

Additional Information Booklet

Managed Investment Schemes

22 June 2023

This Additional Information Booklet ("Booklet") is issued by Franklin Templeton Australia Limited ("Franklin Templeton Australia", "Responsible Entity", "we", "our" or "us") ABN 76 004 835 849, AFSL 240827. The content in this Booklet ("Booklet") forms part of the relevant Product Disclosure Statement ("PDS") or Information Memorandum ("IM") of the registered managed investment schemes listed on the following page (each a "Fund" and together the "Funds").

How to read this booklet

This booklet should be read in conjunction with each Product Disclosure Statements ("PDS") or IM. The information in this Booklet forms part of the PDS or IM for each of the Funds listed on the following page issued by Franklin Templeton Australia Limited ("Franklin Templeton Australia", "Responsible Entity", "we", "our" or "us") ABN 76 004 835 849, AFSL 240827. A reference to a PDS in this Booklet includes a reference to an IM for a Fund or Class that has an IM.

The information in this Booklet is only of a general nature and does not constitute investment advice. It does not take into account any person's financial situation or needs. We recommend you consult a licensed financial planner before making any investment decision. The information in this Booklet is up to date at the time of preparation and may change from time to time. Where the changes are not materially adverse to investors, the information may be updated on our website at www.franklintempleton.com.au. For updated information about the Funds or a copy of the PDS or this Booklet, please contact us. We will provide you with a paper copy of any updated information without charge upon request.

An investment in a Fund is not an investment in, deposit with or any other liability of the Responsible Entity or any other entity in the Franklin Templeton Group. It is subject to risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. The Responsible

Entity and its related entities do not guarantee the performance of, or any income distribution or repayment of capital from, the Funds.

Investments in a Fund can only be made by persons receiving the Fund's PDS (including an electronic version) in Australia.

How to contact Franklin Templeton Australia

Please contact Franklin Templeton Australia if you require further information or if you have any questions regarding this PDS.

Free call 1800 673 776

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List of funds

ARSN	FUND NAME (EFFECTIVE 29 May 2023)	CLASSES WITH A PDS	CLASSES WITH AN IM
127583411	Brandywine Global Opportunistic Fixed Income Fund	A, I	X
631941172	Franklin Global Responsible Investment Fund	A, F	
088669827	Franklin Global Systematic Equity Fund	A	X
088669292	Martin Currie Diversified Growth Fund	A	
169461116	Martin Currie Diversified Income Fund	A	
147940467	Martin Currie Emerging Markets Fund	A, M	X
150751821	Martin Currie Equity Income Fund	A, M	X
618906068	Martin Currie Sustainable Income Fund	A	
613725036	Martin Currie Ethical Values With Income Fund	A	
609150889	Martin Currie Global Long-Term Unconstrained Fund	A	
641334803	Martin Currie Global Real Income Fund	A	X
088677187	Martin Currie Property Securities Fund	A	X
146910349	Martin Currie Real Income Fund	A, I, M	X
122100207	Martin Currie Select Opportunities Fund	A	X
088668820	Martin Currie Sustainable Equity Fund	A, M	X
088667887	Martin Currie Tactical Allocation Fund	A	X
648409009	Royce Global Small-Cap Premier Fund	A	
088670286	Western Asset Australian Bond Fund	A, M	X
088670197	Western Asset Conservative Income Fund	A, M	X
648408548	Western Asset Enhanced Income Fund	A	X
616233017	Western Asset Global Bond Fund	A, B, M	X
657333447	Franklin Multi-Asset High Growth Fund	W, I	
657333018	Franklin Multi-Asset Growth Fund	W, I	
657325794	Franklin Multi-Asset Balanced Fund	W, I	
657332539	Franklin Multi-Asset Conservative Fund	W, I	
657332753	Franklin Multi-Asset Defensive Fund	W, I	

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Applications, Withdrawals and Unit Pricing

Please note: This should be read in conjunction with Section 2 of each PDS.

Classes of Units

The PDSs set out the different classes of Unit offered in each Fund to Eligible Investors (as defined on page 25). Franklin Templeton Australia may offer or withdraw classes of Units. Eligible investors should nominate which class of Units they are applying for. Where more than one class is being offered, in the absence of a nomination, new investors will be issued with class A Units. The rights of a Unit holder differ depending upon the class of Units that they hold. Please refer to the PDS for details.

Application for Units

Applications received by 12pm on a Business Day will receive that day's application price and will be invested, subject to all client identification procedures that we deem necessary to satisfy our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF") being completed, on that day. Should application monies not be received prior to the settlement of investment of application amounts, the Fund may be temporarily overdrawn. If Units are issued for which payment has not been received, the Applicant's Units will become void to remedy any unfunded liabilities to the Fund.

Staggering large withdrawal requests

For some Funds the respective Constitutions permit the staggering of withdrawals on the following basis:

Withdrawal requests of more than 5% of the Units on issue in a Class of Units of any of the Funds may be treated as five separate requests, with 20% of the original request being received over five successive Business Days.

Withdrawal requests of more than 10% of the number of Units on issue in a Class of Units of any of the Funds over five consecutive Business Days may have the excess paid within 45 or 90 days of the original request in accordance with the relevant Fund's terms and conditions set out in its Constitution.

Other arrangements may be entered into in regard to the timing of the payment of Withdrawal proceeds in consultation with the Unit holder.

For further details on the processing and treatment of Withdrawal requests please contact the Responsible Entity or refer to the Constitution, a copy of which is available free of charge by contacting the Responsible Entity.

