FRANKLIN TEMPLETON

Franklin Canadian Short Term Bond Fund Series O-CAD

Investment Grade | Factsheet as of August 31, 2026

Investment Overview

The fund seeks a high current income and preservation of capital by investing primarily in Canadian fixed-income securities including Canadian federal and provincial government bonds, corporate bonds, debentures and short-term notes. The fund may also invest in securities backed by mortgages or other financial assets, and dividend-paying shares of Canadian companies. The fund may invest in foreign fixed-income securities. The average weighted term-to-maturity of the fund's investments is five years or less.

Fund Highlights

- **An experienced bond investor.** The Calgary based investment team has decades of experience managing fixed income strategies with a Canadian perspective and is a part of the larger Franklin Fixed Income team with over 200 fixed income investment professionals around the world.
- **Lower portfolio volatility.** As short-term bonds are generally less sensitive to interest rate movements than longer-term bonds, they can help minimize the impact of rising rates on a portfolio and reduce overall portfolio volatility.

Total Returns

	Cumulative					Average Annual				Inception
	1-Mo	3-Mo	6-Mo	YTD	1 Year	3-Yr	5-Yr	10-Yr	Inception	Date
Series O - CAD	0.09	0.23	0.26	1.56	2.97	5.58	2.89	3.04	3.61	12/22/2003

Calendar Year Returns (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Series O - CAD	4.22	7.30	6.13	-3.93	0.68	5.71	4.83	1.73	2.05	3.50

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. Investment return and principal value will fluctuate with market conditions, and you may have a gain or loss when you sell your units.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or fund facts document before investing. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Series O investors do not pay any of the management fees within the fund but instead pay a separate management and administration fee that they negotiate directly with Franklin Templeton Investments Canada. To qualify to purchase or hold Series O units an investor must meet minimum investment requirements as set out in the fund's current prospectus. For more details on the management and administration fee, please read the prospectus. Performance is presented in Canadian dollars and is gross of fees (before management and custodial fees) of Series O units of the Fund. Taking into account such fees would result in lower rates of return.

Portfolio Management

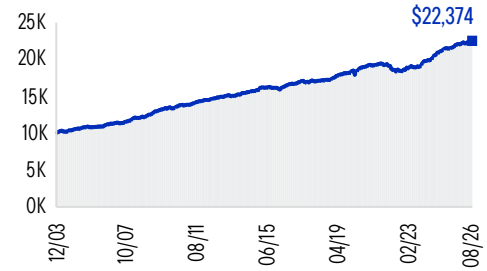
	Location	Years with Firm	Years of Experience
Darcy Briggs, CFA	Calgary, AB Canada	21	32
Adrienne Young, CFA	Calgary, AB Canada	12	31

Distributions 01/09/2025-31/08/2026

Payable Date	Dist. Price	Amount	Payable Date	Dist. Price	Amount
09/30/2025	10.28	0.040	03/31/2026	10.17	0.038
10/31/2025	10.30	0.029	04/30/2026	10.15	0.030
11/28/2025	10.30	0.029	05/29/2026	10.20	0.030
12/19/2025	10.21	0.045	06/30/2026	10.21	0.038
01/30/2026	10.24	0.030	07/31/2026	10.15	0.030
02/27/2026	10.30	0.030	08/31/2026	10.13	0.030

Growth of $10,000

Performance Since Inception, Excluding Effects of Sales Charges



Fund Overview

Fund Inception Date	12/22/2003
Series Inception Date	12/22/2003
Dividend Frequency	Monthly
Morningstar Category	Canadian Short Term Fixed Income
Portfolio Turnover	42%
Management Fee	-
MER (06/30/2026)	0.00%

Risk Classification

Low | Low to Medium | Medium | Medium to High | High

Benchmark(s)

