

## Franklin MSCI Emerging Markets Paris Aligned Climate UCITS ETF

**Class SINGLECLASS • ISIN IE000QLV3SY5 • A sub-fund of Franklin Templeton ICAV**

The management company is Franklin Templeton International Services S.à r.l.

### Objectives and Investment Policy

Franklin MSCI Emerging Markets Paris Aligned Climate UCITS ETF (the “Fund”) provides exposure to large and mid-capitalisation stocks in emerging market countries which are aligned to the transition to a low carbon economy.

The Fund is classified as Article 8 under the EU Sustainable Finance Disclosure Regulation. The Fund is passively managed and seeks to track the performance of the MSCI Emerging Markets Climate Paris Aligned Net Total Return Index (the “Index”) as closely as possible, regardless of whether the Index level rises or falls. The Index is based on the MSCI Emerging Markets Index (the “Parent Index”) and includes large and mid-capitalisation securities across 27 Emerging Markets countries. The Index is designed to support investors seeking to reduce their exposure to transition and physical climate risks and who wish to pursue opportunities arising from the transition to a lower-carbon economy while aligning with the Paris Climate Agreement.

The Index is constructed to follow the EU Paris-aligned Benchmark (EU PAB) Regulations (Regulation (EU) 2019/2089) (the “PAB Regulations”). Relative to the Parent Index, the Index aims to overweight companies which are exposed to climate transition opportunities and underweight those companies which are exposed to climate transition risks. The Index seeks to reduce the weight of companies assessed as high carbon emitters and increase the weight of companies with credible carbon reduction targets while achieving both a modest tracking error and a low turnover relative to the Parent Index. The criteria set out above are applied to at least 90% of the constituents of the Parent Index and result in a Green House Gas Intensity reduction of at least 20% for the Index relative to the Parent Index.

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 purposes only.

This Fund may not be appropriate for investors who plan to withdraw their money within five (5) years.

The Fund's shares are listed and traded on one or more stock exchanges. Investors can deal in shares daily through a broker on stock exchange(s) on which the shares are traded. Income from the Fund's investments will be reinvested and not distributed to investors.

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

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

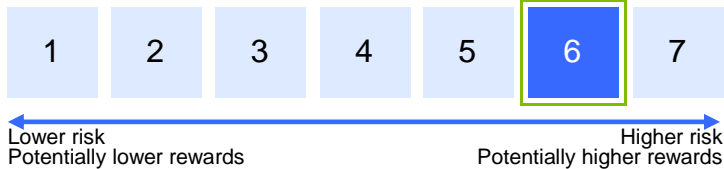
**Large-capitalisation stock:** stock of companies with large market capitalisation generally accounting accumulatively for the top 70% of the capitalisation of a domestic stock market.

**Mid-capitalisation stock:** stock of companies with market capitalisation generally accounting accumulatively for the next 20% of the capitalisation of a domestic stock market below large-capitalisation stock.

**Market capitalisation:** the share price of a company multiplied by the number of shares available to investors.

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

As the share class has no sufficient historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.

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

The Fund intends to track the performance of the Index which is comprised of large and mid-capitalisation equity securities in emerging market countries selected from the Parent Index. Such assets have historically been subject to price movements due to such factors as general stock market volatility, changes in the financial outlook or fluctuations in currency

markets. 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.

**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.

**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.

**Emerging markets risk:** the risk related to investing in countries that have less developed political, economic, legal and regulatory systems, and that may be impacted by political/economic instability, lack of liquidity or transparency, or safekeeping issues.

**Foreign Currency risk:** the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations.

**Index related risk:** the risk that quantitative techniques used in creating the Index the Fund seeks to track do not generate the intended result, or that the portfolio of the Fund deviates from its Index composition or performance.

**Secondary market trading risk:** the risk that the shares purchased on the secondary market cannot usually be sold directly back to the Fund and that investors may therefore pay more than the NAV per share when buying shares or may receive less than the current NAV per Share when selling shares.

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

|                     |                 |
|---------------------|-----------------|
| <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.*

### Charges taken from the Fund over a year

|                        |       |
|------------------------|-------|
| <b>Ongoing charges</b> | 0.18% |
|------------------------|-------|

### Charges taken from the Fund under certain specific conditions

|                        |                |
|------------------------|----------------|
| <b>Performance fee</b> | Not applicable |
|------------------------|----------------|

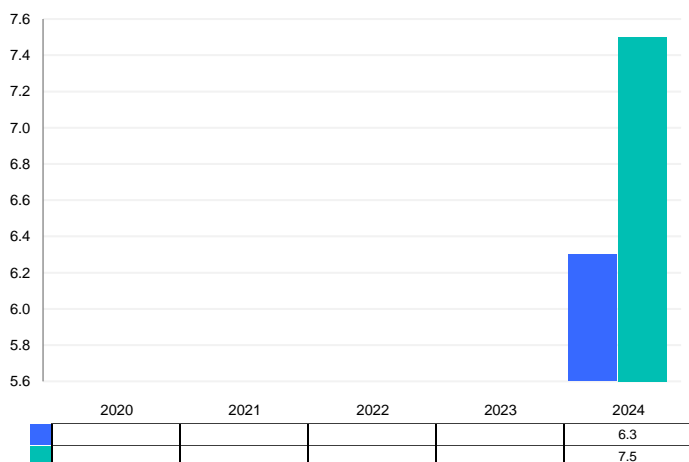
\*No entry nor exit charges are payable where investors deal in shares in the secondary market – i.e. where shares are purchased and sold on a stock exchange. In such cases, investors may pay fees charged by their broker. Authorised Participants dealing directly with the Fund may pay an entry charge 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.

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



■ Franklin MSCI Emerging Markets Paris Aligned Climate UCITS ETF Class SINGLECLASS  
■ MSCI Emerging Markets Climate Paris Aligned Net Total Return Index.

- The Fund was launched in 2023 and the present share class on 03/09/2023.

## 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](http://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](http://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](http://www.franklintempleton.lu) and a paper copy can be obtained free of charge.
- MSCI's website ([www.msci.com](http://www.msci.com)) contains more detailed information about the Index.