Minimum investment and minimum holding

Please refer to the relevant Fund's PDS for details of the minimum initial investment. If the value of a Unit holder's Units fall below this minimum holding Franklin Templeton Australia reserves the right to redeem the entire Unit holding.

Transfer of Units

Unit holders can request a transfer to another person of some or all of their Units at any time. All requests for transfers must be

made in the form required by Franklin Templeton Australia and be stamped for applicable stamp duty. Franklin Templeton, at its absolute discretion, may refuse to register any transfer of Units including without limitation if the transferee does not meet the Fund's eligibility criteria or does not satisfy Franklin Templeton Australia's anti money laundering or personal identification enquiries.

Unit holders considering transferring Units to another person should contact our Investor Services Team for more details. Franklin Templeton Australia also recommends such Unit holders seek their own legal and tax advice before requesting such a transfer.

mFund investors

To acquire or dispose of units through the mFund Settlement Service (mFund), buy or sell orders should be placed with your licensed broker and must meet the Australian Securities Exchange (ASX) settlement cut-off time, currently 11.00am on a Business Day, in order to be processed at the unit price for that Business Day, but this is not guaranteed. Where an order or instruction is received after the cut-off time, it will generally be processed at the unit price for the following Business Day.

For investors via the mFund Settlement Service, details of the Fund Net Asset Values ("NAV") and distributions will be published at www.asx.com.au/mfund.

Custodian and Registrar

The Responsible Entity has appointed JPMorgan Chase Bank, N.A. (Sydney branch) (ABN 43 074 112 011) (JPMorgan) to provide custody and fund administration services. Link Market Services Limited (ABN 54 083 214 537) is the Registrar of the Funds. JPMorgan and Link Market Services do not oversee Franklin Templeton Australia's management of the Funds and are not responsible for protecting the rights and interests of Unit holders. Franklin Templeton Australia can terminate JPMorgan and Link Market Services appointments as Custodian and Registrar in the circumstances specified under respective agreements governing these relationships.

JPMorgan has not been involved in the preparation of the relevant PDS or IM or caused or otherwise authorised the issue of the relevant PDS or IM. JPMorgan has not independently verified the information contained in the PDS or IM and, accordingly, accepts no responsibility for the accuracy or completeness of the information. JPMorgan does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return. JPMorgan has no supervisory obligation to ensure that Franklin Templeton complies with its obligations as Responsible Entity of the Fund and does not make investment decisions in respect of the assets held or manage those assets. JPMorgan has no liability or responsibility to investors in the Fund. Franklin Templeton Australia will be liable to Unit holders for acts and omissions of the appointed custodian.

As the register for the Funds is located in Victoria, certain

transactions (including transferring Units to another person) may be subject to stamp duty. Please speak to your professional financial adviser for information about how duty may apply to a particular transaction.

Risks

Please note: This should be read in conjunction with Section 4 of each PDS.

Fund Risk Mapping

Fund Name	mFund Risk	Service Provider Risk	Force Majeure Risk	Cyber Security Risks	Manager and Operational Risk	Legal and Regulatory Risk	Liquidity Risk	Short Selling Risk	Counterparty Risk	Derivative Risk	Hedging Risk	Currency Risk	Emerging Markets Risk	Political and Economic Developments Risk	Portfolio Concentration Risk	Investment in High Yielding Debt Securities Risk	Rated and Unrated Securities Risk	Investment Risk	Investment in Fixed Income or Other Debt Securities Risk	Credit Risk	Smaller and Midsize Companies Risk	Equity Risk	Investment Selection Risk	Interest Rate Risk	Security Specific Risk	Market Risk	Fund Risk
Brandywine Global Opportunistic Fixed Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Global Responsible Investment Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Global Systematic Equity Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Diversified Growth Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Diversified Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Emerging Markets Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Equity Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Sustainable Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Ethical Values with Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Global Long-Term Unconstrained Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Global Real Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Property Securities Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Real Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Select Opportunities Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Sustainable Equity Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Currie Tactical Allocation Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Royce Global Small-Cap Premier Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Western Asset Australian Bond Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Western Asset Conservative Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Western Asset Enhanced Income Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Western Asset Global Bond Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Multi-Asset High Growth Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Multi-Asset Growth Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Multi-Asset Balanced Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Multi-Asset Conservative Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Franklin Multi-Asset Defensive Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Please note: mFund Risk is applicable to Class A Units.

Risks – continued

Please note: This should be read in conjunction with Section 4 of each PDS.

Risk	Risk Description
Fund Risk	<p>There are risks of investing in the Fund rather than investing directly in individual securities. Risks include, but are not limited to, the risk that:</p> <ul style="list-style-type: none"> • the Fund terminates; • the fees and expenses will typically be higher compared to investing directly in individual securities and such fees and expenses may increase and the tax outcomes may be different; • investments and withdrawals by one or more Unit holders may have an impact on other Unit holders; and • there is a change in the Responsible Entity or an investment manager.
Counterparty Risk	<p>Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When a counterparty risk arises from the use of derivatives, the value of derivative and consequently the value of the Fund may be adversely affected.</p>
Credit Risk	<p>Where Funds invest in credit securities such investments carry credit risk, including adverse market or issuer developments and downgrading of securities ratings.</p>
Currency Risk	<p>Movements in exchange rates may cause rises or falls in the value of a Fund's units and any assets held by the Fund which are denominated in a different currency to that of the base currency of a Fund. The value of these investments may decrease if the currency in which they are traded falls relative to a Fund's base currency. As a result, currency fluctuations may indirectly affect the value of a Fund's investment and, in turn, may also adversely affect the value of units held by a unitholder.</p>
Cyber Security Risks	<p>With the increased use of technologies such as the internet and other electronic media and technology to conduct business, the Responsible Entity, the Fund, as well as the Responsible Entity's service providers and their respective operations can be susceptible to operational, information security and related risks including cyber security attacks or incidents.</p> <p>In general, cyber incidents can result from deliberate attacks or unintentional events, and include unauthorised access to digital systems, networks or devices (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information.</p> <p>Cyber security breaches may cause disruptions and impact a business, potentially resulting in financial loss. This may impact the Fund's ability to calculate its Net Asset Value, trading and the ability of Unit holders to transact business. Cyber-attacks may violate privacy and other laws, resulting in regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs, and the loss of proprietary information. Among other potentially harmful effects, cyber-events may also result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Responsible Entity and the Responsible Entity's service providers.</p> <p>The above may affect issuers of securities in which the Fund invests, counterparties, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Fund holders) and other parties. In addition, substantial costs may be incurred in order to try to prevent any cyber incidents in the future.</p>



