

## Your Questions Answered

**A European Directive<sup>1</sup> requires operators of UCITS funds to publish a Key Investor Information Document (KIID) for each sub-fund. The KIID must be provided to investors before they purchase new shares, including an increase to an existing investment or a switch of their existing investment into a new sub-fund.**

These European Union regulatory changes will shortly impact the way your clients invest in Franklin Templeton Funds, our UK OEIC range, and Franklin Templeton Investments Funds (our Luxembourg-registered SICAV).

### What is KIID?

The KIID is a new standardised document that must be produced for any UCITS fund by 1 July 2012 and replaces the current simplified prospectus. It must be given to investors before they invest in any new shares (including an increase to an existing investment) or switch of their existing investment into a new share class. The KIID is a two page document and includes concise and clear explanations on the main features of the sub-fund, such as its investment objective, where it invests, risk profile and how the relevant share class has performed and the share class' charges.

### What does this mean to you?

Under the same Directive, financial intermediaries are responsible for providing their clients with an up-to-date KIID, free of charge, for any investment they recommend before their clients invest. Before you place any business with us, you must therefore ensure that your client has received and understood the relevant KIID(s) relating to any future purchase, increase or switch into any Franklin Templeton Investments' UCITS fund.

We will assume that you have provided the relevant KIID(s) and Supplementary Information Documents to your client(s) for any future investment in one of our funds, unless you or your client(s) writes to inform us that you are no longer acting as their financial adviser.

We have written to all existing shareholders in the funds advising them to ensure that they always contact their financial adviser when they plan to place a new transaction with Franklin Templeton Investments in order to receive the KIIDs specific to their planned investment(s).

### When will Franklin Templeton Investments start issuing the KIID?

A KIID for each share class for sub-funds in Franklin Templeton Funds and Franklin Templeton Investment Funds (FTIF) will be available from our websites – [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk) or [www.ftidocuments.com](http://www.ftidocuments.com) from 31 May 2012. The simplified prospectus for both Franklin Templeton Funds and FTIF will no longer be valid after that date.

In addition, the Supplementary Information Document and the ISA Guide, including the ISA Terms and Conditions, will also be available on the websites.

The [www.ftidocuments.com](http://www.ftidocuments.com) website will be available to all clients and distributors and will provide access to KIIDs in the appropriate language for the 25 European Union countries and Switzerland and Norway. You will be able to choose the KIIDs most appropriate to your clients based on their country and language.

### Will I be able to get a Franklin Templeton Investments' KIID from anywhere else?

We have made arrangements for the Franklin Templeton Investments' KIIDs to be made available through: [www.Morningstar.com](http://www.Morningstar.com), [www.fundinfo.com](http://www.fundinfo.com) and FundsLibrary.

We continue to talk to other companies who offer KIID distribution services and will keep you informed as we become aware of other groups making them available to investors.

1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009.

### **How often will the KIID be updated?**

The KIID will be constantly updated to ensure that any changes to its content, such as a change to the prospectus, or a material change to a risk indicator or ongoing charge are updated as quickly as possible. Each KIID will however be updated at least once a year and published within 35 business days of the 31 December each year.

### **How can I ensure that I have the most up-to-date KIID?**

To ensure that you have the most recent KIID for our funds you should download it from our websites – [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk) or [www.ftidocuments.com](http://www.ftidocuments.com). Only the latest version of the KIID will be made available on the websites.

Morningstar.com, fundinfo.com and FundsLibrary will also have the latest versions made available to them for distribution.

We recommend that you download the relevant KIID(s) on the day you intend to provide it to your client(s) as any previous copies of the document you may have stored on your own devices could be out of date.

### **I have existing clients invested in funds managed by Franklin Templeton Investments – Have they been advised of the change?**

We have written to all registered shareholders in Franklin Templeton Funds and Franklin Templeton Investments Funds and advised them that the current Simplified Prospectus for these funds will be replaced by KIIDs with effect from 31 May 2012. Franklin Templeton Investments is a firm believer in the value of financial advice and we have therefore advised shareholders to always contact their financial adviser before making any future investments with us so that they will be provided with the appropriate advice and KIIDs.

### **Are there any other changes I should be aware of as a result of the KIIDs implementation?**

We will also be making some changes to our application and dealing forms. New forms can be ordered from your usual Franklin Templeton representative or our Client Dealer Services team by emailing [enquiries@franklintempleton.co.uk](mailto:enquiries@franklintempleton.co.uk) or telephoning 0800 305 306 or +44 20 7073 8690 from outside the UK. The existing application and dealing forms should not be used after the 31 May 2012, and we would be grateful if you could destroy any old stocks of application and dealing forms after that date.

### **Who should I contact for more information?**

If you have any questions or need further information about Franklin Templeton Investments' KIIDs, please call our Sales Support Team by calling 0207 073 8600 or emailing [ftisalessupport@franklintempleton.co.uk](mailto:ftisalessupport@franklintempleton.co.uk). For your security and to improve the quality of our service, calls may be recorded.

### **For Professional Investor use only. Not for distribution to the public**

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