

# An unconstrained global multi-sector approach to fixed income

## Franklin Brandywine Global Income Optimiser Fund



Effective May 1, 2025, the Franklin Brandywine Global Sustainable Income Optimiser Fund changed its name to Franklin Brandywine Global Income Optimiser Fund.

Also available as an ETF Series





**FBGO**

### A 3D approach to fixed income

Designed to navigate a low rate and uncertain global fixed income space, while generating income and growth for client portfolios.

 Strategy	<b>Dual approach</b>	<b>Dynamic sector rotation</b>	<b>Downside protection</b>
 Outcome	<ul style="list-style-type: none"> <li>• Pair top-down macroeconomic perspective with deep fundamental analysis</li> <li>• Valuation aligns with macroeconomic and fundamental risks</li> <li>• Provides more consistent outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Avoid sector biases by adapting sector exposures and actively managing duration</li> <li>• Portfolio exposures align with current market environment</li> <li>• Enhances risk-adjusted returns</li> </ul>	<ul style="list-style-type: none"> <li>• Utilize safe-haven duration, quality rotation, portfolio hedges and apply a margin of safety approach in security selection</li> <li>• Decreases drawdown and downside volatility</li> </ul>

### Sources of alpha

 <b>Sector rotation</b> <p>Actively rotates among sectors with best risk-adjusted return potential</p>	 <b>Duration management</b> <p>Duration is utilized as both a source of return and an important tool in our approach to risk management</p>	 <b>Quality rotation</b> <p>Quality bias is responsive and cyclical, influenced by the macro-outlook</p>	 <b>Security selection</b> <p>Idiosyncratic selection decisions, often concentrated in a limited number of securities, add an important source of alpha</p>
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<b>Currency management</b> Fully hedged into the Canadian Dollar	<b>ESG*</b> <ul style="list-style-type: none"> <li>• ESG analysis is deeply embedded into the investment process</li> <li>• Weakest ESG scoring securities may be limited in exposure or even excluded from the portfolio</li> </ul>
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\*Franklin Templeton Canada has certain environmental, social and governance (ESG) capabilities; however, not all strategies and funds consider "ESG" as part of their investment process. Franklin Templeton Canada offers certain mutual funds and exchange-traded funds (ETFs) with ESG objectives and/or strategies. Please consult the Franklin Templeton mutual funds' and Franklin ETFs' prospectus for more details on the mutual funds and/or ETFs that have ESG objectives and/or strategies and which ESG strategies they use.

## Investment parameters

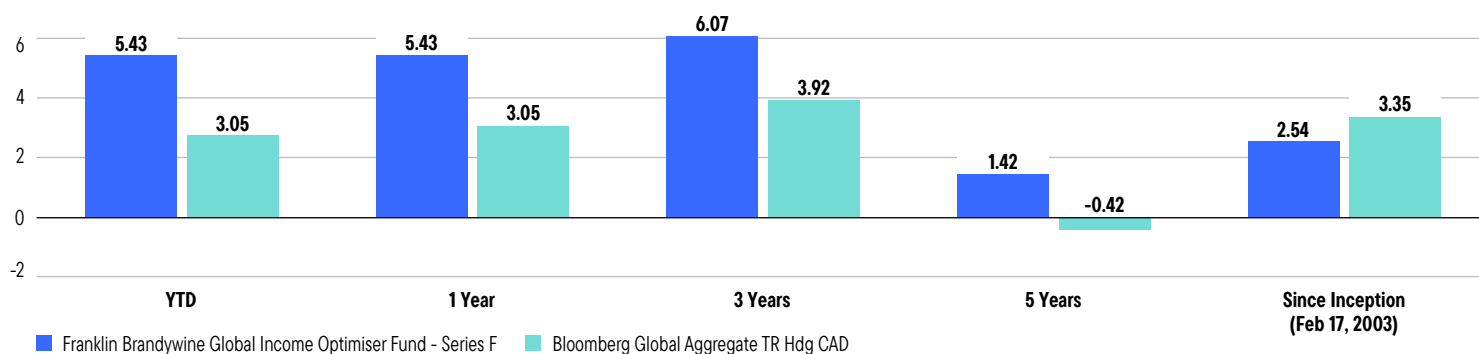
Developed Market Sovereigns	0–100%
Emerging Market Sovereigns	0–25%
Global Investment Grade	0–100%
Global High Yield <sup>1</sup>	0–75%
Emerging Market Corporates	0–25%
Structured Credit	0–25%
Bank Loan	0–10%

## Portfolio characteristics (Approximate)

Duration Range	0–10 Years
Position Size	1–5%
Number of Issuers	100–250
Average Credit Quality	BB– to A

## Annualized performance (%)<sup>2</sup>

As of December 31, 2025



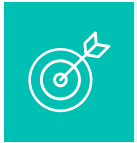
Effective June 4, 2021, Brandywine Global Investment Management, LLC ("Brandywine") replaced Franklin Advisers, Inc. as the sub-advisor to Franklin Brandywine Global Income Optimiser Fund (formerly Franklin Strategic Income Fund) and Franklin Bissett Investment Management is no longer a portfolio advisor to the Fund. Please see the fund's current simplified prospectus and fund facts for further details.

