

Article 10 (SFDR)
Website disclosure for an Article 8 fund

FTIF-Templeton Global Bond Fund (the "Fund")

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1.0	27 December 2022	25 August 2023	
2.0	8 January 2024		
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4.0	22 September 2025		
5.0	6 March 2026		
6.0	23 July 2026		
7.0	6 November 2026		

FRANKLIN TEMPLETON

Product name: FTIF-Templeton Global Bond Fund	Legal entity identifier: 5SLKA4UT9B55J80BUH41

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective: ___%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: __%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

A. Summary

The Fund promotes environmental and social characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (the "SFDR").

In its implementation of the Fund's environmental, social and governance ("ESG") considerations for sovereign issuers, the Investment Manager typically favors issuers with either higher ESG scores or those projected to have neutral to improving ESG scores over the medium term (the next two to three years), as captured by its proprietary ESG methodology. For supranational issuers, the Investment Manager utilizes ESG ratings provided by MSCI.

The Fund's environmental or social characteristics are assessed both quantitatively and qualitatively, by means of sustainability indicators as well as of the Investment Manager's proprietary ESG methodology and its research process further described in the Website disclosure's dedicated sections. As part of its investment decision making process, the Fund's ESG strategy also uses binding criteria for the selection of underlying assets and applies specific ESG exclusions.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable

C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The Fund promotes broad environmental and/or social characteristics which vary by composition of the portfolio and inter alia include actions around resource insecurity, extreme weather risk, unsustainable environmental practices, social cohesion & stability, infrastructure, healthcare, labour, human capital and demographics. The Investment Manager seeks to attain these characteristics by using a proprietary environmental, social and governance (the "ESG") index, the Templeton Global Macro-ESG Index (the "TGM-ESGI") to:

- screen out government bonds of the bottom 10% of countries based on proprietary aggregate TGM-ESGI score; and
- commit to a weighted average base TGM-ESGI score of the sovereign bonds (including supranational bonds and also the notional value of net long positions in related derivatives) in the Fund's portfolio to be higher than the average base TGM-ESGI score of the investment universe dedicated to sovereign bonds.

The portion of the investment universe dedicated to sovereign bonds of the Fund's portfolio has been constructed based on the universe of sovereign issuers with historic data of bond issuance, and excluding issuers from countries:

- with no current debt outstanding;
- recorded as sanctioned by the United States Office of Foreign Assets Control (the "US OFAC"), the European Union (the "EU") or the United Nations (the "UN");
- which do not have any debt in issuance denominated in euro or US dollar and does not have a local custodian entity meeting the legal and regulatory requirements applicable to the Fund and its custody partners; and
- any country where foreign ownership of sovereign bonds is not permitted or not reasonably practicable due to legal or regulatory restrictions.

The portion of investment universe dedicated to the supranational bonds of the Fund's portfolio is constructed by issuers that have MSCI ESG ratings, except where an issuer's MSCI ESG rating becomes unavailable while bonds issued by such issuer are held by the Fund. In such cases, the relevant bonds will be considered as not aligned with the environmental or social characteristics promoted by the Fund and classified under "#2 Other", as set out in the asset allocation table.

No reference benchmark has been designated to attain the environmental and/or social characteristics promoted.

D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

For sovereign issuers, the Fund employs a proprietary ESG rating methodology, the TGM-ESGI, to assess each country that issues sovereign bonds that are current or potential investments for the Fund. The Investment Manager's methodology captures a country's current TGM-ESGI score based on a variety of subcategories. As part of its broader investment research process and qualitative assessment, the Investment Manager evaluates expected improvement or deterioration in the country's ESG practices. The

Investment Manager believes that this two-pronged test may provide an indication of a country's investment worthiness and when considered in the context of the Investment Manager's broader research may assist in identifying opportunities to provide capital to countries that are expected to improve from an ESG perspective.

The TGM-ESGI contains environmental and social indices that measure resource insecurity, extreme weather risk, unsustainable practices, social cohesion and stability, human capital, labour and demographics among other factors, along with governance factors such as institutional strength and corruption and transparency.