<p>Derivative Risk</p>	<p>Derivatives are financial contracts that offer access to the performance of an underlying asset and are used to implement investment strategies in the most risk efficient manner possible. The use of derivatives to hedge the risk of physical securities will involve 'basis risk', which refers to the possibility that derivatives may not move exactly in line with the physical security. Fluctuations in the price of derivatives will be reflective of movements in the underlying assets, reference rate or index to which the derivatives relate. Consequently, the derivatives should not be expected to fully hedge the risk of the physical security. Derivatives are also used as substitutes for physical securities. In doing so there is the risk that a derivative may not be a perfect substitute for the underlying security it aims to replace, and may not mirror its movements completely. Other risks associated with derivatives may include:</p> <ul style="list-style-type: none"> • Loss of value because of a sudden price move or because of the passage of time; • Potential illiquidity of the derivative; • The Fund being unable to meet payment obligations as they arise; • Significant volatility in prices of the underlying asset; • Some derivatives are leveraged and therefore may magnify or otherwise increase investment losses to the Fund; • Legal risk which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly; and • Counterparty risk which is the risk that parties to derivatives contracts and other investment instruments may not perform their contractual obligations and may default when settlement is due. <p>Note that the Responsible Entity does not guarantee that the Fund's derivatives strategy will be successful.</p>
<p>Emerging Markets Risk</p>	<p>Investments in "Emerging Markets" carry risks additional to those inherent in other investment, some of which are set out below.</p> <p>Economic and political factors: Investments in securities of issuers located in "Emerging Market Countries" involve special considerations and risks, including the risks associated with high rates of inflation and interest with respect to the various economies, the limited liquidity and relatively small market capitalisation of the securities markets in Emerging Market Countries, relatively higher price volatility, large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other foreign governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain Emerging Market Countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could affect investments in those countries. Moreover, individual emerging market economies may differ favourably or unfavourably from the economies of developed nations in such respects as growth of gross national product, rates of inflation, capital investment, resources, self-sufficiency and the balance of payments position. Certain emerging market investments may also be subject to foreign withholding taxes.</p> <p>Market liquidity and volatility: The securities markets in Emerging Market Countries are substantially smaller, less liquid and more volatile than the major securities markets. A limited number of issuers in most, if not all, securities markets in Emerging Market Countries may represent a disproportionately large percentage of market capitalisation and trading volume. The combination of price volatility and the less liquid nature of securities markets in Emerging Market Countries may, in certain cases, affect the Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.</p> <p>Information standards: In addition to their smaller size, lesser liquidity and greater volatility, securities markets in Emerging Market Countries are less developed than the securities in more developed markets with respect to disclosure, reporting and regulatory standards. There is less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the more developed markets. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in more developed market. Emerging market issuers may not be subject to the same accounting, auditing and financial reporting standards as companies in more developed markets. Inflation accounting rules in some Emerging Market Countries require for companies to keep accounting records in the local currency for both tax and accounting purposes and that certain assets and liabilities be restated on the company's balance sheet in order to reflect the high rates of inflation to which those companies are subject to inflation accounting may indirectly generate losses or profits for certain companies in Emerging Market Countries. Thus, statements and reported earnings may differ from those of companies in other countries.</p> <p>Custodial risks: As the Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians may be exposed to greater risk compared to countries with developed custodial and/or settlement systems.</p>
<p>Equity Risk</p>	<p>The value of all Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations in a Fund's value are often exacerbated in the short term as well. The risk that one or more companies in a Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period. To gain the full benefits of equity investing, a long-term view is usually advised.</p>
<p>Force Majeure Risk</p>	<p>Circumstances beyond our reasonable control may impact the operation, administration and performance of the Fund. Those include industrial disputes, failure of a securities exchange, fires, floods, hurricanes, earthquakes, wars, strikes and acts of terrorism, governmental pre-emption in connection with an emergency of state and pandemics.</p>
<p>Hedging Risk</p>	<p>Investors should note that the hedging strategy between the currency of the Fund and the currency exposure of the assets held is designed to reduce, but not eliminate, exchange-rate risk. There is no guarantee that the exposure of the currency in which the Fund is denominated can be fully hedged against the exposure of the asset held. The successful implementation of the hedging strategy may reduce the benefit of decreases in the value of currency of investment in relation to the base currency of the Fund.</p>

