



FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN TEMPLETON ISA

YOUR GUIDE TO THE FRANKLIN TEMPLETON STOCKS & SHARES INDIVIDUAL SAVINGS ACCOUNT
(INCORPORATING THE ISA TERMS AND CONDITIONS)



Your Franklin Templeton ISA Guide

This guide provides you with some information about the Franklin Templeton ISA, which allows you to invest in Funds of Franklin Templeton Funds (the “Company”) in a tax efficient way.

You should read this document along with the ISA Terms and Conditions (from page 10 of this document), the relevant Key Investor Information Document (the “KIID”) for the Funds you wish to invest in, the latest Supplementary Information Document and the latest Franklin Templeton Funds Prospectus before you invest. Capitalised terms below are as defined in the ISA Terms and Conditions set out from page 10 of this document.

KIID is a standardised document that replaced the simplified prospectus. It must be provided to investors before they invest in any new Shares (including an increase to an existing investment) or switch their existing investment into a new Fund. The KIID is a two page document and includes concise and clear explanations on the main features of the Fund, such as its investment objective, where it invests, how it has performed, its charges and risk profile.

For more detailed current information about Franklin Templeton Funds or the Franklin Templeton ISA please visit our website: www.franklintempleton.co.uk, where you can find: the Franklin Templeton Funds Prospectus, Key Investor Information Documents, the Supplementary Information Document, product brochures and the annual and semi-annual financial reports. They are also available free of charge from:

Franklin Templeton Investments
Cannon Place, 78 Cannon Street
London EC4N 6HL
UK Freephone: 0800-305-306 (Outside UK: +44 (0) 20-7073-8690)
Lines are open from 8.30am to 5.30pm.
Email: enquiries@franklintempleton.co.uk

What is an ISA?

An ISA (Individual Savings Account) is a tax-efficient way of investing money without you having to pay further tax on any of the profit made, withdrawals or income you take. The account itself is a ‘wrapper’ in which you can put different types of investment, including funds.

What types of ISA are there?

There are two main types of ISA available to adults:

1. Stocks and Shares
2. Cash

Franklin Templeton Investments only offer the Stocks and Shares ISA.

Who can invest in a Stocks and Shares ISA?

Anyone over the age of 18 who is resident in the UK for tax purposes can invest in a Stocks and Shares ISA.

What Funds are available in the Franklin Templeton ISA?

You can invest in the following funds in the Franklin Templeton Funds range. Franklin Templeton Funds is an open-ended investment company (OEIC). It offers UK investors the opportunity to invest in a variety of diversified investment opportunities in both equity and fixed income.

Fund Name	Summary of Investment Objective	Distribution Dates	Available Share Classes
Franklin European Opportunities Fund	The Fund aims to provide long-term capital growth by investing principally in European (excluding UK) equities.	31 May and 30 November	Z Net Accumulation A Net Accumulation A Net Income
Franklin Mutual Shares Fund	The Fund's primary objective is long-term capital appreciation by investing primarily in US equity and related debt securities. Income generation is a secondary consideration.	31 May and 30 November	Z Net Accumulation A Net Accumulation A Net Income
Franklin Strategic Bond Fund	The Fund aims to deliver a regular income with the potential of capital growth over the medium to long term through investment in fixed income securities.	The last day of each month. Distributions shall be made two months in arrears of the record date	Z Net Income A Net Accumulation A Net Income
Franklin UK Equity Income Fund	The Fund aims to provide a growing level of income which is higher than that of the FTSE All-Share Index, together with capital growth over the medium to long term (meaning 3-5 years).	31 May and 30 November	Z Net Accumulation Z Net Income A Net Accumulation A Net Income
Franklin UK Managers' Focus Fund	The Fund aims to achieve a total return (i.e. a combination of capital growth and income) exceeding that of the FTSE All-Share Index, over the medium to long term (meaning 3-5 years).	31 May and 30 November	Z Net Accumulation A Net Accumulation
Franklin UK Mid Cap Fund	The Fund aims to achieve capital growth exceeding that of the FTSE 250 Index (excluding investment company stocks) over the medium to long term (meaning 3-5 years).	31 May and 30 November	Z Net Accumulation A Net Income
Franklin UK Opportunities Fund	The Fund aims to achieve a total return (i.e. a combination of capital growth and income) exceeding that of the FTSE All-Share Index, over the medium to long term (meaning 3-5 years).	31 May and 30 November	Z Net Accumulation A Net Income
Franklin UK Rising Dividends Fund¹	The Fund aims to provide a growing level of income, together with capital growth to achieve a total return exceeding that of the FTSE All-Share Index, over the medium to long term.	31 May and 30 November	Z Net Accumulation Z Net Income A Net Income
Franklin UK Smaller Companies Fund	The Fund aims to achieve capital growth exceeding that of the Numis Smaller Companies Index over the medium to long term (meaning 3-5 years).	31 May and 30 November	Z Net Accumulation A Net Income
Franklin US Opportunities Fund	Aims to provide capital appreciation in the long-term through investment in US equities.	31 May	Z Net Accumulation A Net Accumulation
Templeton Global Emerging Markets Fund	Aims to provide long-term capital growth by investing primarily in emerging market equities.	31 May	Z Net Accumulation A Net Accumulation

Fund Name	Summary of Investment Objective	Distribution Dates	Available Share Classes
Templeton Global Total Return Bond Fund	Aims to achieve a total return, over the long- term, from a combination of income, capital growth and currency gains.	31 May, 31 August, 30 November and 28 February	Z Net Accumulation Z-H3 Net Income A Net Accumulation A Net Income A-H3 Net Income A-H3 Net Accumulation
Templeton Growth Fund	Aims to maximise total investment return, concentrating on long-term capital growth with the lower risks associated with an internationally diversified portfolio of equities.	31 May and 30 November	Z Net Accumulation A Net Accumulation A Net Income

1. Franklin UK Rising Dividends Fund changed its name from Franklin UK Blue Chip Fund on 30/01/2015.

How much can I invest in an ISA for the current tax year?

