

# Franklin Templeton ICAV

## Franklin US Dividend Tilt 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 US Dividend Tilt 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.

<b>Base Currency</b>	USD.
<b>Business Day</b>	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.
<b>Dealing Day</b>	<p>As stated in the Prospectus, every Business Day, excluding</p> <p>(i) any day on which a market on which securities included in the relevant Index or held by the Sub-Fund are listed or traded is closed, with an aggregate result that 25% or more of the Sub-Fund's investments may not be traded, and/or the day preceding any such day. This is 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 traded are open; and/or</p> <p>(ii) such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance</p> <p>There shall be at least one Dealing Day per fortnight.</p> <p>A list of closed market days in respect of the Sub-Fund will be available to Shareholders upon request from the Administrator.</p>
<b>Dealing Deadline</b>	4 pm (Irish time) on each Dealing Day.
<b>Dealing NAV</b>	The Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day.
<b>Index</b>	Morningstar US Dividend Enhanced Select Index – NR.
<b>Index Provider</b>	Morningstar.
<b>Investment Manager</b>	Franklin Advisory Services LLC and Franklin Templeton Investment Management Limited.
<b>Settlement Deadline</b>	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.
<b>Shares Available</b>	Currently two Class of ETF Shares are available for subscription. Please see the " <i>Summary of Shares</i> " section below.
<b>TER</b>	Up to 0.12% per annum Net Asset Value. Further information is set out in the " <i>Fees and Expenses</i> " section of the Prospectus.
<b>Valuation</b>	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 4 pm London FX rate.

<b>Valuation Point</b>	The Sub-Fund calculates its Net Asset Value at 4 pm New York time on each Business Day.
<b>Website</b>	<a href="http://www.franklintempleton.com">www.franklintempleton.com</a>

## INVESTMENT OBJECTIVE AND STRATEGY

**Investment Objective.** The objective of the Sub-Fund is to provide exposure to large and mid-capitalisation stocks in the US and to maximise income.

**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 designed to deliver a portfolio of stocks with a higher dividend yield than its parent benchmark, the Morningstar US Target Market Exposure Index ("**Parent Index**"), while limiting expected tracking error relative to the Parent Index. The Index is made up of large and mid-capitalization securities incorporated in the US and is derived from the Parent Index, which represents the top 85% of the investable equity market of the US. The Index is rebalanced quarterly in March, June, September and December.

At each rebalance, stocks are selected from the Parent Index and are weighted using Morningstar's risk model with the objective of maximising dividend yield, subject to several constraints including limits on: (i) expected tracking error relative to the Parent Index; (ii) individual stock weights; and (iii) sector weights. This process has the effect of "tilting" the Index in favour of those constituents that have higher dividend yields, such that companies with higher dividend yields are over-weighted in the Index relative to their weighting in the Parent Index. These constraints are designed to improve diversification, limit tracking error relative to the Parent Index and reduce transaction costs associated with index replication.

To limit concentration within the Index, stocks are capped at the lesser of: (i) three times their weight in the Parent Index; or (ii) their weight in the Parent Index plus 0.5%. Any security with a minimum weight of less than 0.005% would be excluded from the Index. Additionally, to limit deviation from the Parent Index, sector weights are kept within 5% of their weight within the Parent Index.

Further information in respect of the Index, including its rules, components and performance, is available at:

[Morningstar US Dividend Enhanced Select | Morningstar Indexes.](#)

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 circumstances, full replication of the Index may not be 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) and in such circumstances the Sub-Fund may hold only those of the Index Securities which are available or may 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.

The Sub-Fund may for efficient portfolio management purposes, and in accordance with the conditions and limits imposed by the Central Bank, use currency futures, equity futures and equity index futures for hedging or in order to gain efficient exposure to an 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. Currency futures will be used for currency hedging purposes and equity futures and equity index futures will be used to provide exposure to the Index and / or its constituents. Futures 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 in the US, in accordance with the limits set out in the UCITS Regulations. The Sub-Fund may hold ancillary liquid assets (deposits and 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 may 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 0.20% 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.

