giving effect to any brokerage commissions, commission equivalents, mark-ups, mark-downs, spreads, and other transaction costs, an important factor in selecting broker-dealers to execute securities transactions. FTPPG may also consider other factors, including: the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; confidentiality; execution, clearance and settlement capabilities; counterparty financial condition and reliability; the availability of capital commitment; and other appropriate trade execution services of the broker-dealer.

To the extent practical, FTPPG may select the client's Sponsor Firm, a Designated Broker or any broker-dealer FTPPG has approved as an executing broker to execute securities transactions for client accounts, including alternative execution venues (e.g., electronic communication networks and crossing networks), as executing brokers.

[1] In the case of the Franklin Income strategy, which invests in equity and fixed income securities, FTPPG has delegated execution responsibility for both equity and fixed income securities to FAV as long as there are client accounts in the Franklin Income strategy only at one Sponsor Firm. Once there are client accounts in the strategy at two or more Sponsor Firms, FTPPG will begin executing equity transactions in connection with a model change for the strategy while the Subadviser will remain responsible for implementation of any client-specific maintenance trades. Until such time, FTPPG will not execute equity transactions for the Franklin Income strategy and the discussion in this Item 12, Section A shall not apply to that strategy. Please refer to Item 12 of FAV's Form ADV disclosure document for information about FAV's trade and allocation practices applicable to Franklin Income strategy.

*Transactions Driven By Client Account-Specific Activity*

For equity securities transactions driven by client account-specific activity, such as account contributions and withdrawals, FTPPG expects to select the client's Sponsor Firm or Designated Broker to execute all or a large percentage of such transactions. Transactions sent to the client's Sponsor Firm or Designated Broker for execution are subject to the Sponsor Firm's or Designated Broker's operational processes. Such processes will impact when and how such transactions are executed and are not within FTPPG's control. Clients with equity investment management portfolios or allocations to such portfolios typically pay their Sponsor Firms or Designated Brokers wrap fees or other asset-based fees for services that include execution of agency trades (equity securities generally trade on an agency basis and fixed income securities generally trade on a principal basis). In such fee arrangements, clients typically will not pay any transaction-specific commissions on equity securities transactions when FTPPG selects their Sponsor Firms or Designated Brokers to execute those securities transactions. Certain clients may have fee arrangements with their Sponsor Firms or Designated Brokers under which they pay transaction-specific commissions on equity securities transactions instead of wrap fees or other asset-based fees. FTPPG has no role in negotiating the commission schedule that is agreed to by the client and the Sponsor Firm or Designated Broker. Due to regulatory considerations and Sponsor Firm requirements, FTPPG executes fixed income securities transactions through a broker-dealer other than a client's Sponsor Firm or Designated Broker in most instances, including transactions driven by client account-specific activity.

*Transactions Driven by a Model Change*

For equity securities transactions that are driven by a change in a Subadviser's investment model and that need to be simultaneously effected for many clients (i.e., model-change trades), FTPPG has executed, and expects to continue to execute, all or substantially all of these transactions as an aggregated block trade through a single broker-dealer instead of executing the transactions with each client's Sponsor Firm or Designated Broker. FTPPG believes that handling equity model change trades in this manner enhances its ability to obtain best execution for client accounts. The main alternative to this approach would be to use a trade rotation process for model change trades in which FTPPG separately and sequentially transmits orders for the transactions to each Sponsor Firm or Designated Broker for execution. FTPPG believes that effecting model-change trades as block trades eliminates the detrimental impact on market prices of placing separate, successive orders into the marketplace as well as the potential for general movements in securities prices over the extended time period needed to complete a trade rotation. Further, block trading helps to reduce the risks of information leakage (i.e., increasing the number of broker-dealers receiving orders increases the chances that those broker-dealers will trade in anticipation of the orders or seek to use information on FTPPG's trading to the detriment of FTPPG's clients), which could result in less advantageous execution prices for clients whose accounts FTPPG trades after making the same trade for other clients. Also, FTPPG believes that effecting model-change trades as block trades often may enable FTPPG to benefit all participating client accounts because more favorable securities prices may be obtained under certain circumstances by trading in larger volumes and because FTPPG may be able to take advantage of additional sources of liquidity that certain broker-dealers and trading venues can provide. In addition, block trading promotes the fair and equitable treatment of client accounts by ensuring that participating client accounts obtain the same execution price and achieve comparable investment performance.

FTPPG, in its discretion, may, but is not required to, aggregate the same order for the same security resulting from a model change for more than one investment model. Such multiple orders could come from the same Subadviser or from multiple Subadvisers. The "same order for the same security" means that the orders are not limit orders or orders where the portfolio managers have provided specific trade instructions. FTPPG's traders may place two orders with the same broker-dealer (which may or may not aggregate the orders) or place the orders with two different broker-dealers. To the extent that there are separate orders, they may be in competition with each other in the market.

FTPPG has been able to effect a significant percentage of block trades without causing client accounts to pay commissions, commission equivalents, markups or markdowns or spreads. However, client accounts participating in certain block trades will incur such charges when FTPPG determines, consistent with its obligation to seek best execution, that such charges are warranted in light of such factors as the size and complexity of the transaction, the nature of the security being traded, the broker-dealer's expertise and capabilities and instructions from the portfolio managers. To the extent that such charges are incurred on a particular block trade, they typically are reflected in the net security price paid or received by the client and are provided to the Sponsor Firms. Any such commissions, commission equivalents, markups or markdowns or spreads will be in addition to the asset-based fee, transaction-specific commissions and other fees and charges the client pays to the client's Sponsor Firm or Designated Broker. In the case of a fee arrangement under which a client pays its Sponsor Firm or Designated Broker transaction-specific commissions, the Sponsor Firm or Designated Broker may charge higher commissions on trades executed away from the Sponsor Firm or Designated Broker. In addition, a client's Sponsor Firm or Designated Broker may charge tradeaway, stepout, prime brokerage, clearing, settlement or similar processing charges and fees ("processing charges") on trades executed away from the Sponsor Firm or Designated Broker. Any such processing charges will be in addition to the asset-based fee or transaction-specific commissions the client pays to the client's Sponsor Firm or Designated Broker.

FTPPG has no role in negotiating the commission schedules and processing charges that are agreed to by the client and the Sponsor Firm or Designated Broker and does not consider such commission schedules and processing charges in executing model-change trades as block trades through a single broker-dealer and in selecting broker-dealers to execute such transactions.

In an effort to monitor that the trading method it utilizes is consistent with its obligation to seek best execution for client transactions, FTPPG does a trade cost analysis on significant block trades. This trade cost analysis includes a review of the percentage of the daily volume each trade represents, a comparison of the execution price versus the arrival price (the price of the security at the time the order was initially implemented), and a comparison of the execution price versus the Volume Weighted Average Price ("VWAP") during the time the order is active. The trade cost analysis includes any implied commission paid (as this is reflected in the total security price or proceeds), and such information is retained with a record of the trade. In addition, FTPPG's Brokerage Committee provides oversight of FTPPG's trading activities in an effort to ensure that client transactions are being executed in a cost-effective manner consistent with FTPPG's policies and procedures. The Brokerage Committee meets quarterly. The Committee is provided with trade cost analyses for significant block trades, the average commissions or commission equivalents incurred by client accounts during the quarter and the percentage of trades that incurred such additional costs, as well as a list of the broker-dealers used by FTPPG and their share of volume.

To execute client account transactions in ADRs that, in FTPPG's judgment, have limited liquidity in U.S. markets, FTPPG may select broker-dealers that purchase the ADR issuer's underlying ordinary shares in non-U.S. markets and then package such shares into an ADR (in the case of an ADR purchase) or convert the ADR into underlying ordinary shares of the ADR issuer and then sell such shares in non-U.S. markets (in the case of an ADR sale). These transactions typically involve foreign exchange, ADR conversion and related costs and charges that are reflected in the net price paid or received by the client.

FTPPG expects to execute all or substantially all model-change equity trades as block trades, as described above. However, FTPPG reserves the ability to disaggregate model-change equity trades and follow a trade rotation approach among Sponsor Firms if it decides that a block trade approach is not practical or consistent with seeking best execution for a particular model-change trade, even though FTPPG has not had to implement a trade rotation to date with respect to any model change trade and anticipates that the instances in which it will do so in the future will be rare. If FTPPG makes a decision to do so, FTPPG will communicate trade orders and instructions to Sponsor Firms and Designated Brokers in a manner and sequence that FTPPG believes is fair and equitable to FTPPG's clients. In addition, FTPPG may decide not to include clients of a particular Sponsor Firm in a block trade due to factors such as a direction from the Sponsor Firm to place all trades for its clients' accounts with the Sponsor Firm or a Designated Broker without regard for best execution (see below) or temporary operational issues at particular Sponsor Firms or Designated Brokers. In such cases, FTPPG will arrange for execution of the block and non-block trades in a manner that FTPPG believes is fair and equitable to FTPPG's clients (although all or some clients may receive a less advantageous price than if the trades had been aggregated and executed as a single block order).

In the cases where a particular Subadviser investment strategy is included in a single FTPPG-Implemented Program, FTPPG reserves the ability to execute model-change equity trades for client accounts with the Sponsor Firm or Designated Broker, instead of with broker-dealers other than the Sponsor Firm or Designated Broker, if FTPPG determines that doing so would be consistent with seeking best execution.

*Directed Brokerage*

Although FTPPG generally is subject to the obligation to seek best execution, FTPPG in its sole discretion may accept a client or Sponsor Firm direction to use the client's Sponsor Firm or a Designated Broker to execute all or certain securities trades for the client's FTPPG-Implemented Program account without regard for whether best execution may be achieved. In the event FTPPG accepts such a direction:

(i) FTPPG will not negotiate the Sponsor Firm's or Designated Broker's trade execution services or compensation for such services on behalf of the client account;

(ii) FTPPG will not be in a position to, and will not, monitor for best price and execution of transactions Sponsor Firm or Designated Broker executes for the client account;

(iii) the account may forego benefits that FTPPG may be able to obtain for other client accounts that participate in FTPPG's block trades, as described above; and

(iv) the prices and execution quality achieved for the account may be less favorable, including more costly to the client account, than the prices and execution quality FTPPG achieves for other client accounts.

In addition, FTPPG's business relationship with the applicable Sponsor Firm or Designated Broker may give FTPPG an incentive to recommend that the client or Program Sponsor issue such a direction. A client or Sponsor Firm may terminate such a direction by notifying FTPPG in writing.

**FTPPG Aggregation of Trade Orders and Trade Allocation**. As noted above, FTPPG generally seeks to aggregate equity trades that are driven by a change in a Subadviser's investment model and that need to be simultaneously effected for many client accounts in FTPPG-Implemented Programs. FTPPG, in its discretion, may, but is not required to, aggregate the same order for the same security resulting from a model change for more than one investment model. Such multiple orders could come from the same Subadviser or from multiple Subadvisers. The "same order for the same security" means that the orders are not limit orders or orders where the portfolio managers have provided specific trade instructions. FTPPG's traders may place two orders with the same broker-dealer (which may or may not aggregate the orders) or place the orders with two different broker-dealers. To the extent that there are separate orders, they may be in competition with each other in the market.

FTPPG generally allocates securities purchased or sold as part of an aggregated order to each participating account in an amount equal to its percentage of the aggregated order. Each participating account receives the average price for the transaction and shares any transaction costs pro rata based upon the account's level of participation in the aggregated order. If a client's Sponsor Firm or Designated Broker charges trade away processing, clearing or settlement charges for the trade, the client's account separately bears these charges.

In the case of a partially-filled aggregated order for an equity security, FTPPG allocates the securities purchased or sold among participating accounts according to one or more methods designed to ensure that the allocation is equitable and fair. These methods include pro rata allocation and random allocation. Under the pro rata method, FTPPG allocates all securities purchased or sold pro rata to all of the accounts included in the order based upon the amount of securities FTPPG intended to purchase or sell for each participating account. Under the random allocation method, FTPPG allocates the partially filled order to accounts included in the aggregated order on a random basis. FTPPG generally uses this method only after seeking direction or agreement from the Subadviser portfolio management team responsible for the underlying investment decision. The random allocation method is intended for situations in which the partial execution quantity is an amount that does not allow for a pro rata allocation of securities to all accounts or does not allow for a meaningful allocation of securities to all accounts. Where an aggregated order covers clients in multiple Sponsor Firm investment programs, FTPPG first allocates the securities to the investment programs participating in the order following one of the accepted trade allocation methods. FTPPG then allocates the securities to clients within each investment program following one of the accepted trade allocation methods.

If there is an open order being worked by FTPPG's trading desk and a new order in the same security is received by FTPPG's trading desk, FTPPG's trader, in his or her discretion, may (i) aggregate the new order with the earlier order, or (ii) treat the new order and the remainder of the earlier order as two separate orders and place the order or orders with a broker-dealer or broker-dealers that the trader believes will achieve best execution. To the extent that there are two orders, the orders may be in competition with each other in the market. In choosing between the foregoing methods, FTPPG's traders may consider such factors as the time the order was received, the amount of the order remaining and the liquidity of the security.

**FTPPG's Communication and Implementation of a Subadviser's Model Changes**. As a general matter, FTPPG seeks to communicate trade orders and a Subadviser's investment instructions and recommendations for the same equity security to its own trading desk and to any Sponsor Firm or Designated Broker that is responsible for portfolio implementation, trade placement or trade execution at the same time. In certain cases, however, administrative requirements (e.g., formatting requirements) or implementation practices of a Sponsor Firm or Designated Broker (e.g., accepting instructions or recommendations only once daily or only during particular times of the day) may delay the communication of investment instructions or recommendations. Similarly, required portfolio implementation work may delay FTPPG's communication of trade orders to a Sponsor Firm or Designated Broker for execution. Due to such potential delays, as well as any delays by a Sponsor Firm in acting upon investment instructions or recommendations it receives, FTPPG's trading desk may be able to place certain trade orders with broker-dealers for certain client accounts before FTPPG is able to place trade orders in the same security with a Designated Broker and/or such Sponsor Firm is able to place trade orders in the security for accounts it services. In such cases, accounts serviced by the Sponsor Firm or Designated Broker could be negatively impacted by such timing differences.

Trade orders placed by Sponsor Firms or Designated Broker trading desks (where FTPPG forwards Subadviser investment instructions or recommendations to such firms) in most cases will end up competing in the marketplace with orders placed by FTPPG's trading desk for FTPPG client accounts with respect to which FTPPG implements ClearBridge investment instructions. This competition may negatively affect both FTPPG's clients and client accounts managed by Sponsor Firms. FTPPG undertakes to mitigate or offset the negative effect on execution quality from such competition by seeking to tightly control the timing of its executions, limiting orders based on daily trading volume and setting price targets.

### *B. Subadvisers*

In the case of a Subadviser, please refer to Item 12 of such Subadviser's Form ADV disclosure document for a description of such Subadviser's trade, allocation and communication (including model change communication) practices.

### *C. Error Policies*

Each of FTPPG and each Subadviser maintains an Error Policy aimed at ensuring the prompt detection, reporting and correction of errors affecting the accounts of FTPPG clients for which they have portfolio implementation and trade placement responsibility. Under the policies, the correction method used for an error must put the client in the same position the client would have been in had the error not occurred (i.e., the client must be made whole for any error-related losses and costs suffered). If an error involves multiple security positions, FTPPG or the Subadviser, as applicable, may calculate the net loss caused by the error (if any) by aggregating such positions (for a client account) and offsetting any gains that resulted from the error against the gross losses that resulted from the error.

FTPPG and a Subadviser, like other investment managers, have a conflict of interest in connection with the identification and resolution of trade errors, operational errors and other errors. Specifically, each of FTPPG and a Subadviser, as a party who may bear some or all of the financial responsibility to correct an error, has an incentive to determine that an error did not occur or, if one has occurred, to resolve it in a manner that minimizes the financial impact on it. However, each of FTPPG and the Subadvisers endeavor to make determinations concerning errors in good faith and in accordance with applicable legal standards. In addition, such determinations typically are made in consultation with appropriate compliance personnel.

FTPPG's and a Subadviser's Error Policies generally apply only to the extent that FTPPG or such Adviser, as applicable, has control of resolving errors for client accounts. For many investment programs, the Sponsor Firm may have control over the resolution of errors of participating investment managers.

**Item 13**

# REVIEW OF ACCOUNTS

## *A. FTPPG-Implemented Programs*

FTPPG maintains an Implementation Team consisting of Portfolio Associates. The Implementation Team's responsibilities include implementing Subadviser investment instructions for client accounts in FTPPG-Implemented Programs. The Implementation Team uses a portfolio modeling application to review client accounts in such Programs each business day against certain parameters designed to detect client account investments that may be significantly at variance from the selected investment management portfolios. The Implementation Team also uses this application to review client accounts in connection with FTPPG's implementation of Subadviser-instructed trading activity (e.g., purchase or sale instructions) and FTPPG's accommodation of client-directed activity (e.g., account withdrawals and contributions).

Client or Sponsor Firm inquiries may cause FTPPG to conduct additional reviews of client accounts in FTPPG-Implemented Programs.

