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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 Equity Income Fund

Franklin Templeton Funds

W (acc)
31 March 2026

Product Commentary

Performance Review¹

- The Middle Eastern conflict reverberated through global markets, heightening inflation concerns around the security of oil, liquefied natural gas and fertiliser supplies through the Strait of Hormuz.
- UK equity markets, which had carried strong momentum from 2025 into the new year, gave back some gains in March amid rising geopolitical uncertainty. Even so, the FTSE All-Share Index remained positive over the quarter.
- For the quarter, the fund's W (acc) shares returned 3.80%, and its benchmark, the FTSE All-Share Index, returned 2.41%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	BP	Financial Services (Stock Selection)
	Schroders	Utilities (Overweight)
	BAE Systems	Personal Care, Drug and Grocery Stores (Stock Selection)
HURT	Shell	Banks (Stock Selection)
	Bellway	Basic Resources (Stock Selection)
	PageGroup	Retailers (Stock Selection)

- At a sector level, stock selection in financial services and personal care, drug and grocery stores and an overweight exposure to utilities contributed to relative returns.
- Conversely, stock selection in banks, basic resources and retailers detracted from relative returns.
- BP was a key positive contributor in the first quarter as it returned over 40%. Energy markets reacted sharply to the escalation of conflict in the Middle East impacting global supplies.
- Bellway was a detractor in the first quarter as its shares fell over 30% as housebuilders were amongst the hardest hit areas of the UK market. Rising energy prices renewed inflation concerns following the escalation of Middle Eastern conflict pushed market expectations towards higher interest rates for longer. This weighed heavily on rate sensitive sectors, particularly UK housing, where affordability and consumer confidence remains fragile

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	BP	Financial Services (Stock Selection)
	IG Group	Personal Care, Drug and Grocery Stores (Stock Selection)
	BAE Systems	Energy (Stock Selection)
HURT	Shell	Consumer Products and Services (Stock Selection)
	Bellway	Insurance (Stock Selection)
	Intertek	Basic Resources (Stock Selection)

- At a sector level, stock selection in financial services and personal care, drug and grocery stores and an underweight exposure to banks contributed to relative returns.
- Conversely, stock selection in consumer products and services, insurance and basic resources detracted from relative returns.
- BP was a key positive contributor in March, as its shares returned 27%. Energy markets reacted sharply to the escalation of conflict in the Middle East impacting global supplies.
- Bellway was a detractor in March as its shares fell over 30% as housebuilders were amongst the hardest hit areas of the UK market. Rising energy prices renewed inflation concerns following the escalation of Middle Eastern conflict pushed market expectations towards higher interest rates for longer. This weighed heavily on rate sensitive sectors, particularly UK housing, where affordability and consumer confidence remains fragile.

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

Outlook & Strategy

- Geopolitical risks increased during the quarter following the escalation of conflict in the Middle East. While the humanitarian impact continues to be of foremost concern, these developments unsettled global markets and contributed to heightened volatility. In particular, mixed messaging from the United States around the aims and stage of its military operation have compounded uncertainty, with energy markets especially sensitive to shifting expectations.
- From a macroeconomic perspective, the United Kingdom started the year with inflation appearing broadly on track in its path towards its target 2%. However, the disruption to shipping through the Strait of Hormuz has introduced renewed inflation risks. Constraints on oil and liquefied natural gas have driven higher energy prices, which matter for the UK outlook both directly and through increased production costs. In addition, fertiliser shortages during key growing periods could weigh on food yields, posing a potential medium-term risk to food price inflation.
- Against this uncertain backdrop, the Bank of England's March Monetary Policy Committee meeting delivered a unanimous decision to hold the base rate at 3.75%. Prior to the outbreak of war in Iran, markets had been pricing in two rate cuts for the year, but expectations have swung sharply towards three rises. We view this repricing as excessive. History suggests that oil price shocks alone do not typically trigger recessions; rather, economic downturns tend to occur when such shocks are compounded by aggressive monetary tightening. As a result, we remain cautious on the extent to which current rate-cut expectations will ultimately be realised.
- Investing through periods when markets react to a tweet requires looking through the noise, with a focus on underlying medium- to long-term fundamentals. The Organisation for Economic Co-operation and Development has downgraded its global growth forecasts, with the United Kingdom's 2026 growth forecast revised down to 0.7%, around half the pace achieved in 2025 and was the largest downgraded growth forecast. This softer outlook has weighed most heavily on more domestically focused equities. Against this backdrop, we remain selective, recognising that industrials, consumer-facing stocks, real estate and housebuilders may continue to face headwinds, but also that well-capitalised businesses with resilient models are better placed to navigate the year ahead.
 - **January:**
 - There were no new purchases or complete sales over the month.
 - **February:**
 - In February, we re-initiated a position in tabletop games company Games Workshop. The valuation has moved back within a five-year average range, and we now think there is potential for earnings to surprise to the upside due to upcoming releases combined with an enhanced international opportunity and further leveraging of intellectual property.
 - During the month, we exited our long-held position in retailer Associated British Foods. Despite the expectation of a breakup of the disparate business units, we feel the outlook is uncertain, with key asset Primark facing a tougher competitive picture combined with challenging growth ambitions.
 - **March:**
 - In March we started a position in Credit Bureau Experian. Information and data providers such as Experian have seen significant valuation compression over the last 18 months as investors grapple with the pricing model for these companies in a world of artificial intelligence (AI). We have confidence that Experian's unrivalled consumer and business data set will remain valuable regardless of how the ecosystem around this evolves and the well-regarded management team with proven ability to innovate to drive growth are well set to adapt to this new environment.
 - During the month we exited the position in recruiter Page. The ongoing macro backdrop and potential labour force disruption from AI combined with a cut to the dividend have all reduced our conviction in the name and sector.

