

This information on charges and expenses relates to Franklin Templeton Funds (the "Fund"), a UK-registered Open Ended Investment Company (OEIC).

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment. In accordance with our corporate values, Franklin Templeton Investments promotes the understanding of the nature of charges, costs and transparency, which is in line with Investment Association (IA) recommended practice.

The notes below explain what these charges may be and the table on the following pages lists the charges applicable to our funds. For more detailed information about charges, please refer to the "Fees and Charges" section of the current prospectus of Franklin Templeton Funds.

### **Entry charge / Initial charge**

At present there is no entry charge for class Z, W or I shares.

If charges were to be introduced the company would give investors appropriate notice. More details can be found in the Franklin Templeton Funds' Prospectus and Supplementary Information Document.

A Shares: 5% for equity funds (with the exception of the Franklin UK Rising Dividends Fund, Franklin UK Equity Income Fund, Franklin UK Opportunities Fund, Franklin UK Mid Cap Fund and Franklin UK Smaller Companies Fund where the initial charge is 4.5%) and 3% for fixed income funds).

### **Exit charge**

There is no exit charge for the Fund.

### **Performance charge**

There is no performance charge for the Fund.

### **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 cover 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. The calculations for the transaction costs are as at 31 March 2017. The other charges displayed in the table are as at 31 December 2017.

### **Pricing policy note**

We operate a single pricing methodology for the Fund and reserve the right to charge a dilution levy to protect your investment from the costs of buying or selling investments that result from large investors joining or leaving the Fund.

As dilution is directly related to the purchases and redemptions of the Fund it is not possible to predict accurately whether dilution will occur at any future point in time. It is not envisaged that a dilution levy will be applied frequently.

The amount of dilution levy applied to deals may vary over time because it will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. However as a guide a dilution levy will typically fall in the range from 0.01% to 1% when buying or selling Shares. Currently the policy is to apply the dilution levy on redemptions only.

### **Portfolio transaction costs**

The purchase and sale of shares for a fund incurs broker commissions, transfer taxes and stamp duty which are paid by a fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative cost of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated cost of investment.
- Historic transactions costs are not an effective indicator of the future impact on performance.

- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered from those investors. For further information please refer to the pricing policy note above.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

### More information

For further information on these disclosures and a guide to charges and costs, please visit the IA's website

<http://www.theinvestmentassociation.org/investment-industry-information/fund-charges-and-costs>

Fund Name	Share Class	Entry Charge/ Initial Charge <sup>1</sup>	Exit Charge	Performance Fee	Ongoing Charges <sup>2</sup>	Transaction Costs <sup>3</sup>		Stamp Duty Reserve Tax <sup>3</sup>
						Commissions	Taxes	
Franklin European Opportunities Fund	A(acc)	5.00	n/a	n/a	1.75	0.13%	0.03%	0.00%
Franklin European Opportunities Fund	A(inc)	5.00	n/a	n/a	1.75			
Franklin European Opportunities Fund	W(acc)	0.00	n/a	n/a	1.05			
Franklin European Opportunities Fund	Z(acc)	0.00	n/a	n/a	1.25			
Franklin Mutual Shares Fund	A(acc)	5.00	n/a	n/a	1.75	0.02%	0.00%	0.00%
Franklin Mutual Shares Fund	A(inc)	5.00	n/a	n/a	1.75			
Franklin Mutual Shares Fund	W(acc)	0.00	n/a	n/a	1.01			
Franklin Mutual Shares Fund	Z(acc)	0.00	n/a	n/a	1.21			
Franklin UK Corporate Bond Fund	W(acc)	0.00	n/a	n/a	0.45	0.00%	0.00%	0.00%
Franklin UK Corporate Bond Fund	W(inc)	0.00	n/a	n/a	0.45			
Franklin UK Equity Income Fund	A(acc)	4.50	n/a	n/a	1.58	0.12%	0.25%	0.00%
Franklin UK Equity Income Fund	A(inc)	4.50	n/a	n/a	1.57			
Franklin UK Equity Income Fund	W(acc)	0.00	n/a	n/a	0.52			
Franklin UK Equity Income Fund	W(inc)	0.00	n/a	n/a	0.52			
Franklin UK Equity Income Fund	Z(acc)	0.00	n/a	n/a	1.02			
Franklin UK Equity Income Fund	Z(inc)	0.00	n/a	n/a	1.02			
Franklin UK Gilt Fund	W(acc)	0.00	n/a	n/a	0.35	0.00%	0.00%	0.00%
Franklin UK Gilt Fund	W(inc)	0.00	n/a	n/a	0.35			
Franklin UK Managers' Focus Fund	A(acc)	5.00	n/a	n/a	1.58	0.19%	0.33%	0.00%
Franklin UK Managers' Focus Fund	W(acc)	0.00	n/a	n/a	0.83			
Franklin UK Managers' Focus Fund	Z(acc)	0.00	n/a	n/a	1.03			
Franklin UK Mid Cap Fund	A(inc)	4.50	n/a	n/a	1.57	0.14%	0.15%	0.00%
Franklin UK Mid Cap Fund	W(acc)	0.00	n/a	n/a	0.82			
Franklin UK Mid Cap Fund	W(inc)	0.00	n/a	n/a	0.82			
Franklin UK Mid Cap Fund	Z(acc)	0.00	n/a	n/a	1.02			
Franklin UK Opportunities Fund	A(inc)	5.00	n/a	n/a	1.60	0.11%	0.07%	0.00%
Franklin UK Opportunities Fund	W(acc)	0.00	n/a	n/a	0.55			
Franklin UK Opportunities Fund	W(inc)	0.00	n/a	n/a	0.55			
Franklin UK Opportunities Fund	Z(acc)	0.00	n/a	n/a	1.05			
Franklin UK Rising Dividends Fund	A(inc)	4.50	n/a	n/a	1.60	0.17%	0.29%	0.00%
Franklin UK Rising Dividends Fund	W(acc)	0.00	n/a	n/a	0.55			
Franklin UK Rising Dividends Fund	W(inc)	0.00	n/a	n/a	0.55			
Franklin UK Rising Dividends Fund	Z(acc)	0.00	n/a	n/a	1.05			
Franklin UK Rising Dividends Fund	Z(inc)	0.00	n/a	n/a	1.05			
Franklin UK Smaller Companies Fund	A(inc)	4.50	n/a	n/a	1.58	0.09%	0.10%	0.00%
Franklin UK Smaller Companies Fund	W(acc)	0.00	n/a	n/a	0.83			
Franklin UK Smaller Companies Fund	W(inc)	0.00	n/a	n/a	0.83			
Franklin UK Smaller Companies Fund	Z(acc)	0.00	n/a	n/a	1.03			
Franklin US Opportunities Fund	A(acc)	5.00	n/a	n/a	1.58	0.04%	0.00%	0.00%
Franklin US Opportunities Fund	W(acc)	0.00	n/a	n/a	0.83			
Franklin US Opportunities Fund	Z(acc)	0.00	n/a	n/a	1.03			
Templeton Global Emerging Markets Fund	A(acc)	5.00	n/a	n/a	1.60	0.16%	0.03%	0.00%
Templeton Global Emerging Markets Fund	W(acc)	0.00	n/a	n/a	1.10			
Templeton Global Emerging Markets Fund	Z(acc)	0.00	n/a	n/a	1.20			
Templeton Global Total Return Bond Fund	A(acc)	3.00	n/a	n/a	1.35	0.00%	0.00%	0.00%
Templeton Global Total Return Bond Fund	A(acc)-H3	3.00	n/a	n/a	1.37			
Templeton Global Total Return Bond Fund	A(inc)	3.00	n/a	n/a	1.35			
Templeton Global Total Return Bond Fund	A(inc)-H3	3.00	n/a	n/a	1.37			