Sponsor Firms typically prepare and send regular account statements to clients in Sponsor Firm investment programs. FTPPG typically does not send regular account reports to such clients.

## *B. Discretionary Model Programs and Non-Discretionary Model Programs*

FTPPG and the Subadvisers do not have implementation responsibility in Discretionary Model Programs and Non-Discretionary Model Programs and therefore generally do not review client accounts in these Programs.

**Item 14**

# CLIENT REFERRALS AND OTHER COMPENSATION

FTPPG and its affiliates, including the Subadvisers, may make payments for marketing, promotional and related expenses to Sponsor Firms that may recommend FTPPG/Subadviser investment management portfolios. They also may provide Sponsor Firms and Sponsor Firm personnel, including Sponsor Firm representatives, with related benefits, including:

- training meetings, including related travel, lodging and meals;
- access to technology and other tools and support services that facilitate the marketing and promotion of FTPPG/Subadviser-affiliated investment management portfolios and other FTPPG/Subadviser-affiliated investment products and services;
- certain client/prospect meeting materials and expenses; and
- low-value gifts and promotional items.

These payments and benefits could give Sponsor Firms and their personnel, including Sponsor Firm representatives, incentives to favor FTPPG/Subadviser-affiliated investment management portfolios and other FTPPG/Subadviser-affiliated investment products and services over those of firms that do not provide the same payments, items and benefits. If FTPPG, the Subadvisers or any of their affiliates make such payments or provide such benefits, they will do so in compliance with applicable laws and internal policies aimed at preventing the compromising of advice and recommendations given to clients.

Also, effective in January 2022, FTPPG and its Subadvisers began making payments to a Sponsor Firm in order to obtain certain data, analytics and other information that FTPPG and its affiliates may use for internal business purposes. Such payments are made by FTPPG and the Subadvisers out of their profits and other available sources, including profits from their relationships with the Sponsor Firm. The total amount of these payments could be viewed as substantial and could exceed the costs and expenses incurred by the Sponsor Firm in collecting and preparing the data, analytics and information that will be provided to FTPPG and its affiliates on an on-going basis. As such, these payments could be construed as "revenue sharing payments." Revenue sharing payments may create an incentive for the Sponsor Firm or its employees or associated persons to recommend or sell FTPPG's and the Subadvisers' investment advisory services to their clients. A client interested in learning more about such revenue sharing payments should reach out to the client's Sponsor Firm and/or the client's financial advisor. Revenue sharing payments may also benefit FTPPG and the Subadvisers to the extent the payments could result in more assets being invested in FTPPG's and the Subadvisers' investment strategies on which management fees are being charged.

In the case of a Subadviser, please refer to Item 14 of such Subadviser's Form ADV disclosure document for a discussion of any payments or benefits that might be made or given to a Sponsor Firm by such Subadviser.

**Item 15**
# CUSTODY

Neither FTPPG nor any of the Subadvisers maintains physical custody of client assets in Sponsor Firm investment programs. Instead, a broker-dealer, bank or other financial firm selected by the client (e.g., the client's Sponsor Firm) typically maintains physical custody of client account assets. In the case of a client account in a Dual-Contract Program, FTPPG may be deemed under SEC rules to have custody of client assets if FTPPG has the ability, pursuant to client authorization, to deduct client fees directly from the client's account by directly invoicing the account's custodian. FTPPG may also be deemed to have custody of client assets if its affiliate has or is deemed to have custody, which may happen to the extent a client retains FTCI to act as its custodian, as described in Item 10.

Clients typically will receive account statements from the firm that maintains physical custody of their accounts. Clients should carefully review these account statements.

**Item 16**

# INVESTMENT DISCRETION

In Discretionary Model Programs and FTPPG-Implemented Programs, FTPPG and the Subadvisers possess the authority to determine which securities are purchased, held and sold for client accounts, subject to the investment management portfolio the client has selected – i.e., investment discretion. This authority includes the authority to determine the timing and amount of investments and transactions.

In Discretionary Model Programs, FTPPG enters into an agreement with the Sponsor Firm that obligates the Sponsor Firm to implement, or cause its designee to implement, Subadviser investment decisions for client accounts, subject to any client-imposed restrictions or other client directions accepted by the Sponsor Firm or its designee.

In FTPPG-Implemented Programs, FTPPG's discretionary authority over client accounts includes the authority to implement Subadviser investment decisions for client accounts, subject to any client-imposed restrictions or other client directions FTPPG or the Subadviser accepts. This authority typically is derived from a power of attorney contained in the agreement with the Sponsor Firm in the case of a Single-Contract Program or in the agreement with the client in the case of a Dual-Contract Program. As described in Section D of Item 4 of this brochure, clients in FTPPG-Implemented Programs:

1. may impose restrictions on investments in specific securities (e.g., stock of Company ABC) or on investments in certain categories of securities (e.g., tobacco company stocks); and

2. may be able to direct sales of securities and temporary investment in ETFs.

In FTPPG-Implemented Programs, FTPPG or the applicable Subadviser accepts a proposed client account for management in accordance with a selected investment management portfolio before managing the client's account.

For all Sponsor Firm investment programs, neither FTPPG nor any Subadviser renders any legal advice or has authority to take action on behalf of clients with respect to legal proceedings, including bankruptcies and shareholder litigation, to which any securities or securities issuers become subject. Accordingly, neither FTPPG nor any Subadviser will initiate or pursue legal proceedings, including without limitation shareholder litigation, for clients in such programs.

**Item 17**

# VOTING CLIENT SECURITIES

FTPPG and the Subadvisers generally will accept authority to vote proxies, or issue proxy voting instructions, for securities held in client accounts.

Although FTPPG and the Subadvisers have no responsibility for the distribution of proxies or related solicitation material, FTPPG expects that clients who do not delegate proxy voting authority generally will receive proxies and other related solicitation materials for securities in their accounts. FTPPG and the Subadvisers generally do not provide advice to such clients on proxy solicitations.

## *A. FTPPG*

FTPPG does not exercise discretion in determining how to vote proxies for securities held in client accounts. Where a client or Sponsor Firm authorizes FTPPG to vote proxies or issue proxy voting instructions for securities held in client accounts, FTPPG does so based on proxy voting instructions provided by the applicable Subadviser.

A client may request:

(i) a copy of FTPPG's Proxy Voting Policies and Procedures; and/or

(ii) information concerning how FTPPG, as instructed by the applicable Subadviser, voted proxies for securities held in the client's account.

Clients may obtain this information by sending a written request to:

Franklin Templeton Private Portfolio Group, LLC
620 8th Avenue, 48th Floor
New York, NY 10018
Attention: FTPPG Business Development

## *B. Subadvisers*

In the case of a Subadviser, please refer to Item 17 of such Subadviser's Form ADV disclosure document for a description of such Subadviser's proxy voting practices.

**Item 18**
# FINANCIAL INFORMATION

Not Applicable.

## APPENDIX A

# *Your Privacy at Franklin Templeton Private Portfolio Group, LLC **

This notice is being provided for Franklin Templeton Private Portfolio Group, LLC.

We are concerned about the privacy of the individuals for whom we provide advisory services. We are sending this notice to individuals ("you") who invest, for personal, family, or household purposes, in accounts that we manage. This is to help you understand how we handle, protect and limit certain nonpublic personal information that we may collect in order to conduct and process your business with us. The provisions of this notice apply to former individual advisory clients as well as current individual advisory clients unless we state otherwise.

We protect any personal information we collect about you by maintaining physical, electronic and procedural safeguards that meet or exceed applicable law. Third parties who have access to such personal information must agree to follow appropriate standards of security and confidentiality. We train people who work for us in how to properly handle such personal information, and we restrict access to it.

The personal information that we may collect about you comes from the following sources:

- Information received from you, such as on applications or other forms.
- Information about your transactions with us, our affiliates and nonaffiliated third parties; and
- Information we may receive about you from other sources, such as your broker.

Our affiliates are the family of companies controlled by Franklin Resources, Inc. If you are a customer of other Franklin Resources, Inc. affiliates and you receive notices from them, you will need to read those notices separately.

We do not disclose any nonpublic personal information about you except as permitted by law. For example, we are permitted to disclose nonpublic personal information to our affiliates and non-affiliated third parties that perform various services on our behalf, including custodians, broker-dealers and companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. These companies agree to use this information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

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* Effective December 1, 2022, Legg Mason Private Portfolio Group, LLC changed its name to Franklin Templeton Private Portfolio Group, LLC

**THIS IS A SEPARATE PRIVACY NOTICE THAT IS SPECIFIC TO CALIFORNIA RESIDENTS PURSUANT TO THE CALIFORNIA CONSUMER PRIVACY ACT OF 2018.**

If you are a resident of California, and, with respect to an account managed by Franklin Templeton Private Portfolio Group, LLC for an individual or entity client, are a broker, dealer, investment adviser, agent, fiduciary, or representative acting on behalf of or for the account of such individual or entity client, the provisions of this Privacy Notice apply to your personal information (as defined by the California Consumer Privacy Act of 2018).

In addition to the provisions of the Privacy Notice above, you have the right to request that we disclose what personal information we collect, use, and disclose. Such information includes your name, the name of your firm, your work phone number, your cell phone number, your work address and your e-mail address. Such information is used by Franklin Templeton Private Portfolio Group, LLC to communicate with you concerning your clients' accounts and to facilitate the management and servicing of such client accounts. You also have the right to request the deletion of the personal information collected or maintained by us.

If you wish to exercise any of the rights you have in respect of your personal information, you should advise Franklin Templeton Private Portfolio Group, LLC by contacting them as set forth below. The rights noted above are subject to our other legal and regulatory obligations. You may designate an authorized agent to make a rights request on your behalf, subject to the identification process described below. We do not discriminate based on requests for information related to our use of your personal information, and you have the right not to receive discriminatory treatment related to the exercise of your privacy rights.

We may request information from you in order to verify your identity or authority in making such a request. This process may include providing a password/passcode, a copy of government issued identification, an affidavit or other applicable documentation, i.e. written permission, if you have appointed an authorized agent to make a request on your behalf or you are an authorized agent making such a request (e.g., pursuant to a power of attorney or other written permission). We may require you to verify your identity directly even when using an authorized agent, unless a power of attorney has been provided. We reserve the right to deny a request submitted by an agent if suitable and appropriate proof is not provided.

Contact Information
**Address:** Data Privacy Officer, 100 International Dr., Baltimore, MD 21202
**Email:** privacy@leggmason.com
**Phone:** 800-396-4748

## APPENDIX B1

Compensation Disclosure Statement for ERISA Plans
(FTPPG-Implemented Programs and Discretionary Model Programs)

**Please note: If you are a participant in an employer-sponsored retirement plan with an account managed by Franklin Templeton Private Portfolio Group, LLC, or the custodian of such an account, please forward this Compensation Disclosure Statement to the plan's sponsor or such other plan fiduciary as may be responsible for establishing or approving the maintenance of such account.**

**Franklin Templeton Private Portfolio Group, LLC**
**Compensation Disclosure Statement Furnished**
**Pursuant to Rule 408b-2 under ERISA**

This Compensation Disclosure Statement provides disclosure concerning the compensation expected to be received by Franklin Templeton Private Portfolio Group, LLC ("FTPPG") and its affiliated subadvisers in connection with the investment management services they provide to your employee benefit plan (the "Plan") pursuant to an agreement between your managed account program sponsor ("the Sponsor") and FTPPG (the "Manager Agreement").

- FTPPG and its applicable affiliated subadviser ("Affiliated Subadviser") provide investment management services to the Plan in accordance with the investment management strategy selected on behalf of the Plan, which is described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of FTPPG's Form ADV disclosure brochure.

- The Affiliated Subadviser for each investment management strategy that is available through FTPPG is identified in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of the Affiliated Subadviser's Form ADV disclosure brochure.

- Each of FTPPG and the applicable Affiliated Subadviser will provide its investment management services to the Plan pursuant to the Manager Agreement as a "fiduciary," as such term is defined in Section 3(21) of ERISA, and as an investment adviser registered under the Investment Advisers Act of 1940.

- FTPPG receives a fee from the Sponsor pursuant to the Manager Agreement for the investment management services it renders with respect to the Plan. Such fee is calculated as a percentage of assets under FTPPG's management at a per annum percentage rate that is generally within the fee rate range set forth on Exhibit A for the strategy category applicable to the investment management strategy selected on behalf of the Plan. FTPPG pays all or substantially all of the fee it receives from the Sponsor to the applicable Affiliated Subadviser.

- Each Franklin Templeton multi-asset class portfolio for which Franklin Advisers, Inc. ("FAV") is the Affiliated Subadviser invests all or a portion of its assets in mutual funds and/or ETFs that are managed or advised by Franklin Resources affiliates, including FAV and/or other Franklin Resources investment advisory affiliates, and that pay fees or other compensation to such affiliates. Please refer to FAV's Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by FTPPG and the Sponsor unless such crediting or offset is required by contract or applicable law. In cases where FTPPG receives no advisory fee or a very small advisory fee from a Sponsor for a multi-asset class portfolio due to the fund-related compensation that Franklin Resources affiliates will receive in connection with such portfolios, FAV will provide compensation out of its general resources to FTPPG for its services at a rate agreed to by FAV and FTPPG.

- The Sponsor is responsible for billing and collecting the fees owed by the Plan to the Sponsor pursuant to the agreement between the Plan and the Sponsor. The Sponsor also is responsible for paying the investment management fees due FTPPG in accordance with the terms of the Manager Agreement for the services FTPPG renders with respect to the Plan.

- Depending on the investment management strategy selected on behalf of the Plan and provided trade placement responsibility has been assigned to FTPPG in the Manager Agreement, either FTPPG or its applicable Affiliated Subadviser(s) will be responsible for selecting broker-dealers to execute securities transactions. See Item 12 (Brokerage Practices) of FTPPG's Form ADV disclosure brochure.

    - For all equity investment management strategies, FTPPG is responsible for selecting broker-dealers to execute securities transactions. FTPPG does not direct client brokerage transactions, including those of the Plan, to any broker-dealer in exchange for products and services (e.g., proprietary or third party research), other than execution services for securities transactions on behalf of its clients, or otherwise participate in "soft dollar" arrangements.

    - For FAV fixed income investment strategies and the Franklin Income strategy, which invests in both equity and fixed income securities, and only until there are client accounts in the Franklin Income strategy on two or more Sponsor platforms, FAV is responsible for selecting broker-dealers to execute securities transactions. FAV does not direct client brokerage transactions with respect to any retail SMA clients, including the Plan, to any broker-dealer in exchange for products and services (e.g., proprietary or third party research), other than execution services for securities transactions on behalf of its retail SMA clients, or otherwise participate in "soft dollar arrangements" with respect to securities transactions for its retail SMA clients.

- From time to time, employees of FTPPG and the Affiliated Subadvisers may receive non-monetary compensation such as gifts and entertainment from vendors (e.g., broker-dealers) with whom they may engage in business dealings on behalf of clients, including the Plan. Under FTPPG's and its Affiliated Subadvisers' compliance policies, an employee of FTPPG or an Affiliated Subadviser may not accept gifts or entertainment that are conditioned on directing specific transactions or a specific level of business to another firm. FTPPG and its Affiliated Subadvisers believe that any gifts and entertainment received by their employees from a vendor are received in the context of a general business relationship and should not be viewed as attributable or allocable to any transactions engaged in with such vendor on behalf of their clients, including the Plan. In any event, if the value of gifts and entertainment received by employees of FTPPG or its Affiliated Subadvisers were allocated by such firms to their investment advisory clients, including the Plan, pro rata based on the value of each client's account in relation to total assets under management, we believe the value allocated to the Plan would be beneath the Department of Labor's de minimis reporting threshold for non-monetary compensation.

