FRANKLIN TEMPLETON

# Franklin Diversified Income Fund

**W (acc) USD: LU3321062286** | **Investment Grade** | Factsheet as of 30 September 2026

**This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions.**

## Investment Overview

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.

## Performance

**Under current legislation, we are not allowed to display performance data with less than a complete 12 month performance record.**

## Fund Overview

| | |
|---|---|
| Umbrella | Franklin Templeton Investment Funds |
| Fund Base Currency | USD |
| Fund Inception Date | 07/01/2026 |
| Share Class Inception Date | 23/04/2026 |
| Minimum Investment | USD 1000 |
| ISIN | LU3321062286 |
| Bloomberg | FRADNWA LX |
| Morningstar Peer Group | USD Flexible Bond |
| EU SFDR Category | Article 6 |

## Benchmark(s) and Type

| | |
|---|---|
| Bloomberg U.S. Aggregate Index | Comparator |

## Charges

| | |
|---|---|
| Maximum Initial Charge | 0.00% |
| Exit Charge | – |
| Ongoing Charges Figure | 0.87% |
| Performance Fee | – |

The charges are the fees the Fund charges to investors to cover the costs of running the Fund. Additional costs, including transaction fees, will also be incurred. These costs are paid out by the Fund, which will impact on the overall return of the Fund. Fund charges will be incurred in multiple currencies, meaning that payments may increase or decrease as a result of currency exchange fluctuations.

## Fund Characteristics

| | Fund |
|---|---|
| NAV-W (acc) USD | $9.83 |
| 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 |

## Portfolio Management

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

## What are the Risks?

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested. The Fund is subject to the following risks which are materially relevant: **Convertible securities risk:** the risk associated with the fact the Fund may invest in convertible securities, which may be low-rated and which may act like either a bond (when the underlying equity value is well below par value for the security) or a stock (when the underlying equity value approaches or exceeds par value). **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. **Credit risk:** the risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the Fund holds low-rated, sub-investment-grade securities. **Debt Securities Risk:** as interest rates rise debt securities will fall in value. Issuers of debt securities may fail to meet their regular interest and/or capital repayment obligations. All credit instruments therefore have potential for default. Higher yielding securities are more likely to default. **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. **Distressed Securities risk:** Securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and are outweighed by large uncertainties or major risk exposure to adverse economic conditions. **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. **Market risk:** the risk of loss in value of securities traded on markets as prices of securities may be affected by factors such as economic, political, market, and issuer-specific changes. **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. **TBA Transaction risk:** To be announced transactions (TBAs) are forward-settling mortgage-backed securities trades where the exact securities are unspecified at trade date but must meet defined criteria, exposing investors to market, counterparty, liquidity, and leverage risks. Funds may use TBAs to hedge or sell securities, facing risks of value fluctuations before settlement, including potential losses if security prices change adversely during TBA sale commitments or roll transactions.

Complete information on the risks of investing in the Fund are set out in the Fund's prospectus.

## 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. Ongoing Charges Figure (OCF):** The Ongoing Charges Figure (OCF) includes the fees paid to the management company, the investment manager and the depository, as well as certain other expenses. The OCF is calculated by taking the relevant main material costs paid out over the 12-month period indicated and dividing them by the average net assets over the same period. The OCF does not include all expenses paid by the fund (for example, it does not include what the fund pays for buying and selling securities). For a comprehensive list of the types of costs deducted from fund assets, see the prospectus. For recent all-in annual costs, as well as hypothetical performance scenarios that show the effects that different levels of return could have on an investment in the fund, where applicable, see the KID. For funds that lack 12 months of data, or for which OCF is not likely to give a fair idea of likely future costs, the figure shown is an estimate. **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.

## 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.**

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**Benchmark(s)** Bloomberg US Aggregate Index. Used for performance comparison only.
The Fund is actively managed and may deviate materially from that of the benchmark(s).

**Intended retail Investor** Investors who understand the risks of the Fund and plan to invest for at least 3 years. The Fund may appeal to investors who are looking for income, are interested in exposure to global bond markets as part of a diversified portfolio, have a medium risk profile and can tolerate moderate short-term changes in the share price.
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