As an initial step in its methodology, the Investment Manager scores each country that issues sovereign debt that may be potential investments for the Fund on a scale of 0–100 (100 being the highest) in various ESG subcategories that the Investment Manager has determined to have a significant impact on macroeconomic conditions.

Within the ESG subcategories, the methodology leverages baseline rankings from a set of recognized global data providers. After this, the subcategory scores are tallied into a total ESG score by grouping them into their respective ESG categories, and equal weighting those three overarching categories (i.e., a 33% weighting for environmental, 33% for social and 33% for governance).

The Investment Manager then applies internal proprietary research as a forward-looking overlay to the baseline current scores, to assess whether conditions in each subcategory are expected to improve or deteriorate over the next two to three years. These qualitative assessments are reflected in projected TGM-ESGI scores, which form part of the Investment Manager's broader research process and are not used as a standalone basis for exclusion or screening.

The Investment Manager is not allowed to a make new investment or actively add to an existing investment in government bonds of the bottom 10% of countries based on proprietary aggregate TGM-ESGI score.
The ESG methodology is applied to 100% of the sovereign debt holdings in the Fund's portfolio and is binding for the portfolio construction.

For supranational issuers, the Fund utilizes ESG ratings provided by MSCI and restates those ratings to correspond to a scale of 0–100 (100 being the highest).

The ESG methodology is applied to 100% of the supranational debt holdings in the Fund's portfolio and is binding for the portfolio construction.
The weighted average base TGM-ESGI score of the sovereign bonds (including supranational bonds) in the Fund's portfolio is higher than the average base TGM-ESGI score of the sovereign investment universe.
For the purpose of this calculation, the ESG scores for supranational issuers apply towards the Fund's weighted average sovereign ESG score.

The TGM-ESGI subcategories and global reference indices used for scoring are reviewed at least bi-annually and may change over time. However, the overall weightings remain one-third each for ESG category.
Notwithstanding the foregoing, where an MSCI ESG rating for a supranational issuer becomes unavailable while debt issued by such issuer is held by the Fund, the ESG methodology will no longer be applied to the relevant debt. In such circumstances, the relevant debt will be considered as not aligned with the environmental or social

characteristics promoted by the Fund and classified under "#2 Other", as set out in the asset allocation table.

The Investment Manager monitors sovereign and supranational issuers of a bond, currency, or derivative thereof that present meaningful deteriorating current or projected scores, with a view to evaluate the potential divestment that demonstrate no improvement over time. The evaluation is done on a case-by-case basis.

If the sovereign issuer of a bond, currency, or derivative thereof, which is held in the portfolio, falls into the 10% list of excluded issuers, the Investment Manager shall put the country on a watch list for enhanced monitoring over the next three reporting cycles. If there has been no improvement during this time, the Investment Manager may consider a divestment, however the Fund will not be required to dispose of an investment unless the Investment Manager determines that it is practicable to sell or close out the investment without adverse market or tax consequences to the Fund. The Fund may retain such investment if the Investment Manager deems it in the best interests of the Shareholders.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements of the investment strategy, which are not at the discretion of the Investment Manager, can be summarized as follows:

- the exclusion of countries and issuers that are subject to international economic sanctions, including sanctions imposed by the UN, the EU or the US OFAC;
- the exclusion of government bonds of the bottom 10% of countries based on proprietary aggregate TGM-ESGI score; and
- the commitment to have a weighted average base TGM-ESGI score of the sovereign bonds (including supranational bonds and also the notional value of net long positions in related derivatives) in the Fund's portfolio higher than the average base TGM-ESGI score of the investment universe dedicated to sovereign bonds.

For the purpose of restricting the investment universe, exclusions based on countries subject to international sanctions are applied first and the countries with aggregate TGM-ESGI scores in the bottom 10% of the investment universe are then excluded from the Fund's investment universe dedicated to sovereign bonds.

What is the policy to assess good governance practices of the investee companies?

Although the Fund primarily invests in government bonds, sovereign governance is assessed and monitored as part of the investment management process.

