

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 UK Mid Cap Fund

Franklin Templeton Funds

W (acc)
30 September 2025

Product Commentary

Performance Review¹

- UK economic output continues to confound expectations, recording the fastest growth in the G7 so far this year.
- However, sentiment remains weak as we await further tax measures from Chancellor Rachel Reeves in her Autumn budget on 26 November.
- For the quarter, the fund's W (acc) shares returned -1.79%, and its benchmark, the FTSE 250 ex-Investment Trusts Index, returned 1.36%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	JTC	Financial Services (Stock Selection)
	Serco	Industrial Goods and Services (Overweight)
	Alpha Group	Technology (Stock Selection)
HURT	Bytes Technology	Consumer Products and Services (Stock Selection)
	Grainger	Real Estate (Stock Selection)
	Bellway	Retail (Overweight)

- At a sector level, stock selection in financial services, technology, and industrial goods and services contributed to relative returns.
- Conversely, stock selection in consumer products and services and real estate and an overweight to retail detracted from relative returns.
- The fund's largest contributor was JTC, as its shares rallied 55.7% over the quarter. JTC provides administrative services (accounting, regulatory compliance, etc.) to ultra-high net worth private clients and institutional investors, such as fund managers, private equity firms, pension funds and sovereign wealth funds. Over the last month a bidding war has emerged between two private equity firms – Warburg Pincus and Permira. To date no price has been publicly disclosed. Discussions remain ongoing.
- Technology company Bytes Technology Group was the largest detractor from the portfolio. At its full-year results in May, Bytes upgraded its guidance for the year ahead to deliver double-digit gross profit growth and high-single-digit operating profit growth. However, at its July annual general meeting, the Board unexpectedly announced it now expects gross profit to be at a similar level to last year in the first six months of its financial year and operating profit to be marginally lower, driven by a softer macroeconomic backdrop and because of disruption caused by a restructuring of its sales team. This saw sell-side guidance cut by about approximately 7%, and its share price fell sharply. The company have since commenced a share buyback and provided a half-year trading update in September that confirmed no further deterioration to expectations.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	JTC	Technology (Stock Selection)
	Computacenter	Industrial Goods and Services (Stock Selection)
	QinetiQ	Travel and Leisure (Stock Selection)
HURT	Dunelm	Retail (Stock Selection)
	Pets at Home	Basic Resources (Stock Selection)
	Cranswick	Real Estate (Stock Selection)

- At a sector level, stock selection in technology, industrial goods and services, and travel and leisure contributed to relative returns.
- Conversely, stock selection in retail, basic resources and real estate detracted from relative returns.
- The fund's largest contributor was JTC, as its shares rallied 14.7% over the month. Two private equity bidders for fund administration company JTC have emerged. Multiple offers have been received, but to date no price has been publicly disclosed. Discussions remain ongoing.
- UK retailer Dunelm released fiscal year numbers in line with expectations and provided an unchanged outlook confirming that it is pleased with early trading in the new financial year. We view the share price reaction to be more reflective of negative sentiment to the UK consumer rather than anything company-specific. We expect the Group to continue to make further operational progress as it looks to expand its share of the large and fragmented UK market for homewares and furniture to 10% over the medium term.