The ISA allowance for the period 6 April 2014 through to 30 June 2014 is £11,880. You can choose to invest the full £11,880 in a Stocks and Shares ISA or you can invest a maximum of £5,940 in a Cash ISA and the balance in a Stocks and Shares ISA. From 1 July 2014 the ISA allowance for the 2014/2015 tax year is £15,000. From this date you may invest the full ISA allowance in a Cash ISA, Stocks and Shares ISA, or a combination of the two. Any subscriptions made between 6 April 2014 and 30 June 2014 will count towards your £15,000 ISA allowance for 2014/2015.

You can invest a minimum lump sum amount of £1,000 per Fund into the Franklin Templeton ISA up to the ISA limit each tax year, with a minimum top up of £250 per Fund. Alternatively you can choose to save regularly from a minimum of £50 per month per Fund.

Once you have made a subscription to an ISA, it counts towards the overall subscription limit for the tax year. So if you withdraw money, then re-subscribe it in the same tax year, this will count as an additional investment and will therefore form part of your subscription for that tax year.

What are the key financial reporting dates?

The key financial reporting dates are the same for all the Funds.

Accounting Reference Date (i.e. financial year end): 31 March

Semi-Annual Accounting Period: 1 April to 30 September

Publication of Annual and Semi-Annual Reports: By 31 July and 30 November

Which Share classes can I invest in?

The available Share classes are set out in the table on pages 5-6, however are subject to the restrictions detailed below.

Share Class	Restrictions
Class Z Shares	Regular ISA Savings are only permitted into Class Z Shares. Class Z shares must be invested in by all retail investors who do not have a financial adviser or who have received a personal recommendation from a financial adviser.
Class A Shares	Not available for Regular ISA Savings. Class A Shares are not available to retail investors who do not have a financial adviser, or who have received a personal recommendation from a financial adviser. Class A Shares are available for retail investors who use the services of an intermediary, such as a broker, which transmits the orders to Franklin Templeton Investments, but the intermediary has not given investment advice or a personal recommendation. You can only invest in Class A Shares if your financial adviser completes the relevant agent details in the relevant ISA Application Form.

What are the charges for each Share class?

Current Rates of Preliminary Charge

The current rates of the ACD's Preliminary Charge (calculated as a percentage of the amount) are:

Z Shares: At present, no preliminary charge is levied on such share classes, and if the ACD does introduce such charge, it shall give appropriate notice to Shareholders. The ACD may charge the following Preliminary Charges: for 5% for Equity Funds (with the exception of the Franklin UK Equity Income Fund, Franklin UK Mid Cap Fund, Franklin UK Rising Dividends Fund and Franklin UK Smaller Companies Fund where the initial charge is 4.5%.) and 3% for Fixed Income Funds (although the ACD may charge a lower amount, as it may from time to time determine, in relation to any specific class or transaction), and

A Shares: 5% for Equity Funds (with the exception of the Franklin UK Equity Income Fund, Franklin UK Mid Cap Growth Fund, Franklin UK Rising Dividends Fund and Franklin UK Smaller Companies Fund where the initial charge is 4.5%) and 3% for Fixed Income Funds (although the ACD may charge a lower amount, as it may from time to time determine, in relation to any specific class or transaction).

Ongoing Charges

There are regular charges for investing in a fund. These "ongoing charges" are used to pay for the running of the fund and it covers all aspects of operating a fund during the year, including fees paid for investment management, administration and the independent oversight functions. The fee is shown as a percentage of the Fund's average net assets during the year.

When previously incurred expense would not be a fair representation of the future costs of investing in the fund, or where 12 months of information is unavailable we calculate an estimated charge.

As at 31 March 2015, the actual ongoing charges for the funds, for the year, are shown below. For the most up-to-date ongoing charges you should read the latest KIID(s) for each Fund in which you want to invest.

Fund Name	Z Shares	A Shares	Annual Management Charge Taken From Capital or Income
Franklin European Opportunities Fund	1.10%	1.65%	Income
Franklin Mutual Shares Fund	1.16%	1.71%	Income
Franklin Strategic Bond Fund	0.90%	1.35%	Capital
Franklin UK Equity Income Fund	1.04%	1.59%	Capital
Franklin UK Managers' Focus Fund	1.05%	1.60%	Income
Franklin UK Mid Cap Fund	1.03%	1.58%	Income
Franklin UK Opportunities Fund	1.05%	1.60%	Income
Franklin UK Rising Dividends Fund	1.10%	1.65%	Capital
Franklin UK Smaller Companies Funds	1.04%	1.59%	Income
Franklin US Opportunities Fund	1.04%	1.59%	Income
Templeton Global Emerging Markets Fund	1.30%	1.95%	Income
Templeton Global Total Return Bond Fund	0.99%	1.34%	Income
Templeton Growth Fund	1.05%	1.60%	Income

How do I invest in a Franklin Templeton ISA?

You should take note of the ISA limits stated under "How much can I invest in an ISA for the current tax year?" and the minimum investments for each Fund.

By post

Please complete the relevant ISA Application Form and then either:

- post it to the address on the form, or
- send it to your financial adviser.

Your ISA Application Form must be accompanied by your payment and any identity information that we may need. Please note that ISAs are a personal tax allowance and cannot be opened in joint names.

We will not be able to process any ISA forms that are not correctly completed. Please take time to complete the ISA forms and ensure that you specify the Share class you wish your instructions to apply to.

Payment

You can invest a lump sum, a regular monthly amount or a combination of both into a Franklin Templeton ISA. You can also transfer existing ISAs to us (please see below).

- **Investing a lump sum:** please send a personal cheque made payable to FTFML Collection Account with your ISA Application Form. You may also choose to make payment electronically, however we must have received your ISA Application Form before you make electronic payments. Please send the electronic payment to our bank account at JP Morgan Chase Bank NA London: sort code: 60-92-42; account number: 41287531; account name “FTFML Collection Account”. Please provide surname and initials of the first shareholder or the Registered Name as a reference.
- **Investing on a regular basis:** please complete the Direct Debit mandate and the ISA Application Form. Your monthly direct debit will be collected from your account on the 25th of each month or the nearest Business Day thereafter. Your investment will be used to buy Shares in the Fund(s) you have chosen. Where applicable, we will deduct an initial charge (which is a percentage of your investment) from the money you invest. Please note we will only accept regular investments up until 5 April 2015.

