



**FRANKLIN  
TEMPLETON**

Franklin Templeton Fund  
Management Limited  
PO Box 24064  
Edinburgh  
EH3 1EX  
**UK Freephone:** 0800 305 306  
**Tel:** +44 (0) 20 7073 8690  
**Fax:** +44 (0) 13 1242 4440  
[www.franklintempleton.co.uk](http://www.franklintempleton.co.uk)

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CLEARSTREAM BANKING S.A.  
INVESTMENT FUNDS OPERATION  
42 AVENUE JF KENNEDY  
L-1855  
LUXEMBOURG

14 July 2021

**THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR INVESTMENT WITH US.  
PLEASE READ THIS LETTER CAREFULLY AND CONTACT US, USING THE DETAILS BELOW,  
IF YOU ARE UNCERTAIN ABOUT ANY OF ITS CONTENT.**

#### **Franklin Templeton Funds - Closure of Share Classes A and Z**

Dear Investor,

We are writing to you as a shareholder in one or more of the following sub-funds of Franklin Templeton Funds ("the Company"):

- Franklin UK Equity Income Fund
- Franklin UK Managers' Focus Fund
- Franklin UK Mid Cap Fund
- Franklin UK Opportunities Fund
- Franklin UK Rising Dividends Fund
- Franklin UK Smaller Companies Fund
- Franklin US Opportunities Fund
- Templeton Global Emerging Markets Fund
- Templeton Global Total Return Bond Fund
- Templeton Global Leaders Fund



We have taken the decision to close the share class you are invested in and to convert your shares into the W share class of the same fund. We believe it will be in your best interests, and will offer you a better value investment as the annual management charge in class W is lower than those applicable in classes A or Z.

To facilitate this conversion, we are lowering the minimum levels required for an investment in class W to match those currently in force in both classes A and Z. **We will not make any charge to make the conversion from A or Z shares into W shares within the same fund and there will be no change to how your investment is managed.**

#### **What are the next steps involved in this process?**

We will convert your investment from A or Z shares into W shares on **13 September 2021** (the "Effective Date"). We do not need you to take any action to complete the conversion. Once complete we will send you a confirmation with full details of the conversion trade. Additionally, to complete the conversion smoothly, we will not be accepting instructions to purchase or redeem shares in A or Z shares from **12 noon on 6 September 2021**. You will be able to deal in the W shares issued to you as part of the conversion from 8.30 am on the Effective Date.

#### **Information for Regular Savers**

Your regular savings instructions will continue to apply and will be used to buy class W shares from the Effective Date.

**Information for ISA holders**

The proposed conversion will not affect your ISA status. If you wish to redeem your shares instead of taking part in the conversion, please consult a tax adviser as this may have an impact on your ISA status.

**Information for holders of A (Income) shares in the Templeton Global Leaders Fund**

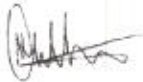
There is no W Income class in the Templeton Global Leaders Fund. Accordingly, your A Income shares in Templeton Global Leaders Fund will be converted into W Accumulation shares. This means that from the Effective Date, you will no longer receive income distributions, or be able to elect to reinvest income distributions in respect of your shares. Instead, any income accruing to these shares will be accumulated and factored into the share price of the class. Please see the section entitled "Distribution of Income" in the Prospectus of the Company for further information on how this will affect you.

**Need more information?**

Please refer to the enclosed FAQ document which includes further detailed information about the proposed conversion, including the details of your new shares. Should you have any questions regarding the content of this letter or the FAQ document, or require any further information, please contact our Client Services Team on UK Freephone 0800 305 306 or +44 20 7073 8526 if calling from overseas on +44 20 7073 8526. Telephone lines are open Monday to Friday, between the hours of 8:30am and 5:30pm on any UK business day. Alternatively, you can email us at [enquiries@franklintempleton.co.uk](mailto:enquiries@franklintempleton.co.uk)

If you need advice about your investment, if there is anything in this letter you do not understand or if you are in doubt as to the implications of this letter, please speak to a professional financial adviser.

Yours faithfully,



Martyn Gilbey  
UK Country Head

**Franklin Templeton Fund Management Limited**  
**(Authorised Corporate Director of Franklin Templeton Funds)**

### 1. What changes are being made?

The Authorised Corporate Director (the "ACD" or "We") of Franklin Templeton Funds (the "Company") is automatically converting shareholders who have holdings in class A and class Z shares to the equivalent class W shares within your fund (the "Share Class Conversion"). Following the Share Class Conversion, classes A and Z will be closed.

