

Franklin Templeton ICAV

Franklin MSCI World Catholic Principles UCITS ETF

30 September 2025

(A sub-fund of Franklin Templeton ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C167746 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).

This Supplement (the “Supplement”) forms part of the Prospectus dated 30 September 2025 (the “Prospectus”) in relation to Franklin Templeton ICAV (the “Fund”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the Franklin MSCI World Catholic Principles UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the Fund.

The Sub-Fund is an Index Tracking Sub-Fund and all Shares in this Sub-Fund are designated as ETF Shares.

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.

The Directors, as listed in the “*Management*” section of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

Base Currency	USD.
Business Day	As stated in the Prospectus, a day on which markets in the United Kingdom are open and/or such other day or days as the Directors may determine and notify in advance to Shareholders.
Dealing Day	As stated in the Prospectus, every Business Day, excluding any day on which a market on which securities included in the Index are listed or traded is closed and as a result of which 25% or more of the Index may not be traded, to ensure that dealing in the Sub-Fund's Shares will only take place when the markets on which substantially all of the Sub-Fund's investments are open (provided that a list of such closed market days in respect of each Sub-Fund will be available to Shareholders upon request from the Administrator) and/or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least one Dealing Day per fortnight.
Dealing Deadline	4pm (Irish time) on each Dealing Day.
Dealing NAV	The Net Asset Value per Share calculated as at the Valuation Point on the Business Day following the relevant Dealing Day.
Index	MSCI World Select Catholic Principles ESG Universal and Low Carbon Index-NR ¹
Index Provider	MSCI.
Investment Manager	Franklin Advisory Services LLC and Franklin Templeton Investment Management Limited.
ISIN	IE000AZOUN82
Settlement Deadline	For cash and in kind subscriptions, appropriate cleared subscription monies/securities must be received by the first Business Day after the Dealing Day, or such earlier or later date as may be determined by the Fund and notified to Shareholders from time to time.
Shares Available	Currently one class of ETF Shares is available for subscription.
Valuation	The Net Asset Value per Share is calculated in accordance with the " <i>Determination of Net Asset Value</i> " section of the Prospectus, using the official closing price published by the exchange. Equities which are not denominated in the Base Currency will be converted into the Base Currency based on the 4pm London FX rate.
Valuation Point	The Sub-Fund calculates its Net Asset Value at 4pm New York time on each Business Day.
Website	www.franklintempleton.com

¹ The Sub-Fund tracks the net total return version of the Index ("NR") which assumes reinvestment of the dividends that are paid (net of tax) from the underlying stocks of the index.

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective. The objective of the Sub-Fund is to provide exposure to large and mid-capitalisation stocks issued by companies that are considered to be environmentally and socially responsible in developed market countries globally.

Investment Policy. The investment policy of the Sub-Fund is to track the performance of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index and which is considered by the Directors to be an appropriate index for the Sub-Fund to track, in accordance with the Prospectus) as closely as possible, regardless of whether the Index level rises or falls, while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of the Index. Any determination by the Directors that the Sub-Fund should track another index at any time shall be subject to the provision of reasonable notice to Shareholders to enable any Shareholders who wish to do so to redeem their Shares prior to implementation of this change and the Supplement will be updated accordingly.

The Index is based on the MSCI World Index, (the "**Parent Index**") which is comprised of large and mid-cap stocks across a range of developed market countries. The Index aims to represent the performance of companies that have lower carbon exposure and higher Environmental, Social and Governance ("**ESG**") performance relative to the Parent Index. The Index is a systematic, rules-based proprietary index that is owned and calculated by the Index Provider. It is comprised of approximately 800 stocks selected from the Parent Index, which is comprised of approximately 1500 stocks. The Index uses MSCI ESG ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. The Index also excludes companies that are involved in controversial businesses or that are considered to have negative environmental or social impacts.

