FRANKLIN TEMPLETON

Franklin Diversified Income Fund

LU3196153939 | **Investment Grade |** Factsheet as of 30 September 2026

This is a marketing communication. Please refer to the offering documents before making any final investment decisions.

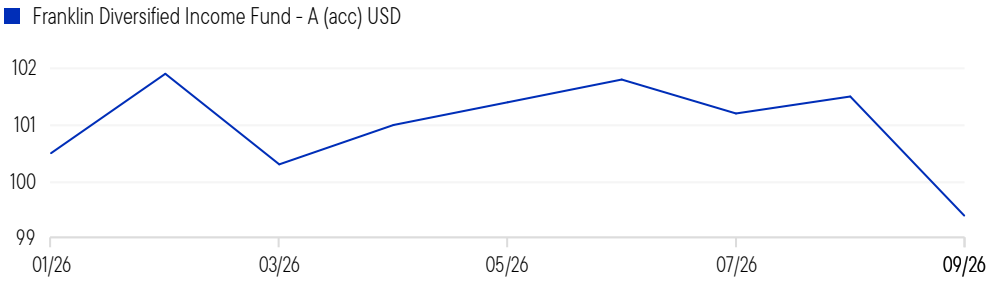
Risk Considerations

INVESTMENT INVOLVES RISKS. The value of the Fund can be volatile and investors may not get back the amount originally invested. Past performance is not indicative of future results.

- Franklin Diversified Income Fund invests principally in fixed income securities issued by governments, agencies and corporations located in any country, including to a lesser extent in emerging markets. The Fund will have an allocation to fixed income securities of at least 75% of the Fund's net assets.
- The Fund is subject to market risk, emerging markets risk, debt securities risk, securitisation risk, credit risk, liquidity risk, valuation risk, volatility risk, foreign currency risk, counterparty risk, "to-be-announced" ("TBA") transaction risk, swap agreements risk, derivative instruments risk, convertible securities risk and class hedging risk.
- The Fund may at its discretion pay dividends out of the capital or out of gross income of the Fund while paying all or part of the Fund's fees and expenses out of the capital of the Fund, which results in effectively paying dividends out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.
- "Plus" share classes that offer, under normal market conditions, dividend distribution at a pre-determined annual percentage of the net asset value per share that is not linked to income or capital gains, may either be paying out both income and capital in distribution payments, or not substantially distributing all the investment income which a share class has earned. Such share classes may continue to distribute in periods that the Fund has negative returns or is making losses, which further reduces the net asset values of such share classes. In extreme circumstances, investors may not be able to get back the original investment amount.
- Investors should not invest based on this marketing material alone. Offering documents should be read for further details, including the risk factors. Before you decide to invest, you should make sure the intermediary has explained to you that the Fund is suitable to you.

Past performance does not predict future returns.

Performance From Inception in Share Class Currency (%)



Total Returns (%)

	Cumulative							Annualised			
	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	Inception	3-Yr	5-Yr	Inception	Inception Date
A (acc) USD	-2.27	-2.56	–	–	–	–	-1.10	–	–	–	7/1/2026
Benchmark (USD)	-2.61	-3.51	–	–	–	–	-3.02	–	–	–	–

Calendar Year Returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A (acc) USD	–	–	–	–	–	–	–	–	–	–
Benchmark (USD)	–	–	–	–	–	–	–	–	–	–

Investment Objective

To generate high levels of income and, as a secondary objective, long-term investment growth. The Fund mainly invests in corporate and government bonds and non-agency asset- and mortgage-backed securities (including investment grade collateralised loan obligations up to 20% of the Fund's net assets, collateralised mortgage obligations, residential and commercial mortgage-backed securities, with an aggregate limit of 65% of the Fund's net assets). Investment in agency and non-agency asset- and mortgage-backed securities may represent up to 100% of the Fund's assets. These investments may be from anywhere in the world, including in emerging markets.

