



Franklin Templeton Investment Funds  
**Franklin Income Fund**

Balanced  
 31.12.2023

Fund Fact Sheet

**Fund Overview**

Base Currency for Fund	USD
Total Net Assets (USD)	4.62 billion
Fund Inception Date	01.07.1999
Number of Issuers	188
Benchmark	Linked 50% USA High Div Yield + 25% High Yield Very Liquid + 25% US Agg Index
Morningstar Category™*	USD Moderate Allocation
Distribution Yield* – A (Mdis) USD	8.17%

**Summary of Investment Objective**

The Fund aims to maximise income while maintaining prospects for capital appreciation by investing primarily in equity securities and long and short-term debt securities. The Fund may invest up to 25% of its net assets in non-U.S. securities.

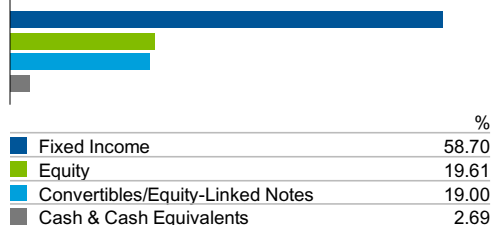
**Fund Management\***

Edward D. Perks, CFA: United States  
 Brendan Circle, CFA: United States  
 Todd Brighton, CFA: United States

**Ratings - A (Mdis) USD**

Overall Morningstar Rating™\*: ★★★★★

**Asset Allocation (Market Value)\***



**House Awards in Recent Years**



Fund of the Year Awards 2022  
 Balanced Mixed Asset  
 (Outstanding Achiever)<sup>1</sup>

<sup>1</sup>Benchmark, awarded in Feb 2023 to the company Franklin Templeton Investments. Based on fund performance for the period between Jul 2021 to Jun 2022. For the details of the award, including the assessment of methodology and judging criteria, please refer to the official award website. Franklin Templeton paid entry fee for the award.

**Offering Documents**



**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 Income Fund invests principally in equity securities of companies from a variety of industries, stocks with attractive dividend yields, long and short-term debt securities and debt securities that are rated below investment grade or unrated.
- The Fund is subject to debt securities risk, market risk, equity risk, credit risk, foreign currency risk, RMB currency and conversion risk, liquidity risk, valuation risk, volatility risk, preferred securities risk, convertible securities risk, securitisation risk, derivative instruments risk, structured notes risk, Europe and Eurozone risk, counterparty risk, securities lending risk and class hedging risk.
- The Fund's investment in debt instruments with loss-absorption features ("LAP") are subject to the risk of being written down or converted to ordinary shares upon the occurrence of pre-defined trigger events which may result in a significant or total reduction in the value of such instruments. LAP may also be exposed to liquidity, valuation and sector concentration risk.
- Security lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out, which may result in a substantial loss to the Fund.
- 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.
- 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.

**Performance\***

**Past performance does not predict future returns.**

**Performance over 5 Years in Share Class Currency (%)**

■ Franklin Income Fund A (Mdis) USD



**Performance in Share Class Currency (%)**

	Cumulative						
	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Incept
A (Mdis) USD	6.38	7.01	7.01	12.92	30.24	36.12	234.20
Benchmark in USD	7.75	8.29	8.29	11.02	36.57	79.72	268.81

**Calendar Year Performance in Share Class Currency (%)**

	2023	2022	2021	2020	2019
A (Mdis) USD	7.01	-7.33	13.88	1.26	13.90
Benchmark in USD	8.29	-8.01	11.45	4.62	17.58

**Top Ten Holdings\* (% of Total)**

Issuer Name	%
UNITED STATES TREASURY NOTE/BOND	8.39
COMMUNITY HEALTH SYSTEMS, INC.	3.34
MORGAN STANLEY	2.03
BANK OF AMERICA CORP	1.73
CHEVRON CORPORATION	1.69
EXXON MOBIL CORPORATION	1.47
FORD MOTOR COMPANY	1.44
BROADCOM INC.	1.40
CITIGROUP INC.	1.35
GENERAL MOTORS COMPANY	1.31

**Fund Measures**

Price to Earnings (12-mo Trailing)	15.06x
Price to Book	2.17x
Price to Cash Flow	8.94x
Average Credit Quality*	BBB-
Average Duration	5.39 Years
Average Weighted Maturity	6.80 Years
Yield to Maturity	6.81%
Standard Deviation (5 Yrs)	11.76%

## Share Class Information

Share Class	Incept Date	NAV	TER (%)	Fees			Dividends		Fund Identifiers
				Max. Sales Charge (%)	Max. Annual Charge* (%)	Max. Serv. Charge (%)	Last Paid Date	Last Paid Amount	ISIN
A (Mdis) USD	01.07.1999	USD 9.84	1.67	5.00	1.35	N/A	15.12.2023	0.0670	LU0098860793
A (acc) USD	09.01.2015	USD 13.36	1.67	5.00	1.35	N/A	N/A	N/A	LU1162221912
A (Mdis) AUD-H1	09.01.2015	AUD 7.33	1.67	5.00	1.35	N/A	15.12.2023	0.0500	LU1162222050
A (Mdis) EUR-H1	25.10.2013	EUR 6.62	1.67	5.00	1.35	N/A	15.12.2023	0.0450	LU0976567460
A (Mdis) HKD	18.01.2019	HKD 8.88	1.67	5.00	1.35	N/A	15.12.2023	0.0610	LU1929549753
B (Mdis) USD	14.05.2001	USD 8.47	1.89	N/A	1.60	1.06	15.12.2023	0.0580	LU0128532388

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.

