

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

### Franklin USD Diversified Bond Series I 2025 Fund

**Class E (acc) USD • ISIN LU2216209176** • A sub-fund of Franklin Templeton Opportunities Funds (UCITS)

**Management company (and Manufacturer):** Franklin Templeton International Services S.à r.l. ("FTIS"), part of the Franklin Templeton group of companies.

**Website:** www.franklintempleton.lu

Call (+352) 46 66 67-1 for more information

The Commission de Surveillance du Secteur Financier (CSSF) is responsible for supervising Franklin Templeton International Services S.à r.l. in relation to this Key Information Document.

This PRIIP is authorised in Luxembourg.

**Date of Production of the KID:** 12/02/2024

## What is this product?

### Type

The product is a share class of the sub-fund Franklin USD Diversified Bond Series I 2025 Fund (the "Fund") which is part of Franklin Templeton Opportunities Funds, an open-ended investment company with variable capital (SICAV), qualifying as a UCITS.

### Term

In 2025 ("Maturity"). Before the Fund's Maturity, the Investment Manager will write to investors setting out the options available to them which may include, but are not limited to, the liquidation of the Fund, a switch or merger into Shares of other Funds of the Company or other UCITS of the Franklin Templeton group or a change of the investment objective and policy. The Fund could be closed under the conditions laid down in the current prospectus of the Fund.

### Objectives

#### Investment Objective

The Fund aims to offer regular income with a predetermined yield at the time of investments while seeking preservation of shareholders' capital over an investment period of four and a half years, by investing mainly in USD-denominated debt securities. After the initial or possible subsequent Asset Gathering Period(s), the Fund will be closed to further subscriptions until maturity (in 2025). The value of your holding at maturity may be less than the value initially invested due to the Fund's distribution policy, costs, adverse market conditions or issuer defaults of portfolio securities. There is no guarantee that the Fund will achieve any of its objectives.

#### Investment Policy

The Fund is designed to be held to maturity and you should be prepared to remain invested until maturity.

#### During the Principal Investment Period:

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

- USD-denominated debt securities of any quality (including lower quality debt such as non-investment grade, low rated and/or unrated) issued by governments, supranational entities and/or corporations of any size or industry sector and located in any country, including emerging markets (investments in high yield may represent up to 45% of the Fund's assets)

The Fund can invest to a lesser extent in:

- perpetual securities (i.e. debt security with no maturity date), only if they include a call feature with a date that does not extend beyond the maturity (limited to 10% of the Fund's assets)

While the Fund will not invest directly in distressed securities (i.e. securities of companies that are, or are about to be, involved in reorganisations, financial restructurings or bankruptcy, which include securities in default), it may hold distressed securities (limited to 5% of the Fund's net assets) as a result of a downgrading of any debt security held due for example to a prolonged general decline or other adverse market conditions.

While the Fund has an investment period of four and a half years, some or all of debt securities held may mature before or after the Fund's maturity.

**At maturity:** The Fund shall hold up to 100% of its net assets in deposits and cash equivalent investments (including money market instruments). Before the Fund's maturity, the company will write to investors setting out the options available to them.

**Recommendation:** this Fund may not be appropriate for investors who plan to withdraw their money before the maturity of the Fund.

The Fund is not managed in reference to a benchmark.

#### Share Class Policy

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

#### Processing of subscription and redemption orders

You may request the sale of your shares on any Dealing Day (as defined in the current prospectus of the Fund).

#### Intended retail investor

The Fund may appeal to investors looking to income yield by obtaining exposure to USD-denominated debt securities issued by corporations, governments and supranational entities worldwide (including high yield debt securities limited to 45% of the Fund's assets) and willing to hold their investment over a 4,5 year period. The Fund is suitable for investors who have a basic knowledge and/or experience of financial markets with the understanding that they may not get back the full amount invested in the Fund.

#### Depository

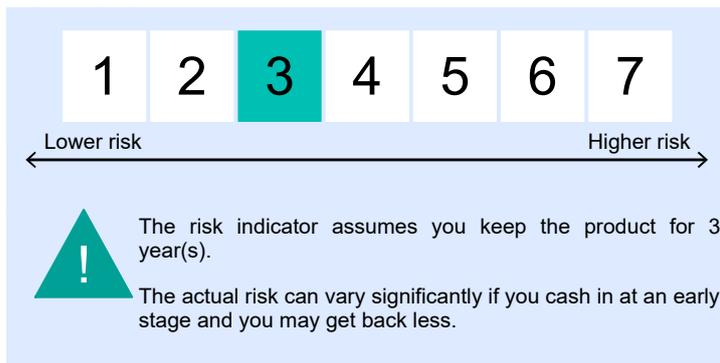
J.P. Morgan SE, Luxembourg Branch

#### Further Information

Please refer to the 'Other relevant information' section below.

## What are the risks and what could I get in return?

### Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity to pay you.

**Be aware of currency risk.** In some circumstances, you may receive payment in a different currency, so that the final return you get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risks materially relevant to the product not included in the summary risk indicator:

- Credit risk

For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Considerations" section of the current prospectus of the Fund.

This product does not include any protection from future market performance so you could lose some or all of your investment.