These exclusions include, but are not limited to, the following:

Adult Entertainment	All companies that produce, direct or publish adult entertainment materials. Companies that derive 10% or more of their revenues from the distribution of adult entertainment products or services.
Arctic Oil & Gas	All companies deriving 5% or more revenues from Arctic oil & gas.
Civilian Firearms	All companies that have an industry tie to the manufacture of retail or civilian firearms.
Controversial weapons	All companies with any ties to controversial weapons, (depleted uranium weapons, blinding lasers, biological/ chemical weapons systems or components, cluster munitions or land mines, non-detectable fragments and incendiary weapons.)
Conventional weapons	All companies with any tie to conventional weapons.
Gambling	Owners and operators that own or operate gambling facilities. All companies deriving 10% or more aggregate revenue from gambling-related business activities.
Nuclear Weapons	All companies that have an industry tie to nuclear weapons.

Tobacco	All manufacturers. Retailers that derive 10% or more of their revenues from distribution of tobacco-related products.
Thermal coal Power	All companies that derive 5% or more revenues from thermal coal mining and power generation of thermal coal. Companies that generate 10% or more of their electricity from thermal coal.
Unconventional Oil & Gas	All companies deriving 5% or more revenues from oil sands, oil and gas shale, coal-seam gas, coal-bed methane as well as Arctic reserves.

Additionally, the Index excludes securities from the Parent Index that do not meet certain Roman Catholic principles or are contrary to Roman Catholic values (as determined by MSCI). These exclusions include the following;

Abortion & Contraceptives	All companies with an industry tie to abortion or contraceptives.
Animal Testing & Welfare	All companies that conduct animal testing for non-pharmaceutical products or do not disclose statements supporting the research of alternatives or policies concerning the welfare of animals.
Stem Cells	All companies that conduct stem cell research or develop and produce products related to stem cells.

Additionally, companies must have a minimum of a 'BB' ESG rating from MSCI ESG Ratings to be eligible for the Index. Accordingly, it is expected that the portfolio ESG rating of the Index will be higher than the portfolio ESG rating of the Parent Index.

Finally, the Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social or governance impact of their operations and/or products and services (Scale 0-10). Companies are required to have an MSCI ESG Controversies Score of 3 or above to be eligible for inclusion in the Index.

The securities which successfully pass through the above ESG assessments and screens become the eligible universe for the index. The securities in the eligible universe are then assessed for their carbon exposure.

- The Index methodology excludes the 20% of companies from the Parent Index with the highest levels of carbon emissions intensity. The cumulative weight of securities excluded from any sector of the eligible universe has a limit of 30%.
- Constituents are also ranked by their potential emissions per dollar of market capitalization. Potential emissions are the aggregate of potential carbon emissions from coal, oil and gas reserves held by companies (calculated in metric tonnes of carbon dioxide). Securities are excluded until the cumulative potential carbon emission of the excluded securities reaches 50% of the Parent Index.

The Index is modified market capitalisation weighted and is rebalanced quarterly, as of the close of the last business day of February, May, August and November. The Sub-Fund will be rebalanced at the same time, to ensure it continues to replicate the Index. Further information in respect of the Index, including its rules, components and performance, is available at [MSCI World Select Catholic Principles ESG Universal and Low Carbon Index](#)

In order to seek to achieve the Sub-Fund's investment objective, the Investment Manager will aim to replicate the Index by holding all of the Index Securities in a similar proportion to their weighting in the Index. However, in certain, limited circumstances, where full replication of the Index is not reasonably practical (for example as a result of the illiquidity or unavailability of certain securities within the Index) or possible (for example as a result of applicable legal, regulatory or similar reasons referred to above), the Sub-Fund may only hold a sub-set of the Index Securities or invest in instruments that are not included in the Index but which the Investment Manager believes will help the Sub-Fund replicate the Index, e.g. securities which provide similar price and yield performance and risk profiles to constituents of the Index. Any such securities which are not Index Securities will be (i) equities (such as common stock or preferred stock); or (ii) depositary receipts (which are securities issued by financial institutions which evidence ownership interests in a security or a pool of securities deposited with the financial institution) and will be selected by virtue of the fact that they provide substantively the same exposure by industry and by company characteristics in the case of liquidity considerations or corporate actions to certain Index Securities.