Fund Details

Inception Date	17/10/2011
Benchmark	FTSE All-Share Index
IA Sector Peer Group	IA UK Equity Income

Fund Description

The Fund aims to generate an income that is higher than that of the FTSE All-Share Index and increase in value through investment growth, 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.

Performance Data^{2,3}

Discrete Annual Performance (%) as at 31/03/2026

	3/25	3/26	3/24	3/25	3/23	3/24	3/22	3/23	3/21	3/22	3/20	3/21	3/19	3/20	3/18	3/19	3/17	3/18	3/16	3/17
W (acc)		21.67		9.09		4.00		3.71		14.61		26.28		-18.07		7.45		1.43		18.99
FTSE All-Share Index GBP		21.54		10.46		8.43		2.92		13.03		26.71		-18.45		6.36		1.25		21.95
Peer Group Average		16.12		7.21		7.72		-0.30		10.80		32.51		-20.74		3.58		0.41		15.22

Performance Net of Management Fees as at 31/03/2026 (Dividends Reinvested) (%)^{a,b}

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (29/04/1988)
W (acc)	-5.73	3.80	3.80	21.67	11.34	10.41	8.21	8.73
FTSE All-Share Index	-6.68	2.41	2.41	21.54	13.33	11.11	8.68	8.64
Peer Group Average	-7.57	-0.82	-0.82	16.12	10.28	8.18	6.43	7.67
Quartile Ranking	1	1	1	2	2	2	1	1

Performance data is based on Rensburg UK Equity Income Trust mid price from its launch 29/04/1988 to 17/10/2011 and the net asset value of the FTF Franklin UK Equity Income Fund A (inc) shares thereafter. The fund charges all or part of its management fees to capital. This could lead to a higher level of income but may constrain capital growth. 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 29/04/1988 which has higher annual charges.

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

Investment Team

Ben Russon, CFA
Years with Firm 13
Years Experience 26

Will Bradwell, CFA
Years with Firm 7
Years Experience 15

Joanne Rands
Years with Firm 4
Years Experience 26

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 listed on the London Stock Exchange, but may to a lesser extent also invest in debt securities or convertible securities of UK issuers. Such securities have historically been subject to price movements due to company-specific factors and movements in the equity and fixed income markets of the UK 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: **Charges from capital:** the fund's fees and expenses may be taken from its capital (rather than income). This will result in an increase in income available for distribution to investors. However, this will forego some of the capital that the share class has available for future investment and potential growth. **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. **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).

- We measure performance against the Fund's performance target, the FTSE All-Share Index, as it is widely available and reflects investments in the UK stock market.
- The Fund's performance can also be compared against the Investment Association UK Equity Income sector average, which reflects the performance of the Fund's competitors.

Important Legal Information

Effective 30 September 2025, the FTF Martin Currie UK Equity Income Fund was renamed FTF ClearBridge UK Equity Income Fund. Effective 30 September 2025, the fund's investment manager changed to "ClearBridge Investment Management Limited" ("CIML").

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.

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Source: FTSE.

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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.



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