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

Outlook & Strategy

- The UK economy continues to expand. Revised data released in September confirmed the 1% growth during the first half, with information and communication sectors growing the fastest in the second quarter. Inflation has, however, continued to remain stubbornly above the Bank of England's (BoE) 2% target, reaching 3.8% in August and with the expectation of a gradual increase in the coming months. The BoE maintained the base rate at 4% at their September Monetary Policy Committee meeting.
- September also saw the Labour party's annual conference. Here, Prime Minister Keir Starmer declared economic growth the "defining mission" of his government, linking it directly to national renewal and social cohesion. While Chancellor Reeves reaffirmed Labour's commitment to fiscal responsibility, she stated that she would take "no risks" with public finances. It remains to be seen to what extent these two objectives can be achieved with an increasingly vocal left-wing element of the party making their case for further spending.
- With a long run into the budget, we have seen a barrage of unhelpful headlines speculating on potential revenue-raising policies. We saw this in September with rumours the government were considering a selection of measures targeting the banking and gambling sectors. These appear easy targets, although the banks are already taxed more in the United Kingdom than in any other major financial destination. More imaginative approaches that have been touted, such as increasing the range of products and services that are VAT (value-added tax) liable and charging national insurance on rental income, will no doubt prove inflationary and potentially self-defeating.
 - July:
- In July, we took a new position in specialist chemicals company Elementis. The company has recently divested less-profitable areas of the Group, and we view the remaining business as having attractive growth prospects underpinned by its unique hectorite asset that supports structural growth opportunities for the wider group. The Group have recently delivered impressive financial results against a challenging macro backdrop and have subsequently upgraded their medium-term financial targets.
- We also took a new position in ME Group, which develops and operates self-service vending machines with key markets in photo and laundry. Its strong, highly cash-generative asset base of over 30,000 machines across 19 countries supports the Group's rollout of new opportunities in higher-growth areas. We view the valuation as attractive for a group that is delivering consistent positive earnings growth supported by a reasonably visible rollout. The Group clearly concurs and is currently evaluating various strategic options to enhance shareholder value given frustration with the current valuation.
 - August:
- We sold out of our holding in Domino's Pizza Group, the company that operates the UK franchise of the popular pizza delivery company. The more challenging backdrop for the UK consumer and increasing cost pressures have hampered the delivery of the original investment case. We took the decision to exit ahead of interim results due to concerns over earnings, which proved to be correct as the Group subsequently announced a profit warning.
- We also exited Vesuvius, the global leader in molten metal flow engineering, providing process-critical, advanced consumable products for the steel and foundry industries. Our driving concerns are around prolonged weakness in its end-markets, and with no obvious catalyst for improvement we took the decision to exit the position and reduce our cyclical exposure in the fund.
 - September:
- In September, we took a new position in Kainos, the provider of digital consultancy services to primarily public-sector customers and the owner of a fast-growing, strong margin Workday Products division. We view the conclusion of the UK government's Phase 2 spending review as a catalyst in unlocking deferred IT spend and returning its Digital Services division to sustainable growth. Alongside its Workday Products division already displaying strong momentum, Kainos promises to drive attractive returns for shareholders supported by strong structural tailwinds.
- We sold our full position in Alpha Group ahead of the completion of its sale to US-listed Corpay. Having entered the fund earlier in the year, it pleasingly recognised a return of over 65% for the fund.

Fund Details

Inception Date	17/10/2011
Benchmark	FTSE 250 ex-Investment Trusts Index
IA Sector Peer Group	IA UK All Companies

Fund Description

The Fund aims to increase in value through investment growth by more than the FTSE 250 (ex-Investment Trusts) Index over periods of five years after all fees and costs are deducted. There is no guarantee that the Fund will achieve this return over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

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 (acc)	-4.72	16.41	15.62	-29.50	40.77	-18.41	7.79	7.64	20.50	1.95
FTSE 250 ex-Investment Trusts Index GBP	6.69	21.41	13.62	-26.79	40.85	-15.29	0.24	4.16	14.16	8.63
Peer Group Average	9.47	14.22	12.60	-15.41	32.13	-12.80	0.01	5.64	13.67	11.85

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 (12/07/1999)
W (acc)	2.09	-1.79	2.48	-4.72	8.64	4.94	4.00	8.72
FTSE 250 ex-Investment Trusts Index	1.80	1.36	9.33	6.69	13.75	8.71	5.23	8.19
Peer Group Average	1.16	3.10	10.85	9.47	12.08	9.49	6.31	5.07
Quartile Ranking	1	4	4	4	4	4	4	3

Performance data is based on Rensburg UK Mid Cap Growth Trust mid price from its launch 12/07/1999 to 17/10/2011 and the net asset value of the FTF Franklin UK Mid Cap Fund A (inc) shares thereafter. The W (acc) share class launched on 31/05/2012. Performance data prior to that date is for the A (inc) GBP share class launched on 12/07/1999 which has higher annual charges.

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

Investment Team**Richard Bullas**

Years with Firm 25
Years Experience 25

Dan Green, CFA

Years with Firm 10
Years Experience 15

Marcus Tregoning

Years with Firm 6
Years Experience 15

Courtney Westcarr, CFA

Years with Firm 4
Years Experience 9

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 invests mainly in equity securities of mid-sized UK companies that are included in the FTSE 250 ex-Investment Trusts Index. Such securities have historically been subject to price movements, sometimes to a greater extent than securities of large UK companies, due to company-specific factors or movements in the UK equity markets generally. As a result, the performance of the Fund can fluctuate significantly over relatively short time periods. 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 UK, which means that it is more sensitive to local economic, market, political or regulatory events in UK, 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. **Investment in smaller company shares:** The fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the fund may not be able to minimise a loss on such shares. **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. For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Factors" section of the current prospectus of Franklin Templeton.

How We Measure Performance

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

- The FTSE 250 (ex-Investment Trusts) Index is the Fund's performance target and constrains the Fund's investment universe. It is widely available and reflects the performance of medium-sized companies.
- The Fund's performance may also be compared against the Investment Association UK All Companies sector average, which reflects the performance of the Fund's competitors.

Important Legal Information

Effective 30 September 2025, the FTF Martin Currie UK Mid Cap Fund was renamed FTF ClearBridge UK Mid Cap Fund.

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: FTSE.

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**

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