## Exhibit A

- In the case of **FTPPG-Implemented Programs**, FTPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

| Subadviser(s) | Investment Management Portfolio | Fee Rates or Ranges |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | 0.42% - 0.45% |
| **FAV** | Franklin Templeton Multi-Asset Class | 0.00% - 0.40% |
| | Franklin Corporate Ladder 1-5 Year<br>Franklin Corporate Ladder 1-10 Year<br>Franklin Municipal Ladder 1-7 Year<br>Franklin Municipal Ladder 1-15 Year<br>Franklin Municipal Ladder 5 -20 Year<br>Franklin U.S. Government Ladder 1-5 Year<br>Franklin U.S. Government Ladder 1-10 Year<br>Franklin U.S. Government Ladder 5-20 Year | 0.07% |
| | Franklin Custom Muni<br>Franklin Intermediate Fixed Income<br>Franklin Intermediate Government Bond<br>Franklin Intermediate Investment Grade Credit<br>Franklin Intermediate Municipal<br>Franklin Limited Maturity Municipal<br>Franklin Long Maturity Municipal<br>Franklin Municipal Green Bond | 0.15% - 0.25% |
| | Franklin Templeton Low Volatility High Dividend Equity | 0.20% - 0.40% |
| | Franklin Municipal Enhanced Income* | 0.25% |
| | Franklin Income | 0.34% |
| | Franklin Concentrated Core<br>Franklin DynaTech<br>Franklin Equity Income<br>Franklin Growth Opportunities<br>Franklin Rising Dividends<br>Franklin U.S. Focused Growth | 0.40% - 0.42% |
| | Franklin Small Cap Growth | 0.50% |
| **FMA** | Franklin Mutual Beacon<br>Franklin Mutual U.S. Large Cap Value<br>Franklin Mutual U.S. Mid Cap Value | 0.42% |
| | Franklin Small Cap Value | 0.50% |
| **FTILLC** | Franklin International Growth Equity ADR | 0.40% - 0.42% |

*Also known as "Franklin Multi-Strategy Municipal" by certain clients of Managed Account Advisors LLC in Merrill Lynch Investment Advisory Program.

| | | |
|---|---|---|
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | 0.43% |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | 0.50% |
| **Martin Currie** | Martin Currie Sustainable International Equity | 0.43% - 0.45% |
| | Martin Currie Emerging Market Equities | 0.50% - 0.60% |
| **Royce** | Royce SMID Dividend Value | 0.38% |
| | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income<br>Royce Small-Cap Total Return SMA | 0.45% |
| **TICLLC** | Templeton Global ADR Equity<br>Templeton International ADR Equity | 0.45% - 0.60% |

- In the case of **Discretionary Model Programs**, FTPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

| Subadviser(s) | Investment Management Portfolio | Fee Rates or Ranges |
|---|---|---|
| **CINA** | ClearBridge Global Infrastructure Income Portfolio | 0.30% - 0.32% |
| **FAV** | Franklin Templeton Multi-Asset Class | 0.00% - 0.40% |
| | Franklin Templeton Low Volatility High Dividend Equity | 0.20% - 0.40% |
| | Franklin Concentrated Core<br>Franklin Equity Income<br>Franklin U.S. Focused Growth | 0.28% |
| | Franklin Growth Opportunities<br>Franklin Rising Dividends | 0.28% - 0.30% |
| | Franklin DynaTech | 0.28% - 0.31% |
| | Franklin Small Cap Growth | 0.40% |
| **FMA** | Franklin Mutual U.S. Large Cap Value | 0.28% |
| | Franklin Mutual Beacon<br>Franklin Mutual U.S. Mid Cap Value | 0.30% |
| | Franklin Small Cap Value | 0.35% |
| **FTILLC** | Franklin International Growth Equity ADR | 0.30% |
| **FTIML, FTIC and TGAL (co-managed)** | Templeton International Climate Change | 0.33% |
| **FTIML and TAML (co-managed)** | Templeton Emerging Markets | 0.45% |
| **Martin Currie** | Martin Currie Sustainable International Equity | 0.33% - 0.35% |
| | Martin Currie Emerging Market Equities | 0.50% |

| | | |
|---|---|---|
| **Royce** | Royce SMID Dividend Value | 0.35% |
| | Royce Small-Cap Total Return SMA | 0.42% |
| | Royce Concentrated Value SMA<br>Royce Premier<br>Royce Small Cap Income | 0.42% - 0.45% |
| **TGAL** | Templeton Foreign ADR Only | 0.30% |
| **TICLLC** | Templeton International ADR Equity | 0.25% - 0.40% |
| | Templeton Global ADR Equity | 0.30% |

**Please see Item 5 (Fees and Compensation) of FTPPG's Form ADV disclosure brochure for more information.**

* In the case of FTPPG-Implemented Programs, FTPPG's fees for investment management services generally cover full discretionary portfolio management, implementation and trade placement services provided by FTPPG. In the case of Discretionary Model Programs, FTPPG's fees are net of implementation and trade placement fees retained by the Sponsor under such program.

# APPENDIX B2

Compensation Disclosure Statement for ERISA Plans
(Dual-Contract Programs)

**Please note: If you are a participant in an employer-sponsored retirement plan with an account managed by Franklin Templeton Private Portfolio Group, LLC, or the custodian of such an account, please forward this Compensation Disclosure Statement to the plan's sponsor or such other plan fiduciary as may be responsible for establishing or approving the maintenance of such account.**

**Franklin Templeton Private Portfolio Group, LLC**
**Compensation Disclosure Statement Furnished**
**Pursuant to Rule 408b-2 under ERISA**

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This Compensation Disclosure Statement provides disclosure concerning the compensation expected to be received by Franklin Templeton Private Portfolio Group, LLC ("FTPPG") and its affiliated subadvisers in connection with the investment management services they provide to your employee benefit plan (the "Plan").

- FTPPG and its applicable affiliated subadviser ("Affiliated Subadviser") provide investment management services to the Plan in accordance with the investment management strategy selected on behalf of the Plan, which is described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of the Affiliated Subadviser's Form ADV disclosure brochure, pursuant to an investment management agreement between FTPPG and the Plan (the "Investment Management Agreement").

- The Affiliated Subadviser for each investment management strategy that is available through FTPPG is identified in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of FTPPG's Form ADV disclosure brochure.

- Each of FTPPG and its applicable Affiliated Subadviser(s) will provide investment management services to the Plan pursuant to the terms of the Investment Management Agreement as a "fiduciary," as such term is defined in Section 3(21) of ERISA, and as an investment adviser registered under the Investment Advisers Act of 1940.

- For its services, FTPPG receives an investment management fee directly from the Plan calculated as a percentage of assets under FTPPG's management at the per annum percentage rate specified in the Investment Management Agreement. FTPPG pays all or substantially all of this fee to the applicable Affiliated Subadviser.

- Each Franklin Templeton multi-asset class portfolio for which Franklin Advisers, Inc. ("FAV") is the Affiliated Subadviser invests all or a portion of its assets in mutual funds and/or ETFs that are managed or advised by Franklin Resources affiliates, including FAV and/or other Franklin Resources investment advisory affiliates, and that pay fees or other compensation to such affiliates. Please refer to FAV's Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by FTPPG and the Plan unless such crediting or offset is required by contract or applicable law. In cases where FTPPG receives no advisory fee or a very small advisory fee from a Plan for a multi-asset class portfolio due to the fund-related compensation that Franklin Resources affiliates will receive in connection with such portfolios, FAV will provide compensation out of its general resources to FTPPG for its services at a rate agreed to by FAV and FTPPG.

- FTPPG generally is paid its investment management fee on a quarterly basis either in advance or in arrears, as provided in the Investment Management Agreement.
    - If fees are paid in advance and the Investment Management Agreement is terminated during a quarter, FTPPG will refund to the Plan a pro-rata portion of pre-paid investment management fees. FTPPG will not charge any compensation or fees in connection with the termination of the Investment Management Agreement.
    - If fees are paid in arrears and the Investment Management Agreement is terminated during a quarter, a pro-rated investment management fee will be charged to the Plan for the portion of the quarter during which FTPPG provided investment management services. No other compensation will be payable to FTPPG in the event the Investment Management Agreement is terminated.
- FTPPG's investment management fees are collected in accordance with the provisions of the Investment Management Agreement.
- Depending on the investment management strategy selected on behalf of the Plan, either FTPPG or its applicable Affiliated Subadviser(s) will be responsible for selecting broker-dealers to execute securities transactions. See Item 12 (Brokerage Practices) of FTPPG's Form ADV disclosure brochure.
    - For all equity investment management strategies, FTPPG is responsible for selecting broker-dealers to execute securities transactions. FTPPG does not direct client brokerage transactions, including those of the Plan, to any broker-dealer in exchange for products and services (e.g., proprietary or third party research), other than execution services for securities transactions on behalf of its clients, or otherwise participate in "soft dollar" arrangements.
    - For FAV fixed income investment strategies and the Franklin Income strategy, which invests in both equity and fixed income securities, and only until there are client accounts in the Franklin Income strategy on two or more Sponsor platforms, FAV is responsible for selecting broker-dealers to execute securities transactions. FAV does not direct client brokerage transactions with respect to any retail SMA clients, including the Plan, to any broker-dealer in exchange for products and services (e.g., proprietary or third party research), other than execution services for securities transactions on behalf of its retail SMA clients, or otherwise participate in "soft dollar arrangements" with respect to securities transactions for its retail SMA clients.
- From time to time, employees of FTPPG and its Affiliated Subadvisers may receive non-monetary compensation such as gifts and entertainment from vendors (e.g., broker-dealers) with whom they may engage in business dealings on behalf of clients, including the Plan. Under FTPPG's and its Affiliated Subadvisers' compliance policies, an employee of FTPPG or an Affiliated Subadviser may not accept gifts or entertainment that are conditioned on directing specific transactions or a specific level of business to another firm. FTPPG and its Affiliated Subadvisers believe that any gifts and entertainment received by their employees from a vendor are received in the context of a general business relationship with the vendor and should not be viewed as attributable or allocable to any transactions engaged in with such vendor on behalf of their clients, including the Plan. In any event, if the value of gifts and entertainment received by employees of FTPPG or its Affiliated Subadvisers were allocated by such firms to investment advisory clients, including the Plan, pro rata based on the value of each client's account in relation to total assets under management, we believe the value allocated to the Plan would be beneath the Department of Labor's de minimis reporting threshold for non-monetary compensation.

Document II

# Martin Currie Inc.

## Form ADV Part 2A Disclosure Brochure (January 2023)

## Form ADV Part 2B Brochure Supplements

# FORM ADV PART 2A

January 2023

# MARTIN CURRIE INC.

5 Morrison Street
2nd floor
Edinburgh
EH3 8BH

Tel: 44 (0) 131 229 5252
www.martincurrie.com

This brochure provides information about the qualifications and business practices of Martin Currie Inc. If you have any questions about the contents of this brochure, please contact us at 44 (0) 131 229 5252 or at DistributionClientManagement@martincurrie.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Martin Currie Inc. is also available on the SEC website at www.adviserinfo.sec.gov

Martin Currie Inc. is referred to throughout as 'MC Inc'. MC Inc is part of a wider group of companies, collectively referred to as 'Martin Currie' or the 'Group'. An affiliate of MC Inc, Martin Currie Investment Management Limited, is also a registered investment adviser and is referred to as MCIM. Registration of an Investment Advisor does not imply any level of skill or training.

## ITEM 2 – MATERIAL CHANGES

No material changes

# ITEM 3 – TABLE OF CONTENTS

## ITEM 4 – ADVISORY BUSINESS

**Item 4A. The firm**

Martin Currie is an asset management company with US$18.8 billion[1] of assets under management (AUM) for more than 99 clients[2] worldwide, including financial institutions, pension funds, family offices, government agencies and investment funds. The firm has offices in Edinburgh (headquarters) and New York.

Martin Currie Limited is the parent of the UK consolidated group and is subject to consolidated supervision by the Financial Conduct Authority (FCA). Martin Currie Investment Management Limited (MCIM), a subsidiary of Martin Currie Limited, is the main operating company of the group. MCIM performs investment management, dealing, investment support, sales and marketing and platform functions for the Martin Currie group.

MC Inc provides the primary sales and marketing services to North American clients, together with discretionary investment management services to US investors. MC Inc is regulated by the SEC. MC Inc sub-delegates ancillary investment management administration and operational functions, such as dealing, compliance, legal etc, to MCIM in the UK.

Martin Currie is a directly owned subsidiary of Franklin Resources, Inc. ('Franklin'), a global asset management firm headquartered in the USA.

Franklin Resources Inc is a holding company with subsidiaries that operate under the Franklin Templeton® and/or subsidiary brand names. Franklin Resources is a global investment management organization, and the various distinct brand names it offers investment services and products under include, but are not limited to, Franklin®, Templeton®, Legg Mason®, Benefit Street Partners®, Brandywine Global Investment Management®, Clarion Partners®, ClearBridge Investments®, Fiduciary Trust International™, Franklin Bissett®, Franklin Mutual Series®, K2®, LibertyShares®, Martin Currie®, Royce® Investment Partners and Western Asset Management Company®. Franklin Resources, through current and predecessor subsidiaries, has been engaged in the investment management and related services business for more than 70 years.

The common stock of Franklin Resources is traded on the New York Stock Exchange ("NYSE") under the ticker symbol "BEN," and is included in the Standard & Poor's 500 Index.

Martin Currie is also responsible for Martin Currie Australia, the investment management division of Franklin Templeton Australia Limited ('FTAL').

[1] As at 30 September 2022. Martin Currie AuM includes the assets under management from Martin Currie Australia.

[2] Count of segregated clients and individual pooled funds. Pooled vehicles are distributed through our parent firm, Franklin Templeton.

## Item 4B. Our advisory services

Martin Currie offers a range of segregated or pooled accounts, each driven by one of three principal strategy types. MC Inc also offers non-discretionary model portfolio delivery to institutional clients. This table illustrates the products offered to clients and their relative contribution to assets under management.

### Emerging Markets Equities

Global Emerging Markets

Global Emerging Markets ex China

### Global Long-Term Unconstrained Equities

Global Long-Term Unconstrained

Global Long-Term Unconstrained ex Australia

European Long-Term Unconstrained

US Long-Term Unconstrained

International Long-Term Unconstrained

### UK Equities

UK Opportunities

UK Mid-Cap

UK Smaller Companies

UK Managers' Focus

UK Equity Income

UK Rising Dividends

### Australian Equities

Active Insights

Sustainable Equity

Value Equity

Green Value

Dynamic Value

Equity Income

Ethical Income

Diversified Growth

Diversified Income

Tactical Allocation

### Asian Equities

Asia Long-Term Unconstrained

ASEAN

### Listed Real Assets

Global Urban Population Megatrend

Asia Pacific Real Income

Australian Real Income

Property Securities

### Japan Equities

Japan Equity

For further details on our strategy and fund range, please visit our website.

Please refer to Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, for additional details.

Potential or actual conflicts of interest may arise in the allocation of investment opportunities among client's accounts. Please refer to Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, for additional details.

### Services of Affiliates

Franklin Templeton Investments operates its investment management business through Martin Currie, as well as through multiple affiliates, some of which are registered with non-U.S. regulatory authorities and some of which are registered with multiple regulatory authorities.

Please refer to Item 10, Other Financial Industry Activities and Affiliations for additional details.

**Item 4C. Tailoring services to client needs**

Martin Currie is committed to the highest standard of client service. Our client facing professionals are guided by one clear goal – to understand each client's specific needs and to meet or exceed their expectations. We regard client service as one of the key differentiators that sets us apart from our peer group.

We have a dedicated client service team. Led by experienced investment professionals, the team has a clear goal – to understand each client's specific needs and to meet or exceed their expectations.

A separate investment management agreement ('IMA') is established for each segregated client portfolio. Within the IMA, clients define the investment parameters within which the mandate must be managed as per their specific requirements. These can include minimum or maximum cash levels, restrictions on the amount of the portfolio that can be invested in a particular country or region, or the amount of the portfolio that can be invested in a particular type of security. These parameters are then recorded on Sentinel, an investment restriction monitoring system.

In addition, Martin Currie check for inadvertent limit breaches caused by market movements on a daily basis and ensure that appropriate remedial action is taken. Although portfolio managers will generally apply the same investment philosophy to all portfolios they manage, the composition of each portfolio may differ due to individual client restrictions. As a result, the performance of each portfolio will be different, with some portfolios performing better than others.

**Item 4D. Managed account programs (including Wrap Fee Program Services)**

MC Inc has established a relationship with Franklin Templeton Private Portfolio Group, LLC, formerly known as Legg Mason Private Portfolio Group, LLC ("FTPPG"), which MC Inc has access to managed account programs by being retained by FTPPG as a sub-advisor. MC Inc is part of a wider group of companies, collectively referred to as 'Martin Currie' or the 'Group'. Both Martin Currie and FTPPG are wholly owned subsidiaries of Franklin.

As sub-advisor to FTPPG, MC Inc. provides investment advisory services that involve one or more of the investment management strategies described below.

As sub-advisor to FTPPG, MC Inc participates in various types of managed account programs, which include FTPPG-Implemented Programs, Discretionary Model-Based Programs and Non-Discretionary Model-Based Programs, which are defined as follows:

- **FTPPG-Implemented Programs.** Programs of sponsors in which MC Inc has security selection discretion and FTPPG implements investment instructions furnished by MC Inc in the form of model portfolios with respect to client accounts, subject to any implementation protocols or rules agreed to by FTPPG and MC Inc.
- **Discretionary Model-Based Programs.** Programs of sponsors in which MC Inc has security selection discretion and FTPPG forwards investment instructions furnished by MC Inc in the form of model portfolios to sponsors or their designees for implementation, subject to any implementation protocols or rules of the sponsors or their designees; and
- **Non-Discretionary Model-Based Programs.** Programs of sponsors in which FTPPG forwards MC Inc's non-discretionary investment recommendations in the form of model portfolios to sponsors or their designees for implementation, subject to the discretion of sponsors or their designees.

