

# FTF Western Asset Retirement Income Bond Fund Class X Inc. (M)

Prior to 7 August 2021, the Fund was named Legg Mason IF Western Asset Retirement Income Bond Fund.

## Fund details

### Investment objective:

The fund's goal is to provide a regular income, greater than current interest rates in the UK, whilst maintaining the value of the fund.

**The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.**

**Fund Inception Date:** 12/02/1998

**Performance Inception Date:** 12/02/1998

**Share Class Inception Date:** 07/01/2013

### Benchmark:

50% ICE BofA Sterling Corporate 1-10 Years Index;  
30% Bloomberg Barclays U.S. High Yield Corporate  
2% Issuer Capped Index (GBP Hedged); 20% ICE  
BofA U.K. Gilts 1-10 Years Index

### Benchmark Type:

Comparator

### IA Peer Group Comparator\*:

Global Mixed Bond

## Charges

Minimum initial investment	3000 GBP
Entry charge	None
Exit charge	None
Ongoing charge	0.43%
Performance fee	None

## Risk and reward profile\*



## Portfolio statistics

Total Net Assets	11.81m GBP
Month End Net Asset Value (NAV)	0.95 GBP
Number of Holdings	89
Percentage of Top Ten Holdings	29.13

## Net Yields\* - Class X Inc. (M)

Distribution Yield	3.10
Underlying Yield	2.80

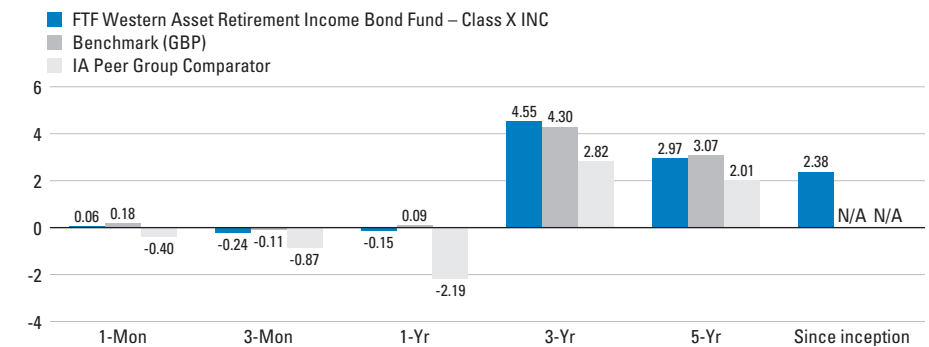
## Risk Statistics\* (weighted average)

Credit Quality	BBB+
Effective Duration	4.32 years
Life (years)	5.00 years

## Average Life (%)

More than 15 Years	2.12
10-15 Years	1.41
5-10 Years	44.54
1-5 Years	43.66
Less than 1 Year	8.27

## Annualised fund performance (GBP) (%)



## Performance history (GBP) (%)

Calendar year performance	Year to Date	2021	2020	2019	2018
<b>Class X INC</b>	<b>-0.15</b>	<b>-0.15</b>	<b>5.59</b>	<b>8.39</b>	<b>-1.83</b>
Benchmark (GBP)	0.09	0.09	5.23	7.73	-1.46
IA Peer Group Comparator	-2.19	-2.19	5.65	5.19	0.32
Quartile Ranking in Sector	2	2	3	3	2
<b>Rolling 12 month performance to last month end</b>	<b>01.01.2021 31.12.2021</b>	<b>01.01.2020 31.12.2020</b>	<b>01.01.2019 31.12.2019</b>	<b>01.01.2018 31.12.2018</b>	<b>01.01.2017 31.12.2017</b>
<b>Class X INC</b>	<b>-0.15</b>	<b>5.59</b>	<b>8.39</b>	<b>-1.83</b>	<b>3.20</b>
Benchmark (GBP)	0.09	5.23	7.73	-1.46	4.06
IA Peer Group Comparator	-2.19	5.65	5.19	0.32	1.29