Issuers that are subject to international economic sanctions, including sanctions imposed by the UN, the EU or the US OFAC are excluded from the Fund's investment universe.

Remaining issuers are assessed according to their effectiveness of governance, policy mix and reform-mindedness, corruption and transparency, institutional strength, and business climate. These assessments are aggregated to provide an overall governance score for each issuer in the investible universe.

Thereafter, the investment process excludes the government bonds of the bottom 10% of countries based on proprietary aggregate TGM-ESGI score from the Fund's investment universe dedicated to sovereign bonds. This ensures that countries with unacceptably weak governance process are not considered for investment.

Sovereign governance is regularly assessed and monitored as part of the process. From time to time, the Investment Manager has discussions with governments, central banks and other institutions at various levels. Certain of these discussions may include governance and economic best practices, and the Investment Manager may share its views while also trying to better understand government stances on economic policies and governance, as well as sustainability and social topics, to facilitate the investment decision making.

Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (including an indication of the rate)

Government bonds of the bottom 10% of countries based on proprietary aggregate TGM-ESGI score are excluded from the Fund's investment universe dedicated to sovereign bonds..

Does this financial product consider principal adverse impacts on sustainability factors?

☒Yes

The following principal adverse impacts (the "PAIs") are considered **for sovereign and supranational issuers**:

- **greenhouse gas emissions; and**
- **social violations**.

Greenhouse gas emissions of the investee countries are monitored through greenhouse gas intensity Scope 1 data points

Social violations by the investee countries, are monitored as part of the TGM-ESGI, where the Investment Manager reviews institutional strength, social cohesion and stability and income equality among others. This is in addition to explicitly excluding countries subject to international sanctions, including those imposed by the UN, EU or US OFAC.

More information on how the Investment Manager considered its PAIs may be found in the annual report of the Company.

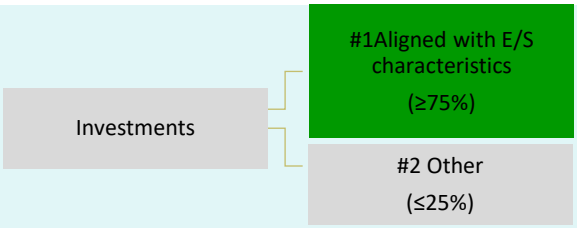
☐ No

E. Proportion of investments

What is the planned asset allocation for this financial product?

The Investment Manager employs a binding proprietary ESG methodology which is applied to at least 75% of the portfolio of the Fund. Derivatives may also be used for investment, hedging, or efficient portfolio management. The ESG methodology applies to the notional value of the derivatives used to gain long exposures to interest rates (duration), currency positions, or credit exposures. At least 75% of the Fund's portfolio is aligned with

environmental and/or social characteristics promoted by the Fund, and a maximum of 25% of the Fund's portfolio may be set aside, as indicated in the following graph with "#2 Others". It includes liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds) held for servicing the day-to-day requirements of the Fund and/or to serve as collateral for derivatives that, by their nature, cannot be aligned with the environmental and/or social characteristics promoted by the Fund. It may also include debt issued by supranational issuers for which an MSCI ESG rating has become unavailable while such debt is held by the fund and is therefore classified under "#2 Other".



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

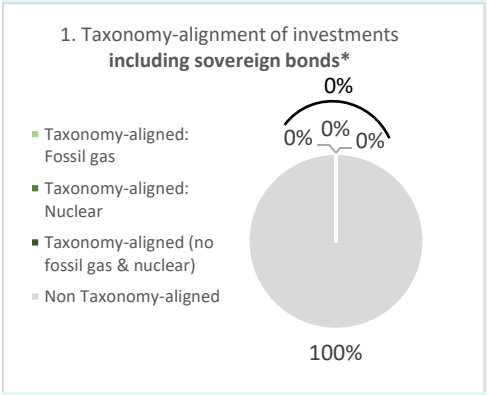
The ESG methodology is applied to the notional value of derivatives used to gain long exposure to interest rates (duration), currency positions, or credit spreads.