Interest Rate Risk	The value of fixed income securities held by the Fund will generally vary inversely with changes in interest rates and such variation may affect the value of the Fund accordingly. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. While changes in interest rates may affect the value of the Fund's interest income, such changes may also positively or negatively affect the Net Asset Value of the Fund on a daily basis. When interest rates rise, bond prices fall. The opposite is also true: bond prices rise when interest rates fall. "Duration" is used to measure the sensitivity of a bond's price to changes in interest rates. Duration is expressed as a unit number of years. For example, the price of a bond with an interest rate duration of 2 years would be expected to move 2% for every 1% move approximately in interest rates. In general, securities with longer maturities (duration) are more sensitive to these interest rate changes compared to securities with shorter maturities (duration). Duration is only one factor that influences performance and other factors may have an impact on the outcome.
Investment in Fixed Income or Other Debt Securities Risk	All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, government securities offer the lowest credit risk, which is reflected in their lower yield. Corporate debt offers a higher yield due to its higher risk. However, changes in economic and political outlook affect the value of such securities.
Investment in High Yielding Debt Securities Risk	Due to the volatile nature of sub-investment grade assets and the corresponding risk of default, there may be significant capital losses and the possibility of fluctuations in the income return level of the Fund. When economic conditions appear to be deteriorating, medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities also present risks based on payment expectations. If the Fund experiences unexpected net withdrawals, it may be forced to sell its higher-rated securities, resulting in a decline in the overall credit quality of the Fund's investment portfolio and increasing the exposure of the Fund to the risks of low-rated securities. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.
Investment Risk	There can be no assurance that the Fund's investment objective will be attained. The performance of the Fund is not guaranteed. The value of shares in the Fund may rise or fall, as the capital value of the securities in which the Fund invests may fluctuate. The investment income of the Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income. Due to their investment policies, the Fund may have highly volatile performance.
Investment Selection Risk	The Investment Manager uses an investment selection process to identify investment opportunities which it believes are most likely to outperform over the medium to long term. There is a risk that these investments will not perform in line with the Investment Manager's expectations however this risk is mitigated to some extent by the knowledge, experience and processes of the Investment Manager.
Legal and Regulatory Risk	The Fund is subject to the risk that laws may change in any jurisdiction where the Fund is invested or operates. There is also a risk that taxation or other applicable laws and regulations may change that may affect the operation of the Fund.
Liquidity Risk	The risk that arises when adverse market conditions affect the ability to sell assets at desired price when necessary. Reduced liquidity may have a negative impact on the price of the assets. When a fund holds less liquid investments, the Fund's portfolio may become harder to value, and if the fund is forced to sell these investments to meet withdrawal requests or for other cash needs, the fund may suffer a loss. Liquidity risk also refers to the possibility of the Fund not being able to meet Withdrawal requests due to a lack of cash or the inability of the Fund to sell assets at acceptable market price to raise cash needed to meet the withdrawal requests.
Manager and Operational Risk	All Funds are exposed to possible manager and operational risk which include human error, system failures, poor procedures, lack of management controls, termination of the Fund, counterparty risk, changes in fees, replacement of the Responsible Entity and replacement of the Investment Manager.
Market Risk	The market prices of the Fund's securities may go up or down, sometimes rapidly or unpredictably, due to local and/or global market conditions, such as real or perceived adverse economic or political conditions, governments policy change, inflation, changes in interest rates, lack of liquidity in the asset markets, adverse investor sentiment, or world events.
mFund Risk	Investing through mFund involves certain additional risks. The ASX may suspend or revoke the admission of the Class A units of the Fund on mFund. Communication and system failure affecting the mFund system may also affect your investment, or the transactions processed via mFund have not been processed correctly. Should the Fund fail to comply with the mFund admission requirements, the Class A units of the Fund may lose its settlement status through the mFund service.
Political and Economic Developments Risk	The political, economic and social structure of some foreign countries may be less stable and more volatile than those in domestic market that the investors are more familiar with. Investments in these countries may be subject to the risks of internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases.

Portfolio Concentration Risk	A Fund may concentrate its investments by: investing in relatively few securities, and/or investing primarily or exclusively in a particular region, country, and/or sector or by excluding certain investments, such as through positive or negative screens. A Fund that has concentrated its investments in one or more of these ways may be less diversified than other funds. It may underperform other funds if there is a downturn in the region, country, sector and/or securities in which the Fund has concentrated its investments or if there is a relatively higher performance in the excluded securities, region, country and/or sector. Furthermore, a Fund's investment objectives and/or strategies may require it to concentrate its investments in this way. Such a Fund may maintain the concentration of its investments, despite unfavourable conditions for investment in the region, country, sector and/or securities in which it has concentrated its investments.
Rated and Unrated Securities Risk	<p>Ratings of securities represent the opinions of bond rating agencies which are relative and subjective and are not absolute standards of quality. Unrated debt securities are not necessarily of lower quality than rated securities, but they may not be attractive to as many buyers. The bond rating agencies may change, without prior notice, their ratings on particular debt securities held by a fund, and downgrades in ratings are likely to adversely affect the price of the relevant debt securities.</p> <p>Investment Grade securities may be subject to the risk of being downgraded to below Investment Grade. Lower credit quality rated securities would generally be considered to have a higher credit risk and a greater possibility of default than more highly rated securities. If the issuer defaults, or such securities cannot be realised, or perform badly, the Fund and its shareholders may suffer substantial losses. In addition, the market for securities which are rated below Investment Grade and/or have a lower credit rating generally is of lower liquidity and less active than that for higher rated securities and the Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by factors such as adverse publicity and investor perception.</p>
Security Specific Risk	The value of an individual's security held by a Fund may fall. Factors that can affect the value of such a security include, the operations, distribution expectations or management of the company that issued the security or market conditions affecting that company. Changes in interest rates may also affect the value of securities.
Service Provider Risk	The Fund, to a certain extent, is reliant on external service providers in connection with the operation of the Fund and investment activities. There is a risk with these arrangements that the service providers may default in the performance of their obligations or seek to terminate the services with the result that the Fund may be required to seek an alternative supplier and, in the interim, investment activities and other functions of the Fund may be affected.
Short Selling Risk	In taking short positions, the Fund bears the risk of an increase in the price of an investment over which the short position is taken. Such an increase could lead to a substantial loss.
Smaller and Midsize Companies Risk	Securities issued by smaller and midsize companies may be more volatile in price than those of larger companies, involve substantial risks and should be considered speculative. Such risks may include greater sensitivity to economic conditions, less certain growth prospects, lack of depth of management and funds for growth and development, and limited or less developed product lines and markets. In addition, smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans.

