

This is a marketing communication.

For the purposes of the UK Sustainability Disclosure Requirements, a sustainable investment label helps investors find funds that have a specific sustainability objective. This Fund does not have a UK sustainable investment label because it does not have a specific sustainability objective.



FTF ClearBridge US Equity Income Fund

Franklin Templeton Funds

W (inc)
30 September 2025

Product Commentary

Performance Review¹

- The third quarter continued the post-“liberation day” rebound for US equity markets, with animal spirits driving the S&P 500 Index to record highs. Investor optimism was fuelled by better-than-feared tariff outcomes, the passing of the One Big Beautiful Bill Act in July, anticipated interest-rate cuts—the US Federal Reserve delivered with a 25-basis-point(bp) cut in September and signalled further easing—and robust corporate earnings.
- For the quarter, the fund’s W (inc) shares returned 7.13%, and its benchmark, the S&P 500 Index, returned 10.06%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Oracle Corporation	Industrials (Stock Selection)
	Te Connectivity Plc	Utilities (Stock Selection)
	Sempra	Health Care (Stock Selection)
HURT	Nvidia Corporation (Not owned)	Communication Services (Stock Selection)
	Apple Inc. (Underweight)	Real Estate (Overweight and Stock Selection)
	Tesla, Inc. (Not owned)	Consumer Staples (Overweight and Stock Selection)

- Artificial intelligence (AI) enthusiasm continued to propel the S&P 500 Index higher, as evidenced by sizeable gains in the information technology (IT) sector as well as tech proxies in the communication services and consumer discretionary sectors. The fund profited from its exposure to AI, though we lagged the index as our dividend mandate and our disciplined adherence to risk management has us underweight the IT sector.
- During the quarter, we benefitted from our positions in Broadcom and Oracle, both of which are major players in AI. Both stocks surged in September on robust earnings and outlooks.
- TE Connectivity was a strong contributor on the strength of its AI-enabled sensors and embedded systems.
- Defence holdings Northrop Grumman, RTX and recent addition L3Harris Technologies performed well in an environment of heightened geopolitical tensions.
- Sempra’s recent moves to focus on its regulated US utilities businesses and strengthen its overall financial position spurred its shares higher.
- Consumer staples such as Nestle and Coca-Cola took a back seat in a risk-on market, as did Comcast, due to heightened competitive pressures in broadband.
- From a sector perspective, our overweights to consumer staples, real estate and materials all detracted from performance.

Outlook & Strategy

- As we head into the final quarter of the year, our outlook is mixed. The economy remains resilient and looks likely to muddle through, provided the government shutdown is not prolonged. Valuations, however, are on the fuller side, restraining the outlook for capital appreciation. With investors continuing to be complacent in the face of historically high valuations, we continue to emphasise investments with more modest valuations. The gap between the valuation of our portfolio and the market remains as wide as it has ever been. We believe this positions us both for better potential appreciation and lower downside risk. The combination of higher tariffs, a weaker dollar and a smaller labour pool increases the risk that inflation will remain higher for longer than investors expect. Should inflation prove sticky, dividend growth will be a boon to investors. We believe dividend growers are the perfect all-weather investment. Dividends cushion the bumps of volatile markets, provide much-needed income in low-return environments, and preserve and grow purchasing power in inflationary environments. We believe our companies are well-positioned to continue raising their increases, and we feel good about our holdings.

Fund Details

Inception Date	23/09/2022
Benchmark	S&P 500 Index
IA Sector Peer Group	IA North America

Fund Description

The Fund aims to generate income and increase in value through investment growth, over periods of five years or more after all fees and costs are deducted. There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

1. Please go to <https://www.franklintempleton.co.uk/glossary> for key terms and definitions.

Performance Data^{2,3}

Discrete Annual Performance (%) as at 30/09/2025

	9/24 9/25	9/23 9/24	9/22 9/23	9/21 9/22	9/20 9/21	9/19 9/20	9/18 9/19	9/17 9/18	9/16 9/17	9/15 9/16
W (inc)	11.77	14.40	5.40	9.37	22.88	-2.60	18.02	13.58	12.46	36.27
S&P 500 Index GBP	17.17	24.07	11.23	2.10	24.65	9.76	10.32	21.31	14.84	34.60
Peer Group Average	13.36	20.57	8.10	-2.39	25.27	9.34	7.40	19.65	14.53	30.95

Performance Net of Management Fees as at 30/09/2025 (Dividends Reinvested) (%)^{a,b}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (17/10/2011)
W (inc)	1.58	7.13	3.53	11.77	10.46	12.61	13.74	12.95
S&P 500 Index	4.02	10.06	6.83	17.17	17.37	15.53	16.67	16.53
Peer Group Average	2.60	8.15	4.52	13.36	13.89	12.56	14.30	14.00
Quartile Ranking	3	3	3	3	3	3	3	3

The W (inc) share class launched on 23/09/2022. Performance data prior to this date was for the X INC share class launched on 17/10/2011 of a predecessor fund, which had equal or higher annual charges.

