

Franklin Sustainable Euro Green Sovereign UCITS ETF

Class SINGLECLASS • ISIN IE000P0R7WK6 • A sub-fund of Franklin Templeton ICAV
The management company is Franklin Templeton International Services S.à r.l.

Objectives and Investment Policy

Franklin Sustainable Euro Green Sovereign UCITS ETF (the “Fund”) aims to contribute to environmental goals, by providing exposure primarily to the European sovereign green bond market whilst maximising total returns.

The Fund is classified as Article 9 under the EU Sustainable Finance Disclosure Regulation (the “SFDR”). The Fund invests at least 90% of its Net Asset Value in sustainable investments. Such investments will primarily consist of bonds which have been issued by SSA (sovereigns, sub-sovereigns, supranationals and agencies) entities. The proceeds of such investments will typically contribute to an environmental objective of reducing and eliminating carbon emissions, by engaging in activities such as, but not limited to, generation or use of renewable energy, efficient use of energy, reduction of GHG emissions, carbon efficient modes of transportation.

Under normal market conditions, the Fund will invest at least 75% of its Net Asset Value in bonds that are labelled as “green”, with up to 25% of its Net Asset Value invested in bonds which are deemed by the Investment Manager to be sustainable investments. The bonds in which the Fund will invest may be issued with any duration, have both fixed and floating rates and be issued by governmental issuers, which include sovereigns, sub-sovereigns, supranationals and government agencies.

The Fund employs bottom-up research analysis to select all securities and, while the focus will be on eligible “green” bonds, each investment is subject to credit approval by the Investment Manager. The selection process is used to select investments which the Investment Manager believes will enable the Fund to outperform the Benchmark. The Investment Manager can selectively add or reduce exposure in specific countries, depending on economic fundamentals, interest rate outlook, monetary policy, geo-political trends as well as fiscal policy.

The Fund employs a proprietary ESG rating methodology with the aim of avoiding investment in issuers that are lagging in the transition to support a low-carbon economy. The ESG rating methodology is applied to at least 90% of the Sub-Fund’s portfolio and is binding for the portfolio construction.

The Fund pursues an actively managed investment strategy. Therefore, the Fund will hold a portfolio of actively selected and managed investments rather than seek to track the performance of the benchmark. The Fund’s benchmark, the Bloomberg Global Government EUR Green Bond Index is a point of reference against which the performance of the Fund may be measured. It is anticipated that a significant percentage of the Fund’s investments will be components of the benchmark. However, their weightings may deviate materially from those of the benchmark. The Fund may also invest in securities that are not included in the benchmark. The securities in which the Fund invests will be primarily listed or traded on recognised markets globally in accordance with the limits set out in the UCITS Regulations.

The Fund may use derivatives for efficient portfolio management or investment purposes.

For further information on the Objectives and Investment Policy of the Fund, please refer to the “Investment Objective and Strategy” section of the current prospectus of Franklin Templeton ICAV and the Fund supplement.

Terms to Understand

Green bonds: bonds which meet the International Capital Market Association definition of green.

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

For accumulation shares, income from investments is reinvested in the Fund and reflected in the price of shares.

Derivatives: Financial instruments whose characteristics and value depend on the performance of one or more underlying assets, typically securities, indexes, currencies or interest rates.

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 debt securities issued by any government or corporation worldwide. Such securities have historically been subject to

price movements, generally due to interest rates or 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:

Securitisation risk: investment in securities which generate return from various underlying groups of assets such as mortgages, loans or other assets may bear a greater risk of loss due to possible default of some of the underlying assets.

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.

Counterparty risk: the risk of failure of financial institutions or agents (when serving as a counterparty to financial contracts) to perform their obligations, whether due to insolvency, bankruptcy or other causes.

Sustainability risk: The fund’s integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the fund and may also cause the fund to sell investments that will continue to perform well. A sustainability risk could materialise due to an environmental, social or governance event or condition which may impact the fund’s investments and negatively affect the returns of the fund.

For a full discussion of all the risks applicable to this Fund, please refer to the “Risk Considerations” section of the current prospectus of Franklin Templeton ICAV.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge	Not applicable*
Exit charge	Not applicable*

This is the maximum that might be taken out of your money before it is invested.

Charges taken from the Fund over a year

Ongoing charges	0.18%
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Charges taken from the Fund under certain specific conditions

Performance fee	Not applicable
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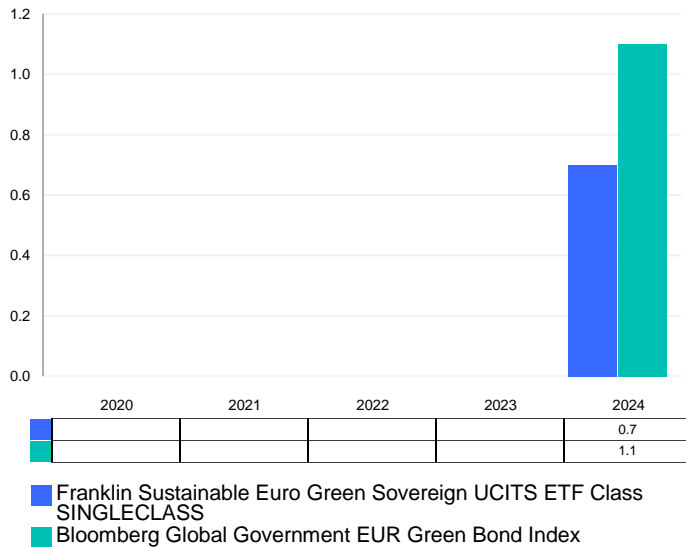
*No entry nor exit charges are payable where investors deal in shares in the secondary market – i.e. where shares are purchased and sold on a stock exchange. In such cases, investors may pay fees charged by their broker. Authorised Participants dealing directly with the Fund may pay an entry charge up to a maximum of 3% and an exit charge up to a maximum of 2%.

The entry and exit charges shown are maximum amounts: you may pay less in some cases. For more information please ask your financial adviser.

The ongoing charges are based on the expenses for the year ending 31 December 2024. This figure may vary from year to year, the ongoing charges include a fee waiver which expires on 31 October 2025.

For detailed information about charges, please refer to the “Fees and Expenses” section of the current prospectus of Franklin Templeton ICAV and the Fund supplement.

Past Performance



- The Fund was launched in 2023 and the present share class on 31/10/2023.

Practical Information

- The Depositary of Franklin Templeton ICAV is State Street Custodial Services (Ireland) Limited.
- You can obtain further information about the Fund, copies of its prospectus, supplement and its latest annual and semi-annual reports from the website www.franklintempleton.com or free of charge from the Administrator, State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland or your financial adviser. These documents are each available in English and certain other language(s).
- The latest Net Asset Value and other practical information on the Fund is available from the Administrator, State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland or www.franklintempleton.com
- The indicative Net Asset Value is displayed on major market data vendor terminals.
- Please note that the Irish taxation regime may have an impact on your personal tax position. Please consult your financial or tax adviser before deciding to invest.
- Franklin Templeton International Services S.à r.l 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 present Fund is a sub-fund of Franklin Templeton ICAV. The prospectus and the annual and semi-annual reports refer to all sub-funds of Franklin Templeton ICAV. All Funds of Franklin Templeton ICAV have segregated assets and liabilities. As a result, each Fund is operated independently from each other.
- You may not exchange shares with another sub-fund of Franklin Templeton ICAV.
- The details of the up-to-date remuneration policy of the management company, 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.lu and a paper copy can be obtained free of charge.