Although the Index is generally well diversified, because of the market it reflects it contains constituents issued by the same body that may represent more than 10% of the Index. In order for the Sub-Fund to track the Index accurately, the Sub-Fund will make use of the increased diversification limits available under Regulation 71 of the UCITS Regulations. These limits permit the Sub-Fund to hold positions in individual constituents of the Index issued by the same body of up to 20% of the Sub-Fund's Net Asset Value.

The Sub-Fund may concentrate its investments in a particular industry or group of industries where the Index is similarly concentrated.

In addition, the Sub-Fund may, from time to time, hold securities which are not Index Securities in certain circumstances, such as where securities, such as shares, bonds or warrants are issued to the Sub-Fund following corporate actions in respect of Index Securities or where securities have been removed from the Index but, due to market conditions, it is not possible for the Sub-Fund to sell such securities at the time of their removal from the Index. The Sub-Fund will seek to sell such securities as soon as practicable, where it is in the best interests of Shareholders.

The Sub-Fund may for efficient portfolio management purposes, and in accordance with the conditions and limits imposed by the Central Bank, use forward foreign currency exchange contracts (both deliverable and non-deliverable), index futures, currency futures, stock futures and total return swaps for hedging or in order to gain efficient exposure to the Index or its constituents for the purpose of assisting the Sub-Fund in tracking the performance of the Index for example in managing large subscriptions. Forward foreign currency exchange contracts (both deliverable and non-deliverable) and currency futures will be used for currency hedging purposes and index futures and total return swaps will be used to provide exposure to the Index and / or its constituents. Forwards, futures and total return swaps and their use for these purposes are described under "*Use of Financial Derivative Instruments*" in the "*Investment Techniques*" section of the Prospectus. The global exposure relating to FDIs will not exceed 100% of the Sub-Fund's Net Asset Value.

The securities in which the Sub-Fund invests will be primarily listed or traded on Recognised Markets globally in accordance with the limits set out in the UCITS Regulations. The Sub-Fund may hold ancillary liquid assets (deposits, commercial paper and short term commercial paper) in accordance with the UCITS Regulations. The Sub-Fund may also invest in other regulated, open-ended collective investment schemes as described under "*Investment in Collective Investment Schemes*" in the "*Investment Techniques*" section of the Prospectus where the objectives of such funds are consistent with the objective of the Sub-Fund.

The Sub-Fund will use the replication methodology and may also invest in other regulated open-ended funds as described above in order to seek to track as closely as possible the returns of the Index after deduction of fees and expenses. It is currently anticipated that the tracking error of the Sub-Fund will be in the range of 0.5% under normal market conditions, where the tracking error is defined as the standard deviation of the delivered excess returns over an annual period. The causes of tracking error for ETFs can include but are not limited to the following: holdings/size of the Sub-Fund, cash flows, such as any delays in investing subscription proceeds into the Sub-Fund or realising investments to meet redemptions, fees, and where undertaken, any currency hedging activity and the frequency of rebalancing against the Index. For information in relation to the difficulties associated with tracking indices, please refer to “*Index Tracking Risk*” in the “*Risk Considerations*” section of the Prospectus.

The anticipated tracking error figure is an estimate only and the actual percentage may vary over time depending on various factors, such as, but not limited to, any deviation from normal market conditions.

As at the date of this Supplement, the Sub-Fund does not routinely enter into total return swaps. The expected proportion of the Net Asset Value of the Sub-Fund that could be subject to such transactions is 20%. The expected proportion is an estimate only and the actual percentage may vary over time depending on various factors such as, but not limited to, any deviation from normal market conditions. The maximum proportion of the Net Asset Value of the Sub-Fund that could be subject to such transactions is 20%.