**Past performance is not a reliable indicator of future results.** Source for performance figures - Franklin Templeton. Performance is calculated on a NAV to NAV basis, with gross income reinvested without initial charges but reflecting annual management fees. Sales charges, taxes and other locally applied costs to be paid by an investor have not been deducted. Performance is calculated using estimated dividends, and is revised (downward or upward) when the actual dividend differs from the estimated dividend. Revised performance returns may not be available until the next reporting period. Comparisons to relevant indexes and peer groups are included as a standard against which the performance of a fund can be measured. Returns of the indexes and peer groups do not reflect any fees, expenses or sales charges. An investor cannot invest directly in an index or peer group. Performance prior to the share class inception date noted has been simulated by using the performance of another share class of the same fund, which had higher fees but no longer exists. This Fund may not be exchangeable with other Franklin Templeton managed funds. Please see the Fund's offering documents or contact your service agent for more information. Source for sector average (mean) performance: Copyright - © Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. For more information, visit [www.morningstar.co.uk](http://www.morningstar.co.uk).

## Top ten holdings (%)

Holding	Coupon %	Maturity	%	Holding	Coupon %	Maturity	%
WA US HY BOND FUND	—	—	9.88	UKTSY	1.625	2028	2.08
CREDIT SUISSE	3.625	2024	2.36	UK(GOVT)	0.875	2029	2.06
BNP PARIBAS	3.250	2023	2.29	UKTSY	0.375	2030	2.04
UKTSY	1.250	2027	2.28	UKTSY	1.750	2022	2.03
BANK OF AMERICA	3.004	2023	2.11	UK(GOVT)	0.250	2031	2.00

## Sector allocation (%)

Corporate - High Yield	25.54	Corporate IG - Communications	3.74
Corporate IG - Banking	20.33	Asset-Backed Securities	3.05
Governments	20.12	Corporate IG - Consumer Cyclical	2.98
Corporate IG - REITs	4.19	Corporate IG - Basic Industry	2.65
Corporate IG - Consumer Non Cyclical	4.18	Others inc. Cash and Cash Equivalents	13.22

\* Refer to the definitions section on page 2

FTF Western Asset Retirement Income Bond Fund

Class X Inc. (M)

Investment manager

**Western Asset Management** focuses primarily on the management of fixed income portfolios, taking a fundamental approach to money management that is continually fine-tuned and adapted to changing conditions.

When making investment decisions, Western Asset focuses on areas such as sector allocation, issue selection, duration weighting and maturity.

**Investment risks**

The fund does not offer any capital guarantee or protection and you may not get back the amount invested.

**The fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:**

**Bonds:** There is a risk that issuers of bonds held by the fund may not be able to repay the investment or pay the interest due on it, leading to losses for the fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

**Liquidity:** In certain circumstances it may be difficult to sell the fund's investments because there may not be enough demand for them in the markets, in which case the fund may not be able to minimise a loss on such investments.

**Low rated bonds:** The fund may invest in lower rated or unrated bonds of similar quality, which carry a higher degree of risk than higher rated bonds.

**Asset-backed securities:** The timing and size of the cash-flow from asset-backed securities is not fully assured and could result in loss for the fund. These types of investments may also be difficult for the fund to sell quickly.

**Derivatives:** The use of derivatives can result in greater fluctuations of the fund's value and may cause the fund to lose as much as or more than the amount invested.

**Hedging:** The fund may use derivatives to reduce the risk of movements in exchange rates between the currency of the investments held by the fund and base currency of the fund itself (hedging). However, hedging transactions can also expose the fund to additional risks, such as the risk that the counterparty to the transaction may not be able to make its payments, which may result in loss to the fund.

**Interest rates:** Changes in interest rates may negatively affect the value of the fund. Typically as interest rates rise, bond values fall.

**Fund counterparties:** The fund may suffer losses if the parties that it trades with cannot meet their financial obligations.

**Fund operations:** The fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

**Annual management charge from capital:** The fund's annual management charge is taken from its capital (rather than income). This may adversely affect the fund's overall growth.