## Portfolio characteristics

As of December 31, 2025

Country (Top 10 Country's Exposure)	Total (%)	Credit Quality	Total (%)	Fixed Income Sectors	Total (%)
United States	66.00	AAA	3.52	High Yield Corporates	32.33
Canada	5.10	AA	6.04	Investment Grade Corporates	19.27
Saudi Arabia	4.61	A	14.07	Residential Mortgage-Backed Securities	10.32
Argentina	4.26	BBB	21.49	Asset-Backed Securities	7.60
Egypt	3.47	BB	23.10	Non-US Developed Bonds	6.24
Mexico	2.32	B	15.30	Interest Rate Derivatives	6.10
Colombia	1.96	CCC	5.83	Non-Local Currency Emerging Market Bonds	5.30
Brazil	1.87	C	0.51	Local Currency Emerging Market Bonds	5.18
Switzerland	1.01	N/A	1.64	Agency Mortgage-Backed Securities	1.98
Israel	1.00	Cash & Cash Equivalents	8.50	Collateralized Loan Obligation	1.84
<b>Total Top 10</b>	<b>91.61</b>	<b>Average Credit Quality</b>	<b>BBB-</b>	Currency Derivatives	1.47
<b>Characteristics</b>		<b>Currency</b>	<b>Total (%)</b>	Cash and Cash Equivalents	8.50
<b>Yield to Worst (WA %)</b>	4.31%	Canadian Dollar	93.82		
<b>Yield to Maturity</b>	4.68%	Egyptian Pound	3.01		
<b>Current Yield (WA %)</b>	5.09%	U.S. Dollar	2.77		
<b>Duration</b>	3.05 Years	Colombian Peso	0.22		
		Mexican Peso	0.18		
		South African Rand	0.00		

## Brandywine Global investment management<sup>3</sup>



**Over 91 billion AUM**  
About 70% fixed income



**Founded in 1986**  
+30 years of managing  
fixed income portfolios



**225+ employees**  
Mid-sized boutique  
investment firm

### Investment team<sup>4</sup>



**Jack P. McIntyre, CFA**  
Portfolio Manager  
Industry experience 39 years



**Anujeet Sareen, CFA**  
Portfolio Manager  
Industry experience 33 years



**Brian L. Kloss, JD, CPA**  
Portfolio Manager  
Industry experience 31 years



**Tracy Chen, CFA, CAIA**  
Portfolio Manager  
Industry experience 29 years



**Michael Arno, CFA**  
Associate Portfolio Manager  
Industry experience 22 years



**Renato Latini, CFA**  
Associate Portfolio Manager  
Industry experience 21 years



For close to 40 years, Brandywine Global has applied active management and a long-term value approach to create value across asset classes in its high-conviction global equity and fixed income portfolios.

### Fund codes & fees

Fee Type	Fund Series	CDN\$	Management + Admin Fee**
<b>Commission-Based</b>	Series A Front End	TML387	1.27%
<b>Fee-Based</b>	Series F	TML229	0.69%
	Series F ADM <sup>†</sup>	TML5011	0.69%
<b>Negotiated Fee</b>	Series O	TML173	Negotiated
		Fund Ticker	
	ETF Series	FBGO	0.66%

\*\*Management Expense Ratio as of June 30, 2025.

<sup>†</sup>ADM<sup>†</sup> refers to the Investment Advisory Services Fee purchase option for series F. Please see the simplified prospectus for further details.

Effective May 19, 2022, all DSC and LL fund codes are closed to new investments. Switches between DSC and LL funds will continue to be permitted.

1. The investment team has the flexibility to allocate more than 40% in High Yield debt securities but this will be done opportunistically and not for a prolonged period, as to keep in line with the allocation limits set out for the Global Fixed Income Category by CIFSC.

2. Sources: Franklin Templeton and Morningstar Direct.

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.

Franklin Templeton Investments Corp., the investment fund manager of the Franklin Brandywine Global Income Optimiser Fund (the "Fund"), has received exemptive relief to permit the ETF Series of the Fund to use the start date, past performance, information derived from the financial statements and other financial information of the Franklin Brandywine Global Income Optimiser Active ETF, which was merged into the Fund, in the Fund's sales communications, reports to securityholders, simplified prospectus, ETF facts, annual and interim financial statements and annual and interim management reports of fund performance, as applicable. 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. As a consequence, the management fee on Series F is lower than on Series A.

3. As of December 31, 2025.

4. Investment management team of Franklin Brandywine Global Income Optimiser Fund. As of December 31, 2025.

Information is historical and may not reflect current or future portfolio characteristics.

All portfolio holdings are subject to change. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors. Credit Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations (NRSRO), such as Standard & Poor's, Moody's, DBRS and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from four or three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. Cash and equivalents as well as derivatives are excluded from this breakdown. If listed, the NR category consists of ratable securities that have not been rated by an NRSRO listed above. The portfolio itself has not been rated by an independent rating agency.

For unrated bonds, cash and equivalents, ratings may be assigned based on the ratings of the issuer, the ratings of the underlying holdings of a pooled investment vehicle, or other relevant factors. The Average Credit Quality (ACQ) rating provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower-rated bonds. The ACQ may be lower if cash and equivalents are excluded from the calculation. Derivative positions are not reflected in the ACQ. Yield to Worst ("YTW") is 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 YTW would assume prepayment. In other words, YTW assumes that market yields are unchanged. YTW is not an indication of the income that has or will be received. YTW is gross of fees. 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. The dividend yield quoted here is the yield on securities within the portfolio and should not be used as an indication of the income received from this portfolio.

The Average Credit Quality (ACQ) rating provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower-rated bonds. The ACQ may be lower if cash and equivalents are excluded from the calculation. Derivative positions are not reflected in the ACQ.



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