Can I transfer ISAs between ISA managers?

Yes — you can transfer your ISA to or from another ISA manager. However, please note the following important points:

- If you wish to transfer a current tax year Stocks and Shares ISA to another provider, then all of it needs to be transferred i.e. it cannot be transferred in part. For previous tax years you can transfer all or part of your Stocks and Shares and/or Cash ISAs.
- You can transfer a Cash ISA into a Stocks and Shares ISA, however, until 1 July 2014, you cannot transfer a Stocks and Shares ISA to Cash ISAs unless you exercise your cancellation rights and your previous ISA manager accepts the return of Funds. From 1 July 2014, you can transfer savings between a Stocks and Shares ISA and a Cash ISA. For the avoidance of doubt this applies to amounts paid in since 6 April 2014 as well as amounts that you have paid in during previous tax years.

How do I transfer to a Franklin Templeton ISA?

If you wish to transfer your existing ISA(s) to us, complete the ISA Transfer Form and return it to us at the address on the form. We will contact your existing ISA manager, enclosing your instructions to close the ISA, and request the transfer of the cash value to us.

- We do not offer a Cash ISA but we will accept transfers from existing Cash ISAs into our Stocks and Shares ISA, and transfers from an existing Stocks and Shares ISA into our Stocks and Shares ISA. From 1 July 2014 we will allow transfers from our Stocks and Shares ISA to other Cash ISA providers.
- For previous tax years you can transfer all or part of your Stocks and Shares or Cash ISAs to our Stocks and Shares ISA.
- In the current tax year, you have to transfer all of your Stocks and Shares or Cash ISA to our Stocks and Shares ISA.
- There is no upper limit on the amount that can be transferred.
- If you transfer into our Franklin Templeton ISA you should appreciate that, during a part of the period of transfer your investment will be in cash. This means that until your cash is reinvested into the Fund(s) of your choice, you will not be exposed to any gains or falls in stock markets.

Will I receive an income from my ISA?

Shareholders of Income Shares via their holding in the Franklin Templeton ISA are entitled to be paid the income attributable to such Shares in respect of each annual or interim accounting period, as applicable for the relevant Fund. The ISA Administrator will normally transmit income by wire transfer to the shareholder's nominated bank account. Shareholders of Accumulation Shares via their holding in the Franklin Templeton ISA are not entitled to be paid the income attributable to such Shares, however that income is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each annual accounting period. The price of an Accumulation Share increases to reflect accrued income.

What happens to ISAs upon death?

The tax benefits of an ISA cease from the date of your death. See the Terms and Conditions, section 26 for further information.

What are the tax benefits of ISAs?

The tax treatment of your ISA on sale

When you cash in your ISA, in whole or in part, there will be no UK income tax or Capital Gains Tax (CGT) to pay.

The tax treatment of your ISA's investment income

You will not be liable to UK income tax on dividend or interest distributions. Dividend distributions are subject to a notional 10% tax credit which is not reclaimable. Income from an ISA is not required for inclusion on your UK tax return. Please note: the favourable tax treatment of ISAs may change in the future.

How do I find out how my investment is progressing?

The share price for each of our Funds can be found on our website – www.frankintempleton.co.uk

The website also contains up-to-date fund information including where the Fund is invested and performance data.

Every six months we will send you a statement summarising the transactions on your account and the value of your investment based on the Net Asset Value per share on 30 June and 31 December. In addition we will also send you the annual and interim reports for Franklin Templeton Funds which are published by 31 July and 30 November each year.

Please note that each Share class is shown separately on statements, so if you invest in Class A Shares in a Fund and then subsequently invest in Class Z Shares in the same Fund, you will see two separate entries on your half-yearly statement.

Copies of contract notes, statements and other information about your account will continue to be sent to any financial adviser that our records indicate is linked to your account. Consequently, if you no longer have a financial adviser you will need to inform us.

You can also view your investment details using Franklin Templeton's online service. Online access can be requested by completing the relevant section of the FTF OEIC application form or you can contact the Client Dealer Services Team on UK Freephone 0800 305 306 or +44 20 7073 8690 if calling from overseas or via email at enquiries@frankintempleton.co.uk.

How do I increase, decrease, sell or stop my regular investment?

You can increase, decrease, sell or stop your regular investments at any time by completing the Existing ISA Investor – Increase, Switch, Sale Form available on our website or from our Client Dealer Services Team. As detailed above, we will not be able to process any ISA forms that are not correctly completed.

How do I switch or convert within my Franklin Templeton ISA?

If you wish to switch the proceeds of your current shares in the Franklin Templeton ISA into any of the other Funds within the Franklin Templeton ISA, your shares are sold and then the new shares are purchased.

If, however, you wish to move between share classes within the same Fund within the Franklin Templeton ISA, this can be undertaken by means of a conversion whereby shares are simply changed from one class of shares to another class of shares on the share register.

When instructing a switch or conversion, please ensure that you complete the Existing ISA Investor – Increase, Switch, Sale Form, available on our website or from our Client Dealer Services Team.

What are my cancellation rights?

Where you buy Shares through the Franklin Templeton ISA on the advice of a financial adviser, you may have a legal right to cancel your agreement during a 14 day period after making the investment. If you have such a right and wish to cancel, you should sign and return the Cancellation Form to Franklin Templeton Investments, PO BOX 24064, EDINBURGH EH3 1EX within 14 days from the day on which you receive the cancellation form.

You may not recover your investment in full if the market and/or Share Price have fallen since you made your investment. In addition, you will of course have to repay any amounts already paid to you under the contract. Where you have not received advice, your application will not qualify for cancellation rights but you will be able to sell your Shares in the normal way. There are no cancellation rights for switches between the Funds or between Share classes of the same Fund.

Should you choose to cancel or redeem your Franklin Templeton ISA at any time then its ISA tax status will be lost and you will not be able to re-subscribe at a later date. This does not apply if you exercise your cancellation rights within the 14 day cancellation period.

How do I make a complaint?

If you have any complaints about the service you receive, please address them in the first instance to the Head of Customer Services, Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London, EC4N 6HL. The Company will provide investors with a copy of its complaints handling procedure and will investigate any complaint and provide a substantive response. If the response is not to the investor's satisfaction, investors have the right to refer complaints to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Compensation

In the unlikely event that an investor wishes to make a claim against the ACD and the ACD is unable to meet its liability, the investor may be entitled to payment from the Financial Services and Compensation Scheme ("FSCS") established under the Financial Services and Markets Act 2000. The maximum level of compensation that an investor can receive in respect of Investment business is £50,000. Further details of the FSCS are available by contacting the ACD or the FSCS on 0800-678-1100 or +44 (0) 20-7741-7100 or via their website at www.fscs.org.uk.

Data Protection

All personal data of investors contained in any of the ISA forms and all/any further personal data collected in the course of the investor's dealings with the Company and its agents may be collected, recorded, stored, adapted, transferred or otherwise processed and used ("processed") by the Company, the ACD and other companies affiliated to Franklin Templeton Investments (including its ultimate parent Franklin Resources, Inc., 1 Franklin Parkway, San Mateo, California and/or its subsidiaries and associates from time to time), and the investor's financial intermediary (if any). Such data shall be processed for the purposes of: (a) account administration, (b) anti-money laundering identification, (c) tax identification under the European Union Tax Savings Directive 2003/48/EC on taxation of savings income in the form of interest payments, (d) compliance with regulatory obligations, and (e) the development of our business relationship with you, including sales and marketing of Franklin Templeton Investments' products and services.

For such purposes, data may be transmitted to external third parties with whom the Company, the ACD or Franklin Templeton Investments may have a business relationship and which may be established outside the UK and/or European Union. An investor may request details of the investor's personal data held, subject to payment of the applicable fee, if any.

Who's Who?

The ISA Manager

Franklin Templeton Fund Management Limited is the ISA Manager for the Franklin Templeton ISA. The ISA Manager has been approved by the Commissioners of HM Revenue & Customs to act as the ISA Manager. This means the ISA Manager has authority to manage the Franklin Templeton ISA in accordance with the ISA Terms and Conditions. The ISA Manager's head office is at Cannon Place, 78 Cannon Street, London, EC4N 6HL.

The Authorised Corporate Director (the "ACD")

The ACD is responsible for the administration, management and control of the Company's business, including the determination of investment policy. The ACD for the Company is also Franklin Templeton Fund Management Limited. The ACD is authorised and regulated by the FCA. The Company has no Directors other than the ACD.

The Depositary

The Depositary of the Company is BNY Mellon Trust & Depositary (UK) Limited, whose registered office address is at The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA.

The Auditors

The Auditors of the Company are PricewaterhouseCoopers LLP, whose address is at Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

The Administrator and Registrar

The Administrator and Registrar of the Company is the ACD at Cannon Place, 78 Cannon Street, London, EC4N 6HL. The Register of Shareholders of the Company (and the plan register (in relation to regular savings)) can be inspected within the Registrar's office at this address during normal business hours.

The Regulator

The Company is an open-ended investment company which is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, London E14 5HS, or such successor organisations.

Franklin Templeton ISA Terms and Conditions Effective 2 March 2015

Words and phrases used in these ISA Terms and Conditions have, unless the context requires otherwise, the meanings set out in the definitions section below. For the purpose of these ISA Terms and Conditions, references to 'we', 'our', 'us' 'Manager' or 'FTFML' refer to Franklin Templeton Fund Management Limited and references to 'you' or 'your' refer to the investor named as the applicant in the ISA Application Form or ISA Transfer Form as applicable.

Definitions

Act

Financial Services and Markets Act 2000.

ACD

Means the Authorised Corporate Director of the Company being Franklin Templeton Fund Management Limited.

Agreement

Our ISA Terms of Business is made up of:

- These ISA Terms and Conditions.
- The relevant KIID for your investment.
- The Supplementary Information Document.
- The ISA Application Form or the ISA Transfer Form as applicable.
- Any other letter/documentation that we may provide to you under the FCA's Conduct of Business Rules that is stated by us to constitute part of the Agreement.

Approved Bank

As defined in the FCA Handbook of rules and guidance. This definition is available from us on request.

Business Day

Monday to Friday (except a Bank holiday in England and Wales) being a day on which the London Stock Exchange is open for business.

Cash ISA

An ISA that is described as a 'Cash Account' under the ISA Regulations.

Client Money

As defined in the FCA Handbook of rules and guidance. This definition is available from us on request.

Client Money Rules

The rules relating to 'Client Money' under the FCA's Handbook of rules and guidance.

Collective Investment Schemes Rules

The rules relating to 'Collective Investment Schemes' under the FCA's Handbook of rules and guidance.

Company

Franklin Templeton Funds, which is an investment company with variable capital.

Depository

As defined in the FCA Handbook of rules and guidance. This definition is available from us on request.

Dealing Day

A Business Day unless the ACD decides otherwise with the approval of the Depository.

Designated Investment Business

As defined in the FCA Handbook of rules and guidance. This definition is available from us on request.

Eligible Complainant

As defined in the FCA Handbook of rules and guidance. This definition is available from us on request.

Existing ISA Investor - Increase, Switch, Sale Form

The Application Form which allows you to increase, invest in a new Fund, switch, convert, decrease or sell your Shares.

Financial Adviser or Intermediary

The person named as 'agents only' on your ISA Application Form or ISA Transfer Form as applicable, who is a person authorised to conduct investment business under the Act, and is duly appointed by you to act on your behalf in relation to this Agreement.

FCA

The Financial Conduct Authority, the UK's financial watchdog, or any successor entity.

FCA's Conduct of Business Rules

The 'Conduct of Business' rules under the FCA's Handbook of Rules and Guidance.

Franklin Templeton ISA

An Individual Savings Account, as defined by the ISA Regulations and subscribed to by you.

FSCS

The Financial Services Compensation Scheme. A financial compensation scheme in the event of the failure of authorised firms which covers insurance companies, deposit-takers and investment firms.

Funds

Any one or more of the sub-funds of the Company.

ISA Application Form

The Application Form which allows you to invest in the Franklin Templeton ISA.

ISA Regulations

The Individual Savings Account Regulations 1998 as directed by HM Treasury and as amended from time to time.

ISA Terms and Conditions

These Terms and Conditions as from time to time modified or amended.

ISA Transfer Form

The form signed by you in accordance with the ISA Regulations used to transfer your existing ISA to the Franklin Templeton ISA.

Income Shares

Net paying shares, in respect of which income allocated is distributed periodically to the shareholders pursuant to the FCA rules net of any tax deducted or accounted for by the fund.

KIID (Key Investor Information Document)

The document containing essential information which we are required to produce in relation to each share class of each Fund and which we are required to provide to you in advance of any investment in our Funds.

Large Deal

A purchase or redemption or a series of purchases, redemptions, issues or cancellations from a single shareholder or a single intermediary in respect of the same valuation point, for these purposes, a large deal is a purchase or redemption of 5% or more of the value of the relevant Fund.

Net Asset Value per share

The value of the relevant Fund's assets plus any cash (including accrued interest and dividends receivable) less all liabilities (including accrued expenses) divided by the number of outstanding shares of the class, and (accept for small denomination shares) shall be accurate to at least four significant figures.

Registered Office

Our registered office, which is currently Cannon Place, 78 Cannon Street, London, EC4N 6HL.

Share

A share in the Company.

Stocks and Shares ISA

An ISA that is described as a "Stocks and Shares Account" under the ISA Regulations.

Taxation

All forms of Tax whether of the UK or elsewhere in the world wherever imposed and all statutory, governmental, state, provincial, local government or municipal impositions, duties and levies and all penalties, charges, costs and interest relating thereto.

Taxes

Means taxes, duties, imports and fiscal charges of any nature, whether of the UK or elsewhere in the world, including value added taxes and stamp and other documentary taxes.

Valuation Point

Means 12 noon UK time on each normal Dealing Day.

UK

United Kingdom.

Unfair

As defined in the Unfair Terms in Consumer Contracts Regulations 1999 as amended from time to time.

1. General

- 1.1 We are approved by the Commissioners of the HM Revenue & Customs to act as an ISA Manager for your Franklin Templeton ISA which is a Stocks and Shares ISA and you give us authority to manage it in accordance with these ISA Terms and Conditions. If any of these ISA Terms and Conditions conflict with the ISA Regulations or the rules of the FCA, then the ISA Regulations or the FCA Rules will take priority and these ISA Terms and Conditions shall be amended in order to comply.
- 1.2 If any term or provision in this Agreement shall in whole or part be held to any extent to be illegal or unenforceable under any enactment or rule of law, then that term or provision shall be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be affected.
- 1.3 We reserve the right to delegate any or all of our functions or responsibilities under this Agreement to a third party. In doing so we will ensure that we are satisfied with the competence of such a person or organisation to carry out such functions or responsibilities.
- 1.4 We will act as the ISA Manager for your Franklin Templeton ISA. We will not review your portfolio or advise you about your account.
- 1.5 We have certain responsibilities under money laundering legislation and taxation treaties to verify the identity of shareholders and may need to make certain enquiries and obtain certain information from you for that purpose. You confirm that all the information you supply will be accurate and that we may pass on such information that we consider necessary to comply with any reporting requirements. We reserve the right to terminate this Agreement should you be unable to satisfy our money laundering obligations in good time and repay monies to you, subject to a deduction of the amount (if any) by which the value of the shares has fallen at the time such termination is made.
- 1.6 This Agreement will come into force when we accept and receive your ISA Application Form, Existing ISA Investor - Increase, Switch, Sale Form or ISA Transfer Form, as applicable. We may not accept your ISA Application Form, Existing ISA Investor - Increase, Switch, Sale Form or ISA Transfer Form if such Form is not fully and properly completed. In particular, we will not accept your ISA Application Form, Existing ISA Investor - Increase, Switch, Sale Form or ISA Transfer Form if you have not confirmed that you have received the latest KIID.

2. Client Classification

- 2.1 For the purposes of this Agreement, you will be classified as a retail client under the FCA Rules unless otherwise set out in any other documentation which is said to form part of this Agreement.

3. Investment

- 3.1 Monies held in the Franklin Templeton ISA will be invested by us into shares of your chosen Fund(s) in compliance with the requirements of the FCA and HM Revenue and Customs.

4. Your Money

- 4.1 We will hold your money on your behalf in a trust account.
- 4.2 We are obliged to treat money held by us on your behalf in accordance with the Client Money Rules. Amongst other things, these require us to hold your money in a client bank account at an Approved Bank.

5. Interest

- 5.1 We do not pay interest on any cash balances held.

6. Settlement of transactions

- 6.1 All payments to be made by you shall be made in the currency of the obligation in immediately available funds on the due date without set-off or counter claim and free from and without deduction of any Taxes, levies, withholdings or any other deductions of any nature.
- 6.2 You will be responsible for ensuring that all money due to us is paid and all documents are delivered to us in good order so as to permit timely settlement of any transaction effected with you or on your behalf. The due date for settlement will be stated on the contract note, invoice or other notification.

7. Switches and Conversions

- 7.1 To switch your shares in the Franklin Templeton ISA, you must instruct us via the Existing ISA Investor - Increase, Switch, Sale Form. We shall sell investments in your Franklin Templeton ISA and use the proceeds to buy shares in (other) Funds. We use sale proceeds to buy shares in your selected Fund(s) immediately prior to the Valuation Point(s) on the same Business Day as the day of sale at the Net Asset Value per share.
- 7.2 If you wish to move between share classes within the same Fund within the Franklin Templeton ISA, this will be undertaken by means of a conversion whereby shares are simply changed from one class of shares to another class of shares on the share register. You must instruct us via the Existing ISA Investor – Increase, Switch, Sale Form.

- 7.3 If you hold investments in our Funds and wish to transfer them into the Franklin Templeton ISA, you may instruct us to sell the investments and use the proceeds to buy shares in your Franklin Templeton ISA. We require valid signed written instructions with original signature(s) and your ISA Application Form. Any transfers made in this manner are subject to normal annual ISA subscription limits. We use sale proceeds to buy shares in your selected Fund(s) immediately prior to the Valuation Point(s) on the same Business Day as the day of sale at the Net Asset Value per share.

- 7.4 It is important that you receive the latest relevant KIID in advance of any investment into our Funds. We are unable to accept instructions to switch to another Fund or into the Franklin Templeton ISA without your written declaration that you have received the latest KIID in respect of your new investment.

8. Statements & Managers Reports

- 8.1 Every six months we will send you a statement summarising the transactions on your account and the value of your investment based on the Net Asset Value per share on the 30 June and 31 December.
- 8.2 Publication of the annual and semi-annual reports are by the 31 July and 30 November each year. The accounts contained in the annual and semi-annual reports will be prepared in accordance with the FCA Rules and the Statement of Recommended Practice for Financial Statements of Authorised Funds.
- 8.3 We will arrange for you to receive a copy of the short annual and semi-annual reports issued by the Fund and any other information issued to shareholders in the Fund. There will be no additional charge for this service. We will also arrange (subject to the ISA Regulations or any provisions made by or under any other enactment) for you to be able to attend and vote at meetings of shareholders.

9. Registration and Custody

- 9.1 Legal title to your holding of investments will be registered in the name of Franklin Templeton Fund Management Limited. Documents evidencing title to the investments will be held either by us or as we shall direct.
- 9.2 You will own the beneficial title in all investments. This means that although in the eye of the law we are the legal owner of the investments, you alone have the right to use and benefit from the investments. You confirm that during the continuance of your Franklin Templeton ISA, you will remain the beneficial owner of the investments and/or cash in the Franklin Templeton ISA and will not use the Franklin Templeton ISA as security for a loan.

- 9.3 Where a share certificate or other document evidencing title to an account investment is issued, it will be held by us or as we may direct.

10. Unsolicited Calls

- 10.1 You will not receive unsolicited calls from us, although should we need to contact you by telephone you authorise us to do so at a reasonable hour. We will not make calls to you before 8.00 am or after 9.00 pm.

11. Application

- 11.1 In each tax year, you may only subscribe to one cash ISA and one Stocks and Shares ISA.
- 11.2 In each tax year, the amount which you can invest respectively in a cash ISA and a Stocks and Shares ISA is limited by the ISA Regulations and we will not allow you to invest more in your Franklin Templeton ISA, which is a Stocks and Shares ISA, than is permitted by the ISA Regulations.
- 11.3 For lump sum subscriptions, your application covers that investment and each subsequent investment until you give us further notice. For users that invest on a regular monthly basis on the 25th of each month or the nearest Business Day thereafter, your application covers the initial investment and each subsequent monthly investment until the direct debit is cancelled.
- 11.4 Your application to transfer an ISA to us must be made on the ISA Transfer Form.
- 11.5 If we void your Franklin Templeton ISA under the ISA Regulations as applicable, then we may transfer the investments we bought for you into your own name unless you instruct us otherwise. If you instruct us to return your subscription to you, the money paid will be subject to the deduction of the amount, if any, by which the value of the investments in your Franklin Templeton ISA has fallen.
- 11.6 A direct debit instruction authorises us to collect and invest regular subscriptions for you on the 25th of each month or the nearest Business Day thereafter unless and until you notify us to the contrary, either at the time of your application or otherwise in accordance with section 30 (Notices). We must receive your completed direct debit form 10 Business Days prior to the direct debit collection date.
- 11.7 If we receive both your investment and application before 12 noon on any Business Day we can invest into the Fund on that day, otherwise your account cannot normally be opened before the following Business Day. At our discretion we may open your Account on a day other than a Business Day.

- 11.8 You may transfer to us all or part of an ISA, provided the transfer is in cash. We apply the cash when we receive it to buy shares in your stocks and shares component as you instruct. If you cancel your Franklin Templeton ISA following transfer from another manager we will only repay money to you, not to your previous manager.

12. Cancellation Rights

- 12.1 If you have received financial advice you may have the right to cancel your investment during a 14 day period after making the investment. If you have such a right and wish to cancel, you should sign and return the cancellation form to Franklin Templeton Investments, PO BOX 24064, EDINBURGH EH3 1EX within 14 days from the day on which you receive the cancellation form.
- 12.2 Where a right of cancellation is exercised, any amounts paid will be reimbursed, subject to a deduction of the amount (if any) by which the Net Asset Value per share has fallen at the time the cancellation notice is received by us. For investors that invest monthly, quarterly or annually, cancellation rights apply only to the first contribution.

13. Pricing

- 13.1 The property of each Fund shall be valued at the Valuation Point for the purpose of determining prices at which shares may be purchased or redeemed by the Company. Shares will be “single priced” with the same price for buying or selling on any particular day, such price being determined from time to time by reference to the Valuation Point on the Dealing Day for each Fund. When shares are bought or sold the price used will be that calculated at the next valuation point following receipt of your instruction. This is known as forward pricing. (Share prices are calculated in accordance with statutory regulations.) Information about the current Fund prices can be obtained from us at our Registered Office.

14. Published Prices & Yields

- 14.1 The most recent prices and yields are currently published on our website www.franklintempleton.co.uk.

15. Charges

- 15.1 Charges as they affect each of the Funds are detailed in the KIID for each share class of each Fund, the Prospectus and the Supplementary Investor Information Document. There are no additional charges levied by us for administering the Stocks and Shares ISA.

16. Investment Objectives

- 16.1 The investment objective of each Fund is described in the relevant KIID and the Prospectus.

17. Giving Instructions

- 17.1 Whilst we have the discretion to accept your written instructions as long as we are reasonably satisfied that they are genuine instructions from you, all instructions must be given via the relevant ISA form. We will not be able to process any ISA forms that are not correctly completed. If we do accept any written instructions for security purposes, you acknowledge the fact that we have the right to delay carrying out any instructions from you whilst we verify that they are genuine.
- 17.2 We will acknowledge your instructions formally by issuing a note or confirmation which will supersede any verbal acknowledgement of your order given at the time and you should contact us immediately if the contract note or confirmation does not accord with your instructions. We will provide a contract note or confirmation to you following each transaction or series of transactions.
- 17.3 Please note that we do not accept email instructions to buy or sell investments under any circumstances. You acknowledge that we may decline to act if such instructions are received by us and shall not be responsible whatsoever for the consequences of such inaction.

