

## 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.

## Franklin Global Sukuk Fund

**Class A (acc) USD • ISIN LU0792756115 •** A sub-fund of Franklin Templeton Shariah Funds

The management company is Franklin Templeton International Services S.à r.l.

### Objectives and Investment Policy

The primary characteristic of a Shariah fund is its compliance with Shariah guidelines based on the principles of Islamic finance. A Shariah fund is required to appoint a Shariah supervisory board which independently ensures that the fund also meets such Shariah guidelines in the management of all of its assets.

Franklin Global Sukuk Fund (the "Fund") aims to maximise total investment return by achieving an increase in the value of its investments and earning income from Shariah-compliant securities over the medium to long term.

The Fund pursues an actively managed investment strategy and invests mainly in:

- Shariah-compliant debt securities, including Sukuk of any quality (including lower quality securities such as non-investment grade securities) and of any maturity, issued by governments, government-related entities and corporations located in developed and emerging markets
- Shariah-compliant short-term instruments (up to 40% of the Fund net assets)

The Fund can invest to a lesser extent in:

- structured products, asset-backed securities and derivatives in accordance with the Shariah guidelines
- securities in default (limited to 10% of assets)

The investment team applies an investment process which is primarily based

on in-depth fundamental credit research including economic, country and security-specific analysis that incorporates detailed risk analysis, company visits, and proprietary equity and credit models. In their research efforts, the investment team located in the Middle East region also leverages Local Asset Management research support in Malaysia and the global footprint of Franklin Templeton's Fixed Income Group. The Fund may distribute income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.

You may request the sale of your shares on any Luxembourg business day.

The income received from the Fund's investments is accumulated with the result of increasing the value of the shares.

For further information on the Objectives and Investment Policy of the Fund, please refer to the section "Fund Information Objectives and Investment Policies" of the current prospectus of Franklin Templeton Shariah Funds.

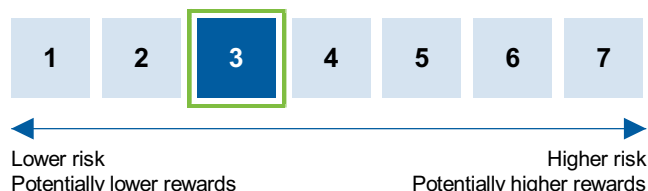
The benchmark of the Fund is the Dow Jones Sukuk Index. The benchmark is indicated for information purposes only, and the Fund manager does not intend to track it. The Fund can deviate from this benchmark.

#### Terms to Understand

**Structured products:** Packaged financial products whose value is generally linked to underlying asset(s) that are typically created to satisfy a need that cannot be met by investing solely in standard financial instruments available in the market.

**Derivatives:** Islamic compliant financial instruments whose characteristics and value depend on the performance of one or more underlying assets, typically securities, indexes, currencies or other financial obligations.

### 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.

#### Why is the Fund in this specific category?

The Fund invests mainly in Shariah-compliant debt securities, including Sukuk and short-term instruments of any quality issued by entities located in developed and emerging markets. Such securities have historically been subject to price movements, generally due to the supply and demand for financing, other market factors or movements in the Sukuk market. As a result, the performance of the Fund can fluctuate moderately over time.

#### Risks materially relevant not adequately captured by the indicator:

**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.

**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.

**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.

**Liquidity risk:** the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets.

**Sukuk risk:** the risk of loss arising from investing in sukuk instruments, which may fluctuate in value due to the impact of macro-economic factors on the supply and demand for financing or the willingness or ability of the counterparty (sovereign, sovereign-related, or corporate) to make payments according to the terms of the Sukuk.

**Shariah compliance risk:** the risk that the restriction to invest only in Shariah-compliant securities may place the Fund at a comparative disadvantage vs. funds that do not have this restriction. Returns to shareholders may also be reduced due to payments to Shariah approved charities to "purify" dividends.

For a full description of all the risks applicable to this Fund, please refer to the section "Risk Considerations" of the current prospectus of Franklin Templeton Shariah Funds.

## 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

<b>Entry charge</b>	5.00%
<b>Exit charge</b>	Not applicable
<i>This is the maximum that might be taken out of your money before it is invested.</i>	

### Charges taken from the Fund over a year

<b>Ongoing charges</b>	1.50%
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### Charges taken from the Fund under certain specific conditions

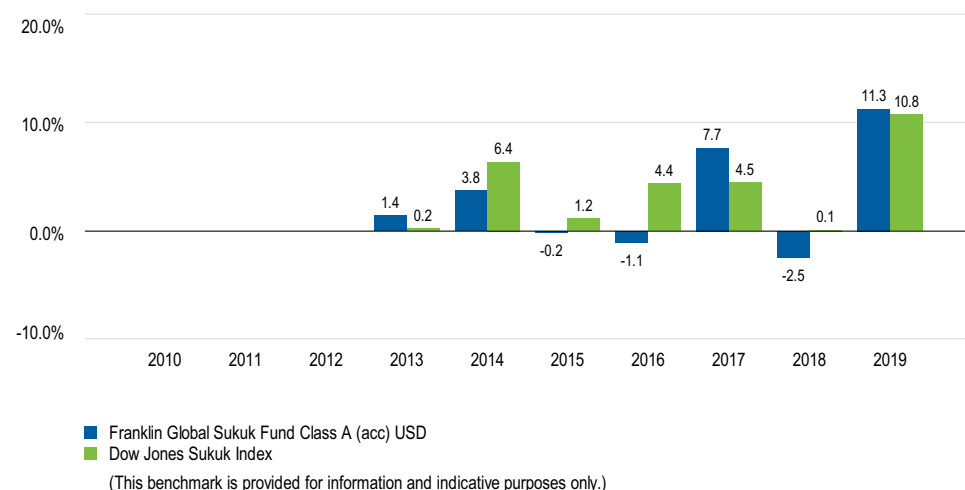
<b>Performance fee</b>	Not applicable
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The entry charges shown are maximum amounts; you may pay less in some cases. For more information, please see your financial adviser.

The ongoing charges are based on the expenses for the year ending December 31, 2019. This figure may vary from year to year.

For detailed information about charges, please refer to the section "Share Classes" as well as Appendix F of the current prospectus of Franklin Templeton Shariah Funds.

## Past Performance



- Past performance is not a guide to future performance.
- The past performance shown here includes all the ongoing charges but not the entry charge.
- Past performance is calculated in the currency of the present share class.
- The Fund was launched in 2012.
- The performance is not tracking the index

## Practical Information

- The Depositary Bank of Franklin Templeton Shariah Funds is HSBC France, Luxembourg Branch
- Copies of the latest prospectus and the latest annual and semi-annual reports of Franklin Templeton Shariah Funds are available in the language of this document, on the website [www.ftidocuments.com](http://www.ftidocuments.com) or may be obtained free of charge from Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg or your financial adviser.
- The latest prices and other information on the Fund (including other share classes of the Fund) are available from Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg or [www.franklintempleton.lu](http://www.franklintempleton.lu).
- Please note that the taxation regime applicable in the Grand Duchy of Luxembourg 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 Shariah Funds. The prospectus and the financial reports refer to all sub-funds of Franklin Templeton Shariah Funds. All sub-funds of Franklin Templeton Shariah Funds have segregated assets and liabilities. As a result, each sub-fund is operated independently from each other.
- You may switch into shares of another sub-fund of Franklin Templeton Shariah 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.lu](http://www.franklintempleton.lu) and a paper copy can be obtained free of charge.