

Franklin Innovation Fund

Investing in innovation

Franklin Templeton has been at the forefront of identifying leaders in innovation since 1968. It's an investment strategy that never goes out of style. The strategy seeks capital appreciation by investing primarily in companies which management believes are leaders in innovation, that pioneer new technologies, new products, new ideas, new methodologies or benefit from new industry conditions in the dynamically changing global economy. The Franklin Innovation Fund and ETF Series mirror that strategy.

Innovation-focused philosophy

Also available as an ETF Series – FINO

Our team's investment philosophy is centered on the belief that innovation drives wealth creation.



Innovation drives long-term wealth creation in the economy



Investing in innovation demands active management



Innovation occurs in all parts of the economy

Innovation is everywhere: Five growth platforms*

Disruptive commerce

- General commerce
- Media
- Sharing economy
- Verticals: Travel, autos, real estate, etc.
- Transport & logistics
- ePayments
- Distributed lending

Genomic advancements

- Sequencers & equipment
- Diagnostics
- Gene silencing or muting
- Gene editing
- Agriculture

Intelligent machines

- Robotics
- 3D printing
- Internet of things
- Automated driving
- Drones
- Health care implantables

Energy transformation

- Solar, wind, nuclear, geothermal
- Grid hardening, smart grid & AI optimization
- Distributed generation & storage
- Electric vehicles

Exponential data

- Artificial intelligence & machine learning
- Cloud computing
- Edge computing
- Data analysis
- Augmented & virtual reality
- Blockchain

Innovation



The introduction of something new, or a new idea, method or device.

Innovation is accelerating

Creating investment opportunities now

We are in the middle of unprecedented innovation growth, often referred to as the Fourth Industrial Revolution.¹

1st INDUSTRIAL REVOLUTION



Steam and water power

2nd INDUSTRIAL REVOLUTION



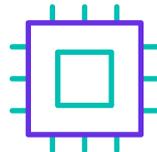
Mass production, electrification

3rd INDUSTRIAL REVOLUTION



Computer and automation

4th INDUSTRIAL REVOLUTION



Cyber-physical systems

New companies taking less time to push aside the old guard.

In 1955,
the average tenure of companies in the S&P 500 was 61 years and

by 2027
it is expected to be 12 years.²

Innovation today is pervasive

It is not confined to any singular niche of the economy

Examples of innovation over time:



2020s



2010s

3D Printing
4G
Cloud Computing
Cyber Security
Electronic Payments
Location-Based Services
MMORPG
Mobile Apps
OLED
Over-the-Top Programming
Precision Farming
Sharing Economy
Social Media
Software-as-a-Service
Specialty Materials
Voice Search
Car-T Therapy
Robotic Surgery
Single Cell Analysis

5G
Artificial Intelligence
Augmented Reality
Autonomous Driving
Blockchain
Cellular Agriculture
Connected Home
Digital Wallets
DNA Storage
Drones
Edge Computing
eLearning
Electric Vehicles
eSports
Gene Editing (CRISPR)
Gene Therapy
Hydrogen & Fuel Cells
Implantable Technologies
Internet of Things
Last Mile Delivery
M2M Learning
mRNA Therapy
On-Demand Production
Organism Engineering
Personalized Medicine
Predictive Medicine
Private Space Exploration
Proteomics
Quantum Computing
Remote Robotic Surgery
Renewable Energy Parity
Robotics
Smart Cities
Telemedicine
Vertical Farming
Virtual Currencies
Virtual Reality
Wearable Internet
and more



2000s

ATMs
DVR
eCommerce
Electronic Maps
Fracking and Shale Production
Human Genome Project
iPhone
Lasik
RFID
Solar
Wireless Router



1990s

Anti-Lock Brakes
CDs and DVDs
Cellular Phones
Dial-Up Internet
Digital Camera
Drugs (Biotechnology)
Fax Machine
Fluorescent Lights
Online Search



1980s

Airbags
B-2 Bomber
Home Video
Microchips
Personal Computers
Walkman



1970s

Airline Travel
Beauty Care
Instant Photos
Photocopiers

1. Source: Schwab, Klaus. The Fourth Industrial Revolution. Currency, 2017. Print.

2. Source: Sanwal, Anand, "Corporate Innovation Trends," CB Insights. www.cbinsights.com (accessed July 12, 2019).

Past performance is not an indicator or guarantee of future profits.