How we invest your money

Please note: The information below should be read in conjunction with Section 5 of each PDS and may not apply to all Funds.

Use of Derivatives

Derivatives are any contract or arrangement whose return is linked to or derived from changes in value of an underlying stock, bond, index, currency, liability or other asset (the “underlying asset” or “underlying liability”). Derivatives encompass a wide assortment of instruments including currency hedges, forwards, futures, options, share ratios, warrants, swaps (such as swap structured notes, credit default swaps, cross currency swaps and interest rate swaps) mortgage derivative securities and other similar securities.

It is Franklin Templeton Australia’s policy to use derivative instruments principally for hedging, risk management, return enhancement, and to implement strategies in a more efficient manner.

Derivatives are not used for speculation where speculation is defined as derivative activity that would result in the net exposure being outside of the Investment Guidelines.

Subject to each Fund’s investment guidelines, the derivatives principally used are exchange-traded futures and options and over the counter interest rate and credit swaps. Currency forwards may be used to manage exposure to exchange rates.

Derivatives often provide a cheaper and/or more liquid way to implement investment decisions. The main benefit of their use is to more efficiently create effective exposures which could otherwise be established through the physical market. In some instances, such as managing exposure to volatility, derivatives may be the only efficient way to implement an investment strategy.

Some of the Funds may use derivatives to manage currency risk or for additional active currency management. Through a forward currency contract, the Fund can enter into an agreement to sell a currency for a predetermined price on a specified future date. By contracting to sell one currency, the Fund is also contracting to purchase another currency such that a net short position in the currency being sold is offset by a net long position.

Except for those Funds in which economic leverage is expressly permitted, derivative positions are fully covered by cash, cash equivalents (including synthetic cash) or securities, as appropriate.

Franklin Templeton Australia’s objectives in using derivatives may include:

- to ensure that cash flows are invested in a timely and cost-effective manner;
- to effect asset allocation shifts in a timely and cost-effective manner;

- to take advantage of market and price inefficiencies between futures and physical markets;
- capture relative value opportunities;
- to adjust the duration of fixed income Funds in a timely and cost-effective manner;
- to hedge or effect currency positions in certain Funds holding foreign and/or diversified assets; and
- to implement portfolio and hedging strategies in relation to Fund assets.

The governing principles of Franklin Templeton Australia’s use of derivatives is set out in Franklin Templeton Australia’s Derivative Risk Statement which can be requested by contacting our Investor Services Team.

Environmental, Social and Ethical Factors and Labour Standards

Environmental, Social and Ethical Factors and Labour Standards – for all Funds

Generally, consideration of labour standards, environmental, social, governance (ESG) and ethical factors does not include making ethical or moral judgements on particular practices or issues. Instead, when deciding whether to buy, retain or sell an investment the applicable investment managers may include ESG factors as part of its wider evaluation of the current or future value of an investment in accordance with that investment manager's approach set out in Sections 3 and 5 of the relevant PDS. An investment manager may apply screens which exclude certain investments and any screens imposed are also set out in section 5 of the relevant PDS.

The investment managers appointed by Franklin Templeton Australia do not have a predetermined view as to what comprises a labour standard or an environmental, social or ethical consideration and have no predetermined view as to the extent to which a labour standard or an environmental, social or ethical consideration will be taken into account.

Additional information as to what is considered to be an ESG factor and labour standard and the extent to which ESG factors and labour standards are taken into account among other factors in the selection, retention and realisation of investments by individual investment managers appointed by Franklin Templeton Australia is set out below:

Funds managed by Martin Currie Australia

- Martin Currie Ethical Income with Values Fund;
- Martin Currie Sustainable Income Fund;
- Martin Currie Sustainable Equity Fund;
- Martin Currie Equity Income Fund;
- Martin Currie Property Securities Fund;
- Martin Currie Global Real Income Fund;
- Martin Currie Real Income Fund; and
- Martin Currie Select Opportunities Fund, (collectively the "MCA Funds").

The Martin Currie Australia (MCA) investment management team considers and analyses labour standards and ESG factors as part of the investment decision making process for all of the MCA Funds. MCA does not have a predetermined view about what it regards to be labour standard or an environmental, social or ethical consideration.

MCA considers labour standards, including by undertaking an assessment of a company's exposure to Modern Slavery risks, including child labour risks.

Proprietary frameworks used to identify labour standards and ESG factors

MCA utilises proprietary frameworks that identify the labour standards and environmental, social or ethical considerations (ESG factors) that MCA considers are likely to be material in each industry, with reference to information from third party data providers where relevant. These frameworks reflect the wide variation in what may be material and relevant across different industries.

These industry frameworks may consider:

- What ESG risks/opportunities may exist;
- How these risks or opportunities impact on revenues/costs/capital expenditure, etc;
- What metrics should be examined; and
- What are the key questions to ask management.

