

## Offshore Product Information Sheet – Franklin Biotechnology Discovery Fund

**Important Note:**

1. This DBS QDII Product - Overseas Fund Series – Franklin Biotechnology Discovery Fund (“QDII Product”) is a high risk product. Customers shall carefully read all QDII Product Documents to understand such product feature and risks before placing any order.
2. The information listed in this Information Sheet is only a summary of the basic information of the relevant Offshore Product, which is extracted from the Offshore Product Offering Document for Customers’ reference. It does not contain the whole content of the Offshore Product Offering Document and does not represent all terms and conditions of the Offshore Product. The Bank does not make any representation or warranty as to its adequacy, accuracy or timeliness. Any inconsistency between the information in this information sheet and in the relevant Offshore Product Offering Document, the information in the relevant Offshore Product Offering Document shall prevail.

Offshore Product Name	Product Code of QDII Product	Subscription Currency of QDII Product	Denomination Currency of Offshore Product	Bloomberg Ticker	ISIN Code
Franklin Biotechnology Discovery Fund (USD)	QDUTFT07RU	RMB	USD	TEMBDAI LX	LU0109 394709
	QDUTFT07UU	USD			
Franklin Biotechnology Discovery Fund (HKD)	QDUTFT07RH	RMB	HKD	FTBTA AH LX	LU0889 565916
	QDUTFT07HH	HKD			

<b>Basic Information of Offshore Product:</b>	This is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier (“CSSF”).
<b>Product Risk Level:</b>	P4
<b>Base Currency of Offshore Product:</b>	USD

<b>Type of Offshore Product:</b>	Equity Fund
<b>Issuer:</b>	Franklin Templeton Investments
<b>Investment Manager:</b>	Franklin Advisers, Inc., United States of America (internal delegation)
<b>Custodian:</b>	J.P. Morgan Bank Luxembourg S.A.
<b>Objective and Investment Strategy of Offshore Product:</b>	<p>Franklin Biotechnology Discovery Fund (the “Fund”) aims to increase the value of its investments over the medium to long term.</p> <p>The Fund invests principally (that is, at least two-thirds of the Fund’s net assets) in:</p> <ul style="list-style-type: none"> <li>• equity securities issued by biotechnology companies located in the U.S. and other countries</li> </ul> <p>In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of the Fund’s net assets may be invested in liquid assets, with due regard to the principle of risk spreading. The Fund can invest on an ancillary basis in:</p> <ul style="list-style-type: none"> <li>• higher-quality debt securities issued by corporate issuers</li> </ul> <p>A biotechnology company is one that earns at least 50% of its profits from or is devoted to activities such as health care, pharmaceuticals or agriculture. The Fund will usually invest more in the U.S. than in any other country.</p> <p>For the purpose of generating additional capital or income or for reducing costs or risks, the Fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the Fund only.</p>
<b>Key Risks of Offshore Product:</b>	<p><b><u>This section is a summary of the key risks of the Offshore Product which is extracted from the Offshore Product Offering Document for Customer’s reference only, and it is not an exhaustive elaboration. Customer is suggested to read all documents listed in below section “Offshore Product Offering Document” for detailed risk disclosure. In addition, Customer should read the Term Sheet, the Risk Disclosure Statement and other sales documents of the QDII Product, to understand the risk factors of the QDII Product.</u></b></p> <p>Investment involves risks. Please refer to the offering document for details including the risk factors.</p> <ul style="list-style-type: none"> <li>• Market risk</li> </ul> <p>The market values of securities owned by the Fund will tend to go up or down, sometimes rapidly or unpredictably, due to factors affecting individual issuers, particular industries or sectors within securities markets, or because of general market conditions. During a general downturn in the securities markets, multiple asset classes (including different sectors of the same asset class) may decline in value at the same time. Similarly, when markets perform well, there can be no assurance that securities held by the Fund will participate in the advance. Because the securities the Fund holds fluctuate in price in</p>

this manner, the Fund's value may go down as well as up and investors may be adversely affected.

- **Equity risk**  
Equity and equity-linked securities are subject to significant price movements due to various economic, political, market and issuer-specific factors. Such changes may adversely affect the value of equities regardless of issuer-specific performance. Additionally, different industries, financial markets and securities can react differently to these changes. Such fluctuations of the Fund's value are often exacerbated in the short-term. Financial markets trends (including feared or actual failures in the banking system) may also cause large fluctuations in the prices of such securities. As a result, the Fund may be adversely affected.
- **Foreign currency risk**  
The Fund will typically invest to a significant degree in securities that are denominated in currencies other than the base currency of the Fund, exposing its investments to changes in foreign exchange rates and the possibility of exchange control regulations. Changes in currency exchange rates may adversely affect the value of the Fund, and also may affect the income earned by the Fund and gains and losses realized by the Fund. Furthermore, the total return for a share class that is denominated in a different currency (the "alternative currency") from the base currency of the Fund may be affected, either positively or negatively, by changes in the exchange rate between the Fund's base currency and the alternative currency.
- **Liquidity risk**  
The Fund may not be able to easily sell securities due to adverse market conditions or reduced value or creditworthiness of issuers in which it invests. The inability of the Fund to sell securities or positions may also impede the ability of the Fund to meet redemption requests in a timely manner. Certain securities may also be illiquid due to limited trading markets or contractual restrictions on their resale. Reduced liquidity due to these factors may have an adverse impact on the net asset value of the Fund.
- **Biotechnology, communication and technology sectors risk**  
Investment in the biotechnology, communication and technology sectors may present greater risk and higher volatility than investment in a broader range of securities covering different economic sectors. Companies in these sectors may be in their preliminary stage of development and therefore may rely heavily on research development and may face intense competition which may have an adverse effect on profit margins and such companies will have high uncertainty and volatility in price performance when compared to other economic sectors. The value and performance of the Fund may be adversely affected as a result.
- **Single sector risk**  
The Fund's investments are concentrated in a single sector. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the sector in which it invests.