SUSTAINABLE FINANCE

As described above, the Sub-Fund seeks to promote environmental and social characteristics, within the meaning of Article 8. Investors should also refer to the Annex to this Supplement and the “*Sustainable Finance*” section of the Prospectus for further details on how the Investment Manager addresses sustainability risk and ESG integration for the Sub-Fund.

In line with the Index methodology, the Sub-Fund promotes environmental characteristics but does not commit to making environmentally sustainable investments as defined in the Taxonomy Regulation.

The nature of the Index means that Sustainability Risks will be taken into account in making investment decisions to the extent of the Index construction described above. For example, the Manager’s assessment of the potentially adverse impact of these Sustainability Risks on the returns of the Sub-Fund highlighted the possibility of significant volatility in the performance of the Index where investee companies were the subject of serious environmental or social controversies, which could, in turn, have had a materially negative impact on the returns of the Fund. This resulted in the Index Provider excluding violators of the UN Global Compact from the Index, which the Manager believes will reduce the potential for volatility in the Index through the exclusion of companies which are most likely to be involved in such serious controversies which could adversely affect the value of their securities. Investors should refer to the “*Sustainable Finance*” section of the Prospectus for further details with respect to Sustainability Risk and ESG Integration for the Sub-Fund.

SECURITIES LENDING

The expected proportion of the Net Asset Value of the Sub-Fund that could be subject to securities lending transactions is 25% with a maximum exposure of 45%. The expected proportion is an estimate only and the actual percentage may vary over time depending on various factors such as, but not limited to, any deviation from normal market conditions.

INVESTMENT RISKS

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the “*Risk Considerations*” section of the Prospectus. The “*General Risks*” section describes the risks that relate generally to the Sub-Fund, whereas the “*Specific Risks*” section describes the risks associated with the investment strategy and techniques that may be employed by a given Sub-Fund. For this Sub-Fund, the Specific Risks that are relevant to the investment objective and strategy of this Sub-Fund include the following:

Counterparty Risk.

Currency Risk.

Equity Risk

Europe and Eurozone Risk.

Foreign Exchange Holding Risk.

Futures Contracts and Other Exchange-Traded Derivatives Risk.

Index License Risk.

Index Tracking Risk.

Index-Related Risk.

Market Risk.

Over-the-Counter Derivatives Risk.

Passive Investment Risk.

Sovereign Risk.

Sustainability Risk.

These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares.

The Sub-Fund is not expected to have an above average risk profile or high volatility as a result of its use of FDIs. For information in relation to risks associated with the use of financial derivative instruments, please refer to “*Derivatives Risk*” in the “*Risk Considerations*” section of the Prospectus.

INVESTOR PROFILE

Typical investors in the Sub-Fund are expected to be institutional and retail investors who want to gain exposure to the developed market countries covered by the Index, by way of an exchanged traded fund.

SUBSCRIPTIONS – PRIMARY MARKET

Accumulating Shares, denominated in USD, are available in the Sub-Fund (the “**Shares**”). It is not the current intention of the Directors to declare a dividend in respect of the Shares.

Shares will be available from 9am to 5pm (Irish time) on 1 October 2025 or such earlier or later date as the Directors may determine and notify the Central Bank (the “**Initial Offer Period**”). During the Initial Offer Period Shares will be available at approximately USD 25 per Share.

Following the Initial Offer Period, Shares will be issued on each Dealing Day at the Dealing NAV with an appropriate provision for Duties and Charges in accordance with the provisions set out below and in the Prospectus. Authorised Participants may subscribe for Shares for cash or in kind on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out below and in the “*Purchase and Sale Information*” section of the Prospectus. Consideration, in the form of cleared subscription monies/securities, must be received by the applicable Settlement Deadline.