While MCA does not have a predetermined view as to the extent to which labour standards and environmental, social or ethical considerations are taken into account, MCA has developed an internal toolkit that they describe as an "active ownership approach" which is applied to all the MCA Funds. This approach may include the following considerations for taking labour standards and ESG factors into account in determining the securities held within the portfolio and the target weightings of each security:

Analysis

Analysis of companies is an important source of fundamental information that helps MCA improve its understanding and conviction in investee companies. The research and analysis of companies gives MCA information about to what extent companies have identified material ESG risks and opportunities and how they are managing these. MCA considers the ESG factors identified in its proprietary framework for a specific industry, as discussed above. MCA does not have a predetermined view about how far ESG factors will be taken into account when conducting this analysis. It will depend on the context of the company concerned, where it operates and the industry within which it operates.

Engagement

For companies under consideration in accordance with the investment objective, this engagement may involve conducting meetings with any one of companies' management, their key competitors, customers, suppliers and applicable government agencies as determined by MCA. Engagement with companies enables MCA to provide feedback to a company's Board and/or management. This is an opportunity to build an understanding of the business and to share MCA's views on management of ESG risks and opportunities with company management and express any areas of concern on ESG factors. The aim is to encourage greater transparency and gain further insight into the company's governance and their management of key ESG factors but acknowledging there may be limitations to the degree of influence MCA may reasonably have in relation to the companies selected for engagement. MCA does not have any predetermined metrics for measuring or reporting outcomes of the engagement activities.

Proxy voting

Engagement and analysis are factors that MCA takes into account in voting proxies on behalf of the Fund. Other relevant factors, including the International Corporate Governance Network Global Governance Principles, conflicts of interest and what MCA considers to be the best interests of investors in the Fund are also taken into account in voting proxies. MCA does not have a predetermined view as to the weight to be given to engagement and analysis in respect of ESG factors in voting proxies and does not have any predetermined metrics for measuring and reporting on the outcomes of its proxy voting.

Proprietary Ratings

As a key component of the investment process, MCA maintains a proprietary ratings framework that it applies to the companies in its investment universe. The qualitative ratings are consistent and systematic, with securities rated 1 (best quality/low risk) to 5 (lowest quality/high risk) across each metric rated. These ratings are monitored on an ongoing basis, peer reviewed internally between the MCA analysts and updated if research or engagement activities of MCA uncover issues or improvements MCA considers material. MCA does not have a predetermined view as to how far ESG factors will be taken into account when applying these ratings. It will depend on the context of the company concerned, where it operates and the industry within which it operates.

There are three metrics applicable to ESG factors:

1. Management Ratings

Areas considered include the competency of key personnel, the company's strategic plan, their culture and the quality of financial disclosures.

2. Governance Ratings

Areas considered include the Board and CEO performance, Board composition, Shareholder protections, social licence to operate (the level of community and stakeholder acceptance), CEO relationship with the Board and alignment of interests with shareholders.

3. Sustainability Ratings

In assessing sustainability, MCA takes into account its own proprietary assessment methodologies which incorporate considerations of modern slavery and human rights risks, contribution to the UN Sustainable Development Goals and other relevant factors.

This ratings category is broken down further into three key assessments:

- *Net Sustainability Benefit*

MCA assesses the material benefits and harms that may exist based on ESG factors, determining if there is an overarching net benefit. To do this MCA considers the balance between the positive benefits and the negative harm generated as a result of the company's products and services and commercial activities across the labour standards, ESG and ethical factors that MCA has identified to be relevant to that industry. For example, this may include consideration of the degree of contribution of a company's products and services to the UN's Sustainable Development Goals.

- *Sustainability Risk*

This is based on an assessment of common sustainability risk factors which MCA believes are faced by a company and its industry (identified through the proprietary industry frameworks outlined above). MCA determines whether or not those risk factors are material in accordance with its proprietary framework outlined above. Examples of such common sustainability risk factors are: climate change, human capital, supply chain management including controversial sourcing/modern slavery risk factors, pollution and waste, and data and cyber security.

- **Sustainability Pathway**

This is based on MCA's assessment as to whether the ESG factors for a company are likely to improve when analysing the company's operations, products and services. Factors considered include company sustainability strategies, board and management attention to feedback given by MCA on identified ESG factors, as well as expected trends and momentum of change in material factors affecting MCA's 'net benefit' and 'sustainability risk' assessments.

MCA also takes into account a proprietary approach called "Shadow Carbon Cost Assessment" via its Carbon Value at Risk (VaR) tool. This tool enables the investment team to assess the likely direct impact on the value of a company from climate and energy policies using carbon pricing as a mechanism to approximate this. This allows MCA to identify stocks that will either benefit or have a minimal impact on their earnings from the transition.

As a result of MCA's assessment of its own proprietary metrics outlined above, ESG factors can directly impact the size of an individual security position in a portfolio, or the decision to invest in, or divest from a security position.

Risks and limitations

Other relevant risk factors and constraints are also taken into account, and this may also influence the size of an individual security position in a portfolio, or the decision to invest in, or divest from these securities. Accordingly, a security with a less favourable rating in terms of ESG factors may be acquired and retained, and, conversely, a security with a relatively more favourable rating in terms of ESG factors may be neither acquired nor retained, where MCA believes this is consistent with the overall investment objective and strategy of the Fund.

