

## FTF Franklin Core US Equity Enhanced Index Fund

**Class W (acc) • ISIN GB00BW5TMH67** • 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"

For the purposes of the UK Sustainability Disclosure Requirements ("UK SDR"), 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.

### Objectives and Investment Policy

FTF Franklin Core US Equity Enhanced Index Fund (the "Fund") aims to increase in value through investment growth and outperform the S&P 500 (Net Return) Index over periods of five years 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.

#### Core investment

The Fund invests at least 80% of its assets in shares of companies which are domiciled, listed or conduct a significant proportion of their business in the US.

Exposure to these shares will typically be direct (purchasing the relevant shares themselves) but may also be indirect (gaining exposure to the shares through other investments).

Indirect investments include:

- Convertible bonds (a type of corporate bond which can be exchanged for shares in the same organisation).
- Depositary receipts (a type of listed security which enables investors to hold shares in foreign companies).
- 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.

#### Other investments

The Fund may also invest in:

- Other equity related securities;
- Cash and cash equivalents;
- Money market instruments; and
- 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 costs 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). The Fund will not take short positions (a technique where investors seek to profit from decreases in value of securities, indices, currencies and/or index rates). Use of derivatives is typically expected to be limited.

#### Geographic locations (where we invest)

The Fund focuses on investments in the US although the Investment Manager has discretion to invest in any other country to a lesser extent.

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

The Fund pursues an actively managed, quantitative investment approach, which means that whilst the Fund uses an active investment strategy, it does so with consideration to a benchmark, in this case the S&P 500 (Net Return) Index (the Benchmark).

The Investment Manager analyses securities using a proprietary multi-factor model designed to evaluate and score securities in the Benchmark using a range of factors including high profitability, relative value, earnings and price momentum.

The Investment Manager also considers a further factor based on the relative weight and risk contribution of the individual stocks within accounts/strategies managed by other investment managers within the Franklin Templeton group. The Investment Manager selects these accounts/strategies based on how relevant they are to the Fund and its underlying asset classes and on the Investment Manager's consideration of the other investment managers' capabilities relevant to the strategy of the Fund.

Once the securities have been assessed, the factor scores are combined in the Investment Manager's proprietary risk model. This model considers certain investment constraints. Investment constraints typically include: the number of holdings in the portfolio, liquidity considerations, ESG scores (as described below) and relative risk and relative weightings at a security level, and across sectors and countries.

Utilising the process described above, the individual securities are determined and the portfolio is created.

This approach aims to keep the expected level of tracking error relative to the Benchmark between 1% - 2% under normal market conditions (the tracking error is calculated as the standard deviation of the difference between the Fund's performance from that of the Benchmark).

While the Fund is actively managed, the Fund's ability to diverge meaningfully from the Benchmark is limited, as its portfolio has been constructed with risk characteristics that closely reflect those of the Benchmark.

#### ESG (environmental, social, and governance) factors

In selecting the Fund's investments, the Investment Manager assesses prospective investments against various ESG factors. The assessment produces an ESG score of 1 to 100, where a higher score indicates better management of ESG related factors, relative to the investment universe. In addition, the Investment Manager applies automatic exclusions for investments in certain sectors. For more detailed information about how the Investment Manager considers ESG, and a list of exclusions, please see the Fund's 'UK SDR: Consumer Facing Disclosures' available at [www.franklintempleton.co.uk/CFD\\_50227](http://www.franklintempleton.co.uk/CFD_50227) and the investment objective and policy in the prospectus, available at [www.franklintempleton.co.uk/fttdocuments](http://www.franklintempleton.co.uk/fttdocuments) in the "Additional Documents" tab.

#### 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

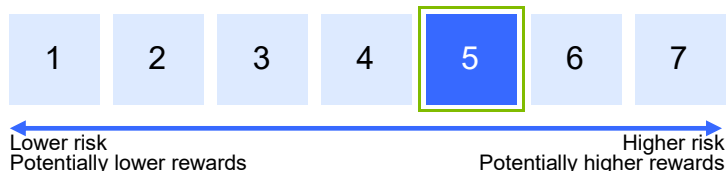
**Collective investment schemes:** other investment funds, like the Fund.

**Equity related securities:** transferable securities where the underlying asset is equity or the price of the security is dependent on an underlying equity, such as warrants.

**Shares of companies (equities):** securities that represent an ownership stake in a company.

The income generated 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 at least 80% of its assets in shares of companies which are domiciled, listed or conduct a significant proportion of their business in the US. The Fund pursues an actively managed, quantitative investment approach, which means that whilst the Fund uses an active investment strategy, it does so with consideration to a benchmark, in this case the S&P 500 (Net Return) Index (the Benchmark). As a result, the performance of the Fund can fluctuate considerably over time.

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

**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.

**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. 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>	None
<b>Exit charge</b>	None

*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>	0.25%
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### Charges taken from the Fund under certain specific conditions

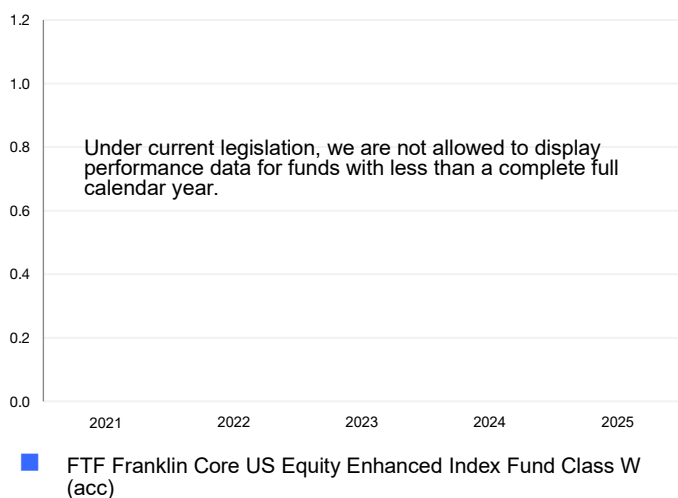
<b>Performance fee</b>	Not applicable
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The entry charges shown are maximum amounts; you may pay less in some cases. For more information, please see your financial adviser.

The ongoing charges figure 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 calculated in GBP.
- The Fund was launched in 2026.
- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges.
- We measure performance against the Fund's performance target, the S&P 500 (Net Return) Index as it is widely available and reflects investments across US stock markets. The term "Net Return" in the name of the index means that the index returns reflect the deduction of withholding taxes on dividends.

## 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.