18. Liability

- 18.1 Nothing contained in this section or elsewhere in this Agreement shall act as to limit or exclude our liability to you to the extent that such liability is attributable to a breach by us of the regulatory system established by the Act.
- 18.2 You irrevocably and unconditionally agree to indemnify or reimburse us and our agents on demand, and keep us fully and effectively indemnified (whether before or after termination of this Agreement) from and against any and all acts, proceedings, claims, demands, liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or assessed against us as a direct or indirect result of our acting under this Agreement. However, this indemnity shall not apply to any loss or liability to the extent it arises or results from our negligence or fraud or any contravention by us of the regulatory system established by the Act.
- 18.3 We shall not be liable for the Taxation consequences of any transaction nor shall we be liable for Taxation charges arising for any reason. Neither we nor any of our staff shall be under any liability whatsoever for

any loss or damage sustained by you arising from any actual or proposed transaction as a result of or in connection with the provision of any services to which this Agreement applies except in so far as and then only to the extent that such loss or damage is caused by negligence or fraud on our part or of our staff or representatives or any failure by us to comply with applicable FCA rules.

- 18.4 We have legal obligations regarding the detection, reporting and prevention of fraud, money laundering and terrorist activity. We are required to take action where we have suspicions about the use of, or any activity concerning, any accounts or Funds we hold or any facilities we provide. Where we are permitted legally to do so, we will advise you of any investigation or of any delay arising from any such investigation. We may be obliged to refuse transactions or instructions. We will not be liable to you or any third party for any loss or damage arising from any action we may take as a result of our legal obligations.

19. Force Majeure

- 19.1 Except as provided otherwise under the Act, we shall not be in breach of the Agreement if there is any total or partial failure of performance of our duties and obligations hereunder occasioned by any act of God, terrorism, fire, act of government or state, war, civil commotion, insurrection, embargo, breakdown, or computer systems or other machine failure, inability to communicate with market makers for whatever reason, prevention from or hindrance in obtaining any raw materials, energy or other supplies, labour disputes of whatever nature or any other reason (whether or not similar in kind to the foregoing) beyond our control.

20. Selling Units

- 20.1 On the instructions of the investor via the Existing ISA Investor - Increase, Switch, Sale Form, all or part of the investments held in the Franklin Templeton ISA and proceeds arising from those investments shall be transferred after receipt of your Existing ISA Investor - Increase, Switch, Sale Form. We will endeavour, to which you agree, to make this transfer or withdrawal within 14 days in normal circumstances, but you should be aware that it may take up to 30 days to effect such transfer or withdrawal. Partial transfers or withdrawals are permitted subject to a minimum value of £250 remaining in the Franklin Templeton ISA and any prevailing laws or regulations. We reserve the right to terminate the Franklin Templeton ISA should the value of its investments or cash fall below £250. Please note that this does not apply to shareholders who continue to make regular contributions. We may carry out security checks to confirm your identity before we make payment.

21. Illegality

- 21.1 If any provision or term of the Agreement or any part thereof shall become or be declared illegal, invalid, unfair or unenforceable for any reason whatsoever, such term or provision shall be deemed to be deleted from the Agreement, provided that, should any such deletion substantially affect or alter the commercial basis of the Agreement, the parties shall negotiate in good faith to amend and modify the provisions of the Agreement as may be necessary or desirable in the circumstances.

22. Income Distributions

- 22.1 Where you have elected to withdraw income from the Fund(s) this will be paid to you either by credit transfer to your bank or building society or by cheque on the income distribution date(s) shown in the relevant KIID and in the Prospectus. If you have selected to have your income distribution reinvested, shares will be purchased on your behalf at the Net Asset Value per share on the income distribution date (or the first Business Day thereafter). Income reinvested in this way does not form part of the annual ISA subscription limit.

23. Tax Status

- 23.1 You agree to be bound by the ISA Regulations. If, at any time you cease to be a 'qualifying individual' in accordance with the Declaration made on the ISA Application Form or ISA Transfer Form as applicable, you shall not make any further contributions to the Account. For the purposes of the ISA Regulations, a qualifying individual is any person, aged 18 or over and who is resident in the UK or, although non-resident in the UK, performs duties as a Crown employee that are treated as being performed in the UK.
- 23.2 You must inform us if you cease to comply with the above status disclosure.

24. Changes

- 24.1 We may amend any provision of this Agreement or our arrangements with you by sending you a written notice describing the relevant changes. Such changes will become effective at a date to be specified in the notice, which will be at least ten Business Days after the notice is sent to you.
- 24.2 You may ask us not to include any provision of this Agreement by giving written notice to that effect, but we are only able to agree if such a change is relevant to the circumstances and it is practicable to carry out your request.

25. Termination

- 25.1 Either you or us are entitled to terminate this Agreement at any time by giving immediate written notice to the other. Once terminated and subject to your instructions via Existing ISA Investor - Increase, Switch, Sale Form, we will sell the investments at the Net Asset Value per share and hold the proceeds to your order in accordance with instructions received from you or any nominated person. We may also take a retention from the Franklin Templeton ISA and apply it towards the discharge of your tax liabilities and any of your obligations under the terms of the relevant Agreement.
- 25.2 You may at any time by written notice, require us to transfer current year subscriptions in whole and/ or previous years' subscriptions in whole or in part together with all the rights and obligations of the parties of the Franklin Templeton ISA to another ISA Manager.
- 25.3 Upon termination or upon receipt of your valid notice to transfer, we will not execute any further transactions on your behalf other than as necessary for us to discharge any of your tax liabilities and obligations under the terms of this Agreement.
- 25.4 Your Franklin Templeton ISA will be terminated if we cease to be an ISA Manager. We will give you reasonable notice of this. You may, however, withdraw Funds at any time during such notice period.
- 25.5 We shall notify you in writing if, by reason of any failure to satisfy the provisions of the ISA Regulations, your Franklin Templeton ISA(s) has or will become void for tax purposes.
- 25.6 This Agreement shall terminate immediately in the event that you make a voluntary arrangement with your creditors, become bankrupt or if you become subject to an administration order to go into liquidation (other than for the purposes of a legitimate amalgamation or reconstruction).
- 25.7 Any legal rights or obligations of either you or us, which may have arisen prior to termination, shall not be extinguished or reduced by termination of the Agreement.

