

Franklin US Dividend Tilt UCITS ETF

Class (Dis) • ISIN IE000Z4OBQK4 • A sub-fund of Franklin Templeton ICAV
The management company is Franklin Templeton International Services S.à r.l.

Objectives and Investment Policy

Franklin US Dividend Tilt UCITS ETF (the “**Fund**”) aims to provide exposure to large and mid-capitalisation stocks in the US and to maximise income.

The Fund seeks to track the performance of the Morningstar US Dividend Enhanced Select Index - NR (the “**Index**”) as closely as possible, regardless of whether the Index level rises or falls, while seeking to minimise as far as possible the tracking error between the Fund’s performance and that of the Index.

The Index is designed to deliver a portfolio of stocks with a higher dividend yield than its parent benchmark, the Morningstar US Target Market Exposure Index-NR (the “**Parent Index**”). The Index is made up of large and mid-capitalisation securities incorporated in the US and is derived from the Parent Index, which represents the top 85% of the investible equity market of the US. The Index is rebalanced quarterly in March, June, September and December.

At each rebalance, stocks are selected from the Parent Index and are weighted using Morningstar’s risk model with the objective of maximising dividend yield, subject to several constraints including limits on: (i) expected tracking error relative to the Parent Index; (ii) individual stock weights; and (iii) sector weights. This process has the effect of “tilting” the Index in favour of those constituents that have higher dividend yields, such that companies with higher dividend yields are over-weighted in the Index relative to their weighting in the Parent Index. These constraints are designed to improve diversification, limit tracking error relative to the Parent Index and reduce transaction costs associated with index replication.

To limit concentration within the Index, stocks are capped at the lesser of: (i) three times their weight in the Parent Index; or (ii) their weight in the Parent Index plus 0.5%. Any security with a minimum weight of less than 0.005% would be excluded from the Index. Additionally, to limit deviation from the Parent Index, sector weights are kept within 5% of their weight within the Parent Index.

The securities in which the Fund invests will be primarily listed or traded on recognised markets in the US in accordance with the limits set out in the UCITS Regulations.

The Fund may use derivatives for efficient portfolio management purposes only.

The investment manager will aim to replicate the Index by holding all of the Index securities in a similar proportion to their weighting in the Index. However, in certain circumstances, full replication of the Index may not be reasonably practical or possible and in such circumstances the Fund may hold only those of the Index securities which are available or may invest in instruments that are not included in the Index but which the Investment Manager believes will help the Fund replicate the Index. Any such securities which are not Index securities will be (i) equities; or (ii) depositary receipts.

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

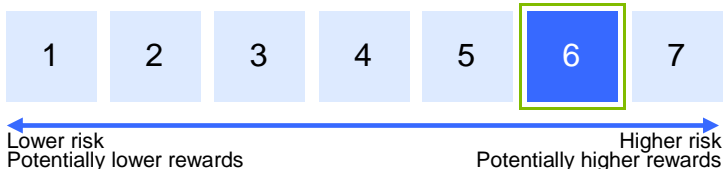
Large-capitalisation stock: stock of companies with large market capitalisation generally accounting accumulatively for the top 70% of the capitalisation of a domestic stock market.

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

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.

For distribution shares, dividend income is distributed to investors.

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 large and mid-capitalisation stocks in the US. 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:

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.

Index Tracking Risk: No financial instrument or set of investment techniques enables the returns of any Index to be reproduced or tracked exactly. Changes in the investments of any Sub-Fund and re-weightings of the relevant Index may give rise to various transaction costs, operating expenses or inefficiencies which may adversely impact a Sub-Fund’s tracking of an Index.

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.

Index License Risk: To utilise an Index, the Fund may need to have a licence agreement signed with the Index Provider. If, at any time in respect of an Index, the licence granted terminates or disputed, impaired or ceases to exist, the Directors may be forced to replace the Index with another Index. Such a substitution or any delay in such a substitution may have an adverse impact on the Sub-Fund.

Passive Investment Risk: An Index Tracking Sub-Fund will be negatively affected by general declines in the securities and asset classes represented in its Index. Because Index Tracking Sub-Funds are not “actively” managed, Market disruptions and regulatory restrictions could have an adverse effect on an Index Tracking Sub-Fund’s ability to adjust its exposure to the required levels.

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.

Single Country/Region Risk: This fund invests primarily in US, which means that it is more sensitive to local economic, market, political or regulatory events in US, 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.

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	0.12%
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Charges taken from the Fund under certain specific conditions

Performance fee	Not applicable
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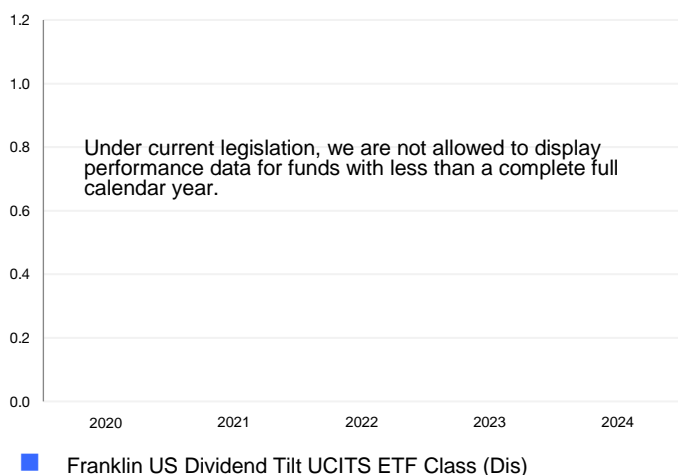
*No entry nor exit charges are payable where investors deal in shares in the secondary market – i.e. where shares are purchased and sold on a stock exchange. In such cases, investors may pay fees charged by their broker. Authorised Participants dealing directly with the Fund may pay an entry charge up 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 shown here are an estimate of the charges. We have used estimated figures as under current applicable rules we are not allowed to calculate ongoing charges for share classes with less than 12 months of data. The Franklin Templeton ICAV annual report for each financial year will include detail on the exact charges made.

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 2025.

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.