### 2. What share classes are affected by the Share Class Conversion?

All class A and class Z shares in all sub-funds of the Company will be subject to the Share Class Conversion. These are listed below.

Fund	Share Class Name	ISIN	SEDOL
Franklin UK Equity Income Fund	A Net Accumulation	GB00B60W0H40	B60W0H4
Franklin UK Equity Income Fund	A Net Income	GB00B6VBM744	B6VBM74
Franklin UK Equity Income Fund	Z Net Accumulation	GB00B7LCBR75	B7LCBR7
Franklin UK Equity Income Fund	Z Net Income	GB00B7FSBK49	B7FSBK4
Franklin UK Managers' Focus Fund	A Net Accumulation	GB00B4N2QK20	B4N2QK2
Franklin UK Managers' Focus Fund	Z Net Accumulation	GB00B5BJ9D65	B5BJ9D6
Franklin UK Mid Cap Fund	A Net Income	GB00B3ZGH246	B3ZGH24
Franklin UK Mid Cap Fund	Z Net Accumulation	GB00B6ZVYF25	B6ZVYF2
Franklin UK Opportunities Fund	A Net Income	GB00B45MQD36	B45MQD3
Franklin UK Opportunities Fund	Z Net Accumulation	GB00B7F47W60	B7F47W6
Franklin UK Rising Dividends Fund	A Net Income	GB00B6VBM074	B6VBM07
Franklin UK Rising Dividends Fund	Z Net Accumulation	GB00B757WS62	B757WS6
Franklin UK Rising Dividends Fund	Z Net Income	GB00BT6STB47	BT6STB4
Franklin UK Smaller Companies Fund	A Net Income	GB00B45G7D25	B45G7D2
Franklin UK Smaller Companies Fund	Z Net Accumulation	GB00B3VGKJ64	B3VGKJ6
Franklin US Opportunities Fund	A Net Accumulation	GB00B3KD9P78	B3KD9P7
Franklin US Opportunities Fund	Z Net Accumulation	GB00B3KD9R92	B3KD9R9
Templeton Global Emerging Markets Fund	A Net Accumulation	GB0034009190	3400919
Templeton Global Emerging Markets Fund	Z Net Accumulation	GB00B7F5L506	B7F5L50
Templeton Global Total Return Bond Fund	A Net Accumulation	GB00B2QWKN66	B2QWKN6
Templeton Global Total Return Bond Fund	A Net Accumulation-H3	GB00B4XDBZ57	B4XDBZ5
Templeton Global Total Return Bond Fund	A Net Income	GB00B2QWKP80	B2QWKP8
Templeton Global Total Return Bond Fund	A Net Income-H3	GB00B42B3V09	B42B3V0
Templeton Global Total Return Bond Fund	Z Net Accumulation	GB00B3KD9S00	B3KD9S0
Templeton Global Total Return Bond Fund	Z Net Income-H3	GB00B3V9V030	B3V9V03
Templeton Growth Fund	A Net Accumulation	GB0002733748	0273374
Templeton Growth Fund	A Net Income	GB0002733854	0273385
Templeton Growth Fund	Z Net Accumulation	GB00B6WZJM99	B6WZJM9

For a comparison with the new W shares you will receive after the Share Class Conversion, please see Appendix 1.

### **3. When is the Share Class Conversion taking place and are there any key dates that I should be made aware of?**

The Share Class Conversion is scheduled to take place on 13 September 2021 (the "Effective Date"). It is important to note the following key dates also: Class A and Z shares will be closed to any trading by existing investors from 6 September 2021 (the "Dealing Deadline") in order to facilitate the smooth execution of the Share Class Conversion. This means that all dealing instructions in respect of your A and Z shareholdings must be received by 12 noon on the Dealing Deadline. Dealing requests received after this time and date will not be processed. You will be able to trade in the class W shares you receive as part of the Share Class Conversion, from 8:30am on 13 September 2021.

### **4. Who is impacted by the Share Class Conversion?**

All shareholders holding class A or Z shares listed in the answer to question 2 above will be impacted by the Share Class Conversion.

### **5. Why are you making the Share Class Conversion?**

We are carrying out the Share Class Conversion principally to offer shareholders better value for money. All class W shares offer a lower annual management charge ("AMC") than their equivalent class A or class Z shares (further detail can be found in question 6 below) and consequently have a lower annual on-going charge ("OGC"). We believe that converting shareholders in class A and class Z shares to class W shares is in the best interests of class A and class Z shareholders.

### **6. What does the Share Class Conversion mean for existing shareholders?**

This means that existing shareholders in class A and class Z shares who remain holders of class A and class Z shares following the Dealing Deadline will automatically have their holdings converted into the equivalent class W shares on the Effective Date and will benefit from the lower AMC and OGC in class W, as detailed in Appendix 1.