## **SUSTAINABLE FINANCE**

The Sub-Fund's investment policy and the nature of this broad market capitalisation Index means that the Manager will not be able to take Sustainability Risks into account in making investment decisions, as such decisions will be driven instead by the constituents of the Index. While Sustainability Risks can lead to a significant deterioration in the financial profile, profitability or reputation of the Sub-Fund's

underlying investment, the Manager's assessment is that the Index, as a large index of securities provides broad diversified exposure with reduced risk and exposure to any individual security. Taking Sustainability Risks into account in an investment decision process may have the effect of excluding investments that would assist the Sub-Fund in achieving its index tracking objective. However, in accordance with its asset stewardship programme, the Manager may engage with issuers whose securities are held by Sub-Funds on sustainability matters as a shareholder, on behalf of the Sub-Fund.

For further details with respect to Sustainability Risks and ESG Integration for the Sub-Fund through which the Manager may engage with issuers of securities held by the Sub-Fund on sustainability issues, investors should refer to the "*Sustainable Finance*" section of the Prospectus

The investments underlying this fund do not take into account the EU criteria for environmentally sustainable economic activities as the Sub-Fund does not seek to promote environmental and social characteristics, within the meaning of Article 8 and does not have a sustainable objective, within the meaning of Article 9.

## **SECURITIES LENDING**

The expected proportion of the Net Asset Value of the Sub-Fund that could be subject to securities lending transactions is 25% and is subject to a maximum 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.

Futures Contracts and Other Exchange-Traded Derivatives Risk.

Index License Risk.

Index-Related Risk.

Index Tracking Risk.

Market Risk.

Over-the-Counter Derivatives Risk.

Passive Investment Risk.

Single Country 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 US equity market, by way of an exchanged traded fund.

## **DIVIDEND DISTRIBUTIONS**

Subject to Net Income being available for distribution and any de minimis threshold, it is the current intention of the Directors to declare dividends out of the Net Income in respect of Shares in the Distributing Class. Under normal circumstances, the Directors intend that dividends shall be paid quarterly, typically by the end of March, June, September and December. Please refer to the Website for further information on the dividend payment dates. However, Shareholders should note that the Directors may, in their discretion, decide not to make such payment in respect of the Shares.

It is not the current intention of the Directors to declare a dividend in respect of the Accumulating Shares. Net Income in respect of the Accumulating Class will be retained and reflected in the Net Asset Value per Share of the Accumulating Class.

## **SUBSCRIPTIONS – PRIMARY MARKET**

Shares in the Accumulating Class and Distributing Class, denominated in USD, are available in the Sub-Fund (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.

## CONVERSIONS

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

## LISTING

The Shares have been admitted to each of the Deutsche Börse, Xetra and the London Stock Exchange.

## SUMMARY OF SHARES

SHARE CLASSES AVAILABLE				
SHARE CLASS TYPE	SHARE CLASS NAME	SHARE CURRENCY	CLASS	ISIN
Accumulating Class	Franklin US Dividend Tilt UCITS ETF (Acc)	USD		IE000HSER094
Distributing Class	Franklin US Dividend Tilt UCITS ETF (Dis)	USD		IE000Z4OBQK4

## INDEX DISCLAIMERS

The Sub-Fund is not sponsored, endorsed, sold or promoted by Morningstar, Inc. Morningstar makes no representation or warranty, express or implied, to the owners of the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund in particular or the ability of the Underlying Indexes to track general stock market performance. Morningstar's only relationship to FTC is the licensing of certain trademarks, service marks, and service names of Morningstar and the Underlying Indexes which are determined, composed and calculated by Morningstar without regard to FTC or the Funds. Morningstar has no obligation to take the needs of FTC or the owners of the Sub-Fund into consideration in determining, composing or calculating the Underlying Indexes. Morningstar is not responsible for and has not participated in the determination of the prices and amount of the Sub-Fund or the timing of the issuance or sale of the Sub-Fund or in the determination or calculation of the equation by which the Sub-Fund is converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of the Sub-Fund.

MORNINGSTAR, INC., EXPRESSLY DISCLAIMS ANY WARRANTY AROUND THE ACCURACY, COMPLETENESS AND/OR TIMELINESS OF THE UNDERLYING INDEXES OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY FTC, OWNERS OR USERS OF THE FUNDS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE UNDERLYING INDEXES OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE UNDERLYING INDEXES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES."