Investing in innovation

Franklin Innovation Fund

As of September 30, 2025

Innovation

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

Innovation is everywhere. It has always been with us, but today innovation is accelerating.

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

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
- Healthcare 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

*Our investment process may change in line with the prevailing market, economic conditions or other factors.

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

1970s

- Airline Travel
- Beauty Care
- Instant Photos
- Photocopies

1980s

- Airbags
- B-2 Bomber
- Home Video
- Microchips
- Personal Computers
- Walkman

1990s

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

2000s

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

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

2020s

- 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

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.

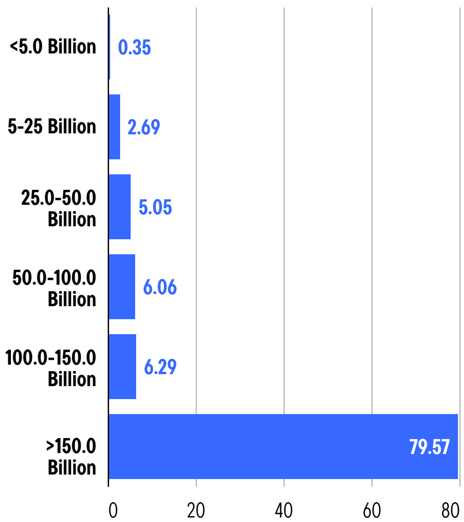
Sector Breakdown (%)[3]

As of September 30, 2025

Fund/Benchmark	Information Technology	Consumer Discretionary	Communication Services	Health Care	Financials	Industrials	Energy	Consumer Staples	Materials	Real Estate	Utilities	Cash
Franklin Innovation Fund	52.90	14.82	14.19	7.73	6.24	3.85	0.26	0.00	0.00	0.00	0.00	0.01
Russell 1000 Growth Index (BM0793)	52.65	13.20	11.49	6.80	6.18	5.90	0.29	2.42	0.32	0.44	0.31	0.00

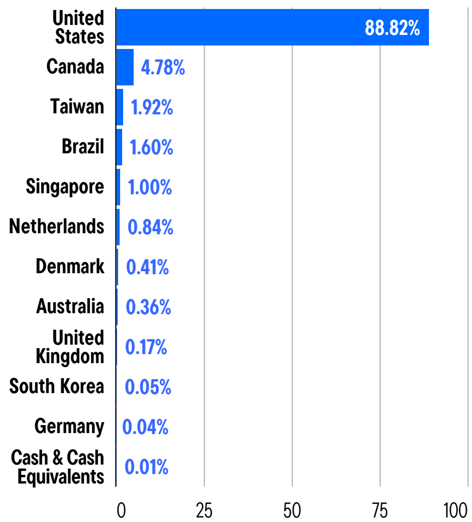
Market Cap Breakdown[3]

As of September 30, 2025



Geographic Breakdown[3]

As of September 30, 2025



Top 10 Holdings

As of September 30, 2025

Company	Weighting (%)
Nvidia Corp	11.09
Microsoft Corp	7.93
Amazon.com Inc	7.47
Broadcom Inc	6.33
Meta Platforms Inc	5.62
Alphabet Inc	4.96
Mastercard Inc	3.29
Applovin Corp	2.95
Shopify Inc	2.54
Tesla Inc	2.27

Compounded Returns – Series F (%)[4]

As of September 30, 2025

Fund/Category	1 Mth*	3 Mths*	6 Mths*	YTD	1 Yr	3 Yrs	Since Inception
Franklin Innovation Fund	**6.22**	**11.39**	**31.40**	**15.16**	**29.22**	**30.94**	**9.62**
Global Equity Category	3.82	7.18	13.25	11.51	15.45	18.96	9.66

*Cumulative Total Returns..