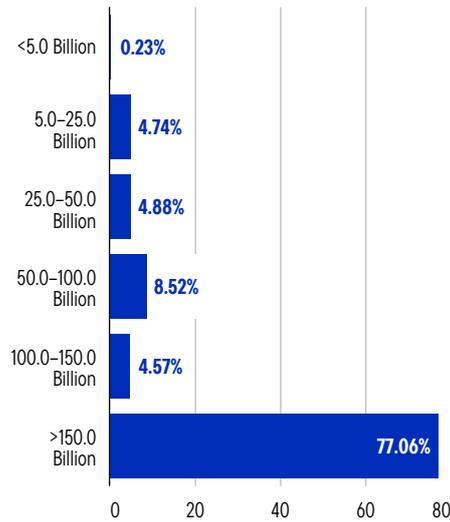
Sector Breakdown (%)³

As of December 31, 2025

Fund/Benchmark	Information Technology	Consumer Discretionary	Communication Services	Health Care	Financials	Industrials	Energy	Consumer Staples	Materials	Real Estate	Utilities	Cash
Franklin Innovation Fund	51.61	15.49	14.51	9.54	4.58	3.35	0.24	0.00	0.00	0.00	0.00	0.69
Russell 1000 Growth Index (BM0793)	50.30	13.36	12.10	8.15	6.40	5.96	0.29	2.44	0.31	0.43	0.28	0.00

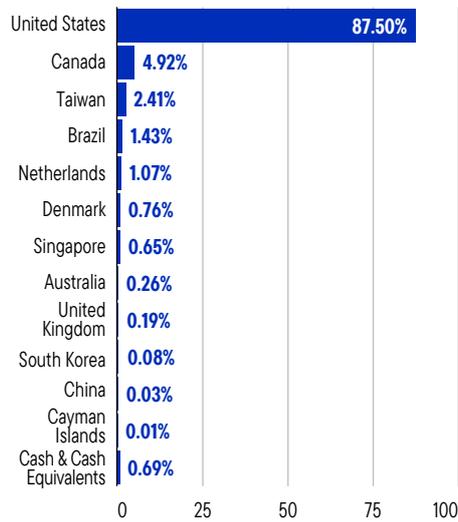
Market Cap Breakdown³

As of December 31, 2025



Geographic Breakdown³

As of December 31, 2025



Top 10 Holdings³

As of December 31, 2025

Company	Weighting (%)
NVIDIA Corp	11.90
Amazon.com Inc	8.17
Microsoft Corp	7.70
Alphabet Inc	6.65
Broadcom Inc	6.06
Meta Platforms Inc	5.02
Apple Inc	3.85
Shopify Inc	2.85
Tesla Inc	2.77
AppLovin Corp	2.63

Performance (%)⁴

As of December 31, 2025

Fund/Category	1 Month*	3 Months*	6 Months*	YTD	1 Year	3 Years	Since Inception
Franklin Innovation Fund – Series F	-2.94	-1.88	9.29	12.99	12.99	31.04	8.68
Franklin Innovation Fund – Series ETF (FINO)	-2.94	-1.88	9.30	13.01	13.01	31.21	8.53
Global Equity Category	-0.97	0.83	8.11	12.52	12.52	16.47	9.33

*Cumulative total returns.

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.

Mutual Fund Codes and Management Expense Ratio (MER)⁵

As of June 30, 2025

Fee Type	Fund Series	CDN\$	US\$	MER
Commission-Based	Series A—Front End	TML6067	TML6100	2.02%
	Series T—Front End	TML6076	—	1.97%
Fee-Based	Series F	TML6070	TML6103	0.92%
	Series F ADM	TML6071	TML6104	
	Series FT	TML6072	—	0.91%
	Series FT ADM	TML6073	—	
Negotiated Fee	Series O	TML6074	TML6105	—
Fund Ticker				
	ETF Series	FINO		0.90%

