

## FTF Franklin Sterling Corporate Bond Fund

**Class W (acc) • ISIN GB00BYZCTS97** • A sub-fund of Franklin Templeton Funds

The management company is Franklin Templeton Fund Management Limited which is referred to in this document as the authorised corporate director or "ACD".

### Objectives and Investment Policy

FTF Franklin Sterling Corporate Bond Fund (the "Fund") aims to generate income and increase in value through investment growth. Over periods of five years, the Fund seeks to achieve an average annual return greater than that of the Markit iBoxx GBP Non-Gilts Index, 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.

#### Core investment

The Fund invests at least two thirds (but typically significantly more) in corporate bonds (a type of debt security issued by a company) denominated in British Pounds (GBP).

#### Other investments

The Fund may also invest in:

- Bonds which are denominated in currencies other than GBP (up to 10% of the Fund's portfolio);
- Cash and cash equivalents;
- Money market instruments; and
- Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). Derivatives are financial contracts whose value is linked to the price of another asset, e.g. indices, interest rates, share prices or currencies.

#### Geographic locations (where we invest)

The Fund can invest anywhere in the world.

#### How we select investments (investment strategy)

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

The Fund's assets will normally be held in investment grade securities (bonds from companies that have been rated by independent agencies as high quality); however, up to 15% of the Fund's assets can be held in bonds that are rated as below investment grade (below BBB- by Standard & Poor's or Baa3 by Moody's). These bonds generally pay a high yield (interest rate) but are considered by rating agencies to be lower quality and carry more risk than investment grade bonds. In addition, the Fund's managers make their own assessment of both investment grade and non-investment grade bonds to determine whether they believe investors will be adequately rewarded for any risk taken.

#### Additional information

- You may request the sale of your shares in the Fund on any UK business day

**Recommendation:** this Fund may not be appropriate for investors who plan to withdraw their money within five years.

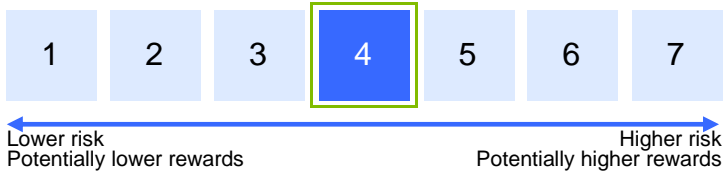
#### Terms to Understand

**Debt securities:** securities representing the issuer's obligation to repay a loan at a specified date and to pay interest.

**Collective investment schemes:** other investment funds, like the Fund.

The income received from the Fund's investments is accumulated and included in the value of the shares.

### Risk and Reward Profile



#### What does this indicator mean and what are its limits?

This indicator is designed to provide you with a measure of the price movement of this share class based on historical behavior.

Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

#### Why is the Fund in this specific category?

The Fund invests mainly in higher-quality debt securities of corporations located in or doing significant business in the UK. Such securities have historically proven to present some stability over time and have benefited from a limited exposure to interest rates and movements in the bond market. As a result, the performance of the Fund can fluctuate over time.

#### Risks materially relevant not adequately captured by the indicator:

**Credit risk:** the risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the fund holds low-rated, sub-investment grade securities.

**Derivative instruments risk:** the risk of loss in an instrument where a small change in the value of the underlying investment may have a larger impact on the value of such instrument. Derivatives may involve additional liquidity, credit and counterparty risks.