Participation in managed account programs by MC Inc includes wrap fee programs that may be sponsored by banks, broker-dealers or other investment advisers. FTPPG receives a portion of the wrap fee for services provided to such accounts and passes a portion of this fee onto MC Inc

Not all investment strategies managed by MC Inc are available through managed account programs. Further, the manner in which MC Inc constructs a portfolio for use in managed account programs may differ from how the same strategy is executed for an institutional client, for example, due to the use of US listings of an international stock instead of the locally traded security, differing liquidity and transaction-cost characteristics, the use of affiliated commingled vehicles to implement the strategy in addition to individual securities and lack of access to certain markets. Due to the restrictions imposed within commingled vehicles, this could have an impact on individual position exposures. For the foregoing reasons, in addition to certain other factors described in item 12 of this brochure, the performance of an account in a managed account program may differ from the performance of other managed account program accounts and from the performance of MC Inc's institutional and pooled fund clients managed in accordance with the same MC Inc strategy.

As a provider of investment advice under a managed account program, MC Inc is not responsible for determining whether a managed account program or MC Inc's investment style or strategy is suitable or advisable for any particular managed account program client. Rather, such determinations are the responsibility of the sponsor and the client (or the client's financial advisor and the client). MC Inc is responsible only for supplying a model portfolio that is consistent with the designated MC Inc. strategy to FTPPG for implementation or onward distribution to another firm for implementation and does not tailor model portfolios to individual client needs. Though clients in managed account programs can impose reasonable restrictions, the implementing firm (such as sponsor, overlay manger or FTPPG) is responsible for complying with such restrictions.

Managed account program clients should carefully review the terms of the relevant agreement with their sponsor to understand the terms, services, minimum account size and any additional fees that may be associated with their account and participation in the program.

**Item 4E. Discretionary and Non-Discretionary Assets Under Management**

As at September 30, 2022, the Group has US$16.6 billion in discretionary assets under management. This includes the assets under management of Martin Currie Australia. The firm has $2.2 billion under advice.

## ITEM 5 – FEES AND COMPENSATION

### Item 5A. Standard Fees

Our standard fee structure for managing institutional segregated investment portfolios is categorized by investment strategy. The table below sets out the standard management fees payable by strategy:

| Core investment strategy | Annual Management fee | Core investment strategy | Annual Management fee |
|---|---|---|---|
| **Long-Term Unconstrained Equities** | | | |
| **Global Long-Term Unconstrained** (minimum investment – US$50 million) | | **International Long-Term Unconstrained** (minimum investment – US$50 million) | |
| First US$50 million | 0.60% | First US$50 million | 0.60% |
| Next US$50 million | 0.50% | Next US$50 million | 0.50% |
| Next US$100 million | 0.40% | Next US$100 million | 0.40% |
| Next US$150 million | 0.35% | Next US$150 million | 0.35% |
| Next US$350 million | 0.30% | Next US$350 million | 0.30% |
| **European Long-Term Unconstrained** (minimum investment – US$50 million) | | **US Long-Term Unconstrained** (minimum investment – US$50 million) | |
| First US$50 million | 0.60% | First US$50 million | 0.60% |
| Next US$50 million | 0.50% | Next US$50 million | 0.50% |
| Next US$100 million | 0.40% | Next US$100 million | 0.40% |
| Next US$150 million | 0.35% | Next US$150 million | 0.35% |
| Next US$350 million | 0.30% | Next US$350 million | 0.30% |
| **Global Emerging Markets** | | | |
| **Global Emerging Markets** (minimum investment – US$50 million) | | **Global Emerging Markets ex China** (minimum investment – US$50 million) | |
| First US$100 million | 0.60% | First US$100 million | 0.60% |
| Next US$100 million | 0.55% | Next US$100 million | 0.55% |
| Next US$150 million | 0.50% | Next US$150 million | 0.50% |
| Next US$350 million | 0.45% | Next US$350 million | 0.45% |
| **Asia Equities** | | | |
| **Asia Long-Term Unconstrained** (minimum investment – US$50 million) | | **South East Asia** (minimum investment – US$50 million) | |
| First US$50 million | 0.65% | First US$50 million | 0.65% |
| Next US$50 million | 0.55% | Next US$50 million | 0.55% |
| Next US$100 million | 0.50% | Next US$100 million | 0.50% |
| Next US$150 million | 0.45% | Next US$150 million | 0.45% |
| Next US$350 million | 0.40% | Next US$350 million | 0.40% |
| **Listed Real Assets** | | | |
| **Global – Urban Population Megatrend** (minimum investment – US$50 million) | | **Asia Pacific Urban Trends Income** (minimum investment – US$50 million) | |
| First US$50 million | 0.65% | First US$50 million | 0.65% |
| Next US$50 million | 0.55% | Next US$50 million | 0.55% |
| Next US$100 million | 0.50% | Next US$100 million | 0.50% |
| Next US$150 million | 0.45% | Next US$150 million | 0.45% |
| Next US$350 million | 0.40% | Next US$350 million | 0.40% |
| **Australia Real Income** (minimum investment – US$50 million) | | | |
| First US$50 million | 0.65% | | |
| Next US$50 million | 0.55% | | |
| Next US$100 million | 0.50% | | |
| Next US$150 million | 0.45% | | |
| Next US$350 million | 0.40% | | |

| Australia Equities: Martin Currie Australia (MCA) | | | |
|---|---|---|---|
| **MCA Active Insights – Lite**<br>(minimum investment – US$30 million) | | **MCA Active Insights – Magnifier**<br>(minimum investment – US$30 million) | |
| US$30-$50 million | 0.08% | US$30-$50 million | 0.12% |
| Next US$50 million | 0.08% | Next US$50 million | 0.12% |
| Next US$100 million | 0.08% | Next US$100 million | 0.12% |
| Next US$300 million | 0.08% | Next US$300 million | 0.12% |
| **MCA Sustainable Equity**<br>(minimum investment – US$30 million) | | **MCA Value**<br>(minimum investment – US$30 million) | |
| US$30-$50 million | 0.50% | US$30-$50 million | 0.50% |
| Next US$50 million | 0.40% | Next US$50 million | 0.40% |
| Next US$100 million | 0.35% | Next US$100 million | 0.35% |
| Next US$300 million | 0.30% | Next US$300 million | 0.30% |
| **MCA Dynamic Value**<br>(minimum investment – US$30 million) | | **MCA Property Securities**<br>(minimum investment – US$30 million) | |
| US$30-$50 million | 0.50% | US$30-$50 million | 0.50% |
| Next US$50 million | 0.40% | Next US$50 million | 0.40% |
| Next US$100 million | 0.35% | Next US$100 million | 0.35% |
| Next US$300 million | 0.30% | Next US$300 million | 0.30% |
| **MCA Equity Income**<br>(minimum investment – US$30 million) | | **MCA Green Value**<br>(minimum investment – US$30 million) | |
| US$30-$50 million | 0.50% | US$30-$50 million | 0.50% |
| Next US$50 million | 0.40% | Next US$50 million | 0.40% |
| Next US$100 million | 0.35% | Next US$100 million | 0.35% |
| Next US$300 million | 0.30% | Next US$300 million | 0.30% |
| **MCA Ethical Income**<br>(minimum investment – US$30 million) | | | |
| US$30-$50 million | 0.50% | | |
| Next US$50 million | 0.40% | | |
| Next US$100 million | 0.35% | | |
| Next US$300 million | 0.30% | | |

Fee rates are negotiable and certain clients may have more favourable fees to those stated above. For example, rates may be negotiated based on the size or complexity of a client's portfolio.

Performance fees are available; please see Item 6, Performance Fees, for additional information.

Discretionary account clients select their own custodian and will incur charges imposed by the custodian.

**Fees relating to managed account programs.**

MC Inc has entered into a relationship with Franklin Templeton Private Portfolio Group, LLC, formerly known as Legg Mason Private Portfolio Group, LLC (“FTPPG”), through which MC Inc gains access to managed account programs by being retained by FTPPG as a sub-advisor. MC Inc has developed portfolios specifically for managed account programs.

For each program under which FTPPG retains MC Inc as a sub-adviser to provide investment instructions or recommendations, FTPPG receives an advisory fee from the sponsor with respect to each such strategy based on program assets managed in accordance with the strategy and the applicable per annum fee rate set forth in the table below.

Under each FTPPG-implemented program, discretionary model-based program and non-discretionary model-based program, FTPPG pays Martin Currie a portion of the advisory fee as a sub advisory fee with respect to each of the investment management strategies based on program assets.

| Investment Strategy | Annual advisory fee | | | |
|---|---|---|---|---|
| | Single Contract | | | Dual Contract |
| | FTPPG implemented | Discretionary model programs | Non-Discretionary model program | FTPPG implemented |
| Martin Currie Sustainable International Equity SMA | 0.43% - 0.45% | 0.33% - 0.35% | 0.33% - 0.35% | 0.50% |
| Martin Currie Global Emerging Markets SMA | 0.50 - 0.60% | 0.50% | 0.50% | 0.60% |

Fee rates are negotiable and certain clients may have more favourable fees to those stated above. For example, rates may be negotiated based on the size or complexity of a client’s portfolio.

**Item 5B. Client Billing**

All clients are billed for the management fees incurred. We do not deduct fees from client’s assets. Clients can be billed on either a monthly or quarterly basis, depending on their preference. Certain clients also have performance fee arrangements in place. Performance fees can be billed on a monthly, quarterly or annual basis. Further information regarding performance fees can be found under Item 6, ‘Performance-based Fees and Side-by-Side Management‘.

**Item 5C. Other Fees and Expenses**

MC Inc does not offer custody of client’s assets. Each client must make its own custody arrangements. Custodians will charge clients a custody fee, which the client and custodian must negotiate separately. Clients will also incur brokerage and other transaction costs as part of the portfolio management process. Further information relating to these charges can be found under Item 12, ‘Brokerage Practices ‘.

**Item 5D. Advance Payment of Fees**

All of our client invoices are calculated in arrears; no clients pay fees in advance. Clients are not permitted to pay in advance under any circumstance.

**Item 5E. Compensation for the Sale of Securities or Other Investment Products**

MC Inc does not receive commission or compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Each member of the MC Inc distribution team are eligible to participate in a discretionary bonus scheme intended to reward employees for winning new business and increasing revenues. The scheme is based on both volume and margin of the business sold. The bonus pool available in any given year is calculated based on annualised revenue with awards allocated by the Chief Executive Officer on a discretionary basis amongst participants. Additionally, distribution professionals are also eligible to participate in a second discretionary scheme which is intended to reward overall performance in their role, including their performance against specific objectives assigned to them through the performance management process.

The bonus schemes which distribution professionals are eligible to participate in provide a sufficient level of flexibility within the process to take account of both individual and company performance and for external events beyond the company's control. This flexibility includes the ability not to pay any variable remuneration. These decisions are subjected to formal governance via a Reward Committee and a Remuneration Committee. Typically a portion of any bonus awarded to distribution professionals would be subject to deferral.

Franklin Distributors, LLC ('FDIS') is an affiliate of MC Inc and a registered broker-dealer authorised to sell interests in a registered company and certain other private offshore funds managed by MC Inc or its affiliates. The registered representatives of FDIS also receive a bonus for each new client they introduce.

The bonus payments could create a conflict of interest between MC Inc or FDIS and its clients, as sales employees and representatives could be incentivised to recommend funds or investments based on the compensation received rather than the client's needs. However, neither MC Inc employees nor FDIS representatives provide investment advice or make recommendations to clients. MC Inc employees and FDIS representatives only provide information relating to the funds and investment strategies it, or its affiliate, manages.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Fees for all client portfolios are calculated on the value of assets held. In addition, a number of client portfolios may also earn a performance fee. Each performance fee is calculated differently, in line with client specifications.

Managing client portfolios with different fee structures and side-by-side management of performance fee paying and non-performance fee paying portfolios may create conflicts of interest as portfolio managers may have an incentive to favour client portfolios with more beneficial fees. For example, prioritising trades for portfolios with performance fees over those for other portfolios or investing in higher risk investments for portfolios with performance fees.

These conflicts of interest are addressed by managing our clients' portfolios in accordance with their investment strategy, not their fee structure. Clients with similar strategies are managed collectively, with the portfolio manager generally instructing trades across the client group and not on a client-by-client basis. By following our investment process, this prevents portfolio managers favouring one client over another. Of course, there may be reasons why trades are not always placed across the client group, for example liquidity or specific client restrictions. Our remuneration structure rewards portfolio managers for the successful growth of the products they manage. Any material dispersion will be raised with the Executive and explanation sought. Any bonus is paid as a percentage of the relevant management and performance fees of portfolios within that strategy.

Please refer to Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, for additional information.

## ITEM 7 – TYPES OF CLIENTS

Martin Currie manages active-equity portfolios for a global client base of financial institutions, pension funds, family offices, government agencies and investment funds.

Through its sub-advisory relationship with FTPPG, MC Inc provides investment advisory services through participation in managed account programs. Sponsor firms include banks, broker-dealers or other investment advisers that may use our services for the benefit of their own underlying clients.

**Item 7A. Assets under management by client type and location**

The chart below gives a breakdown of Martin Currie group clients by type and location as at September 30, 2022.

| **Client type** | **% AUM** |
|---|---:|
| Wealth Managers | 54.1 |
| Public | 22.9 |
| Sub-advisory | 13.5 |
| Corporate - Pension | 3.9 |
| Multi-manager | 3.4 |
| Sovereign funds | 2.1 |
| Grand Total | 100.0 |

| **Client location** | **% AUM** |
|---|---:|
| North America | 32.3 |
| United Kingdom | 32.0 |
| Australia | 18.7 |
| Japan | 12.0 |
| Asia | 2.9 |
| EMEA | 2.0 |
| South America | 0.2 |
| Total | 100.0 |

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Item 8A. Methods of Analysis and Investment Strategies

Significant resources are invested to build a deep understanding of companies. The investment and research structure and processes are designed to deliver high-conviction stock ideas based on bottom-up stock driven, fundamental analysis.

### Portfolio Management and Research

There is a distinct structure at Martin Currie, in that investment team members have dual roles as portfolio managers and analysts and every member of the team has specific research responsibilities. This dual role approach is replicated across all of Martin Currie's regional equity investment teams, helping to facilitate the sharing of research ideas, discussing findings from company meetings and reviewing corporate announcements.

Factset and Calibre are the core multifunctional research platforms, used by the portfolio managers and analysts, to host all research driven activity, including in-house proprietary research, company meetings, stewardship analysis and voting outcomes. Providing a flexible and accessible portal, Factset and Calibre host all in-house stock research which is modelled on proprietary and standardised stock research templates. This ensures consistency of research and common language across the investment teams. Research is coordinated to avoid duplication of effort, to ensure quality and consistency of research output and to measure the impact of our research analysis in client portfolios. The platforms also provide a source of complementary live external industry data, offering extensive market intelligence to further inform the investment team.

### Stewardship and ESG

As active equity specialists, we build global, stock-driven portfolios based on bottom-up fundamental research. We recognise that, while analysis of near-term prospects for a company will always be important, the majority of a company's value lies in its ability to generate sustainable long-term returns. Through our environmental, social and governance (ESG) analysis, we develop a deeper understanding of the companies we invest in and build stronger conviction in their ability to outperform over the long term for our clients.

Effective stewardship of capital is at the heart of our client proposition. Our commitment to this is evident in how we embed ESG analysis at every stage of our investment process, which we do through our corporate engagement, and in the responsible management of our own business.

We have a dedicated Stewardship & ESG team comprising three individuals. As experienced investment professionals, the team is responsible for implementation of our internal ESG frameworks, best practice methods, corporate governance and responsible investment (RI) policies. The Head of Stewardship & ESG reports to Martin Currie's ESG Council. He also co-chairs Franklin Templeton's Stewardship and Sustainability Council.

Responsibility for day-to-day ESG analysis and active ownership activity lies with those who know the companies best – our portfolio managers and analysts. They work in close collaboration with the Head of Stewardship and ESG and the ESG Working Group to consider the material and relevant ESG factors that could impact the ability of the company to generate sustainable returns.

Our overall approach to ESG and socially responsible investing (SRI) can be found in our policies on our website: https://www.martincurrie.com/uk/about-us/stewardship-and-ESG

## Integration

A consideration of environmental, social and governance (ESG) factors is fully embedded in our portfolio managers' investment process, and has been a standard component of our stock research template since 2009. Far from being a box-ticking exercise, this information is exposed to peer review as part of our process for building an investment case, and is fed into qualitative analyses and company valuations. As with the fundamental analysis of financial factors, we focus on all the ESG areas that are relevant to the investment case.

## Active ownership

Active ownership, involving monitoring, voting and engagement, is an essential part of being a shareholder. We believe that governance, sustainability and financial returns are positively correlated over the long term, and active ownership allows us to improve our understanding of investee companies and their material governance or sustainability related issues, allowing our voting decisions to be better informed. The materiality and immediacy of a given issue generally determines the level of our engagement.

As a signatory to the PRI since 2009, we have not only been actively involved in many successful collaborative initiatives, but have taken a lead investor role across in these initiatives across a number of topics such as Climate Action, Climate Disclosure and Human Rights.

Importantly, as a company, we also practice what we preach – exercising the same, high level of governance oversight, risk management and operational commitments that we look for in investee companies.

## Exclusionary screening

As fundamental active investment managers with ESG factors fully integrated into the investment process, Martin Currie does not have firm wide industry or regional exclusions in relation to the investible universe based on ESG/responsible investment (RI) grounds.