REDEMPTIONS

Shareholders may effect a redemption of Shares on any Dealing Day at the appropriate Dealing NAV, subject to an appropriate provision for Duties and Charges, provided that a written redemption request is signed by the Shareholder and received by the Administrator by the Dealing Deadline on the relevant Dealing Day, in accordance with the provisions set out in this section and at the “*Purchase and Sale Information*” section of the Prospectus. Settlement will normally take place within three Business Days of the Dealing Day but may take longer depending on the settlement schedule of the underlying markets. In any event, settlement will not take place later than 10 Business Days from the Dealing Deadline.

FEES AND EXPENSES

The TER for the Sub-Fund will be up to 0.27% per annum of the Net Asset Value in respect of the Shares.

Further information in this respect is set out in the “*Fees and Expenses*” section of the Prospectus.

CONVERSIONS

Shares in the Sub-Fund may not be converted for shares in another Sub-Fund.

LISTING

Application has been made or will be made for the Shares to be admitted to the Deutsche Börse Xetra, the Borsa Italiana, and the London Stock Exchange.

INDEX DISCLAIMERS

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. (“MSCI”), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE “MSCI PARTIES”). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY THE MANAGER. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ICAV OR OWNERS OF THE SHARES OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND

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ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ICAV, THE SUB-FUND, OWNERS OF THE SHARES, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Annex

Additional Sustainable Finance Disclosure

Product Name: Franklin MSCI World Catholic Principles UCITS ETF

Legal entity identifier: 254900QIW06E1RDG2053

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy

is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ Yes	☒ No				
☐ It will make a minimum of sustainable investments with an environmental objective: <table><tr><td>☐ 0% in economic activities that qualify as environmentally sustainable under the EU Taxonomy</td><td>☒ 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 10% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</td></tr><tr><td>☐ 0% in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</td><td>☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</td></tr></table>	☐ 0% in economic activities that 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 10% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 0% in economic activities that do not 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	☐ It promotes E/S characteristics, but will not make any sustainable investments
☐ 0% in economic activities that 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 10% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy				
☐ 0% in economic activities that do not 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				
☐ It will make a minimum of sustainable investments with a social objective:	☐ with a social objective				



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

Through tracking the Index, the Sub-Fund promotes the following environmental/social characteristics:

- Investment in environmentally and socially responsible companies.
- Exclusion of companies that are involved in controversial business or whose products have negative social or environmental impacts.
- The reduction of carbon emissions relative to the Parent Index

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

- 1) MSCI ESG Rating score of the Index relative to the Parent Index; and

Sustainability

indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- 2) Reduction of carbon emission intensity through the Index, relative to the Parent Index;

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?

The objective of the sustainable investments is to fund and promote environmentally and socially responsible companies that are considered to be environmentally and socially responsible in developed market countries. In order to achieve this objective, the Sub-Fund tracks the Index, which is comprised of companies with strong sustainability profiles which have lower carbon exposure and is expected to have higher ESG performance relative to the Parent Index, while at the same time excluding companies incompatible with ESG screens.

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?

The Index Provider uses proprietary data tools and qualitative research applied to all companies in the Index and evaluates all Index constituents to ensure alignment with the Do No Significant Harm principles.

The Index Provider's methodology applies exclusions that significantly reduce the Sub-Fund's exposure to investments that cause significant harm. These exclusions are further detailed in the "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?" section below.

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

Indicators of Principal Adverse Impacts are incorporated within the Index methodology and are used to remove from the Index all issuers that are considered to do significant harm.

Exclusion criteria are further detailed in the "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?" section below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

All sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

This is achieved by the Index Provider assessing controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The framework used is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UNGC, and scores controversies on a 0-10 scale, with "0" being the most severe controversy.

The framework is stakeholder driven and covers the five categories/pillars of stakeholder impact, organized against 28 indicators. The specific Social pillars include human rights & community and labour rights & supply chain. Indicators within each pillar are listed below.