1. Entry Charges shown are the maximum amounts; you may pay less in some cases. For more information, contact your financial adviser.

2. The Ongoing Charges Figure (OCF) is an amount representing all operating charges and expenses of the Fund in the prior 12 months as a percentage of the Fund's average net assets for the period ended 31 December 2017. Where that figure would not be a fair representation of future costs or if 12 months data is not available, an estimated figure will be shown.

3. The transaction costs and stamp duty are for the period 1 April 2014 to 31 March 2017. This figure may vary from year to year.

Fund Name	Share Class	Entry Charge/ Initial Charge <sup>1</sup>	Exit Charge	Performance Fee	Ongoing Charges <sup>2</sup>	Transaction Costs <sup>3</sup>		Stamp Duty Reserve Tax <sup>3</sup>
						Commissions	Taxes	
Templeton Global Total Return Bond Fund	W(acc)	0.00	n/a	n/a	0.80			
Templeton Global Total Return Bond Fund	W(acc)-H3	0.00	n/a	n/a	0.80			
Templeton Global Total Return Bond Fund	W(inc)	0.00	n/a	n/a	0.80			
Templeton Global Total Return Bond Fund	W(inc)-H3	0.00	n/a	n/a	0.80			
Templeton Global Total Return Bond Fund	Z(acc)	0.00	n/a	n/a	1.02			
Templeton Global Total Return Bond Fund	Z(inc)-H3	0.00	n/a	n/a	1.02			
Templeton Growth Fund	A(acc)	5.00	n/a	n/a	1.59	0.05%	0.02%	0.00%
Templeton Growth Fund	A(inc)	5.00	n/a	n/a	1.59			
Templeton Growth Fund	W(acc)	0.00	n/a	n/a	0.84			
Templeton Growth Fund	Z(acc)	0.00	n/a	n/a	1.04			

## IMPORTANT INFORMATION

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This document is intended to be of general interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares of the Franklin Templeton Funds (FTF), a UK-registered OEIC ("the Fund"). Nothing in this document should be construed as investment advice. Subscriptions to shares of the Fund can only be made on the basis of the current prospectus, the relevant Key Investor Information Document, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter.

**The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator or a guarantee of future performance.** Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations.

An investment in the Fund entails risks which are described in the Fund's prospectus and the relevant Key Investor Information Document. In emerging markets, the risks can be greater than in developed markets. Investments in derivative instruments entail specific risks that may increase the risk profile of the fund and are more fully described in the Fund's prospectus and in the relevant Key Investor Information Document. Where a fund invests in a specific sector or geographical area the returns may be more volatile than a more diversified fund.

No shares of the Fund may be directly or indirectly offered or sold to nationals or residents of the United States of America. Shares of the Fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Franklin Templeton Investments representative before making any plans to invest.

Issued by Franklin Templeton Investment Management Limited (FTIML), Cannon Place, 78 Cannon Street, London EC4N 6HL. FTIML is authorised and regulated by the Financial Conduct Authority.

For more information, please contact us using the details below.

### FURTHER INFORMATION:

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3. The transaction costs and stamp duty are for the period 1 April 2014 to 31 March 2017. This figure may vary from year to year.