The firm may operate on the basis of specific exclusions when so directed by a client or in the case of specific products.

There are some restrictions across the majority of the pooled-asset products, though these vary by strategy. For example, following the implementation of the EU's Sustainable Finance Disclosures Regulation (SFDR), a core set of European domiciled strategies are classified as Article 8, having environmental and Social characteristics. These differ from other strategies due to the binding nature of these commitments in terms of minimum-threshold ESG scoring based on our proprietary internal ESG scores and sector exclusions, which are not present in strategies not considered to fall under Article 8.

## Investment Objective by Strategy

| | |
|---|---|
| **Long-Term Unconstrained Equities** | |
| **Global Long-Term Unconstrained**<br>Long-term growth; we expect to outperform the index over rolling five-year periods. | **International Long-Term Unconstrained***<br>Long-term growth; we expect to outperform the index over rolling five-year periods. |
| **European Long-Term Unconstrained**<br>Long-term growth; we expect to outperform the index over rolling five-year periods. | **US Long-Term Unconstrained**<br>Long-term growth; we expect to outperform the index over rolling five-year periods. |
| ***Sustainable International Equity SMA**<br>Long-term growth; we expect to outperform the index over rolling five-year periods. The Sustainable International Equity SMA comprises part of the International Long-Term Unconstrained strategy. | |
| **Global Emerging Markets** | |
| **Global Emerging Markets**<br>To outperform the MSCI Emerging Markets Index over rolling three to five-year periods. | **Global Emerging Markets ex China**<br>To outperform the MSCI Emerging Markets ex China Index over rolling three to five-year periods. |
| ***Global Emerging Markets SMA**<br>To outperform the MSCI Emerging Markets Index over rolling three to five-year periods. The Martin Currie Global Emerging Markets SMA is a 100% replication of the Global Emerging Markets strategy model portfolio. It comprises a SMAsh component (Mutual Fund) which allows the portfolio to hold companies with no ADR. | |
| **Asia Equities** | |
| **Asia Long-Term Unconstrained**<br>To capture Asian GDP growth and provide an attractive risk / return profile using a long only equity strategy. | **South East Asia**<br>The objective is to achieve medium to long-term capital appreciation by investing at least 70% of the Trust in securities issued by companies that are incorporated, domiciled or listed, or have a significant economic interest, in South and South-East Asia countries. |
| **Listed Real Assets: : Martin Currie Australia (MCA)** | |
| **Global – Urban Population Megatrend**<br>To provide a pre-tax total return of US CPI +5% and a pre-tax yield above the MSCI AC World Index. | **Asia Pacific Real Income**<br>To provide a pre-tax yield above the index and provide income stream growth above inflation. |
| **Australia Real Income**<br>To provide a pre-tax yield above the index and provide income stream growth above inflation. | |
| **Australia Equities: Martin Currie Australia (MCA)** | |
| **MCA Active Insights – Lite**<br>To provide an after-fee return in excess of the S&P/ASX 200 Accumulation Index over rolling three-year periods. | **MCA Active Insights – Magnifier**<br>To provide an after-fee return in excess of the S&P/ASX 200 Accumulation Index over rolling three-year periods. |
| **MCA Sustainable Equity**<br>To earn an after fee return in excess of the index over rolling three year periods. | **MCA Value**<br>To earn an after fee return in excess of the index over rolling five year periods. |
| **MCA Dynamic Value**<br>To earn an after fee return in excess of the index over rolling three to five year periods. | **MCA Property Securities**<br>To earn an after fee return in excess of the index over rolling three year periods. |
| **MCA Equity Income**<br>To provide an after tax yield above the index and provide income stream growth above inflation. | **MCA Green Value**<br>To provide an after-fee return in excess of the S&P/ASX 200 Accumulation Index over rolling five-year periods |
| **MCA Ethical Income**<br>To provide an after tax yield above the index and provide income stream growth above inflation. | |

## Item 8B. Material Risks of Significant Strategies and Significant Methods of Analysis

### General risk

Past performance is not necessarily a guide to the future and the value of investments, as well as any income derived from them, can fall as well as rise.

Some of the investments described below may be unsuitable for certain investors.

### Performance risk

There may be a variation in performance between strategies with apparently similar investment objectives where different investments are selected. Strategies aiming for relatively high performance can incur greater risk than those adopting a more standard investment approach. There is no guarantee of performance of any investment, and clients may get back less than they originally invested.

Our investment strategies are subject to management risk because they are actively managed. The strategy manager will apply their investment techniques and risk analyses in making investment decisions, but there is no guarantee that their decisions will produce the intended performance.

### Interest rate risk

Investment portfolios may have exposure to interest rate risks. To the extent prevailing interest rates change, such changes could negatively affect the value of each investment portfolio.

### Diversification risk

Investment strategies with a specific geographic or sector focus will, by their nature, invest the majority of their assets in either a small number of countries and/or a few issuers. This concentration of the strategy increases the impact which changes in the economic or political environment and/or movements in stock markets may have on the performance of the strategies, both positive and negative.

### Currency risk

Strategies may invest in securities denominated in currencies other than their base currency. Strategies may seek to hedge foreign currency risk where permitted; however, it is not always practicable to hedge certain currencies. Strategies will also incur costs in connection with hedging transactions. Accordingly, investors bear the risk of adverse movements in exchange rates with the currencies in which investments are denominated. Such movements can result in both a positive and negative return.

### Custody risk

In the event of failure of a custodian, investments may not be as well protected from other claims made on behalf of the general creditors of said custodian. However, the custodian is typically liable for any losses resulting from its negligence, fraud or wilful misconduct.

### Credit risk

This is the risk that an issuer or a counterparty to a transaction will fail to make payments when due or default completely on securities, repurchase agreements or other investments held by a strategy. Such defaults could result in losses to the strategy. In addition, the credit quality of securities held by a strategy may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security. Lower credit quality also may affect liquidity and make it difficult to sell the security.

### Counterparty risk

Counterparty risk is the risk that arises due to uncertainty in a counterparty's ability to meet its obligations. Non-performance by counterparties for financial or other reasons could expose the investor to losses, regardless of whether or not the transaction itself was profitable.

## Redemption risk

This is the risk that a pooled investment company ("fund") may need to sell its holdings in order to meet shareholder redemption requests. A fund could experience a loss when selling securities to meet redemption requests if the redemption requests are unusually large or frequent, occur in times of overall market turmoil or declining prices for the securities sold, or when the securities a fund wishes to or is required to sell are illiquid.

## Investment in smaller companies

Investment in the securities of smaller companies may involve greater risk than is customarily associated with investment in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent on a smaller number of key individuals. Full information for determining the value of or risks associated with a smaller company may not be available. The market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.

## Liquidity and valuation

Strategies may invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be more volatile and a strategy may not be able to sell them when desired or to realise what it perceives to be their fair value in the event of a sale. As a result, calculating the fair market value of a strategy's holdings may be difficult. The strategy manager may utilise the assistance of pricing services or valuation sources in calculating such fair market values when and if available and for underlying models as described above. The values initially obtained could be incorrect.

## Derivatives

Certain strategies may invest in complex derivative instruments that seek to modify or emulate the investment performance of particular securities, commodities, currencies, interest rates, indices, markets or specific risks thereof on a leveraged or unleveraged basis which can be equivalent to a long or short position in the underlying asset or risk.

These instruments generally have counterparty risk and may not perform in the manner expected, thereby resulting in greater loss or gain than might otherwise be anticipated. These investments are all subject to additional risks that may result in a loss of all or part of an investment, such as interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity.

Derivatives may have very high leverage embedded in them which may substantially magnify market movements and result in losses substantially greater than the amount of the investment, which in some cases could represent a significant portion of a strategy's assets. Some of the markets in which derivative transactions are affected are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as they are members of exchange based markets.

This exposes each strategy to the risks that counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Strategies are not restricted from dealing with any one particular counterparty or from concentrating all of its transactions with one particular counterparty.

## Stock lending

Certain strategies may undertake stock lending. As a result of lending securities, the client will cease to be the owner of them, although will have the right to reacquire at a future date equivalent securities (or in certain circumstances, their cash value or the proceeds of redemption). However, except to the extent collateral is received, the client's right to the return of the securities is subject to the risk of insolvency or other non-performance by the borrower. Since the client is not the owner during the period the securities are lent out, they will not have voting rights nor will they directly receive dividends or other corporate actions (although the client will normally be entitled to a payment from the borrower equivalent to the dividend that would otherwise have been received, and the borrower will be required to account to the client's benefit for any corporate actions). Whilst these terms are relatively standard for any stock lending agreement, the specific details will be contained within the stock lending agreement entered into, and may differ from the terms above.

### Commissions

It is important to note that commissions and other charges may be charged on investments made within a strategy for which the client's account will be liable.

### Suspensions of trading

Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

### Stabilisation

From time to time, Martin Currie may carry out transactions in securities on a client's behalf where the price may have been influenced by measures taken to stabilise it. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FCA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

### General economic and market conditions

The success of any strategy's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to the taxation of investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of investments' prices and the liquidity of particular investments. Volatility or illiquidity could impair an investment's profitability or result in losses. Any strategy may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets – the larger the positions, the greater the potential for loss.

The economies of countries in which certain strategies may invest may differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

### Material risks relating to investments in emerging markets

Emerging markets are generally defined as being less developed countries which may have less stable economic and/or political conditions than larger and more mature economies. However, the universe can also be more specifically understood by reference to frequently used benchmarks such as the MSCI Emerging Markets Index.

Investment in emerging markets is generally characterised by higher levels of risk than investment in fully developed markets. Accounting, corporate governance and financial reporting standards that prevail in certain emerging market countries are often not equivalent to those found in countries with more developed markets. Regulatory, tax and legal regimes may be subject to uncertainty and to significant and unpredictable changes in approach.

Repatriation of investments and profits may be restricted by exchange controls. There may also be less well developed regulation of markets, issuers and intermediates. Markets may lack the liquidity of those in developed countries, leading to difficulty in valuing assets. Instability in such markets has previously led, and may continue to lead, to investor losses.

In some emerging markets, the marketability of quoted shares may be limited due to foreign investment restrictions, wide dealing spreads, exchange controls, foreign ownership restrictions, the restricted opening of stock exchanges and a narrow range of investors. Trading volume will generally be lower than on more developed stock markets, and equities less liquid. Volatility of prices may also be greater than in more developed stock markets. Emerging market issuers are generally not subject to the same degree of regulation, and economic or financial instability or political, diplomatic or legal developments could adversely affect a strategy's investments. Risks include adverse change in foreign economic, political, regulatory and other conditions, and changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes or confiscatory taxation on capital, dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against foreign entities. Foreign brokerage commissions, custodial and other fees are also generally higher. There are also special tax considerations which apply to securities of foreign issuers and securities principally traded overseas.

Settlement of transactions carried out in such markets may be lengthier and less secure than in developed markets. A country's settlement practices may require margin payments for securities traded, or 'early pay-in' of securities or payment. This may result in payment or settlement outside delivery-versus-payment procedures. Delivery-versus payment procedures offer significant protection from losses in the event that a third-party defaults on its obligations. The settlement practices in some foreign markets my increase the risk arising from third-party default.

Strategies invested in emerging markets may experience more rapid and extreme changes. Emerging markets tend to be substantially smaller, less liquid and at times more volatile than securities of domestic issuers. This may impair a strategy's ability to acquire or dispose of assets at an advantageous price and time.

### Legal risk

Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, investments may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets are invested. There can be no assurance that this difficult in protecting and enforcing rights will not have a material adverse effect on a particular strategy and/or investment.

### Inability to transact as a result of exposure to material non-public information

From time to time, Martin Currie may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, Martin Currie may be prohibited, by law, policy or contract, for a period of time, from (i) unwinding a position in such issuer; (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. This can result in risk of loss or loss of opportunity if Martin Currie, on behalf of a client, is not able to purchase or sell such security.

### Business, terrorism and catastrophe risks

Opportunities involving the assumption by a client's portfolio of various risks relating to particular assets, markets or events may be considered from time to time. A client's portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events including, without limitation, hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events, and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by the portfolio in assuming these risks and, depending on the size of the loss, could adversely affect the return of the client.

### Systemic risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a 'systemic risk' and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which Martin Currie interacts on a daily basis.

### Cybersecurity risk

As part of its business, Martin Currie processes, stores and transmits large amounts of electronic information, including information relating to the transactions of clients' portfolios and personally identifiable information relating to the clients. Similarly, service providers of Martin Currie may process, store and transmit such information. Martin Currie has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Network connected services provided by third parties to Martin Currie may be susceptible to compromise, leading to a breach of Martin Currie's network. Martin Currie's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by Martin Currie to clients may only be susceptible to compromise. Breach of Martin Currie's information systems may cause information relating to the transactions of portfolios and personally identifiable information of clients to be lost or improperly accessed, used or disclosed.

Martin Currie's service providers are subject to the same electronic information security threats as Martin Currie. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of clients and personally identifiable information of clients may be lost or improperly accessed, used or disclosed. Martin Currie performs due diligence on service providers for compliance with cyber security controls, but cannot guarantee that there will not be a cybersecurity event.

The loss or improper access, use or disclosure of Martin Currie's proprietary information may cause Martin Currie to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on a client's portfolio.

### Brexit

As an investment manager authorised and regulated by the FCA, Martin Currie was previously subject to provisions of certain European directives and regulations (for instance, the Markets in Financial Instruments Directive and the European Market Infrastructure Regulation) which had either been incorporated into UK law or had direct effect in the UK. Following Brexit, the UK incorporated the pre-existing body of EU law into its domestic legal system to ensure stability, however the longer-term impact of the decision to leave the EU on the UK regulatory framework will depend on any future divergence between the regimes in the EU and the UK.

Regulatory cooperation memoranda of understanding were put in place between the FCA and the regulators of the EU member states ahead of the exit date which ensure that the ability to delegate portfolio management to UK firms from the EU continues.

It is not possible to ascertain the precise long-term impact the UK's departure from the EU will have on Martin Currie or its clients from an economic, financial or regulatory perspective but any such impact could have material consequences for Martin Currie or its clients. However, Martin Currie based its contingency plans on the assumption of a hard, no-deal Brexit which mitigated any material impact on our business and our clients following the end of the transition period in January 2020.

There is also a wider risk that other significant market or regulatory changes subsequently take place within the European Union, both as a result of Brexit or otherwise, and that such changes impact Martin Currie or its clients.

## Risk warnings relating to designated investments

### Shares/equities

A share is a certificate representing a shareholder's rights in a company. Shares may be issued in bearer or registered form. One share represents a fraction of a company's share capital. Dividend payments, and an increase or decrease in the value of the security, are both possible. A shareholder has financial and ownership rights that are determined by law and the issuing company's constitutive documents. Unless otherwise provided, transfers of bearer shares do not entail any formalities. However, transfers of registered shares may be subject to limitations.

Dealing in shares may involve the following specific risks:

- Company risk: a share purchaser does not lend funds to the company, but makes a capital contribution and, as such, becomes a co-owner of the company. A share purchaser therefore participates in the company's development, as well as in chances for profits and losses. This makes it difficult to forecast the likely return on such an investment. In extreme circumstances, the company could become insolvent, which could cause an investor to lose the entire sum invested;

- Price risk: share prices may undergo unforeseeable price fluctuations, resulting in risk of loss. Prices may vary over time and it may not be possible to determine the duration of those cycles.

- General market risk must be distinguished from the specific risk attached to the company itself. Both risks, jointly or in aggregate, influence the evolution of share prices;

- Dividend risk: the dividend per share depends mainly on the issuing company's earnings and on its dividend policy. In the case of low profits or even losses, dividend payments may be reduced or not made at all.

### Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential to understand that the right to subscribe that a warrant confers is invariably limited in time. The consequence of this is that if the investor fails to exercise this right within the predetermined time scale then the investment becomes worthless. It would not be prudent to accept exposure to a warrant unless the investor is prepared to sustain the total loss of the money invested, plus any commission or other transaction charges. Some other instruments are also called warrants, but are actually options (for example, a right to acquire securities that is exercisable against someone other than the original issuer of the securities, often called a 'covered warrant').

## Access products / equity linked securities / LEPWs (together “Access Products”)

Investment may be made in equity-linked securities, such as linked participation notes, equity swaps, zero-strike options and securities warrants and low exercise price warrants (“LEPWs”). Access Products may be used to gain exposure to countries that place restrictions on investments by foreigners. Investing in Access Products will involve risks similar to the risks of investing in foreign securities. Access Products are often used for many of the same purposes as, and share many of the same risks with, derivative instruments.

Equity-linked securities are privately issued securities whose investment results are designed to correspond generally to the performance of a specified stock index or “basket” of stocks, or a single stock. LEPWs are an instrument with an exercise price that is very close to zero. The buyer of an LEPW effectively pays the full value of the underlying equity at the outset. The exercise or settlement date of an Access Product may be affected by certain market disruption events, such as difficulties relating to the exchange of a local currency into U.S. Dollars, the imposition of capital controls by a local jurisdiction, or

changes in the laws relating to foreign investments. These events could lead to a change in the exercise date or settlement currency of the Access Product, or postponement of the settlement date. Whilst Martin Currie will only select Access Products issued by entities deemed to be creditworthy, investment in an Access Product generally involves the risk that the issuer of the instrument may default on its obligation to deliver the cash on exercise or sale.