FTSE Canada Short Term Overall Bond Index

Fund Codes

Base Currency For Series	CAD
Fund Number	1016

Fund Characteristics

Fund	
Net Asset Value-Series O-CAD	$10.13
Total Net Assets (CAD)	$368.60 Million
Nbr of Holdings	316
Average Credit Quality	A
Average Weighted Maturity	3.52 Yrs
Effective Duration	3.02 Yrs
Yield to Maturity	4.04%
Yield to Worst	3.77%

Franklin Canadian Short Term Bond Fund Series O-CAD

as of August 31, 2026

Asset Allocation (% of Total)

	Fund
Corporate Bonds	66.88
Federal Bonds	22.74
Provincial Bonds	8.92
Bank Loans	0.82
Cash and Equivalents	0.46
Municipal Bonds	0.30
Other	-0.12

Top Securities (% Total)

	Fund
Canada Housing Trust No. 1, second lien, 144A, 2.65%, 12/15/28	3.80
Canada Housing Trust No 1, GOVT GUARANTEED, 2nd lien, 144A, 3.10%, 6/15/28	3.66
Canada Housing Trust No 1, GOVT GUARANTEED, 2nd lien, 132, 3.20%, 6/15/31	3.07
Province of Alberta, senior bond, 2.90%, 9/20/29	2.37
Province of Ontario Canada, 1.35%, 12/02/30	2.09
CPPIB Capital Inc, COMPANY GUARNT, Sr Unsecured, REG S, 3.35%, 12/02/30	1.97
Province of Ontario Canada, UNSECURED, Unsecured, 3.60%, 6/02/35	1.46
United States Treasury Note/Bond, Unsecured, 3.875%, 3/31/31	1.42
Citigroup Inc,SUBORDINATED, SubordinatedFRN thereafter, 4.55%, 06/03/2035	1.26
PSP Capital Inc, COMPANY GUARNT, Unsecured, REGS, REG S, 3.75%, 6/15/29	1.25

Geographic Exposure (% of Total)

	Fund
Canada	78.82
United States	18.54
Australia	0.43
Other	0.82
Cash & Cash Equivalents	0.45

Sector Allocation (% of Total)

	Fund
Federal Agency	19.56
Bank	18.41
Financial Services	7.09
Pipelines	6.85
Ontario Provincial	4.92
REITs	4.87
Other	37.85
Cash & Cash Equivalents	0.46

Quality Allocation (% of Fixed Income)

	Fund
AAA	23.51
AA	12.62
A	20.79
BBB	37.26
BB	5.01
B	0.69
CC	0.01
D	0.10

Glossary

Yield to Maturity ('YTM'): is the rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate. 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. **Yield to Maturity is calculated without the deduction of fees and expenses. Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **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. **Weighted Average Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **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. **Yield to Worst:** The yield to maturity if the worst possible bond repayment takes place. If market yields are higher than the coupon, the yield to worst would assume no prepayment. If market yields are below the coupon, the yield to worst would assume prepayment. In other words, yield to worst assumes that market yields are unchanged. Normally this value is not aggregated since it varies but if a weighted average value is used for a fund then the figure will reflect the values of the underlying issues, based on the size of each holding. **Yield to Worst is calculated without the deduction of fees and expenses.**

If you require additional explanation around the terms used in this document, please refer to https://www.franklintempleton.ca/en-ca/help/glossary.

Portfolio Data Information

Exposure: Notional exposure figures are estimated and are intended to show the portfolio's direct exposure to securities and indirect exposure, through derivatives. Direct and indirect exposures are subject to change over time and methodologies for calculating indirect exposures vary by derivative type. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of derivatives, unsettled trades or other factors.

Holdings are provided for information purposes only and should not be deemed a recommendation to buy or sell the securities mentioned.

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.**

Important Information

Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you.

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Source: FTSE. Based on the underlying fund, calculated using internally sourced information from Franklin Templeton. Important data provider notices and terms available at www.franklintempletondatasources.com.

Franklin Templeton Canada 200 King Street West, Suite 1400, Toronto, Ontario, M5H 3T4 Client Dealer Services: 1.800.387.0830 Fax: 1.866.850.8241 www.franklintempleton.ca

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