## Performance Scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and the suitable benchmark over the last 10 years. Markets could develop very differently in the future.

**Recommended holding period:**

**3 years**

**Example Investment:**

**10,000 USD**

**If you exit after 1 year**

**If you exit after 3 years**

### Scenarios

|              |   |            |            |
|--------------|---|------------|------------|
| Minimum      | There is no minimum guaranteed return. You could lose some or all of your investment. |            |            |
| Stress       | What you might get back after costs   | 4,830 USD  | 6,190 USD  |
|              | Average return each year  | -51.70%    | -14.78%    |
| Unfavourable | What you might get back after costs   | 8,780 USD  | 9,420 USD  |
|              | Average return each year  | -12.20%    | -1.97%     |
| Moderate     | What you might get back after costs   | 10,050 USD | 11,090 USD |
|              | Average return each year  | 0.50%      | 3.51%      |
| Favourable   | What you might get back after costs   | 12,050 USD | 12,550 USD |
|              | Average return each year  | 20.50%     | 7.87%      |

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable scenario: This type of scenario occurred for an investment using a suitable benchmark between September 2021 and December 2023.

Moderate scenario: This type of scenario occurred for an investment using a suitable benchmark between December 2017 and December 2020.

Favourable scenario: This type of scenario occurred for an investment using a suitable benchmark between February 2016 and February 2019.

## What happens if Franklin Templeton International Services S.à r.l. is unable to pay out?

Franklin Templeton International Services S.à r.l. ("FTIS") is the management company of the Fund, but the assets of the Fund are held separately from FTIS by the depositary. J.P. Morgan SE, Luxembourg branch, as the appointed depositary, is liable to the Fund or its shareholders for losses caused by its negligent or intentional failure to fulfill its safekeeping or record-keeping obligations (cash could however be lost in case of default of the depositary or its delegates).

There is no compensation or guarantee scheme protecting you from a default of the Fund's depositary.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- USD 10,000 is invested

|                               | <b>If you exit after 1 year</b> | <b>If you exit after 3 years</b> |
|-------------------------------|---------------------------------|----------------------------------|
| <b>Total costs</b>            | 316 USD                         | 497 USD                          |
| <b>Annual cost impact (*)</b> | 3.2%                            | 1.5% each year                   |

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 5.0% before costs and 3.5% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

Please note that the figures shown here do not include any additional fees that may be charged by your distributor, advisor or any insurance wrapper in which the fund may be placed.

## Composition of Costs

| One-off costs upon entry or exit                                   |   | If you exit after 1 year |
|--|---|--------------------------|
| <b>Entry costs</b>   | 1.50% of the amount you pay in when entering this investment.   | Up to 150 USD            |
| <b>Exit costs</b>  | 1.00% of your investment before it is paid out to you.  | 101 USD                  |
| Ongoing costs taken each year                                      |   |                          |
| <b>Management fees and other administrative or operating costs</b> | 0.65% of the value of your investment per year. This is an estimate based on actual costs over the last year.   | 65 USD                   |
| <b>Transaction costs</b>   | 0.00% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | 0 USD                    |
| Incidental costs taken under specific conditions                   |   |                          |
| <b>Performance fees (and carried interest)</b>                     | There is no performance fee for this product.   | 0 USD                    |

## How long should I hold it and can I take money out early?

**Recommended holding period: 3 years until / 2025 ("Maturity").**

This Fund has no minimum required holding period, the 3 years has been calculated as the fund is designed to be held until maturity. You may sell your shares on any dealing day. The value of your investments may go down as well as up irrespective of the period you are holding your investments, depending on such factors as the performance of the Fund, movements in stock and bond prices, and conditions in financial markets generally. Please contact your broker, financial adviser or distributor for information on any costs and charges relating to the sale of the shares.

## How can I complain?

Investors who would like to receive the procedures relating to complaints handling or wish to make a complaint about the Fund, the operation of FTIS or the person advising on or selling the Fund, should go on the website [www.franklintempleton.lu](http://www.franklintempleton.lu), contact Franklin Templeton International Services, S.à r.l., 8A, rue Albert Borschette L-1246 Luxembourg, or send an e-mail to the client service department at [lucs@franklintempleton.com](mailto:lucs@franklintempleton.com).

## Other relevant information

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. Copies of the latest prospectus and annual & semi-annual reports of Franklin Templeton Investment Funds are available in English and, selectively, in certain other languages, on the website [www.franklintempleton.com](http://www.franklintempleton.com), your local Franklin Templeton website, 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 FTIS, [www.fundinfo.com](http://www.fundinfo.com) or [www.franklintempleton.lu](http://www.franklintempleton.lu). The past performance presenting on the last 3 years and previous performance scenario calculations are available under:

- [https://docs.data2report.lu/documents/KID\\_PP/KID\\_annex\\_PP\\_FTI\\_LU2216209176\\_en.pdf](https://docs.data2report.lu/documents/KID_PP/KID_annex_PP_FTI_LU2216209176_en.pdf).
- [https://docs.data2report.lu/documents/KID\\_PS/KID\\_annex\\_PS\\_FTI\\_LU2216209176\\_en.pdf](https://docs.data2report.lu/documents/KID_PS/KID_annex_PS_FTI_LU2216209176_en.pdf).