In the event that the counterparty experiences financial difficulties, the value of the Access Product may drop below the value of the underlying equity, i.e. the investor may receive none, or only part of, the investment back. Access Products may also be subject to liquidity risk because there is no guarantee that the issuer will be willing to repurchase the Access Product when an investor wishes to sell it. Returns by way of dividend and/or settlement amount are payable in USD, converted from local currency by issuer, and therefore be subject to exchange rate risk.

## Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. These transactions carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of an investment. Futures transactions have a contingent liability, and clients should be aware of the implications of this, and in particular the margining requirements, which are set out below (under ‘Options’).

## Options

An option is the right (but not the obligation) to buy ('call') or sell ('put') an investment at a predetermined price at a particular date in the future. The option price represents the costs of the right to purchase or sell an underlying security. An option does not carry rights to dividends, and is a synthetic investment that can be traded at any time. There are many different types of options with different characteristics subject to the following conditions.

### Buying options

Buying options involves less risk than selling options because, if the price of the underlying asset moves against an investor, the option can be allowed to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if one buys a call option on a futures contract and later exercise the options, the investor will acquire the future. This will expose portfolios to the risks described under 'futures' and 'contingent liability investment transactions', below.

### Writing options

The risk involved in writing options is considerably greater than buying options. Investors may be liable for margin to maintain positions, and a loss may be sustained well in excess of the premium received. By writing an option, investors accept a legal obligation to purchase or sell the underlying asset if the option is exercised against them, however far the market price has moved away from the exercise price. If the investor already owns the underlying asset that they have contracted to sell (when the options will be known as 'covered call options'), the risk is reduced. If the investor does not own the underlying asset ('uncovered call options'), the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

### Contract for difference (‘CFD’)

A CFD is a tradable instrument that mirrors the movements of the asset underlying it. It allows for profits or losses to be realized when the underlying asset moves in relation to the position taken, but the actual underlying asset is never owned. Essentially, it is a contract between the client and the broker. They are leveraged over-the-counter derivatives. These can be based upon single stock equities. Transactions in CFDs may also have a contingent liability. Investors should be aware of the implications of this, as set out under ‘Contingent liability investment transactions’ below. Investors should also be aware of the risks explained under ‘Off-exchange transactions in derivatives’ below.

### Off-exchange transactions in derivatives

While some off-exchange markets are highly liquid, transactions in off-exchange or 'non-transferable' derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. Risk will depend on the nature of the counterparty with whom the transaction is entered into. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted and, even where they are, dealers in these instruments will establish them. Consequently, it may be difficult to establish a fair price. Engaging in off-exchange derivative transactions exposes the investor to the risk that the other party to the transaction will be unable or unwilling to make timely payments of amounts due or to honour its obligations.

### Funds

A fund is an investment vehicle into which investors can make an investment by purchasing a unit, share or interest (“unit”) in the fund. The fund is usually managed by a third party that invests the fund's cash and assets. The units represent the investor's interest in the fund, and the value of the units purchased is determined by reference to the value of the underlying investments made by the fund (although where the units in the fund are listed or traded on a market, the units may trade or be sold at a discount to net asset value).

There are many different types of fund available, including long-short funds, private equity funds, mutual funds and unit trusts. A fund may be structured as a limited partnership, an investment company (onshore or offshore), a unit trust or an investment trust. Depending on the legal structure of the fund, units in the fund may be listed on a stock exchange and the fund may be either open-ended (generally conferring on investors a right to redeem their interests in the fund with the value of the fund being determined by the value of underlying assets) or closed-ended (based on a fixed number of shares which are not redeemable from the fund). Some fund structures are more exposed to risk than others, due to, among other things, the markets they invest in, the nature of their assets and the extent of their leverage.

Some funds may have many 'sub-funds'. Investors should be aware of the potential for cross-liability risk between these sub-funds. A creditor of the fund may look to all the assets of the sub-funds for payment, regardless of the sub-fund in respect of which that creditor's debt has arisen. Assets may be re-allocated to and from any other sub-fund if it is necessary to do so to satisfy a creditor. Some funds charge an annual management fee. Usually this will be taken from the income generated. If insufficient income is generated by the fund to cover the management fee, the balance will be deducted from the fund's capital.

To the extent that a fund pursues a certain investment strategy or invests in certain designated investments, the various risk warnings set out elsewhere in this document will apply to that strategy and investments. In addition, dealing in any type of fund may involve the following risks:

- Transferability and withdrawal: units in funds may not be readily redeemable or transferable or there may not be a market for such units. This could make an exit impossible. Where redemption is possible, there may be fees payable on redemption of units.
- The units in some funds may be listed on a stock market. As a result, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the units.
- Regulation: some funds may not be regulated in the jurisdiction of their establishment. This means that certain investor protections or restrictions on activity applicable, in a given jurisdiction, to a regulated fund may not apply to such funds.
- Leverage: some funds may borrow money under credit facilities to satisfy redemption requests, pay certain organisational expenses and finance the acquisition of investments. This exposes the fund to capital risk and interest costs that may reduce the value of an investor's investment in the fund.

### Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. When trading in futures, contracts for differences or sell options, investors may sustain a total loss of the margin deposited to establish or maintain a position. If the market moves against an investor, the investor may be called upon to pay substantial additional margin at short notice to maintain the position. Failing to do so within the time required may result in the position being liquidated at a loss, and the investor will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances, over and above any amount paid when entering the contract.

Except as specifically provided by the FCA, Martin Currie may only carry out margined or contingent liability investment transactions with or for investors if they are traded on or under the rules of a recognised or designated investment exchange. Contingent liability investment transactions that are not so traded may expose investors to substantially greater risks.

### Emerging markets managed account program: Martin Currie Global Emerging Markets SMA

Martin Currie emerging market equity portfolios include exposure to individual international companies. In addition to investments in individual equity securities, managed account program portfolios may involve investment in units of the LEGG MASON GLOBAL ASSET MANAGEMENT TRUST Martin Currie SMASh Series EM Fund (‘SMASh Fund’). The prospectus describes the principal investment strategy of the SMASh Fund and the risks associated with an investment in the SMASh Fund. The portfolio managers use investments in the SMASh Fund to obtain exposure to certain companies that, due to the nature of the securities involved, generally do not allow for practical exposure through direct client account investment in such securities.

A Martin Currie emerging market portfolio's allocation to the SMASh Fund will vary over time based on the managers' discretionary allocation decisions, as well as market fluctuations. A managed account program portfolio's aggregate allocation to the SMASh Fund generally will not exceed 50%. However, a portfolio's aggregate allocation to the SMASh Fund may temporarily exceed 50% due to market fluctuations and pending reallocation by the portfolio managers.

A client may obtain a prospectus for the SMASh Fund from the client's Sponsor Firm. The prospectus includes information concerning the SMASh Fund's investment objectives, strategies and risks. The prospectus also contains a general description of the tax consequences associated with the redemption of the SMASh Fund shares and the receipt of dividend and capital gains distributions from the SMASh Fund.

SMASh Fund redemptions may occur as a result of reallocation among securities, account withdrawals and account termination. By selecting a Martin Currie emerging markets portfolio, a client consents to the investment of account assets in the SMASh Fund. The client may revoke this consent by terminating the client's portfolio. In the event of such a termination, the client's SMASh Fund shares will be redeemed.

Only separately managed account clients of may purchase shares of the SMASh Fund. While neither the manager nor the sub-adviser of the SMASh Fund charges a management fee to the SMASh Fund, the manager and sub-adviser do receive portions of the fees clients pay for management of emerging markets managed account program portfolios.

By selecting a managed account or model delivery program, a client confirms that it has obtained and reviewed the prospectus in connection with the client's selection of a Martin Currie portfolio and authorises Martin Currie to accept delivery of the SMASh Funds' prospectus on behalf of the client in connection with Martin Currie's ongoing provision of discretionary investment management services.

**Item 8.C. Recommendations of Particular Types of Securities**

Martin Currie Inc. does not recommend particular types of securities. MC Inc, as a discretionary and non-discretionary manager, offers funds and investment strategies which primarily invest in equity securities on behalf of clients.  Please see Item 8B above for a description of the material risks involved in investing in equity securities.

## ITEM 9 – DISCIPLINARY INFORMATION

In May 2012, the SEC and MC Inc entered into a settlement in which the SEC found, and MCIM neither admitted nor denied, that MCIM was in violation of the Investment Advisers Act of 1940 (as amended) and the Investment Company Act of 1940 (as amended) in connection with an unlisted bond transaction entered into by The China Fund, Inc., a registered closed-end fund advised by MCIM ('CHN '). The SEC found that MCIM failed to disclose to investors and the Board of CHN conflicts of interest arising from the transaction and failed to adopt and comply with related policies and procedures. Pursuant to the Order, MCIM agreed to (1) cease and desist from certain conduct, (2) a censure, (3) pay a penalty of $8,300,000, and (4) comply with certain undertakings. In determining to accept the settlement offer, the SEC considered the cooperation of, and certain remedial measures undertaken by, Registrant and MC, including (i) compensating CHN for its net losses arising from the transaction, (ii) refunding management fees incurred by CHN as a result of the transaction, (iii) terminating or disciplining certain employees, (iv) ceasing new unlisted bond investments, (v) undertaking an investigation of the facts, and (vi) enhancing Registrant's policies, procedures and controls.

In May 2012, the FCA (then the FSA) imposed a penalty of £3,500,000 to be paid by MC Inc and MCIM (together, 'MC') for certain breaches of the FCA Principles for Businesses and FCA rules in connection with the transactions described above. The FCA found that MC had (1) failed to manage fairly a conflict of interest between the two client funds, (2) failed to put in place certain related systems and controls, (3) failed to conduct sufficient due diligence and risk analysis with respect to certain investments, and (4) incorrectly classified an investment in its internal systems. In assessing its penalty, the FCA concluded that (1) MC promptly brought the breaches to the FCA's attention when it became aware of them, (2) MC indemnified and compensated the affected client for its full investment loss and management fees, (3) MC had engaged in a comprehensive investigation, (4) MC took steps to improve its related processes and controls, and (5) MC took disciplinary action against certain individuals.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

**Item 10A. Registration as a Broker-Dealer or Registered Representative**

Martin Currie Inc. is not registered, and does not have an application pending to register, as a broker-dealer. MC Inc engages with an affiliated company from within the Franklin group, Franklin Distributors, LLC ("FDIS"), in respect of broker-dealer services. FDIS is a registered broker-dealer authorised to sell interest in a registered company and certain other private offshore funds managed by MC Inc or its affiliates. The registered representatives of FDIS eligible to participate in a discretionary bonus scheme which is calculated in the same way as that received by the MC Inc sales team.

Three MC Inc employees engage in broker-dealer activities relating to MC Inc as registered representatives of FDIS.

**Item 10B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodities Trading Advisor or Associated Person**

MC Inc is not registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, or commodities trading advisor. None of MC Inc's management persons is registered, or has an application pending to register, as an associated person of a futures commission merchant, commodity pool operator, or commodities trading advisor.

MC Inc is an exempt Community Trading Advisor and operates under applicable statutory exemptions.

**Item 10C. Relationships and Arrangements with Affiliates**

We are committed to providing you with client service of the highest quality and we are guided by the principle that we act in the best interests of our clients. Nevertheless, there are circumstances where client interests conflict with MCI's interests or the interests of other clients. Some of these conflicts of interest are inherent to our business and are encountered by other financial services firms that offer similar services. We have policies and procedures that are designed to ensure that we are always acting in the best interests of our clients. Set forth below is a description of some conflicts of interests that arise due to our relationships and arrangements with certain affiliates.

### Broker-dealers

As more fully described in item 10A, FDIS, an affiliate of MC Inc, is a registered broker-dealer. FDIS is authorised to sell interests in a registered company and certain other private offshore funds managed by MC Inc. Martin Currie has entered into an agreement with FDIS, under which FDIS is responsible for the promotion and distribution of shares in these funds. As investors into these funds have not contracted with FDIS directly, MC Inc pays FDIS a fee in recognition of the services it provides. This creates a potential conflict of interest, as representatives of FDIS could be incentivised to recommend funds based on compensation received rather than the client's needs which could be deemed material.

### Pooled investment vehicles

MC Inc acts as the investment adviser to a number of registered and unregistered investment companies, including offshore funds, for which it receives investment advisory fees and other compensation.

### Investment advisers

MCIM, an affiliate of MC Inc, performs investment advisory services for various clients, including pension plans. MC Inc and MCIM operate jointly. MC Inc has delegated the responsibility for providing dealing and administration services for its clients to MCIM. Members of the investment floor are 'double-hatted' in that they provide investment management services to both MC Inc and MCIM clients simultaneously. When managing client money, all portfolio managers are subject to the same investment policies and procedures and therefore all clients of MCIM and MC Inc are treated equally.

MC Inc and MCIM are part of the wider Martin Currie Group. The Group is governed by the board of the parent company, Martin Currie (Holdings) Limited. This structure mitigates any potential conflicts between the two advisers and ensures that all clients are treated equally. The board of Martin Currie (Holdings) Limited comprises three individuals. The Chair, along with one of the other members, are not involved in day to day activities of the Martin Currie group.

In addition, MCIM and MC Inc are affiliated with other registered investment advisers which are under common control with Martin Currie.

### Franklin Templeton Private Portfolio Group

MC Inc has established a relationship with Franklin Templeton Private Portfolio Group, LLC, formerly known as Legg Mason Private Portfolio Group, LLC (“FTPPG”), through which MC Inc will gain access to managed programs by being retained by FTPPG as a sub-advisor. MC Inc will provide to FTPPG investment advisory services for one or more investment management strategies. MC Inc is part of a wider group of companies, collectively referred to as ‘Martin Currie’ or the ‘Group’. Both Martin Currie and FTPPG are wholly-owned subsidiaries of Franklin.

### Legg Mason Global Asset Management Trust

For managed account program portfolios, Martin Currie emerging market equity portfolios may involve investment in units of the LEGG MASON GLOBAL ASSET MANAGEMENT TRUST Martin Currie SMASh Series EM Fund (‘SMASh Fund’), a Legg Mason mutual fund.

### Legg Mason Partners Fund Advisor

In connection with institutional business, Legg Mason Partners Fund Advisor may appoint MC Inc as a sub-advisor to certain institutional clients.

**Item 10D. Recommendations**

MC Inc does not recommend or select other investment advisers for clients.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

**Item 11A. Code of Ethics**

MC Inc's Code of Ethics (the 'Code') is based on the principle that officers, directors and employees (collectively 'staff') owe a fiduciary duty to clients. The Code contains provisions reasonably necessary to prevent its staff from engaging in any act, practice or course of business prohibited by Rule 17j-1(a) pursuant to the Investment Company Act of 1940 and Rule 204A-1 pursuant to the Investment Advisers Act of 1940 (as amended). Staff must avoid activities, interests and relations that might interfere or appear to interfere with making decisions in the best interests of the MCI's clients or otherwise take unfair advantage of their position.

**Items 11B – D. Potential Conflicts Relating to Advisory Activities**

MCIM has a duty to take all reasonable steps to identify and to prevent or manage conflicts of interest which can arise between a firm, its employees and its clients as well as those conflicts which exist between different clients of the firm.

As described in Item 4, MC Inc offers investment management services through various types of managed account programs. MC Inc's approach is to, where possible, communicate updated model portfolios to FTPPG for implementation under FTPPG-Implemented Programs or for forwarding to the sponsor firm or its designee under Discretionary Model-Based Programs and Non-Discretionary Model-Based Programs at the same time as we initiate (and most frequently complete) trading on our managed accounts for which we have discretionary trading authority and responsibility. In the limited circumstances where we are unable to communicate at the same time, a conflict could arise as the trading on managed account programs may occur after that on Martin Currie's institutional managed and pooled accounts.

Conflicts of interest have the potential to arise across the firm's activities. The firm has a series of policies and procedures designed to identify, prevent and manage conflicts of interest. In addition, the firm maintains a conflicts matrix. The policies and procedures in place include:

### Insider Dealing and Market Abuse

MC Inc has an Insider Dealing and Market Abuse policy which is set out within the Compliance manual. It is also included in Regulatory training for new staff and is further enforced via MC Inc's Employee Dealing policy and the use of a restricted list.

### Employee Dealing

MC Inc has an Employee Dealing policy in place which is set out within the Compliance manual. Permission has to be sought for any deal prior to dealing and permission is only granted for a limited time period. MC Inc maintains a list of restricted stocks, at no time can any employee place a personal trade any stock from this restricted list.

### Inducements

MC Inc has an Inducements policy. All permissible gifts, entertainment and minor non-monetary benefits provided or received by MCIM staff are subject to the Inducements policy. With the exception of very minor amounts, no entertainment or gifts may be accepted or provided without permission. All relevant items of gifts or hospitality are required to be recorded in a central log.