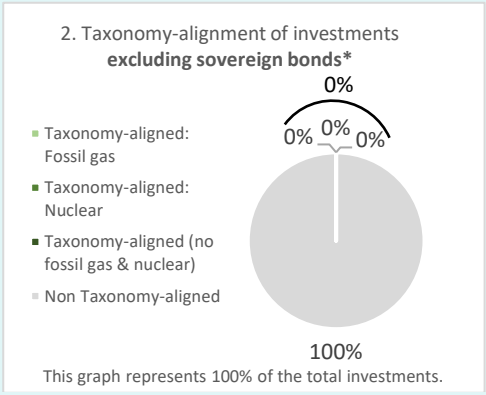
Notional value for long positions is counted towards the TGM-ESGI scoring.

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what the minimum share of transitional and enabling activities is)

Not Applicable.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of sustainable investments with a social objective?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Other" investments include investments in liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds) held for servicing the day-to-day requirements of the Fund and/or to serve as collateral for derivatives.

No minimum environmental and/or social safeguards have been put in place.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The sustainability indicators used to measure the attainment of the environmental and/or social characteristics promoted are:

- the share of sovereign issuers subject to social violations deemed to have severe/very severe adverse impact; and
- the ESG score difference between the Fund's portfolio and the investment universe.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The environmental or social characteristics and the sustainability indicators (including PAI indicators) are monitored throughout the lifecycle of the product.

- **Initial investment phase**

ESG screenings of investments are performed during the initial acquisition phase.

Prior to investment, the Investment Manager screens all potential investments to confirm they meet the Fund's criteria and to confirm the portfolio remains in compliance with its policies. In addition, the Investment Manager ensures that the Fund does not invest in the Fund exclusion list.

More information on the exclusion list and on the ESG rating methodology can be found under the section "D. Investment Strategy".

- **Holding period**

Once investments have been made, ongoing monitoring and reporting are performed.

The Investment Manager conducts reviews to ensure ongoing compliance with the policies and analyses the investments exposure at a portfolio level for possible adverse impact. Exclusions/restrictions based on scoring are coded into our pre trade engine for compliance monitoring on a weekly basis. The Investment Manager is responsible for the correct execution of the ESG due diligence activities.

- **Divestment**

The Fund evaluates divestment in cases of meaningful deteriorating current or projected ESG scores and/or deteriorating adverse impact category (severe/very severe category) and/or issuers falling into the 10% list of excluded issuers.

In these last two cases, the Investment Manager takes all reasonable means to divest the security within 6 months. Where divestment of such a position is not feasible within this timeframe due to legal or regulatory restrictions or exceptional market circumstances, the Investment Manager shall aim to reduce the position as soon as reasonably practicable or legally permissible, as the case may be.

- **Control mechanisms**

The Investment Manager is responsible for supervising and improving the implementation of the ESG policies and responsible investment process across all investments.

All binding elements of the Fund's ESG commitments are regularly reviewed and monitored as part of the Investment Compliance process.

In addition, sustainability risk is integrated in the Fund's risk management processes since 1st August 2022, in line with the Commission Delegated Regulation (EU) 2021/1255 and Delegated Directive (EU) 2021/1270.

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The Fund measures the attainment of the environmental or social characteristics by using on an ongoing basis and reporting on an annual basis the sustainability indicators mentioned under the section "F. Monitoring of environmental or social characteristics".

The Fund relies on the following criteria:

1. ESG rating

The environmental and social characteristics promoted are considered as attained if the weighted average base TGM-ESGI score of the sovereign bonds (including supranational bonds and also the notional value of net long positions in related derivatives) in the Fund's portfolio is higher than the average base TGM-ESGI score of the investment universe dedicated to sovereign bonds.

The ESG rating methodology is described under the section "D. Investment Strategy".