Human rights & community	Labor rights & supply chain
Impact on local communities	Labor management relations
Human rights concerns	Health & safety
Civil liberties	Collective bargaining & unions
Other	Discrimination & workforce diversity
	Child labor
	Supply chain labor standards
	Other

Companies are required to have an MSCI ESG 'Controversies score' of 3 or above to be eligible for inclusion in the Index and must maintain that score above 0 to be retained in the Index.

Further details are available on the below link: [MSCI ESG Controversies Factsheet](#)

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

☒ Yes

The Sub-Fund considers principal adverse impacts through its replication of the Index which has reflected certain principal adverse impacts which deemed to be material to the Sub-Fund within the Index methodology.

GHG intensity of investee companies (PAI#3)

The top 20% of securities in the parent index with the highest levels of GHG carbon emissions intensity are excluded from the Index.

Exposure to companies active in the fossil fuel sector (PAI#4)

All companies deriving significant revenue from the fossil fuel sector are excluded from the Index (cf. Binding Elements section).

Violations of UN Global Compact Principles (PAI#10)

Norms based screening of investments based on compliance with relevant international norms and standards such as those issued by the Organisation for Economic Co-operation and Development (OECD) and the UN Global Compact. Companies that perform badly in relation to these standards will be excluded from the Index.

Controversial Weapons (PAI#14)

All companies with any involvement in controversial weapons are excluded from the Index.

Please see the response to "How have the indicators of adverse impacts on sustainability factors been taken into account?" above.

No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The objective of the Sub-Fund is to replicate the Index which provides exposure to large and mid-capitalisation stocks issued by companies that have lower carbon exposure and demonstrate higher ESG performance than that of the broader market while excluding companies that are involved in controversial businesses or whose products have negative social or environmental impacts.

In order to seek to achieve the Sub-Fund's investment objective, the Investment Manager will aim to replicate the Index by holding all of the Index Securities in a similar proportion to their weighting in the Index.

The Index is a systematic, rules-based proprietary index that is owned and calculated by the Index Provider. It is comprised of approximately 800 stocks selected from the Parent Index, which is comprised of approximately 1500 stocks.

The Index uses MSCI ESG ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities.

The MSCI ESG Ratings provides research, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating on a seven-point scale from "AAA" to "CCC". In addition, MSCI ESG Ratings provide scores and percentiles indicating how well a company manages each key issue relative to industry peers. To be included in the Index, companies must have a minimum MSCI ESG Rating of "BB".

In addition, the Index applies a range of values based ESG exclusions which are further detailed in the "*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?*" section below.

The Index Provider also applies a combined ESG Score to securities to reflect both the current ESG profile and the trend in that profile. The ESG rating trend reflects the change in the ESG rating from one period to another. The rating trend is a positive score for a ratings upgrade and a negative score for a downgrade in the ESG rating. This combined ESG Score is then applied to the market capitalisation weights of remaining securities to determine the final index constituent weight

The Index is rebalanced quarterly, as of the close of the last business day of February, May, August and November. As part of the rebalancing process, exclusions are determined, and constituent stock weights are updated. The Sub-Fund will be rebalanced at the same time, to ensure it continues to replicate the Index.

● ***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?***

- Companies are required to have a minimum MSCI ESG Rating of 'BB' in order to be eligible for the index.
- Companies are also required to have controversies score of 3 or above to be eligible for inclusion in the Index.
- ESG exclusions based on business activities are companies with any business involvement (or below the stated threshold) in the following, but not limited to, activities:

- Controversial and conventional weapons
- Civilian Firearms
- Stem Cell Research
- Gambling (Owners and operators that own or operate gambling facilities. All companies deriving 10% or more aggregate revenue from gambling-related business activities).
- Adult Entertainment (All companies that produce, direct or publish adult entertainment materials. Companies that derive 10% or more of their revenues from the distribution of adult entertainment products or services).
- Abortion and Contraceptives
- Animal Testing
- Tobacco (All manufacturers. Retailers that derive 10% or more of their revenues from distribution of tobacco-related products)
- Environmentally responsible exclusions based on the following activities:
 - Thermal Coal Mining (>5% revenue)
 - Thermal Coal Power Generation (>5% revenue)
 - Thermal Coal generated Electricity (>10%)
 - Ownership of Thermal Coal Reserves
 - Unconventional Oil & Gas (>5% revenue)
 - Arctic Oil & Gas (>5% revenue)
- Additionally, the Parent Index constituents are ranked by their carbon emission intensity, and the top 20% of securities are excluded from the Index.
- Parent Index constituents are also ranked by their potential emissions that may arise from fossil fuel reserves per dollar of market capitalization. Securities are excluded until the cumulative potential carbon emissions of the excluded securities reaches 50% of the Parent index.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Parent Index constituents are ranked by their carbon emission intensity, and the top 20% of securities are excluded from the Index

As at 28 February 2023, the Parent Index contained a total of 1,509 constituents compared to the Fund index which comprised of 816 constituent companies, i.e. a reduction of almost than 46%.

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

The Index Provider assesses controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The framework used is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UNGC and scores controversies on a 0-10 scale, with “0” being the most severe controversy.

Specific areas of Governance covered by these assessments include controversies related to bribery & fraud, governance structures, controversial investments, labour management relations, collective bargaining & unions, discrimination & workforce diversity.

Companies are required to have a controversies score of 3or above to be eligible for inclusion in the Index and must maintain a controversies score above 0 to be retained in the Index.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

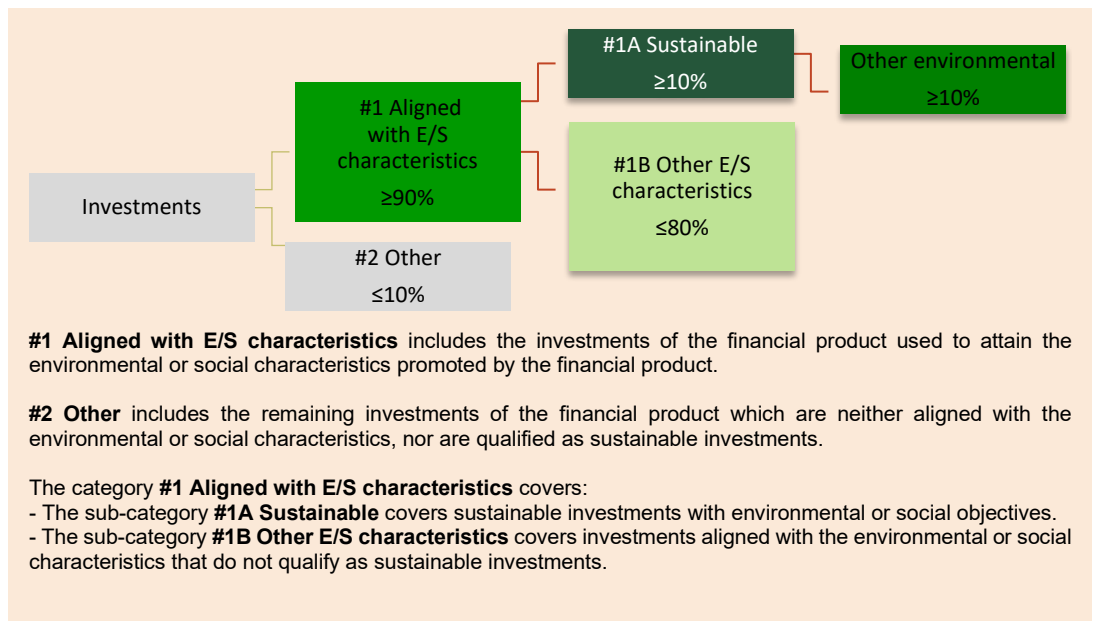


Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

At least 90% of the Sub-Fund's portfolio is aligned with environmental and/or social characteristics promoted by the Sub-Fund. A maximum of 10% of the Net Asset Value is not aligned with the promoted characteristics and it includes cash or cash equivalents as well as derivatives.