26. Deceased Account Holders

- 26.1 The death of an investor shall be treated as the date of cessation of the Franklin Templeton ISA. Distributions, interest or gains arising after the date of death are subject to a full tax charge. For capital gains purposes, the investments under the Franklin Templeton ISA will be treated as if the personal representative had acquired them at market value at the date of death. For inheritance

tax purposes, the market value of the investments at the date of death will form part of the investor's estate (under our Interpretation of current tax legislation which may be subject to change). All investment(s) will be held in accordance with these Franklin Templeton ISA Terms and Conditions until your death has been registered, your personal representatives instruct us in respect of all investment(s) and we complete all transactions and liabilities due to us, or our agents in accordance with this Agreement.

- 26.2 During this time, we are entitled to hold any reinvestment income in a client account held at an Approved Bank until we can pay this direct to your personal representatives. We are entitled to calculate any withdrawal fees as at the date of death.

27. Material Interests

- 27.1 When effecting transactions with or for you, we or a related company may have a material interest in a transaction or a conflict of interest, other interest, relationship or arrangement that is material in relation to the transaction, investment or service concerned. Nevertheless, we have the right to effect such transactions without prior notice to you, but, in doing so; will not allow any such interest or conflict to stand in the way of achieving fair treatment and best execution for you within the investment powers set out in the ISA Terms and Conditions. Neither us, nor a related company shall be liable to account to you for any profit or benefit arising as a result of any such transaction.

- 27.2 We ensure fair treatment for you under the FCA Conduct of Business rules by disregarding such interest when we deal for you or on your behalf.

28. Recording of Telephone Conversations

- 28.1 You consent that we may record telephone conversations, which we may have with you, and acknowledge that such recordings may be used in evidence in the event of a dispute. Our recording shall be, and remain, our sole property and will be accepted by you as conclusive evidence of the orders, instructions or conversations so recorded. You agree that we may deliver copies or transcripts of such recordings to any court or regulatory authority.

29. Notices

- 29.1 All notices given pursuant to this Agreement shall be in writing and shall be sent to the relevant address stated in the ISA Application Form or ISA Transfer Form, unless a new address in the UK has been supplied by either party in accordance with this section, in which case notices shall be sent to the party at that new address.
- 29.2 Notices shall be sent by the following means

and shall be deemed to have been received at the following times: (a) if it is sent by first class post shall be deemed to have been served on the Business Day following that on which the envelope containing the same is posted and in proving such service it shall be sufficient to prove that such envelope was properly addressed, stamped and posted. In the case of delivery by hand, any letter or other document shall be deemed to have been received when delivered; and (b) if sent by facsimile, upon receipt of an error-free transmission report to the correct fax number.

- 29.3 For the avoidance of doubt, notice may not be served by means of electronic mail.

30. Assignment

- 30.1 This Agreement is personal to you and your personal representatives and shall not be capable of assignment or transfer by you or them.
- 30.2 We may assign this Agreement to any company, person or other legal entity connected with us or to any other successor, firm or company on giving at least 10 Business Days' written notice to you to that effect.

31. Indulgences

- 31.1 Our failure to seek redress for violations or to insist upon strict performance of any condition or provision of this Agreement, or our failure to exercise any right or remedy to which we are entitled under it, shall not constitute a waiver thereof.

32. Governing Law

- 32.1 The provisions of this Agreement and the relationship created by it shall be governed by English Law and subject to the exclusive jurisdiction of the English courts.

33. Complaints

- 33.1 In the first instance you should raise any complaint with us and address them to the Head of Customer Services, Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London, EC4N 6HL, who can also provide you with a copy of our complaints procedures on request. We will attempt to rectify any complaint to your satisfaction, but if we are unable to do so, the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR will investigate the complaint impartially provided that you are an eligible complainant.

34. Customer Protection

- 34.1 If you are a retail client, you will benefit from the FSCS in the event that you have an unpaid claim against us in respect of our services and we are declared in default. The maximum sum currently payable from the scheme is £50,000. If you are not a retail client you will normally not be entitled to

any payment from the scheme. Further information on the application of the scheme is available from us on request.

35. Data Protection Act

- 35.1 All personal data provided by you contained in the ISA Application Form or ISA Transfer Form and all and any further personal data collected in the course of your dealings with us and our agents may be collected, recorded, stored, adapted, transferred or otherwise processed and used (“processed”) by, the Company, the ACD and other companies affiliated to Franklin Templeton Investments (including our ultimate parent Franklin Resources, Inc., One Franklin Parkway, San Mateo, California and/or its subsidiaries and associates from time to time), and your financial intermediary (if any). Such data shall be processed for the purposes of: (a) account administration, (b) anti-money laundering identification, (c) tax identification under the European Union Tax Savings Directive 2003/48/EC on taxation of savings income in the form of interest payments, (d) compliance with regulatory obligations, and (e) the development

of our business relationship with you, including sales and marketing of Franklin Templeton Investments products and services.

- 35.2 For such purposes, data may be transmitted to external third parties with whom the Company, the ACD or Franklin Templeton Investments may have a business relationship and which may be established outside the UK and/or European Union. You may request details of your personal data held, subject to payment of the applicable fee, if any.

36. Record Retention

- 36.1 In accordance with legal and regulatory requirements, we will retain your records for at least 3 years following the termination of any relationship between us, although this period may be extended as required by any applicable law.

37. Contracts (Rights of Third Parties) Act 1999

- 37.1 The provisions and terms of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.



Franklin Templeton Funds
Cannon Place
78 Cannon Street
London
EC4N 6HL
www.franklintempleton.co.uk

CONTACT US

UK freefone 0800-305-306
tel +44 (0)20-7073-8690
fax +44 (0)20-7073-8701
email enquiries@franklintempleton.co.uk

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