Mutual Fund Codes and Management Expense Ratio (MER)[5]

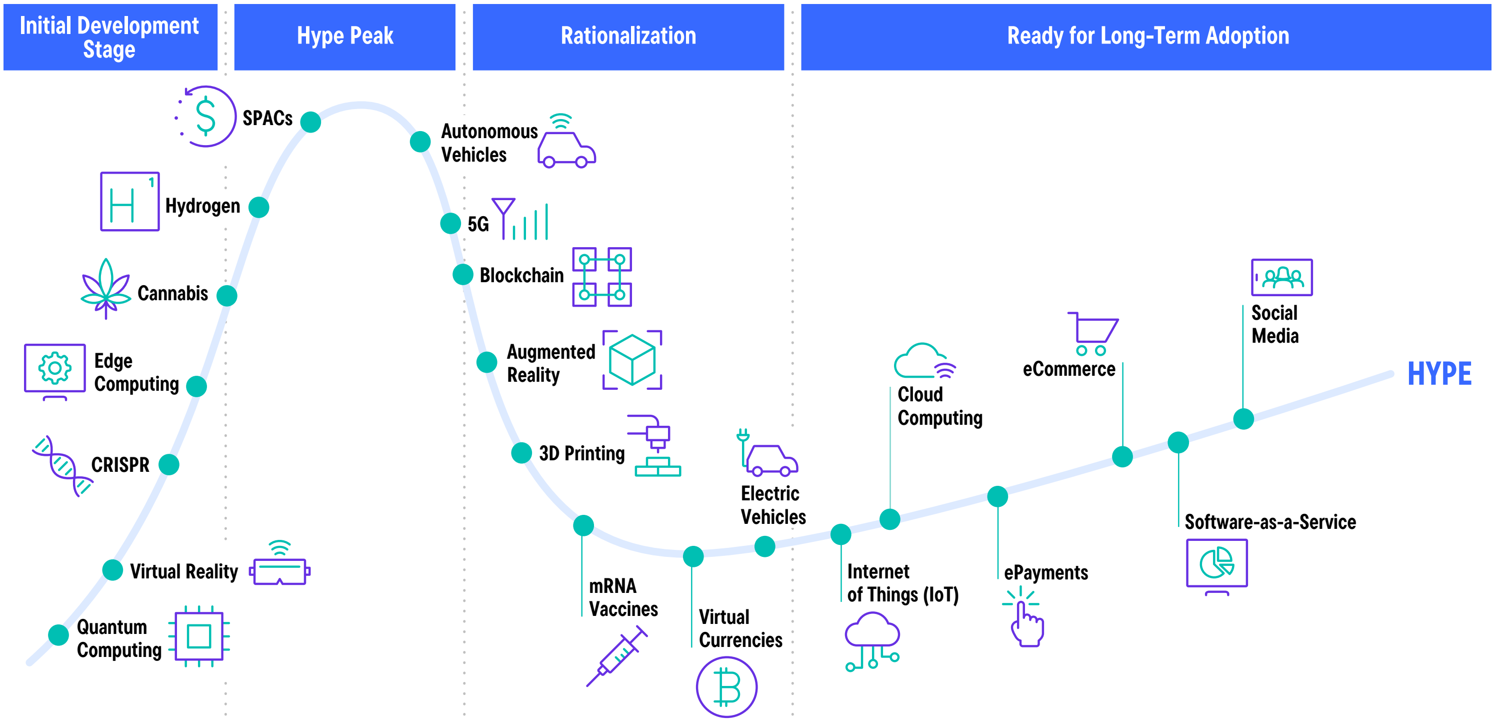
Fee Type	Fund Series	CDN$	US$	MER
Commision-Based	Series A—Front End	TML6067	TML6100	2.02%
	Series T—Front End	TML6076	—	1.97%
Fee-Based	Series F	TML6070	TML6103	0.92%
	Series F ADM	TML6071	TML6104	
	Series FT	TML6072	—	0.91%
	Series FT ADM	TML6073	—	
Negotiated Fee	Series O	TML6074	TML6105	—
		Fund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

3. May not equal 100% due to rounding.
4. Sources: Franklin Templeton and Morningstar Research Inc.
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" cycle[6]



Strategy management team

Matt Moberg
Sr. Vice President,
Lead Portfolio Manager
Experience: 27 years
Years with firm: 26 years

Additional resources
Investment professionals: 79
(including 44 CFA® Charterholders)
Average experience: 17 years
Years with firm: 14 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.

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**.

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