2. Negative screens

The environmental and social characteristics promoted are considered as attained if the share of sovereign issuers having exposure to, or ties with, the sectors and the additional exclusions described under the section "D. Investment Strategy" equals 0%.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

- **Data sources**

For sovereign bonds, the Fund's TGM-ESGI leverages baseline rankings from a set of recognized global indexes providers and from a set of reputable sources including (not an exhaustive list):

- The World Bank
- The World Economic Forum
- The United Nations
- The Heritage Foundation
- Global Health Security Index (GHS Index)

For supranationals, the Fund leverages ESG Ratings from MSCI.

- **Measures to ensure data quality**

Data sources are comprehensive and transparent. The Fund makes enhancements and refinements to the methodology as warranted. In the event there is an unforeseen limitation with data, the Fund seeks to either refine the methodology or to recreate components to avoid a major methodological break.

- **Data processing**

Data is processed using a “three lines of defense” model.

First Line: data is put together by one ESG analyst based on index data from reputable institutions, which is then verified by another ESG analyst. All scores are scrutinized and questioned, and all methodology changes are discussed.

Second Line: when finalized, the data is stored with a timestamp in a secure Investment Manager database where country analysts have read only access and regular backups are made. For quality control, two ESG analysts separately verify the data, changes are discussed across indices at a high level, and country analysts scrutinize the data on a per country level.

Third Line: in addition to secure read only data storage, periodic oversight / high-level review of the ESG research is maintained for audit purposes. This includes the rationale to support the projected ESG score and the criteria/approach for determining whether a country is scored actively or passively. For actively scored countries, the analytical view of the research team on projected ESG scores is required. For passively scored countries, no additional active input from the research team is necessary. The passively scored countries are used for comparison and contextualization within the overall universe of TGM-ESGI scores.

- **Estimated data**

The Investment Manager employs a proprietary methodology to ascribe ESG scores to the countries in the Fund’s investment universe. The Investment Manager’s methodology does not estimate data, however, the third-party index providers may use estimates based on their own statistical calculation methods.

While the Investment Manager prioritizes the use of reported data, the exact proportion of estimated data used by third parties varies depending on the data point and the reason for using an estimation.

What are the limitations to the methodologies and data sources? (including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

- **Limitation to the methodology**

The Investment Manager employs a proprietary analysis method for ESG factors. Some of the factors that are considered when rating or scoring an issuer are subjective and consequently, the Investment Manager's scoring may not accurately assess the sustainability practices of an issuer.

Moreover, in addition to calculating an issuer's current ESG score, the Investment Manager also ascribes TGM-ESGI projected scores for each country in the investment universe. These projected scores are determined by individual research analysts using a combination of quantitative and qualitative information. As such, TGM-ESGI projected scores are best-efforts estimates of the ESG momentum of a country. There is no guarantee the projected ESG scores will come to fruition or that certain countries will act as expected when addressing ESG issues.

- **Limitation to the data sources**

The Investment Manager continually monitors and reviews the process, with a view to refine as required. There is potential for a reference index to become discontinued, in which case the Investment Manager seeks to replace the reference index.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

The Fund carries out due diligence on the underlying assets in the investment process on a regular basis as described under the section "F. Monitoring of environmental or social characteristics".

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes

☐ No

If so, what are the engagement policies? (including any management procedures applicable to sustainability-related controversies in investee companies)

The Templeton Global Macro Team uses engagement for information in the implementation of its proprietary Templeton Global Macro-ESG Index. On a semi-annual basis, the team publishes these scores; identifying each country's prior, current and projected scores and identifying those countries that had the largest overall increase and decline in scores since the last publication. The Templeton Global Macro Team believes this publication and transparency in the ESG methodology and underlying country scores is a form of engagement that draws attention to the improvement or deteriorating ESG conditions of these sovereign issuers.

As a second form of engagement, the Templeton Global Macro team may collaborate with other institutional investors to engage with issuers when it believes that such engagement will likely advance its clients' interests, is consistent with the firm's policies and procedures and is permissible under applicable laws and regulations. Lastly, the Templeton Global Macro Team maintains contact with governments, central banks and institutional investors at various levels. In these meetings the team shares its views while also trying to better understand government stances on economic policies and governance, as well as sustainability and social topics to facilitate the team's investment decision making.

L. Designated reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes

☒ No