For further explanation on the risks associated with an investment in the fund, please refer to the section entitled "Risk Factors" in the prospectus.

**Please refer to the Key Investor Information and Prospectus documentation, which describe the full objective and risk factors associated with this Fund.**

Country of Issue Breakdown (%)			
United Kingdom	38.69	Germany	2.53
United States	32.81	Ireland	1.30
Open Ended Investment Companies	9.74	Luxembourg	1.07
Switzerland	4.19	Israel	0.95
France	3.42	Others inc. Cash and Cash Equivalents	5.30

Credit Quality Breakdown (%)			
AA	27.18	BB	24.29
A	21.13	B	3.02
BBB	23.51	Cash & Cash Equivalents	0.87

Codes		
Share class	ISIN	SEDOL
X Acc.	GB00BY7R2R27	BY7R2R2
X Income (M)	GB00B88V5W72	B88V5W7
I Income (M)	GB00B5SY5259	B5SY525

**Definitions**

**IA Sector Peer Group:** The ACD considers that the Investment Association (IA) Sectors provide an appropriate comparison for performance purposes given the fund's investment objective and policy. Please refer to the Prospectus for further information.

**SRRI / Risk and reward profile:** There is no guarantee that the fund will remain in the indicator category shown above and the categorisation of the fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this fund. The lowest category does not mean a risk-free investment. The fund does not offer any capital guarantee or protection.

**Life:** The average number of years for which each component of unpaid principal on a bond, loan or mortgage remains outstanding. The weighted average life calculation provides an aggregate figure that shows how many years it will take to pay off half the outstanding principal on a bond portfolio.

**Effective Duration:** Average Duration equals the weighted average maturity of all the cash flows in the portfolio and gives an indication of the sensitivity of a portfolio's bond prices to a change in interest rates. The higher the duration, the more sensitive the portfolio is to interest rate changes. Effective Duration is a calculation for bonds with embedded options (Not every portfolio will purchase bonds with embedded options). It takes into account the expected change in cash flows caused by the option, as interest rates change. If a portfolio does not hold bonds with embedded options, then the Effective Duration will be equal to the Average Duration.

**Credit Quality:** Nationally Recognised Statistical Rating Organisation's (NRSRO's) assess the likelihood of bond issuers defaulting on a bond's coupon and principal payments. The weighted average credit quality by Western Asset Management assigns each security the higher rating from three NRSRO's (Standard & Poor's, Moody's Investor Services and Fitch Ratings, Ltd.). If only one NRSRO assigns a rating, that rating will be used. Securities that are not rated by all three NRSRO's are reflected as such. The lower the overall credit rating, the riskier the portfolio. The credit rating is expressed as a regular letter rating (from high to low quality): AAA, AA, A, BBB, BB, .D.

**Distribution Yield:** The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the Net Asset Value of the class as at the reported date. It is based on a snapshot of the portfolio on that day. It does not include any subscription charges and investors may be subject to tax on distributions.

**Underlying Yield:** The Underlying Yield reflects the annualised income net of expenses of the class as a percentage of the Net Asset Value of the class as at the reported date. It is based on a snapshot of the portfolio on that day. It does not include any subscription charges and investors may be subject to tax on distributions.

Important information

This is a sub-fund ("fund") of Franklin Templeton Funds II ("the Company"), an umbrella investment company with variable capital, authorised in the UK by the Financial Conduct Authority as an undertaking for collective investment in transferable securities ("UCITS").

Information has been prepared from sources believed reliable. It is not guaranteed in any way by any Franklin Resources, Inc., company or affiliate (together "Franklin Templeton").

Before investing you should read the application form, Prospectus and KIID (and accompanying Supplementary Information Document). These and other relevant documents may be obtained free of charge in English from Franklin Templeton, Telephone 0800 305 306, Email: [enquiries@franklintempleton.co.uk](mailto:enquiries@franklintempleton.co.uk)