

# Franklin Diversified Income Fund

A (acc) USD: LU3196153939

Investment Grade | Factsheet as of 31 May 2026

This is a marketing communication. Please refer to the relevant offering documents 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.

Past performance does not predict future returns.

## Total Returns (%)

	Cumulative						Average Annual				Inception Date
	1-Mo	3-Mo	YTD	1-Yr	3-Yr	5-Yr	Inception	3-Yr	5-Yr	Inception	
A (acc) USD-Net of Fees	0.40	-0.49	—	—	—	—	1.10	—	—	—	07/01/2026
A (acc) USD-After Sales Charge	-4.62	-5.47	—	—	—	—	-3.95	—	—	-9.60	07/01/2026
Benchmark (USD)	0.31	-1.35	—	—	—	—	0.26	—	—	—	—

Performance details provided are in the share class currency, based on NAV-NAV and include reinvested dividends. Performances of different share classes will vary. References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown.

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.

After Sales Charge: Calculated based on initial sales charge of 5%.

## Fund Overview

Umbrella	Franklin Templeton Investment Funds
Fund Base Currency	USD
Fund Inception Date	07/01/2026
Share Class Inception Date	07/01/2026
Minimum Investment (USD)	1000
ISIN	LU3196153939
Subscription Type	Cash
Bloomberg	FRADNAA LX
Morningstar Peer Group	USD Flexible Bond
EU SFDR Category	Article 6

## Benchmark(s) and Type

Bloomberg U.S. Aggregate Index	Comparator
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## Charges

Maximum Initial Charge	5.00%
Exit Charge	—
Ongoing Charges Figure	1.35%
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-A (acc) USD	\$10.11
Total Net Assets (USD)	\$186.73 Million
Number of Holdings	448
Average Credit Quality	BBB
Effective Duration	3.91 Yrs

**Sector Allocation (% of Total)**

	Fund Benchmark	
Investment Grade Corporates	23.12	23.97
High Yield Corporates	22.12	0.00
Agency Mortgage-Backed Securities	17.44	23.80
Residential Mortgage-Backed Securities	15.09	0.00
Non-Local Currency Emerging Market Bonds	11.78	0.86
Commercial Mortgage Backed Securities	9.66	1.43
Collateralized Loan Obligations	8.61	0.00
U.S. Treasuries	1.26	45.65
Others	0.85	4.28
Cash & Cash Equivalents	-9.95	0.00

**Credit Quality Allocation (% of Total)**

	Fund Benchmark	
AAA	6.73	3.15
AA	19.70	73.83
A	13.37	11.46
BBB	27.91	11.55
BB	20.53	0.00
B	11.54	0.00
CCC	0.11	0.00
NR	10.09	0.00
Not Applicable	-0.02	0.00
Cash & Cash Equivalents	-9.95	0.00

**Portfolio Management**

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

**What are the Risks?**

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. **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.

**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.**

## Glossary

**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, see the relevant offering documents. 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.

## Important Information

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