Negative Screening

MCA may apply screens which exclude certain investments and any screens imposed are set out in section 5 of the relevant PDS. The Fund, depending on the stated investment objective, may invest in securities that are involved in the same supply chain as an excluded investment or otherwise have an indirect association with an excluded investment. For example, the Fund may invest in companies that are:

- directly involved in electricity generation from thermal coal or involved in mining of thermal coal but within the stated revenue limit or as a result of an indirect association;
- involved in retailing of tobacco even though the manufacturing of tobacco is excluded; or
- involved in the distribution of Controversial Weapons even though the production of Controversial Weapons is excluded or involved in the production or distribution of other types of weapons not considered Controversial Weapons.

MCA either uses its own proprietary analysis or considers the data provided by a third-party vendor (where available) in determining which companies are excluded and in assessing revenue thresholds for excluding companies. MCA analysts may also compare the data provided by a third-party data provider with their own internal research and to the extent of any inconsistency, MCA's analysis will prevail. For the purposes of revenue-based exclusionary screens, revenue is generally on a gross basis and generally based on revenue reported by the company in audited financial statements (where available).

In determining companies that do not meet MCA's assessment of Modern Slavery (including child labour), MCA makes its assessment based on a number of sources of information, including external data and its own proprietary assessment of modern slavery (including child labour) risks and how well MCA assesses that the company is managing the risk. Should MCA form the view that a company does not pass its assessment, MCA would first engage with the company to inform its analysis (where possible and practicable) before determining to exit the position in a timely matter and in the best interests of investors.

Negative screening may not include the parent or subsidiaries of companies.

Monitoring and review

MCA reviews the methodology above in respect of how labour standards and ESG factors are taken into account as appropriate. MCA regularly reviews and rebalances the portfolio to take into account its assessment of labour standards and ESG factors as outlined above.

Should an investment manager consider an investment of a fund ceases to be consistent with any negative screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with negative screens is monitored through a third-party monitoring system.

Martin Currie Sustainable Equity Fund Martin Currie Sustainable Income Fund

For these Funds, in addition to the ESG factors described and utilised above, MCA identifies companies with more favourable assessments for 'sustainability risk', 'net benefits' and 'sustainability pathway' (using the methodology described above) and more attractive Shadow Carbon Cost assessments and intentionally invests in those companies. This concept of a positive tilt is consistent with the definition of positive/'best in class' screening as set by the Responsible Investment Association Australasia,

being “*intentionally tilting a proportion of an investment portfolio towards positive solutions, or targeting companies or industries assessed to have better ESG performance relative to benchmarks or peers*”.

MCA does not have a predetermined view of the weightings of companies with more favourable sustainability ratings and Shadow Carbon Cost in the portfolio. Accordingly, a security with a less favourable sustainability rating may be acquired and retained, and, conversely, a security with a relatively more favourable sustainability rating may be neither acquired nor retained, where MCA believes this is consistent with the overall investment objective and strategy of the Fund.

MCA does not have a predetermined view as to the weight given to these assessments. This process applies to the whole of the portfolio of the Funds.

Monitoring and review

Should the MCA assessment of an investment of a fund change, MCA does not have a predetermined view about the action it will take and will determine its approach to that investment on a case-by-case basis in the best interests of investors, which may include continuing to hold the security.

Portfolio composition in relation to MCA’s sustainability assessments is reviewed regularly as part of the rebalancing of the portfolio and there is no set timeframe for monitoring and review.

Martin Currie Diversified Growth Fund Martin Currie Diversified Income Fund

For these Funds, MCA aims to invest in underlying Schemes that have investment exclusions in relation to the matters set out in section 5 of the relevant PDS at the time of initial investment. However, where MCA is not the underlying investment manager, the underlying investment manager may apply different exclusions with different revenue thresholds and may change the investment exclusions from time to time. This means that, through an investment in an underlying Scheme, the Fund may hold investments involved in the production of controversial weapons, the manufacture of tobacco products or the mining of thermal coal or extraction of oil from tar sands.

Through an investment in an underlying Scheme, depending on the underlying investment manager’s policy, the Fund may also invest in securities that are:

- directly involved in electricity generation from thermal coal or involved in mining of thermal coal but within a revenue limit set by an underlying Scheme investment manager or as a result of an indirect association;
- involved in retailing of tobacco or the manufacturing of tobacco within a revenue limit set by an underlying Scheme investment manager; or
- involved in the distribution of Controversial Weapons or involved in the production or distribution of other types of weapons not considered Controversial Weapons or within a revenue limit set by the underlying Scheme investment manager.

Should the underlying Schemes cease to be consistent with MCA’s investment objective, MCA will determine its approach to investing in the underlying Scheme on a case-by-case basis in the best interests of investors.

Where there is a revenue threshold, this is assessed by the underlying Scheme investment manager.

Martin Currie Tactical Allocation Fund

MCA may apply screens which exclude certain investments and any screens imposed are set out in section 5 of the PDS. Where the Fund invests in an underlying managed investment scheme, these investment exclusions may not apply. This means that, through an investment in a managed investment scheme, the Fund may have exposure to companies involved in the production of Controversial Weapons, the manufacture of tobacco products or mining or extraction of thermal coal or extraction of oil from tar sands.

The Fund, depending on the stated investment objective, may invest in securities that are involved in the same supply chain as an excluded investment or otherwise has an indirect association with an excluded investment, for example, the Fund may invest in companies that are:

- directly involved in electricity generation from thermal coal or involved in mining of thermal coal but within the stated revenue limit or as a result of an indirect association;
- involved in retailing of tobacco even though the manufacturing of tobacco is excluded; or
- involved in the distribution of Controversial Weapons even though the production of Controversial Weapons is excluded or involved in the production or distribution of other types of weapons not considered Controversial Weapons.

