Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

FTF Royce US Smaller Companies Fund

Class W (acc) GBP • ISIN GB00BP9LKJ73 • A sub-fund of Franklin Templeton Funds

The management company is Franklin Templeton Fund Management Limited which is referred to in this document as the authorised corporate director or "ACD".

Objectives and Investment Policy

FTF Royce US Smaller Companies Fund (the "**Fund**") aims to increase in value through investment growth over periods of five years or more after all fees and costs are deducted.

There is no guarantee that the Fund will achieve its objective over this or any other time period. Capital invested is at risk and you may get back less than you paid in.

Core investment

The Fund invests at least 80% of its assets in the shares and preference shares of smaller companies (i.e. those with market capitalisations not greater than that of the largest company in the Russell 2000 Index (the "Index") at the time of its most recent reconstitution) headquartered in the U.S. Preference shares are shares where dividends are paid out in advance of dividends due to other shares in the company.

Other investments

The Fund may also invest in:

• Other shares, preference shares, convertible bonds (a type of corporate debt security which can be exchanged for shares in the same organisation), other debt securities and warrants, each of which are issued by companies in any jurisdiction and of any size;

• Cash and cash equivalents;

• Money market instruments;

• Other collective investment schemes (which may include collective investment schemes operated by the ACD or any of its associates). The Fund may not invest more than 10% in other collective investment schemes.

The Fund can use derivatives for efficient portfolio management (managing the Fund in a way that is designed to reduce risk or cost and/or generate extra income or growth). Derivatives are investments whose value is linked to another investment or the performance of another variable factor, such as interest rates, currencies of any country or indices. The Fund may introduce more speculative use of derivatives in the future, on 60 days' notice to investors.

Geographic locations (where we invest)

The Fund's focus is the US. The majority of the Fund's assets will be invested in shares and preference shares of companies headquartered in the US, although the Investment Manager has discretion to invest in any other country to a lesser extent.

How we select investments (investment strategy)

This Fund is actively managed, which means that the Investment Manager does not copy a benchmark when selecting investments for the Fund.

The Fund typically invests in shares of fewer than 100 companies.

The Fund does not intend to replicate the issuer, sector and industry composition or weightings of the Index. The issuer, sector and industry composition and weightings of the Fund's portfolio are likely to vary considerably from those of the Index. To the extent the Fund is more heavily invested in a particular issuer, sector or industry relative to the Index, its performance may be tied more directly to the success or failure of a relatively smaller or less well-diversified group of portfolio holdings than that of the Index. The Fund may also include shares of companies which are not included in the Index.

The Investment Manager seeks to invest in companies which it believes possess excellent business strengths or prospects, high internal rates of return and whose securities are trading significantly below the Investment Manager's estimate of their current worth. In addition, the Investment Manager looks for companies which it considers have an attractive financial profile, including companies with: (i) conservative balance sheets with low leverage; (ii) prudent capital allocation; and (iii) attractive reinvestment opportunities.

When selecting investments, the Investment Manager considers a range of factors including material ESG factors, which are used solely to identify opportunities or risks that may impact the financial value of the investment. No claim is made that the Fund has any sustainability-related objective or sustainability characteristics and no assurance is given that any investments will result in positive sustainability-related impacts or minimise negative impacts.

Additional Information

• The Fund's performance can be compared to the Russell 2000 Index, which reflects the performance of investments in similar assets to those in which the Fund invests. For hedged share classes that attempt to mitigate the impact of changes in foreign exchange rates (ending "H2"), we show performance of the hedged version of the comparable index.

• You may request the sale of your shares in the Fund on any UK business day.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within five years.

Terms to Understand

Debt securities: securities representing the issuer's obligation to pay a loan at a specified date and to pay interest.

Warrants: a type of security which offers the right to purchase certain securities at a fixed price.

Collective investment schemes: other investment funds, like the Fund.

Shares of companies (equities): securities that represent an ownership stake in a company.

The income received from the Fund's investments is accumulated and included in the value of the shares.

Risk and Reward Profile

1	2	3	4	5	**6**	7

Lower risk — Higher risk

Potentially lower rewards — Potentially higher rewards

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.

Why is the Fund in this specific category?

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested. The Fund is in its risk/reward category because investments in shares of small cap US companies from various sectors have historically been subject to large fluctuations in value. 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.
Single Country/Region Risk: This fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, 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.
Foreign currency risk: the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations.
Investment in smaller company shares: the fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the fund may not be able to minimise a loss on such shares.
Liquidity risk: the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Such risk may be triggered by (but not limited to) unexpected events such as environmental disasters or pandemics. Reduced liquidity may have a negative impact on the price of the assets.
For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Factors" section of the current prospectus of Franklin Templeton Funds.