### **7. Will the value of my investment be affected?**

No, the value of your investment will not be affected by the Share Class Conversion.

### **8. Will this affect the amount of income I receive?**

No, the income you receive will not be affected. Please note that holders of class A Income shares in the Templeton Global Leaders Fund will be converted into an equivalent Accumulation share class. Further information specific to those shareholders is set out in question 10 below.

### **9. Are there any other differences between my current share class and the new class W shares I will receive?**

No. The terms applicable to the class W shares will be the same as those applicable in your existing class A or class Z shares.

### **10. What is the impact on holders of class A Income shares in Templeton Global Leaders Fund?**

There is currently no W Income class in Templeton Global Leaders Fund. Accordingly, your class A Income shares in Templeton Global Leaders Fund will be converted into class W Accumulation shares. This means that from the Effective Date, you will no longer receive income distributions, or be able to elect to reinvest income distributions in respect of your shares. Instead, any income accruing to these shares will be accumulated and factored into the share price of the class. Please see the section entitled "Distribution of Income" in the Prospectus of the Company for further information on how this will affect you.

### **11. Will I receive confirmation after the Share Class Conversion has taken place?**

Yes, we will send out a confirmation notice shortly after the Effective Date to all shareholders to confirm that they have been successfully converted to the equivalent class W shares.

### **12. Will there be a change to any identifiers?**

Yes, the identifiers will change to the identifiers attributed to the relevant class W shares. These can be found in Appendix 1 below.

### 13. Will there be a change to how the Funds are managed?

No, the Share Class Conversion has no effect on how the Funds are managed.

### 14. Is there any cost to me as a result of the Share Class Conversion?

No, we will meet the costs associated with the Share Class Conversion.

### 15. Are there any tax implications as a result of the Share Class Conversion?

The Share Class Conversion will not be treated as a disposal for the purposes of UK capital gains tax. However, we recommend seeking independent tax advice if you are uncertain.

### 16. How does this affect regular savers?

Regular savings programs will not be affected. If you invest in class A or Z via a regular saving instruction on the Dealing Deadline, your regular saving instruction will be carried over to apply to the class W shares you receive as part of the Share Class Conversion.

### 17. How does this affect ISA investors?

The Share Class Conversion will not affect your ISA status.

### 18. What do I need to do?

You do not need to take any action. However, your three options are summarised below:

1. You can take no action. If you take no action your holdings in class A and class Z shares will automatically convert to class W shares in the same fund and a confirmation letter posted to you shortly afterwards on your new holding.
2. You can switch your class A and class Z shares into class W shares in a different sub-fund of the Company before the Dealing Deadline. Please note that this may be a taxable event and you should seek independent tax advice.
3. You may redeem your holding in class A or class Z shares. Please note that this may be a taxable event and you should seek independent tax advice. You should also seek advice on the impact this may have on your investment if you invest through an ISA. Redemption instructions must be received by the Dealing Deadline in order to be processed before the Share Class Conversion takes effect.

### 19. Where can I find further information?

You can find further information on our website [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk) or alternatively you can contact: (i) your financial adviser; (ii) sales representative; (iii) or the Client Services Team by UK Freephone 0800 305 306 or +44 20 7073 8526.

Telephone lines are open Monday to Friday, between the hours of 8:30am and 5:30pm on any UK business day. Alternatively, you can email us at [enquiries@franklintempleton.co.uk](mailto:enquiries@franklintempleton.co.uk)

## IMPORTANT INFORMATION

This document is intended to be of general interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares of the sub funds of Franklin Templeton Funds, a UK-domiciled OEIC, ("the Fund"). Nothing in this document should be construed as investment advice. There is no guarantee that the Funds will achieve their objectives.

An investment in the Funds entails risks which are described in the Funds' prospectus and the relevant KIID. The value of shares in the Funds and any income received from them can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator, nor a guarantee of future performance.