### Anti-Bribery

MC Inc has a zero tolerance policy towards bribery and has a commitment to provide business in a fair, open and honest manner. An Anti-bribery policy is in place which prohibits all staff from offering, promising, giving, requesting or accepting a bribe.

## Broker Research

MC Inc carries out internal research and supplements this through the use of research produced by third parties. This is explained in Item 8.

Where we receive orders to trade in the same stock, in the same direction and with identical instructions for multiple clients, whether prior to the market open or simultaneously during market hours, then these orders are normally aggregated, assuming this is permitted under local exchange rules.

Our policy is to pro-rate on all trades relative to the intended allocation, where permitted, allocating where applicable to the nearest board lot size. On occasions where the allocation is so small and it is not viable nor in the client's interest to receive an allocation, the trader will use discretion to allocate such de-minimus size trades in a fair and practical manner.

## Cross Trades

MC Inc may effect cross trades where it is permitted by a client's agreement and it complies with MC Inc's policies and procedures. Cross trades present a conflict because the firm represents the interests of both buyer and seller and there could be an incentive to favour one client over another due to differing factors (e.g. fee arrangements). We will only execute such a transaction when it is permitted by both applicable law and client restrictions, and when it is in the best interests of all clients involved in the transaction.

# ITEM 12 – BROKERAGE PRACTICES

**Item 12A. Broker-Dealer Selection Process**

We use one or more of the following venue types when executing an order on behalf of our clients:

- a regulated market, more commonly referred to as an exchange
- a Multilateral Trading Facility (MTF)
- an Organised Trading Facility (OTF)
- a Systematic Internaliser (SI)
- a third-party investment firm (a 'broker')

The most appropriate broker and/or venue are considered on an order-by-order basis. No approved broker or venue is an affiliate of Martin Currie and we do not receive any form of rebate, allowance, discount or refund from commission paid to a broker or execution venue.

From time to time, Martin Currie will trade away from a trading venue. The primary examples of this are when we execute with an SI or 'over the counter' (OTC).

We have robust controls in place to ensure that broker or venue selection is not influenced in any way by inducements. A full risk analysis is conducted before we add a new broker to our approved list. The analysis can include an assessment of the broker's execution quality, reputation including any regulatory breaches, a review of their financial strength, operational risks, their terms of business and execution policy. Once approved by the MCIM Execution Committee, all brokers are subject to regular reviews. Our selection of execution brokers is agnostic to our selection of research providers[1]. This is an important factor in meeting our obligation to ensure best execution for our clients.

Martin Currie continuously monitors the effectiveness of execution arrangements and review execution factors and venues to ensure they remain adequate to deliver the best possible result for clients. Monitoring is conducted in 'real time' by the trading team to ensure the best execution process has been followed. Both the Trading Team and Compliance will regularly monitor execution quality, using a range of quantitative and qualitative data including TCA from a third-party provider. This is overseen by the MCIM Execution Committee.

We have established a standard execution rate, by country, with all our brokers. These are maximum execution rates we will pay for a secondary market trade. We reserve the right to negotiate a lower execution rate on any trade where we feel it is justified. The rate of commission paid on a trade will depend both on the underlying market and the trading methodology. A combination of trading strategies, for example, high-touch, algorithmic programme trading, can potentially lower the average execution rate paid by a client to below the maximum rate for each market.

Our Execution Policy is available on our website.

### Research

We have established standard execution rates, by country and by trading strategy (high-touch, algorithmic, programme trading or research (MCA only)), with all our brokers. These are maximum rates we pay for agency trades. These are reviewed at least annually and overseen by the MCIM Execution Committee (in respect of trading from UK and Singapore desks) and the MCA Broker Arrangements Committee (in respect of trading from the Australia desk). We reserve the right to negotiate a lower execution rate on any trade where we feel it is reasonably justified and, in the client's, best interests.

On occasions, we may enter into a risk / principal trade where the commission rate is typically higher. These are agreed on a case-by-case basis and will only be entered into in pursuit of best execution and where it is in the client's best interests to do so.

Martin Currie does receive allowable research goods and services that are consistent with applicable regulatory requirements of the United Kingdom and the United States. These services can be used without payment to the research provider as long as they meet a number of criteria to allow them to be classified as ‘minor non-monetary benefits’. Third party research which is not a minor non-monetary benefit is paid for in accordance with our Research policy. Research providers are paid through our own resources.

### Brokerage for Client Referrals

MC Inc does not enter into referral arrangements which are any arrangements in which we pay or receive a fee with regard to the referral of a client to or from us.

### Client-directed brokerage

We accept client directed brokerage as long as the broker is on Martin Currie’s approved broker list. However, this will affect the commission rate and could impact the price at which the trade is executed. In addition, we may not be able to participate in block or aggregated trades. As previously stated the choice of broker and method of trading is dictated by the portfolio manager taking into consideration the factors described previously.

### Item 12B. Aggregation of Orders

Where we receive orders to trade in the same stock, in the same direction and with identical instructions for multiple clients, whether prior to the market open or simultaneously during market hours, then these orders are normally aggregated, assuming this is permitted under local exchange rules. Our policy is to pro-rate on all trades relative to the intended allocation, where permitted, allocating where applicable to the nearest board lot size. On occasions where the allocation is so small and it is not viable nor in the client’s interest to receive an allocation, the trader will use discretion to allocate such de-minimus size trades in a fair and practical manner.

Our Execution Policy is available on our website.

**Item 12C. Model Portfolios for managed account programs**

MC Inc has established a relationship with Franklin Templeton Private Portfolio Group, LLC, formerly known as Legg Mason Private Portfolio Group, LLC (“FTPPG”),) through which MC Inc gains access to managed account programs by being retained by FTPPG as a sub-advisor.

MC Inc participates in various types of managed account programs, including FTPPG-Implemented Programs, Discretionary Model-Based Programs and Non-Discretionary Model-Based Programs. Martin Currie does not do the trading under any of these types of managed account programs. In the case of FTPPG-Implemented Programs, FTPPG implements investment instructions furnished by MC Inc in the form of model portfolios. In the case of Discretionary Model-Based Programs and Non-Discretionary Model-Based Programs, FTPPG disseminates the model portfolio to sponsors or their designees for implementation.

MC Inc follows a trade communication process under which it generally communicates a model change trade to FTPPG at the same time that it communicates such model change trade to its institutional trading desk that is responsible for effecting trades on behalf of MC Inc’s institutional or pooled fund clients. Following its receipt of a model change trade from MC Inc, FTPPG generally will communicate, during its normal business hours, such model change trade to FTPPG’s trading desk and to program sponsors or their designees for implementation on behalf of managed account program clients at the same time in accordance with FTPPG’s trade communication policy, which is described in item 12 of FTPPG’s Form ADV brochure. However, due to differences in market hours and differences in the business hours of FTPPG and program sponsors or their designees relative to those of MC Inc, a model change trade may be implemented and effected by FTPPG on behalf of certain managed account program clients before, after or at the same time that such trade is implemented and effected by program sponsors or their designees on behalf of other managed account program clients or that that such trade is effected by MC Inc on behalf of its institutional or pooled fund clients, typically resulting in varying execution prices. Due to such timing differences and variation in execution prices, as well as certain other factors described in Item 4.D. of this brochure, the performance of an account in a managed account program may differ from the performance of other managed account program accounts and from the performance of MC Inc’s institutional and pooled fund clients managed in accordance with the same MC Inc strategy.

## ITEM 13 – REVIEW OF ACCOUNTS

Martin Currie regularly engages with clients of MC Inc as part of our offering to providing superior client service and partnership.

**Item 13A. – Client Review**

Portfolio review meetings take place at least twice per year, providing insight into the performance, positioning and outlook of a client's portfolio. We also work transparently and collaboratively with our clients throughout the year on matters of compliance and operational due diligence, providing insight into in our operational activities and access to our experts in each operational area. More generally, we engage with our clients regularly by telephone and email to share our latest insights and to provide relevant information and updates.

**Item 13B. – Client Oversight**

All segregated clients have a designated client portfolio manager to act as their main point of contact with Martin Currie. The client portfolio manager oversees the take-on of the account, the administration of the portfolio, and adherence to investment guidelines within the business. Members of our client and distribution teams are available at all times to discuss any aspect of the management and administration of the fund.

With regards to reporting, investment reports are provided to all clients on a monthly and / or quarterly basis, with a set selection of components provided as standard. Any additional reporting requirements will be considered and provided if possible.

**Item 13C. – Client Reporting**

Standard reporting includes:

- Monthly investment reports with performance, commentary, valuation and accounting statements within 10 business days of period end.
- Quarterly investment reports with detailed performance attribution, commentary, accounting and Stewardship & ESG information within 12 business days of period end.
- Annual reports available on request.

All reports are sent electronically. Example reports can be provided on request. Additional reporting is available and can be requested as part of the take-on process.

**Managed account programs**

Sponsor Firms typically prepare and send regular account statements to clients in Sponsor Firm investment programs. Martin Currie does not send regular account reports to such clients, but may agree to provide certain account information upon request.

The Martin Currie portfolio management teams responsible for providing model portfolios for managed account programs review the portfolios they provide on an ongoing basis as part of their investment management process.

This process is grounded in fundamental research and involves close monitoring of all securities that Martin Currie includes in these portfolios.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

MC Inc has not entered into arrangements for client referrals with third parties.

## ITEM 15 – CUSTODY

MC Inc does not have custody of clients' funds. All Martin Currie client investments must be held by an independent custodian and registered in either the custodian nominee name on behalf of the client or in the client's own name unless there is a regulatory requirement that imposes another requirement.

Each client should receive at least quarterly statements from the nominated custodian that holds and maintains the client's investment assets. We urge our clients to compare the custodial statement with the periodic reports provided by MCIM.

In addition, any standing instructions and the terms of the contract with any custodian should be reviewed by clients regularly to ensure they continue to be appropriate. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## ITEM 16 – INVESTMENT DISCRETION

MC Inc contracts with Professional Clients to provide investment management services to clients. This involves negotiating an appropriate Investment Management Agreement (IMA) with the client. Commonly, clients provide discretionary authority to MC Inc to carry out all relevant activities required in order to provide the investment management services. The IMA will detail the client's requirements, and any restrictions on MCI's authority to provide investment management services. Additionally, MC Inc may provide investment advisory services to institutional clients on a non-discretionary basis.

### Managed account programs

In addition to full-discretionary management services, Martin Currie may enter into agreements to provide model portfolios for use in managed account programs.

MC Inc has established a relationship with Franklin Templeton Private Portfolio Group, LLC, formerly known as Legg Mason Private Portfolio Group, LLC ("FTPPG"),through which MC Inc gains access to managed account programs by being retained by FTPPG as a sub-advisor. As sub-advisor to FTPPG, MC Inc participates in various types of managed account programs, which shall include FTPPG-Implemented Programs, Discretionary Model-Based Programs and Non-Discretionary Model-Based Programs, which are defined as follows:

- **FTPPG-Implemented Programs.** Programs of sponsors in which MC Inc has security selection discretion and FTPPG implements investment instructions furnished by MC Inc in the form of model portfolios with respect to client accounts, subject to any implementation protocols or rules agreed to by FTPPG and MC Inc.
- **Discretionary Model-Based Programs.** Programs of sponsors in which MC Inc has security selection discretion and FTPPG forwards investment instructions furnished by MC Inc in the form of model portfolios to sponsors or their designees for implementation, subject to any implementation protocols or rules of the sponsors or their designees; and
- **Non-Discretionary Model-Based Programs.** Programs of sponsors in which FTPPG forwards MC Inc's non-discretionary investment recommendations in the form of model portfolios to sponsors or their designees for implementation, subject to the discretion of sponsors or their designees.

Martin Currie has security selection discretion under FTPPG-Implemented Programs and Discretionary Model-Based Programs, but not under Non-Discretionary Model-Based Programs. Martin Currie does not have trading discretion under any type of program described above.

## ITEM 17 – VOTING CLIENT SECURITIES

**Item 17A. Proxy Voting Policies and Procedures**

Our proxy voting policy applies to clients who have specifically authorised Martin Currie to vote proxies in the investment management agreement (IMA) or other written instrument or who have, without specifically authorising MC to vote proxies, granted general investment discretion and sets out how we approach voting proxies for these clients.

We recognise that we have a duty to act in the best interests of our clients. To this end, our Proxy Voting Policy is designed to enhance shareholders' long-term economic interests. All our voting decisions are made in-house and are undertaken in accordance with our Global Corporate Governance Principles and in line with our clients' best interests. Proxy voting is integral to stewardship and as such we will routinely inform management of our investee companies when we are voting against them on material matters and provide our rationale.

We update our policy at least annually, taking into account emerging issues and trends, the evolution of market standards, and regulatory changes. The policy considers market-specific recommended best practices, transparency, and disclosure when addressing issues such as board structure, director accountability, corporate governance standards, executive compensation, shareholder rights, corporate transactions, and social/environmental issues.

The framework for making these decisions is set out in our Global Corporate Governance Principles. As responsible stewards of our customers' capital, the fundamental tenet of our Global Corporate Governance Principles is to protect and enhance the economic interests of our clients. These principles focus on corporate governance and the role of board directors in promoting corporate success – thereby creating sustainable value for shareholders while having regard to other stakeholders, both internal and external.

We believe that Sustainability or Environmental, Social and Governance (ESG) factors create risks and opportunities for companies and that these should be managed appropriately. In particular, we believe that good governance of the companies in We believe sustainability or environmental, social and governance (ESG) factors create risks and opportunities for companies and that these should be managed appropriately. In particular, we believe good governance of the companies we invest in is an essential part of creating shareholder value and delivering investment performance for our clients.

We have adopted the International Corporate Governance Network (ICGN) Global Governance Principles, which set out a primary standard for well-governed companies that is widely applicable, irrespective of national legislative frameworks or listing rules. We also reference the Principles of Corporate Governance developed by the Organisation for Economic Co-operation and Development (OECD). These are intended to help policymakers evaluate and improve international frameworks for corporate governance. Differences in national market regulation mean that a single set of detailed guidelines is unlikely to be appropriate for all the countries in which we invest. Where local corporate governance codes are consistent with our overall principles we will adopt these. At a minimum we would expect companies to comply with the accepted corporate governance standard in their domestic market, or to explain why doing so is not in the interest of (minority) shareholders.

Our Proxy Voting Policy should also be read alongside our Global Corporate Governance Principles and our stewardship statement which articulates how we discharge our stewardship duties for our clients.

This policy has been drafted in accordance with the Financial Reporting Council's Stewardship Code, which Martin Currie endorses. It is also intended to comply with Rule 206(4)-6 under the Investment Advisers Act of 1940. This policy sets forth the procedures of Martin Currie Investment Management Limited and Martin Currie Inc, (together 'Martin Currie') for voting proxies for clients, including investment companies registered under the Investment Company Act of 1940, as amended, except where such clients require different standards to the voting of proxies to be applied on their behalf.

## Item 17B. Alternative Proxy Voting Arrangements

There are some client accounts for which Martin Currie is not authorised to vote proxies or to give consents in connection with corporate actions. Such clients should arrange to receive proxy solicitation materials directly from their account custodians or transfer agents. In some circumstances, upon request, Martin Currie may be able to provide proxy solicitation materials directly to such clients.

## ITEM 18 – FINANCIAL INFORMATION

MC Inc does not require or solicit prepayment of fees.

At the date of this ADV, there are no prevailing financial conditions that could impair Martin Currie's ability to meet its contractual commitments to clients.

MC Inc is required to meet the standards of the Capital Adequacy Directive, as set by MC Inc's regulator the Financial Conduct Authority. As a non-MIFID firm, the rules regarding MC Inc's capital requirements are set out in the Interim Prudential Sourcebook for Investment Business. The principal rule is that at all times MC Inc must have available the amount and type of financial resources required by the rules of the FCA.

In order to meet these requirements, set by the FCA, Martin Currie assesses its key risks and carries out stress testing on these risks in order to calculate the capital requirement. The risks selected are those judged to have the most potentially significant impact on Martin Currie's capital and ability to meet liabilities, including those that may be crystallised by drivers outside of Martin Currie's control. As a result of these assessments, Martin Currie will maintain sufficient capital to address the risk of a dramatic fall in revenue impairing the ability to meet contractual commitments to clients.

Martin Currie has not been the subject of a bankruptcy petition at any time during the past ten years.

## Appendix A – PRIVACY STATEMENT

Your Privacy at Martin Currie, Inc

This notice is being provided for Martin Currie Inc ("we").

We are concerned about the privacy of any individuals for whom we or our affiliates provide advisory services. While we do not expect to receive any non-public personal information about individuals ("you") who invest, for personal, family, or household purposes in accounts that we manage, this notice is designed to help you understand how we handle, and protect certain non-public personal information should we happen to receive this in connection with accounts we manage in order to conduct and process your business with us. The provisions of this notice apply to former individual advisory clients as well as current individual advisory clients unless we state otherwise.

We protect any personal information we collect about you by maintaining physical, electronic and procedural safeguards that meet or exceed applicable law. Third parties who have access to such personal information must agree to follow appropriate standards of security and confidentiality. We train people who work for us in how to properly handle such personal information, and we restrict access to it.