Fund Overview

Umbrella	Franklin Templeton Investment Funds
Fund Base Currency	USD
Fund Inception Date	07/01/2026
Share Class Inception Date	07/01/2026
Minimum Investment (USD)	1000
ISIN	LU3196153939
Bloomberg	FRADNAA LX
Morningstar Peer Group	USD Flexible Bond
EU SFDR Category	Article 6

Benchmark(s) and Type

Bloomberg U.S. Aggregate Index	Comparator

Fund Characteristics

	Fund
NAV-A (acc) USD	$9.89
Total Net Assets (USD)	$132.45 Million
Number of Holdings	481
Average Credit Quality	BBB
Effective Duration	4.21 Yrs
Yield to Maturity	8.89%

Sector Allocation (% of Total)

	Fund	Benchmark
High Yield Corporates	23.55	0.00
Residential Mortgage-Backed Securities	18.53	0.00
Agency Mortgage-Backed Securities	16.88	23.21
Investment Grade Corporates	15.45	23.99
Collateralized Loan Obligations	11.53	0.00
Commercial Mortgage-Backed Securities	10.82	1.42
Non-Local Currency Emerging Market Bonds	9.64	0.85
U.S. Treasuries	0.00	46.62
Other	3.13	3.91
Cash & Cash Equivalents	-9.54	0.00

Credit Quality Allocation (% of Total)

	Fund	Benchmark
AAA	9.94	3.28
AA	18.11	73.90
A	12.22	11.37
BBB	25.87	11.45
BB	20.86	0.01
B	12.02	0.00
CCC	0.26	0.00
NR	10.22	0.00
Not Applicable	0.03	0.00
Cash & Cash Equivalents	-9.54	0.00

Share Class Details

	ISIN	Max. Initial Charge	Annual Charge	Dividends Payable Date	Dividends Amount
A (acc) USD	LU3196153939	5.00%	1.25%	–	–
A (Mdis-Plus) USD	LU3349961667	5.00%	1.25%	08.10.26	$0.048000
A (Mdis-Plus1) HKD	LU3196154580	5.00%	1.25%	08.10.26	$0.063000
A (Mdis-Plus1) RMB-H1	LU3196154820	5.00%	1.25%	08.10.26	CNH0.062000
A (Mdis-Plus1) USD	LU3196154317	5.00%	1.25%	08.10.26	$0.063000
A (acc) HKD	LU3196154150	5.00%	1.25%	–	–

Only dividend records within the past 12 months are displayed. Dividend amounts are quoted in the currency of the respective share class. Annual Charge includes Management Fee and Maintenance Charge.

Portfolio Management

	Years with Firm	Years of Experience
Sonal Desai, PhD	16	32
Michael V Salm	28	37
Glenn Voyles, CFA	33	33
Nicholas Hardingham, CFA	23	26

Glossary

Yield to Maturity ('YTM'): is the rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate. Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio. **Yield to Maturity is calculated without the deduction of fees and expenses. Comparator:** Benchmark is used for comparing Fund performance, but is not a constraint to Fund Investment. **Average Credit Quality:** The average credit quality reflects the holdings of the underlying issues, based on the size of each holding and ratings assigned to each based on rating agency assessments of its creditworthiness. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes. **Charges:** For a comprehensive list of the types of costs deducted from fund assets, see the offering documents.

Portfolio Data Information

Credit Quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by S&P Global Ratings, Moody's Investors Service and/or Fitch Ratings, Inc. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the portfolio does not apply to the stability or safety of the portfolio. The methodology used for the calculation of credit quality ratings displayed may differ from the methodology for monitoring investment limits, if applicable. **Please note, the portfolio itself has not been rated by an independent rating agency.**

Important Information

This fund meets the requirements under Article 6 of the EU Sustainable Finance Disclosure Regulation (SFDR); the fund does not promote environmental and/or social characteristics or have a sustainable investment objective under EU regulations.

This classification does not represent the fund is authorised as a Green or environmental, social and governance (ESG) fund in Hong Kong. Please visit the full list of SFC-authorised ESG funds at: https://www.sfc.hk/en/regulatory-functions/products/list-of-esg-funds.

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Subscriptions to shares of the Fund should only be made on the basis of the Fund's current Prospectus, and, where available, the relevant offering documents.

In addition, a Summary of Investor Rights is available from https://www.franklintempleton.com.hk/en-hk/about-us/summary-of-investor-rights. The summary is available in English and Chinese.

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Performance information is based on the stated share class only, in Fund Currency, NAV to NAV, taking into account of dividend reinvestments and capital gain or loss.

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.

Hedged share classes will attempt to hedge the currency risk between the base currency of the Fund and the currency of the share class, although there can be no guarantee that it will be successful in doing so. In some cases, investors may be subject to additional risks.

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Any negative cash position reflects a temporary position that is a result of a delay in securities settlement transactions.

Source: Bloomberg Indices. Benchmark: Indices are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges. Important data provider notices and terms available at www.franklintempletondatasources.com.

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Offering Documents

Shareholder Letter