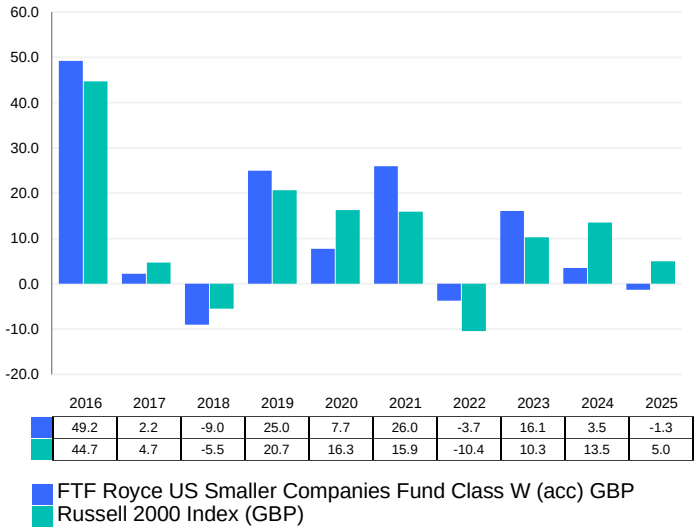
Charges

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 (in the case of the entry charge) or before money is paid out to you when you sell shares in the Fund (in the case of the exit charge).	
Charges taken from the Fund over a year	
Ongoing charges	0.82%
Charges taken from the Fund under certain specific conditions	
Performance fee	Not applicable

The ongoing charges figure is based on the expenses for the Fund for the year to December 2025 and it may vary from year to year. It is an estimate of the charges made to the Fund over a year to cover the costs of managing, operating, and distributing the Fund. Charges are deducted from the value of the assets held by the Fund and are reflected in the daily price that is used to buy and sell shares in the Fund. These charges reduce the potential growth of your investment and/or the income paid from it. For example, a Fund with an ongoing charges figure of 0.5%, means that an investor would pay £5 in charges over the course of a year for every £1,000 they had invested. Please note that the ongoing charge excludes some other costs (such as those incurred by the Fund when buying and selling securities) so total costs paid by investors each year may be slightly higher than the ongoing charges figure.

For detailed information about charges, please refer to the “Fees and Charges” section of the current prospectus of Franklin Templeton Funds and the Fund's annual report for details on the exact charges made.

Past Performance



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
FTF Royce US Smaller Companies Fund Class W (acc) GBP	49.2	2.2	-9.0	25.0	7.7	26.0	-3.7	16.1	3.5	-1.3
Russell 2000 Index (GBP)	44.7	4.7	-5.5	20.7	16.3	15.9	-10.4	10.3	13.5	5.0

- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges.
- Past performance is calculated in GBP.
- The Fund was launched on 23 September 2022 to receive the assets of FTF Royce US Smaller Companies Fund, which was a sub-fund of Franklin Templeton Funds II - another UK UCITS Scheme managed by the ACD (the “merging fund”), which was very similar to the Fund. More information about the merger is available on our website. Because of the similarities between the merging fund and the Fund, we have used the past performance of Class X Acc. GBP in the merging fund for the period from the start of the performance chart up to the launch date of the Fund.

Practical Information

- The Depositary of Franklin Templeton Funds is The Bank of New York Mellon (International) Limited.
- You can obtain further information about the Fund, copies of its prospectus and the latest annual and semi-annual reports of Franklin Templeton Funds from the website www.franklintempleton.co.uk or free of charge from Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL or your financial adviser. These documents are each available in English.
- The latest prices and other practical information on the Fund (including information about the other share classes of the Fund) are available from Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL or www.franklintempleton.co.uk.
- Please note that the United Kingdom taxation regime may have an impact on your personal tax position. Please consult your financial or tax adviser before deciding to invest.
- Franklin Templeton Fund Management Limited 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 Fund is a sub-fund of Franklin Templeton Funds. The prospectus and the annual and semi-annual reports refer to all sub-funds of Franklin Templeton Funds. All sub-funds of Franklin Templeton Funds have segregated assets and liabilities. As a result, each sub-fund is operated independently from each other.
- You may exchange your shares in the Fund for shares in another sub-fund of Franklin Templeton Funds as further described in the prospectus.
- The details of the up-to-date remuneration policy, 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.co.uk and a paper copy can be obtained free of charge.
- If you need any additional support to help you understand this document or any of our communications, please let the Client Service team know, and they will do their best to help you. The Client Service team can be contacted:
  · By email to franklintempletonuk@fisglobal.com; or
  · By telephone UK freephone on 0800 305 306, or +44(0) 20 7904 1843 if you are outside the UK (telephone calls may be recorded); or
  · By writing to us, at: Franklin Templeton, PO Box 24064, Edinburgh, EH3 1EX.

This Fund is authorised in the United Kingdom and is regulated by the Financial Conduct Authority. Franklin Templeton Fund Management Limited is authorised in the United Kingdom and is regulated by the Financial Conduct Authority.
This key investor information is accurate as at 13/02/2026.