For a free copy of the latest prospectus, the relevant KIID, the annual report and semi-annual report, if published thereafter or for more information about any Franklin Templeton fund, UK investors should contact: Franklin Templeton, telephone: 0800 305 306, email: [enquiries@franklintempleton.co.uk](mailto:enquiries@franklintempleton.co.uk) or write to us at the address below. Alternatively, the information can be downloaded from our website [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

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**Appendix 1**

Fund Name	Existing Share Class	ISIN	Ongoing Charges	New Share Class	ISIN	Ongoing Charges	Reduction in Your Ongoing Charges
Franklin UK Equity Income Fund	A (acc)	GB00B60W0H40	0.97%	W (acc)	GB00B7DRD638	0.52%	0.45%
Franklin UK Equity Income Fund	A (inc)	GB00B6VBM744	0.97%	W (inc)	GB00B7MKLS14	0.52%	0.45%
Franklin UK Equity Income Fund	Z (acc)	GB00B7LCBR75	0.67%	W (acc)	GB00B7DRD638	0.52%	0.15%
Franklin UK Equity Income Fund	Z (inc)	GB00B7FSBK49	0.67%	W (inc)	GB00B7MKLS14	0.52%	0.15%
Franklin UK Managers' Focus Fund	A (acc)	GB00B4N2QK20	1.58%	W (acc)	GB00B7MPWT49	0.83%	0.75%
Franklin UK Managers' Focus Fund	Z (acc)	GB00B5BJ9D65	1.03%	W (acc)	GB00B7MPWT49	0.83%	0.20%
Franklin UK Mid Cap Fund	A (inc)	GB00B3ZGH246	1.57%	W (inc)	GB00B8K8HH50	0.82%	0.75%
Franklin UK Mid Cap Fund	Z (acc)	GB00B6ZVYF25	1.02%	W (acc)	GB00B7BXT545	0.82%	0.20%
Franklin UK Opportunities Fund	A (inc)	GB00B45MQD36	1.00%	W (inc)	GB00BYVDZT91	0.55%	0.45%
Franklin UK Opportunities Fund	Z (acc)	GB00B7F47W60	0.70%	W (acc)	GB00B76GK996	0.55%	0.15%
Franklin UK Rising Dividends Fund	A (inc)	GB00B6VBM074	0.99%	W (inc)	GB00BT6STC53	0.54%	0.45%
Franklin UK Rising Dividends Fund	Z (acc)	GB00B757WS62	0.69%	W (acc)	GB00B5MJ5601	0.54%	0.15%
Franklin UK Rising Dividends Fund	Z (inc)	GB00BT6STB47	0.69%	W (inc)	GB00BT6STC53	0.54%	0.15%
Franklin UK Smaller Companies Fund	A (inc)	GB00B45G7D25	1.58%	W (inc)	GB00BYVDZV14	0.83%	0.75%
Franklin UK Smaller Companies Fund	Z (acc)	GB00B3VGKJ64	1.03%	W (acc)	GB00B7FFF708	0.83%	0.20%
Franklin US Opportunities Fund	A (acc)	GB00B3KD9P78	1.59%	W (acc)	GB00B7KCG406	0.84%	0.75%
Franklin US Opportunities Fund	Z (acc)	GB00B3KD9R92	1.05%	W (acc)	GB00B7KCG406	0.84%	0.21%
Templeton Global Emerging Markets Fund	A (acc)	GB0034009190	1.60%	W (acc)	GB00B7MZ0J00	1.00%	0.60%
Templeton Global Emerging Markets Fund	Z (acc)	GB00B7F5L506	1.20%	W (acc)	GB00B7MZ0J00	1.00%	0.20%
Templeton Global Leaders Fund	A (acc)	GB0002733748	1.50%	W (acc)	GB00B7K6LK38	0.80%	0.70%
Templeton Global Leaders Fund	A (inc)	GB0002733854	1.50%	W (acc)	GB00B7K6LK38	0.80%	0.70%
Templeton Global Leaders Fund	Z (acc)	GB00B6WZJM99	1.00%	W (acc)	GB00B7K6LK38	0.80%	0.20%
Templeton Global Total Return Bond Fund	A (acc)	GB00B2QWKN66	1.34%	W (acc)	GB00BBM4VB49	0.79%	0.55%
Templeton Global Total Return Bond Fund	A (acc)-H3	GB00B4XDBZ57	1.33%	W (acc)-H3	GB00BKT0HX25	0.79%	0.54%
Templeton Global Total Return Bond Fund	A (inc)	GB00B2QWKP80	1.34%	W (inc)	GB00BBM4VD62	0.79%	0.55%
Templeton Global Total Return Bond Fund	A (inc)-H3	GB00B42B3V09	1.33%	W (inc)-H3	GB00B617LX19	0.79%	0.54%
Templeton Global Total Return Bond Fund	Z (acc)	GB00B3KDS900	0.99%	W (acc)	GB00BBM4VB49	0.79%	0.20%
Templeton Global Total Return Bond Fund	Z (inc)-H3	GB00B3V9V030	0.99%	W (inc)-H3	GB00B617LX19	0.79%	0.20%