- The personal information that we could receive may come from the following sources:
- Applications or other forms completed by you or on your behalf;
- Transactions with us, our affiliates and non-affiliated third parties; and
- Other sources, such as your broker.

Our affiliates are the family of companies controlled by Franklin. If you are a customer of other Franklin affiliates and you receive notices from them, you will need to read those notices separately.

We do not disclose any non-public personal information about you except for the purposes of the services we provide or as permitted by law. For example, we may disclose non-public personal information to our affiliates and non-affiliated third parties that perform various services on our behalf, including custodians, broker-dealers and companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. These companies agree to use this information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

You can read our full privacy policy online at martincurrie.com/cookie-policy

# MARTIN CURRIE INC.

## Form ADV Part 2B Supplement

**Martin Currie Inc**
5 Morrison Street
2nd floor
Edinburgh
EH3 8BH

Tel: 44 (0) 131 229 5252
www.martincurrie.com

**January 2023**

**This brochure supplement provides information about the following Supervised Persons that supplements the Martin Currie Inc Form ADV Part 2A. You should have received a copy of that brochure. Please contact clientservices@martincurrie.com if you did not receive Martin Currie Inc brochure or if you have any questions about the contents of this supplement.**

### Asia Long-Term Unconstrained

- Andrew Graham

### Emerging Market Equities

- Alastair Reynolds
- Andrew Mathewson
- Divya Mathur
- Paul Desoisa
- Paul Sloane
- Colin Dishington
- Aimee Truesdale

### International Unconstrained Equities

- Zehrid Osmani

**Additional information about Martin Currie Inc is available on the SEC website at www.adviserinfo.sec.gov.**

## Andrew Graham – Head of Asia Investment

**Item 2 – Educational Background and Business Experience**

**Year of Birth: 1966**

**Formal Education after High School: BA (Hons) Economics**

**Five Years Business Background: See below.**

Andrew Graham joined Martin Currie in May 2010 and heads our Asia team. He is lead manager of the Martin Currie Asia Pacific and Asia Long-Term Unconstrained strategies alongside the Martin Currie Asia Unconstrained Trust. He joined us from Sofaer Global Research, bringing with him over 20 years' experience of managing Asia-Pacific equities. At Sofaer, where he was a partner, Andrew managed the company's Japan absolute return fund and co-managed its Pacific-region absolute return fund. Prior to this he spent five years as senior vice president at Putnam Investments, where he co-managed its International Capital Opportunities Fund, focusing particularly on the Asia-Pacific region. Earlier in his career Andrew held portfolio management roles at both Scottish Widows Investment Partnership and Kemper Investment Management.

He has a BA (Hons) degree in economics from the University of Strathclyde.

**Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Andrew Graham that is applicable to this item.

**Item 4 – Other Business Activities**

Andrew Graham is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

**Item 5 – Additional Compensation**

None.

**Item 6 – Supervision**

Michael Browne, Global Head of Investment Strategy and Oversight, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Andrew Graham's investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Alastair Reynolds – Portfolio Manager, Global Emerging Markets

### Item 2 – Educational Background and Business Experience

**Year of birth: 1970**

**Formal Education after High School: N/A**

**Five Years Business Background: See below.**

Alastair Reynolds joined Martin Currie in 2010 and co-manages Martin Currie's Global Emerging Markets (GEMs) strategy, with specific responsibility for researching stocks in the automotive and transport sectors. He joined us from SWIP, where he was research manager on its GEMs desk. He was lead manager of the GEMs smaller companies and specialist Central and Eastern European mandates. Before joining SWIP in 2000, Alastair was an investment manager with Edinburgh Fund Managers. He began his career with Scottish Amicable Investment Management, where he spent seven years as an analyst and fund manager. Alastair is an associate of the UK Society of Investment Professionals (ASIP) which requires the professional to pass six examinations assessing Economics and Applied Statistical Analysis, Securities and Investments, Interpretation of Accounts and Corporate Finance, Portfolio Management, Investment Regulation and Practice and a case study. Completion of the associate examinations enables the candidate to become Associates of the Society of Investment Professionals and the use of ASIP designation.

Associate of the UK Society on Investment Professionals (ASIP)

Broadly equivalent to the CFA qualification in content and in rigour, the associate examination was phased out following the 2000 merger of IIMR (Institute of Investment Management and Research) and LSIP (London Society of Investment Professionals) by which the present society (CFA Society of the UK) was formed. The society continues to support the ASIP designation as a clear mark of professional excellence. The associate examination consisted of eight examination papers.

### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Alastair Reynolds that is applicable to this item.

### Item 4 – Other Business Activities

Alastair Reynolds is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

### Item 5 – Additional Compensation

None.

### Item 6 – Supervision

Michael Browne, Global Head of Investment Strategy and Oversight, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Alastair Reynolds' investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Andrew Mathewson – Portfolio Manager, Global Emerging Markets

### Item 2 – Educational Background and Business Experience

**Year of birth: 1980**

**Formal Education after High School: BSc (Hons) Economics**

**Five Years Business Background: See below.**

Andrew Mathewson is a co-manager of our Global Emerging Markets strategy (GEMs) and has responsibility for researching stocks in the consumer and healthcare sectors. He joined Martin Currie in 2005 from the Scottish Investment Trust, where he was an investment manager for UK equities. For over five years, Andrew worked in Martin Currie's Asia and global emerging markets team, as an investment manager for the GEMs product with a research focus on EMEA markets. With the arrival of the former SWIP emerging markets team, Andrew integrated into the new GEMs team, taking on responsibility for the consumer and healthcare sectors. Andrew is a CFA® charterholder, which requires the charter holder to pass three separate examinations testing knowledge of finance, accounting, economics, business ethics and related topics, as well as a minimum of four years of investment experience. He has a BSc (Hons) in Economics from the University of St Andrews.

Chartered Financial Analyst (CFA)
Qualification as a CFA® requires:

- A bachelor's degree from an accredited institution or equivalent education or work experience;
- Successful completion of all three exam levels of the CFA program;
- 48 months of acceptable professional work experience in the investment decision-making process;
- Fulfillment of local society requirements, which vary by society; and
- Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

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### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Andrew Mathewson that is applicable to this item.

### Item 4 – Other Business Activities

Andrew Mathewson is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

### Item 5 – Additional Compensation

None.

### Item 6 – Supervision

Alastair Reynolds Portfolio Manager, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Andrew Mathewson's investment activities. Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Divya Mathur – Global Emerging Markets

### Item 2 – Educational Background and Business Experience

**Year of birth: 1971**

**Formal Education after High School: BSc (Hons) Computer Science and Accounting, MSc Investment Analysis**

**Five Years Business Background: See below.**

Divya Mathur is a co-manager of Martin Currie's global emerging markets strategy with responsibility for technology sector research. He joined Martin Currie in 2010 from SWIP, where he was investment director on its global emerging markets strategy desk. As portfolio manager, Divya was lead manager of Martin Currie's Global Emerging Markets Infrastructure Fund and co-manager of the balanced mandates. As sector analyst, he was responsible for stocks across the technology and utilities sectors in emerging markets. Divya spent over a decade at Henderson Global Investors in London where he began his career as a quantitative strategist, before managing global emerging markets strategy and dedicated Indian equity portfolios for eight years.

Divya is an associate of the UK Society of Investment Professionals (ASIP), which requires the professional to pass six examinations assessing Economics and Applied Statistical Analysis, Securities and Investments, Interpretation of Accounts and Corporate Finance, Portfolio Management, Investment Regulation and Practice and a case study. Completion of the associate examinations enables the candidate to become Associates of the Society of Investment Professionals and the use of ASIP designation, and has an MSc in Investment Analysis from the University of Stirling and a BSc (Hons) in Computer Science and Accounting from the University of Manchester.

### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Divya Mathur that is applicable to this item.

### Item 4 – Other Business Activities

Divya Mathur is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

### Item 5 – Additional Compensation

None.

### Item 6 – Supervision

Alastair Reynolds, Portfolio Manager, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Divya Mathur's investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Paul Sloane – Global Emerging Markets

**Item 2 – Educational Background and Business Experience**

**Year of birth: 1971**

**Formal Education after High School: BA (Hons), Accounting and PGDip Investment Analysis**

**Five Years Business Background: See below.**

Paul is a co-manager of our Global Emerging Markets (GEMs) strategy and has responsibility for researching financials stocks. Paul first joined Martin Currie in 2003, leading our global financials research and co-managing our Global Financials Absolute Return Fund from 2006 to 2011 and Global Alpha strategy from 2013. Paul left the firm in 2017 and re-joined in 2018 as part of the GEMs team.

Prior to his time at Martin Currie he was at Deutsche Bank, where he was responsible for specialist sales in the pan-European insurance sector. He started his career in 1993 as a trainee chartered accountant at Standard Life before moving into an investment analyst role at Standard Life Investments in 1997.

Paul is a chartered accountant (CA) and an associate of the UK Society of Investment Professionals (ASIP), which requires the professional to pass six examinations assessing Economics and Applied Statistical Analysis, Securities and Investments, Interpretation of Accounts and Corporate Finance, Portfolio Management, Investment Regulation and Practice and a case study. Completion of the associate examinations enables the candidate to become Associates of the Society of Investment Professionals and the use of ASIP designation. Paul has a PGDip in Investment Analysis from the University of Stirling and a BA (Hons) Accounting from the University of Ulster.

Chartered Accountant (CA)

The Certified Public Accountant designation is a national professional qualification and requires the following: Meet the Chartered Accountants entry requirements;

- Pass three stages of exam levels of the Chartered Accountant programme;
- Complete a course in Business Ethics; and
- Obtain a minimum of 450 days relevant work experience.

Associate of the UK Society on Investment Professionals (ASIP)
Broadly equivalent to the CFA qualification in content and in rigour, the associate examination was phased out following the 2000 merger of IIMR (Institute of Investment Management and Research) and LSIP (London Society of Investment Professionals) by which the present society (CFA Society of the UK) was formed. The society continues to support the ASIP designation as a clear mark of professional excellence. The associate examination consisted of eight examination papers.

**Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Paul Sloane that is applicable to this item.

**Item 4 – Other Business Activities**

Paul Sloane is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

**Item 5 – Additional Compensation**

None.

## Item 6 – Supervision

Alastair Reynolds, Portfolio Manager, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Paul Sloane's investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Paul Desoisa – Global Emerging Markets

### Item 2 – Educational Background and Business Experience

**Year of birth: 1990**

**Formal Education after High School: BSc (Hons) Mathematics and Statistics**

**Five Years Business Background: See below.**

Paul is a co-manager of our Global Emerging Markets strategy where he is responsible for researching stocks in the industrial and utilities sectors. He joined Martin Currie in 2013 as an investment trainee in technology, media and telecoms research, before progressing into a portfolio management role in the North America team. Paul previously worked as a trainee actuary for Punter Southall and has undertaken internships at J.P. Morgan and Redburn Partners.

Paul holds a BSc (Hons) in Mathematics and Statistics from the University of York and is a CFA® charterholder, which requires the charter holder to pass three separate examinations testing knowledge of finance, accounting, economics, business ethics and related topics, as well as a minimum of four years of investment experience.

Chartered Financial Analyst (CFA)
Qualification as a CFA® requires:

- A bachelor's degree from an accredited institution or equivalent education or work experience;
- Successful completion of all three exam levels of the CFA program;
- 48 months of acceptable professional work experience in the investment decision-making process;
- Fulfillment of local society requirements, which vary by society; and
- Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

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### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Paul Desoisa that is applicable to this item.

### Item 4 – Other Business Activities

Paul Desoisa is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

### Item 5 – Additional Compensation

None.

### Item 6 – Supervision

Alastair Reynolds, Portfolio Manager, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Paul Desoisa's investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Colin Dishington – Global Emerging Markets

### Item 2 – Educational Background and Business Experience

**Year of birth: 1984**

**Formal Education after High School: MA, Economics**

**Five Years Business Background: See below.**

Colin is a co-manager of our Global Emerging Markets strategy, with responsibility for researching stocks in the communication services sector. Before re-joining Martin Currie in 2018, he worked as a research analyst at Matthews Asia, an Asia-only investment specialist. Before this, Colin worked at Martin Currie from 2010-2012, initially as Assistant Research Analyst, working on global financials stocks, before progressing to Assistant Portfolio Manager in our Japan team. Colin is a chartered accountant (CA), beginning his professional career at Chiene & Tait Chartered Accountants. He was then at Lloyds Banking Group before he first joined Martin Currie. He is a CFA® charterholder, which requires the charter holder to pass three separate examinations testing knowledge of finance, accounting, economics, business ethics and related topics, as well as a minimum of four years of investment experience, and has an MA in Economics from the University of Glasgow.

Chartered Financial Analyst (CFA)
Qualification as a CFA® requires:

- A bachelor's degree from an accredited institution or equivalent education or work experience;
- Successful completion of all three exam levels of the CFA program;
- 48 months of acceptable professional work experience in the investment decision-making process;
- Fulfillment of local society requirements, which vary by society; and
- Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

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### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Colin Dishington that is applicable to this item.

### Item 4 – Other Business Activities

Colin Dishington is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

### Item 5 – Additional Compensation

None.

### Item 6 – Supervision

Alastair Reynolds, Portfolio Manager, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Colin Dishington's investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Aimee Truesdale – Global Emerging Markets

### Item 2 – Educational Background and Business Experience

**Year of birth: 1989**

**Formal Education after High School: B.Sc (Hons), Physics**

**Five Years Business Background: See below.**

Aimee Truesdale is a co-manager of our Global Emerging Markets strategy and has responsibility for researching stocks in the healthcare sector. Aimee joined Martin Currie in 2021. Before that, she was an assistant fund manager and equities analyst at Jupiter Asset Management, where she managed and conducted research on the firm's Indian equities strategy. Part of her role involved collaborating with Jupiter's stewardship team to oversee environmental, social and governance (ESG) issues at investee companies. Prior to this, she worked in the global equities and Asia equities teams at Waverton Investment Management. Before joining the investment management industry, Aimee was a nuclear physicist at AWE, a U.K. Ministry of Defence research facility. Aimee is a CFA Charterholder and has a B.Sc. in physics with honours from the University of Edinburgh. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

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CFA® and Chartered Financial Analyst® are registered trademarks owned by the CFA Institute.

### Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Aimee Truesdale that is applicable to this item.

### Item 4 – Other Business Activities

Aimee Truesdale is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

### Item 5 – Additional Compensation

None.

### Item 6 – Supervision

Alastair Reynolds, Portfolio Manager, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Aimee Truesdale's investment activities.

Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

## Zehrid Osmani – Head of Global Long-Term Unconstrained

**Item 2 – Educational Background and Business Experience**

**Year of birth: 1974**

**Formal Education after High School: BA Economics and Finance, Masters in International Finance**

**Five Years Business Background: See below.**

Zehrid Osmani is head of the Global Long-Term Unconstrained team and is also co-manager of Martin Currie Global Portfolio Trust. He joined Martin Currie in May 2018 from BlackRock, where he held a number of senior roles from January 2008. At BlackRock, he was a senior portfolio manager and had responsibility for managing several pan-European equity funds with a specific focus on unconstrained, high-conviction, long-term portfolios, as well as being Head of European Equities Research. Prior to this, Zehrid managed equity portfolios at Scottish Widows Investment Partnership (SWIP), and was a specialist sector analyst at Commerzbank Securities, UBS Warburg and Credit Lyonnais. Zehrid began his investment career as a trainee fund manager at Scottish Investment Trust. He has a BA in Economics and Finance from University of Paris-Sorbonne and a Masters in International Finance from the University of Glasgow.

**Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no information about Zehrid Osmani that is applicable to this item.

**Item 4 – Other Business Activities**

Zehrid Osmani is not engaged in any investment or advisory business other than in his capacity as an employee of Martin Currie.

All outside business activities must be approved by Martin Currie's Compliance Department to ensure that such activities do not present a material conflict of interest for Martin Currie with respect to its clients.

**Item 5 – Additional Compensation**

None.

**Item 6 – Supervision**

Michael Browne, Global Head of Investment Strategy and Oversight, Tel: 44 (0) 131 229 5252 is responsible for and has supervisory oversight of Zehrid Osmani. Additionally, Martin Currie has implemented a programme of written policies and procedures to monitor the activities of the firm and its employees. All employees are required to adhere to these policies and procedures to help ensure adherence to applicable federal and state securities laws. Martin Currie has adopted many internal controls to track adherence to each policy and ensure the procedures are followed.

Martin Currie has also adopted a Code of Ethics to which all employees have to attest annually that they have read and understood.

**Martin Currie Investment Management Limited**, registered in Scotland (no SC066107). **Martin Currie Inc,** incorporated in New York and having a UK branch registered in Scotland (no SF000300), 5 Morrison Street, 2nd floor, Edinburgh EH3 8BH Tel: (44) 131 229 5252 Fax: (44) 131 222 2532 www.martincurrie.com**.** Both companies are authorised and regulated by the Financial Conduct Authority. Martin Currie Inc, 280 Park Ave, New York, NY 10017. Please note that calls to the above numbers may be recorded.