Out of the Sub-Fund's portfolio segment which is aligned with the promoted environmental and/or social characteristics, the Sub-Fund undertakes a further commitment to invest a minimum of 10% of its Net Asset Value in sustainable investments, of which a minimum of 10% will have an environmental objective (not aligned with the EU Taxonomy).



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

The Sub-Fund does not use derivatives to attain the environmental or social characteristics that it promotes.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% of the Sub-Fund's sustainable investments has an environmental objective aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐	Yes
☐	In fossil gas In ☐ nuclear energy
☒	No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

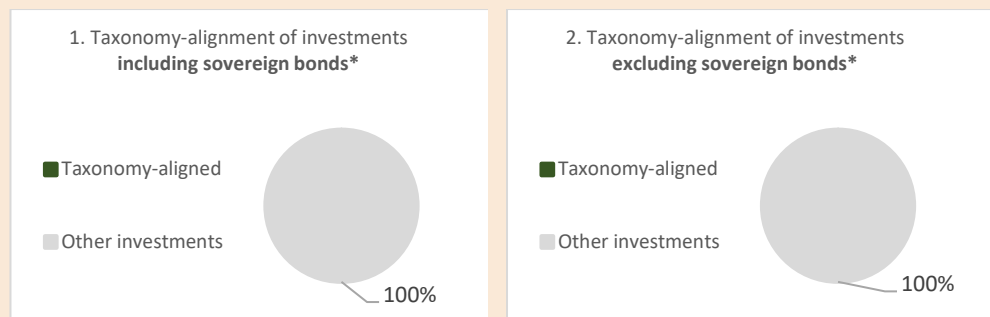
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of Investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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 investments in transitional and enabling activities?

0% of the Sub-Fund's Net Asset Value is invested in transitional and enabling activities within the meaning of the Taxonomy Regulation.



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

10% of the Sub-Fund's Net Asset Value.



What is the minimum share of socially sustainable investments?

0% of the Sub-Fund's Net Asset Value will be socially sustainable investments.



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 cash or cash equivalents held for the purposes of servicing the day-to-day requirements of the Sub-Fund as well as derivatives used for efficient portfolio management purposes.

No minimum environmental or social safeguards have been put in place



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the MSCI World Select Catholic Principles ESG Universal and Environment Index.

● ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Index is reviewed, and the exclusions are determined on a quarterly basis to coincide with the regular Semi-Annual and Quarterly Index Reviews of the MSCI Global Investable Market Indexes by the Index Provider. The changes are implemented as of the close of the last business day of February, May, August and November.

The Index Provider uses MSCI ESG Research data (including MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the Index.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Please see the response to the "How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?" section above.

The Investment Manager will passively replicate the Index by investing in the constituent equities in the same or very similar proportions to the weightings of the constituents within the Index. The Sub-Fund will be rebalanced on a quarterly basis in line with the Index. Any changes to the Index will be executed within the Sub-Fund to coincide with their implementation within the Index.

The Investment Manager will regularly monitor the Sub-Fund to ensure that it is continually aligned with the benchmark strategy.

● ***How does the designated index differ from a relevant broad market index?***

Broad market indices are market capitalisation weighting with no exclusion criteria beyond size and investability.

The Index is designed to represent the performance of companies having lower carbon exposure and higher ESG performance than that of the broad market, while excluding companies that are involved in controversial businesses such as, but not limited to, weapons, gambling and adult entertainment. The Index also upholds Roman Catholic governance and social norms by excluding companies that are involved in abortion, contraceptives, stem cell research and animal testing.

● ***Where can the methodology used for the calculation of the designated index be found?***

Further information can be found at the following links:

[MSCI World Select Catholic Principles ESG Universal and Low Carbon Index](#)

Where can I find more product specific information online?

More product-specific information can be found on the Website.

www.franklintempleton.ie/40161