3. May not equal 100% due to rounding.

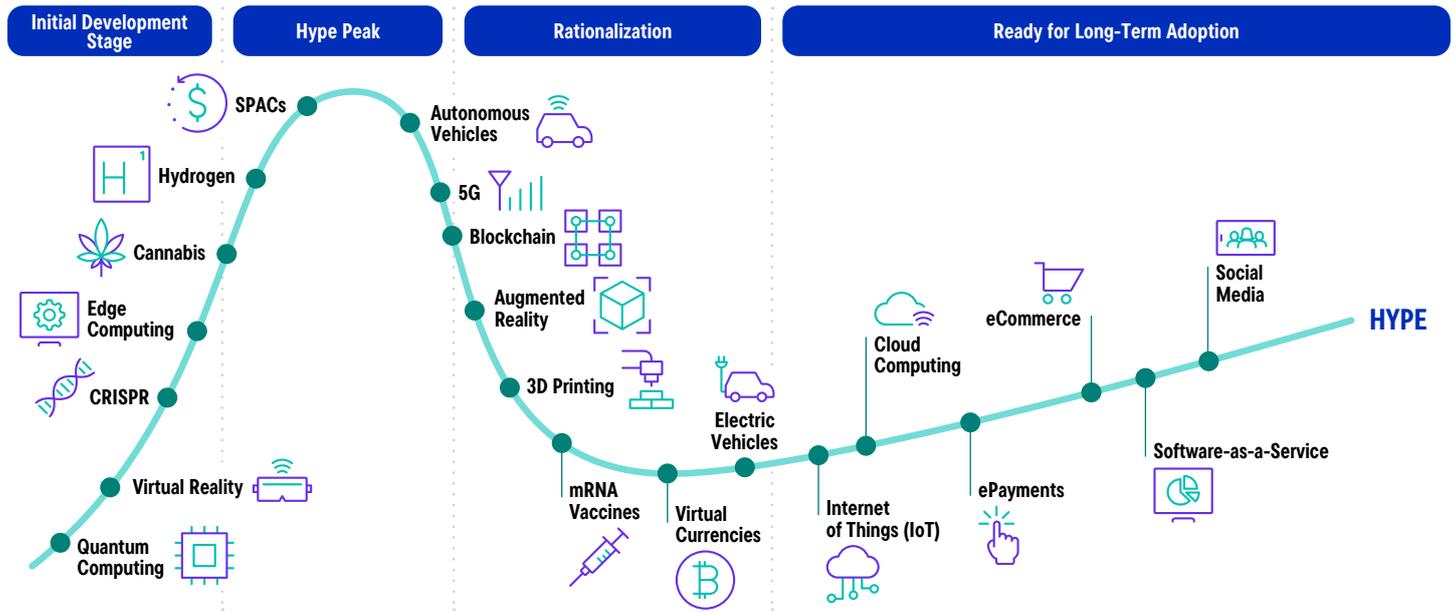
4. Sources: Franklin Templeton and Morningstar Research Inc. Annualized returns.

5. As of June 30, 2025 – bi-annual data. “ADM” refers to the Investment Advisory Services Fee purchase option for series F, FT, PF, PF (Hedged) and PFT. Please see the simplified prospectus for further details.

Investing in innovation requires active management

Duration and pace are often misunderstood

Innovation “hype” cycle⁶



Portfolio management team



Matt Moberg

Sr. Vice President, Lead Portfolio Manager

Experience: 28 years | Years with firm: 26 years

Education: Degree, Washington & Lee University MBA, University of Michigan – Ann Arbor

Additional resources

Investment professionals: 64 (including 38 CFA[®] charterholders)

Average experience: 16 years | Years with firm: 12 years

Located in Silicon Valley

Our investment team is based near the heart of Silicon Valley, the centre of technological innovation, home of the main universities and many of the most established technology companies in the world.

Franklin equity

Franklin equity understands innovation from every angle—our decades of experience investing in complex change fuels a differentiated perspective on how public and private companies accelerate growth and unlock value. Leveraging fundamental depth and quantitative precision, we identify catalysts for transformation that reshape companies and industries. Our expertise, spanning from growth to value, brings together diverse perspectives that help us spot opportunities ahead of the market.

To learn more about the Franklin Innovation Fund, contact your financial advisor or visit: www.franklintempleton.ca.

6. For illustrative purposes only.

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Series F is available to investors participating in programs that do not require Franklin Templeton to incur distribution costs in the form of trailing commissions to dealers. Consequently, the management fee on Series F is lower than on Series A.

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Please read the prospectus or fund facts before investing. Additional information about the Fund is available in the Fund's annual information form, management reports of fund performance and financial statements. You can get a free copy of any or all of these documents, from your dealer, by calling toll-free (800) 387-0830 or by contacting us at service@franklintempleton.ca.

Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs. Please read the prospectus and fund fact/ETF facts document before investing. ETFs trade like stocks, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns. Performance of an ETF may vary significantly from the performance of an index, as a result of transaction costs, expenses, and other factors. Indicated rates of return are historical annual compounded total returns for the period indicated, including changes in unit value and reinvestment distributions, and do not take into account any charges or income taxes payable by any security holder that would have reduced returns. Mutual funds and ETFs are not guaranteed. Their values change frequently. Past performance may not be repeated. ETF units may be bought or sold throughout the day at their market price on the exchange on which they are listed. However, there can be no guarantee that an active trading market for ETF units will develop or be maintained, or that their listing will continue or remain unchanged. While the units of ETFs are tradable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of market stress.