## Composition of Fund\*

Sector (Market Value)—Equity	% of Total	Market Capitalisation Breakdown in USD	% of Equity
Financials	6.37	10.0-25.0 Billion	2.47
Information Technology	6.15	25.0-50.0 Billion	16.30
Health Care	6.06	>50.0 Billion	81.24
Industrials	5.11		
Energy	4.57		
Utilities	3.87		
Materials	2.57		
Consumer Staples	1.49		
Consumer Discretionary	1.26		
Communication Services	1.17		
<b>Sector (Market Value)—Fixed Income</b>	<b>% of Total</b>		
Investment Grade Corporates	25.14		
High Yield Corporates	24.65		
U.S. Treasury	8.50		
International Bonds	0.34		
U.S. Agency	0.05		
Mortgage-Backed Securities	0.01		

## Portfolio Data Derivatives Disclosures

Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of derivatives, unsettled trades or other factors.

## Investment Objective and Strategy

The Fund aims to earn income and, secondarily, to increase the value of its investments over the medium to long term.

The Fund invests principally in:

- equity securities of companies from a variety of industries such as utilities, oil, gas, real estate and consumer goods, and stocks with attractive dividend yields
- long and short-term debt securities, such as corporate, foreign and U.S. Treasury bonds
- debt securities that are rated below investment grade or unrated

The Fund can invest on an ancillary basis in:

- non-U.S. securities that are traded in the US or American Depository Receipts (limited to 25% of net assets)
- derivatives for hedging, efficient portfolio management and investment purposes

## Product Features

On a temporary basis and if justified by exceptionally unfavourable market conditions, the Fund may, in order to take measures to mitigate risks relative to such exceptional market conditions in the best interests of its shareholders, hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 100% of its net assets.

The Fund may also, in order to achieve its investment goals and for treasury purposes, invest in bank deposits, money market instruments or money market funds pursuant to the investment restrictions. For defensive purposes, the Fund may invest up to 100% of its net assets in these instruments on a temporary basis.

The investment team uses in-depth analysis to select individual securities that it believes are undervalued and will provide the best opportunities for income and increased value over the long term.

The Fund may invest in debt instruments with loss-absorption features ("LAP") e.g. contingent convertible securities, senior non-preferred debts, etc. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The Fund's expected total maximum investments in LAP is 30% of its net assets.

For the purpose of generating additional capital or income or for reducing costs or risks, the Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the Fund only.

The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

## Important Information

Unless stated otherwise, all information is as of the publishing date of this document. Source: Franklin Templeton.

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Any share class with "H1" in its name 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.

In addition, a summary of investor rights is available from <https://www.franklintempleton.com.hk/en-hk/about-us/summary-of-investor-rights>.

The fund(s)/ sub-fund(s) are notified for marketing in various regions under the UCITS Directive. The fund(s)/ sub-fund(s) can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive.

For the avoidance of doubt, if you make a decision to invest, you will be buying units/shares in the fund(s)/sub-fund(s) and will not be investing directly in the underlying assets of the fund(s)/sub-fund(s).

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## \*Explanatory Notes

**Performance:** 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.

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**Distribution Yield:** The Distribution Yield refers to annualized yield. The Distribution Yield is based on the most recent month's distribution and shown as an annualized percentage as of the date shown. It does not include any preliminary charge and investors may be subject to tax on distributions. Information is historical and may not reflect current or future distributions. The formula for calculating Distribution Yield of the stated share class:  $(nr/p) \times 100$ .  $r$  = last dividend paid;  $p$  = month end NAV;  $n$  = distribution frequency.  $n = 12$  for monthly distribution;  $n = 4$  for quarterly distribution;  $n = 1$  for yearly distribution.

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**Benchmark:** The Linked 50% USA High Div Yield + 25% High Yield Very Liquid + 25% US Agg Index is composed of the Linked Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index.

**Performance:** Effective 1 February 2019, the Fund's benchmark is Linked Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index. The benchmark performance shown is derived from a combination of the Custom 50% S&P 500 + 50% Bloomberg US Aggregate Index from the fund's inception to 31 January 2019 and the Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index from 1 February 2019 to current reporting period.

**Top 10 Holdings:** These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable.

**Fund Measures:** The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). For unrated bonds ratings may be assigned based on the ratings of the issuer or other relevant factors. The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower rated bonds. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

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.

**Asset Allocation/Composition of Fund:** Due to rounding, the sum of portfolio may not equal 100%.

**Fees:** Maximum Annual Charge includes Management Fee and Maximum Maintenance Charge.