<p><b>Key Risks of Offshore Product:</b></p>	<ul style="list-style-type: none"> <li>• <b>Smaller and midsize companies risk</b> Stocks of smaller- and mid-sized companies tend to be less liquid and more volatile to adverse economic developments than larger, more recognized companies, particularly if such companies are in emerging markets, which results in higher risk for the Fund. The value and performance of the Fund may be adversely affected as a result.</li> <li>• <b>Growth stocks risk</b> Growth stocks can be more volatile and may be more expensive, relative to earnings, than the market in general. The Fund may be adversely affected by the greater volatility of investments in such stocks.</li> <li>• <b>Dividend policy risk</b> The Fund's dividend policy allows for payment of dividends out of capital or effectively out of capital. Where this is done, it amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.</li> <li>• <b>Counterparty risk</b> The Fund may be exposed to the credit/default risks of its counterparties and the Fund/investors may be adversely impacted.</li> <li>• <b>Securities lending risk</b> Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out, which may result in a substantial loss to the Fund.</li> <li>• <b>Derivative instruments risk</b> Derivative instruments involve cost, may be volatile, and may involve a leverage effect. A small market movement may give rise to a proportionately larger impact, which may cause substantial loss to the Fund. Other risks include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. In adverse situations, the Fund's use of derivative instruments may become ineffective and the Fund may suffer significant losses.</li> </ul>
<p><b>Fees of Offshore Product:</b></p>	<p>Management fee: 1.50% of NAV p.a. (Included 0.5% maintenance charge) (The Management fee is charged by the offshore issuer, and will be reflected and deducted from the NAV)</p> <p>Other fees may include performance fee, maintenance fee, custodian fee and other fees and taxes that may be charged in securities investment of offshore products, will be reflected and deducted from the offshore product NAV. You may find more information from the offering documents on offshore products' official website.</p>
<p><b>Dividend Distribution Method:</b></p>	<p>No Dividend</p>
<p><b>Governing Law of Offshore Product:</b></p>	<p>The laws of the Grand Duchy of Luxembourg</p>

<p><b>Offshore Product Offering Document:</b></p>	<p>Franklin Templeton Investment Funds Hong Kong Offering Documents, as updated and amended from time to time, which can be obtained from the Bank or via the official website of the Issuer or the Fund.</p> <p><b>The above reference to or provision of Offshore Product Offering Documents are intended to assist Customers to access further information relating to the Offshore Product. The Bank undertakes no liability for the accuracy, authenticity or completeness of such documents or other content or information provided by the Issuer or any other parties of the Offshore Product in other ways. The references to or provision of such documents do not constitute an offer, distribution, marketing or reselling of any relevant Fund(s) to the Customers.</b></p> <p><b>The Offshore Product Offering Documents may be updated or amended from time to time by the Issuer. The Bank and the Issuer will not, and are not obliged to, notify the Customers of any such update or amendment.</b></p>
<p><b>Suitable Customer of QDII Product investing in this Offshore Product):</b></p>	<p>Suitable for the China resident and qualified non-China resident investor, whose risk profile is C4 or above.</p>
<p><b>Selling restriction to retail investor in the European Economic Area (the “EEA”)</b></p>	<p>This product is not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”).</p> <p>For these purposes, a retail investor means a person who is one (or more) of:</p> <ul style="list-style-type: none"> <li>(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or</li> <li>(ii) a customer within the meaning of Directive 2002/92/EC (as amended the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or</li> <li>(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive").</li> </ul> <p>Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling this product or otherwise making it available to retail investors in the EEA has been prepared and therefore offering or selling this product or otherwise making it available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. Given the disclaimer, the bank accepts no liability if any customer who's qualified as retail investor in the European Economic Area (the “EEA”) subscribes the product.</p>

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**Please note neither the Issuer, manager, investment adviser of the Fund nor any of their affiliates acts as adviser or trustee of the QDII Product or assumes any obligation in relation to the QDII Product. The Customer is not the Fund holder and has no direct right or interest in the Fund. There is no contractual relationship between the Customer and the Issuer, manager, investment adviser of the Fund or any of their affiliates.**

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