Please refer to the "How We Measure Performance" section for more details about the benchmark.

Investment Team

John Baldi
Years with Firm 21
Years Experience 27

Michael Clarfeld, CFA
Years with Firm 19
Years Experience 25

What Are the Key Risks?

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. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. There is no guarantee that the Fund will meet its objective. The Fund does not offer any capital guarantee or protection and you may not get back the amount invested. The Fund is in its risk/reward category because investments in shares of US companies from various sectors have historically been subject to relatively large fluctuations in value. As a result, the performance of the Fund can fluctuate considerably over time. Risks materially relevant not adequately captured by the indicator: **Concentration risk:** the risk that arises when a fund invests in relatively few holdings, few sectors or a restricted geographic area. Performance may be more volatile than a fund with a greater number of securities. **Single Country/Region Risk:** This fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other funds that invest in a broader range of regions. **Equity risk:** prices of equities may be affected by factors such as economic, political, market, and issuer-specific changes. Such changes may adversely affect the value of the equities regardless of company-specific performance. **Foreign Currency risk:** the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations. **Liquidity risk:** the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Such risk may be triggered by (but not limited to) unexpected events such as environmental disasters or pandemics. Reduced liquidity may have a negative impact on the price of the assets.

How We Measure Performance

We measure performance and price shares in the Fund in British pounds (GBP).

- We measure performance against the S&P 500 Index (the "Index"), as it is widely available and reflects the performance of investments in similar assets to those in which the Fund will invest. The Index is a measure of the performance of 500 large companies listed in the United States.
- The Fund's performance can also be compared against the Investment Association North America sector average, which reflects the performance of the Fund's competitors.

2. © 2025 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. For more information, visit www.morningstar.co.uk.

3. Please go to <https://www.franklintempleton.co.uk/glossary> for key terms and definitions.

Important Legal Information

This material 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 sub funds of Franklin Templeton Funds ("FTF"), a UK-domiciled 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 ("KIID") or Supplementary Information Document (SID) accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter, which can be found on our website (www.franklintempleton.co.uk) or from the address below. US Persons (as more fully defined in the latest Fund prospectus) are not eligible to invest in the Fund. Shares of the Fund are available for sale and distribution in the UK.

An investment in the Fund entails risks which are described in the Fund's prospectus and the relevant KIID. The value of shares in the Fund and any income received from them can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator, not a guarantee, of future performance. Where a fund invests in a specific sector or geographical area, the returns may be more volatile than a more diversified fund.

Opinions expressed are the author's at the publication date and they are subject to change without prior notice. Given the rapidly changing market environment, Franklin Templeton disclaim responsibility for updating this material. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holding at any one time. Any research and analysis contained in this document has been procured by Franklin Templeton for its own purposes and is provided to you only incidentally. Franklin Templeton shall not be liable to any user of this document or to any other person or entity for the inaccuracy of information or any errors or omissions in its contents, regardless of the cause of such inaccuracy, error or omission.

There is no guarantee that the Fund will achieve its objective. For a free copy of the latest Prospectus, the SID, the relevant KIID, the annual report and semi-annual report, if published thereafter or for more information about any Franklin Templeton fund, UK investors should contact: Franklin Templeton, Telephone: 0800 305 306, Email: franklintempletonuk@fisglobal.com or write to us at the address below. Alternatively, the information can be downloaded from our website www.franklintempleton.co.uk.

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

Indices are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Source: © 2025 S&P Dow Jones Indices LLC. All rights reserved.

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

a. Source for all information is Franklin Templeton. Benchmark related data provided by FactSet. Past performance is not an indicator or a guarantee of future performance. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Sales charges and other commissions, taxes and other relevant costs paid by investor are not included.

b. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.



Franklin Templeton Investment Management Limited
Cannon Place
78 Cannon Street
London EC4N 6HL
0800 313 4049
franklintempleton.co.uk