**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 Funds.

### Charges

#### One-off charges taken before or after you invest

<b>Entry charge</b>	Not applicable
<b>Exit charge</b>	Not applicable

*This is the maximum that might be taken out of your money before it is invested (in the case of the entry charge) or before money is paid out to you when you sell shares in the Fund (in the case of the exit charge).*

#### Charges taken from the Fund over a year

<b>Ongoing charges</b>	0.20%
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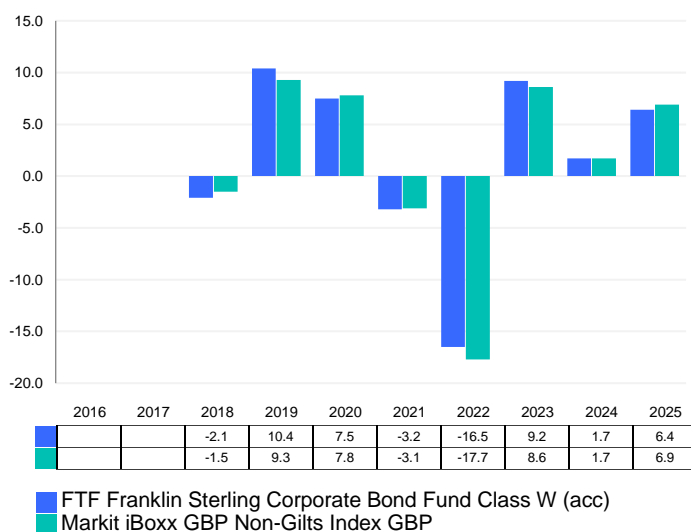
#### Charges taken from the Fund under certain specific conditions

<b>Performance fee</b>	Not applicable
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The ongoing charges figure is based on the expenses for the Fund for the year to December 2025 and it may vary from year to year. It is an estimate of the charges made to the Fund over a year to cover the costs of managing, operating, and distributing the Fund. Charges are deducted from the value of the assets held by the Fund and are reflected in the daily price that is used to buy and sell shares in the Fund. These charges reduce the potential growth of your investment and/or the income paid from it. For example, a Fund with an ongoing charges figure of 0.5%, means that an investor would pay £5 in charges over the course of a year for every £1,000 they had invested. Please note that the ongoing charge excludes some other costs (such as those incurred by the Fund when buying and selling securities) so total costs paid by investors each year may be slightly higher than the ongoing charges figure.

For detailed information about charges, please refer to the "Fees and Charges" section of the current prospectus of Franklin Templeton Funds and the Fund's annual report for details on the exact charges made.

## Past Performance



- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges.
- Past performance is calculated in GBP.
- The Fund was launched in 2017.
- We measure performance against the Fund's performance target, the Markit iBoxx GBP Non-Gilts Index, as it is widely available and reflects investments in similar debt-related securities.

## Practical Information

- The Depositary of Franklin Templeton Funds is The Bank of New York Mellon (International) Limited.
- You can obtain further information about the Fund, copies of its prospectus and the latest annual and semi-annual reports of Franklin Templeton Funds from the website [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk) or free of charge from Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL or your financial adviser. These documents are each available in English.
- The latest prices and other practical information on the Fund (including information about the other share classes of the Fund) are available from Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL or [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).
- Please note that the United Kingdom taxation regime may have an impact on your personal tax position. Please consult your financial or tax adviser before deciding to invest.
- Franklin Templeton Fund Management Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus of the Fund.
- The Fund is a sub-fund of Franklin Templeton Funds. The prospectus and the annual and semi-annual reports refer to all sub-funds of Franklin

Templeton Funds. All sub-funds of Franklin Templeton Funds have segregated assets and liabilities. As a result, each sub-fund is operated independently from each other.

- You may exchange your shares in the Fund for shares in another sub-fund of Franklin Templeton Funds as further described in the prospectus.
- The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, are available at [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk) and a paper copy can be obtained free of charge.
- If you need any additional support to help you understand this document or any of our communications, please let the Client Service team know, and they will do their best to help you. The Client Service team can be contacted:
  - By email to [franklintempletonuk@fisglobal.com](mailto:franklintempletonuk@fisglobal.com); or
  - By telephone UK freephone on 0800 305 306, or +44(0) 20 7904 1843 if you are outside the UK (telephone calls may be recorded); or
  - By writing to us, at: Franklin Templeton, PO Box 24064, Edinburgh, EH3 1EX.