Where the Fund invests directly in a security, and not through an underlying managed investment scheme, MCA either uses its own proprietary analysis or considers the data provided by a third-party vendor (where available) in determining which companies are excluded and in assessing revenue thresholds for excluding companies. MCA analysts may also compare the data provided by the third-party data provider with their own internal research and to the extent of any inconsistency, MCA’s analysis will prevail. For the purposes of revenue-based exclusionary screens, revenue is generally on a gross basis, generally based on revenue reported by the company in audited financial statements (where available). Negative screening may not include the parent or subsidiaries of companies.

Funds managed by Martin Currie Investment Management

- Martin Currie Emerging Markets Fund
- Martin Currie Global Long-Term Unconstrained Fund
(Collectively the “MCIM Funds”)

The Martin Currie Investment Management (MCIM) investment management team considers and analyses labour standards and ESG factors as part of the investment decision making process for all of the MCIM Funds. MCIM does not have a predetermined view about what it regards to be labour standard or an environmental, social or ethical consideration.

MCIM considers labour standards, including by undertaking an assessment of a company’s exposure to Modern Slavery risk.

Proprietary analysis used to identify labour standards and ESG factors

MCIM assesses ESG factors that could impact the ability of a company to generate future long-term financial returns. These may include shareholder rights, accounting standards, remuneration, board structure, supply chain, data protection, pollution/hazardous waste policies, water usage, and climate change policies. These characteristics are assessed both quantitatively and qualitatively, through MCIM’s proprietary ESG ratings system and its direct research and engagement process. MCIM’s proprietary Governance and Sustainability risk ratings act as a summary of MCIM’s views on key issues and insights from tools that MCIM uses to make these determinations, which may include but is not limited to Carbon Cost Analysis and Modern Slavery Analysis. These Governance and Sustainability risk ratings range from 1 (low risk) to 5 (high risk). The funds aim to not invest in companies that are rated 4 or higher on either risk rating.

MCIM utilises a third party to make an initial assessment of whether a company is breaching the principles of the UN Global Compact and is therefore categorized as a ‘fail’. This assessment can only be over-ridden if MCIM has identified clear evidence to support an assessment indicating that there was no breach of the principles. Any decision to over-ride is subject to enhanced internal sign-off.

In analysing modern slavery risks, MCIM makes its assessment based on a number of sources of information, including external data and its own proprietary assessment of modern slavery risks and how well MCIM assesses that the company is managing the risk.

MCIM also takes into account a proprietary “Carbon Cost Analysis”. This enables the investment team to assess the likely direct impact on the value of a company from climate and energy policies using carbon pricing as a mechanism to approximate to this. This allows MCIM to identify stocks that will either benefit or risk an impact on their earnings from the transition to a low carbon economy.

Negative Screening

The exclusions as set out in section 5 of the relevant PDS are intended to exclude those investments whose primary business is in the production of goods in those industries highlighted. While it is not the intent of the Fund to hold investments that fall beneath the thresholds indicated or that are part of the same supply chain as an excluded business activity, there may be instances where the fund may hold such investments. For example, the MCIM Funds may invest in companies that are:

- Not involved in the production of tobacco but are involved in tobacco distribution or wholesale trading, or minimally involved in tobacco production but below the stated revenue limit in section 5 of the PDS.
- Involved in the generation of electricity from thermal coal or mining of thermal coal but that fall within the revenue limits, or are involved in the transportation of thermal coal.

MCIM either uses its own proprietary analysis or considers the data provided by a third-party vendor (where available) in determining which companies are excluded and in assessing revenue thresholds for excluding companies. MCIM analysts may also compare the data provided by the third-party data provider with their own internal research and to the extent of any inconsistency, MCIM’s analysis will prevail. For the purposes of revenue-based exclusionary screens, revenue is on a gross basis, generally based on revenue reported by the company in audited financial statements (where available).

Engagement

Where the Investment Manager identifies areas that do not meet expectations of best practice on material environmental or social issues, the manager will engage with companies to encourage improvement. Engagement may involve conducting meetings with any one of the companies’ management, their key competitors, customers, suppliers and applicable government agencies as determined by MCIM. This is an opportunity to build an understanding of the business and to share MCIM views on management of ESG risks and opportunities with company management and express any areas of concern on ESG factors and where necessary utilising further engagement and voting. The aim is to encourage greater transparency and gain further insight into the company’s governance and their management of key ESG factors but acknowledging there may be limitations to the degree of influence MCIM may reasonably have in relation to the companies selected for engagement. MCIM does not have any predetermined metrics for measuring or reporting outcomes of the engagement activities.

Monitoring and review

MCIM reviews the methodology above in respect of how labour standards and ESG factors are taken into account as appropriate. MCIM regularly reviews and rebalances the portfolio to take into account as appropriate its assessment of labour standards and ESG factors as outlined above.

Should an investment manager consider an investment of a fund ceases to be consistent with any negative screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with negative screens is monitored through a third-party monitoring system.

Franklin Global Responsible Investment Fund

The Investment Management team takes into account environmental, social or ethical considerations (ESG factors). While the Investment Management team does not have a predetermined view about what it regards to be an environmental, social or ethical consideration, it uses a proprietary approach, leveraging analysis from multiple data vendors, to assign environmental, social and governance scores to securities under consideration in accordance with the investment objective. The Investment Management team does not take labour standards into account.

The Investment Manager does not have a predetermined view as to the extent to which ESG factors are taken into account. The Investment Manager uses a proprietary portfolio construction process that seeks to create a portfolio comprised of the highest-scoring stocks across six different dimensions – valuation, sentiment, alternative, environmental, social and governance. The valuation-oriented dimension focuses on the attractiveness of a security based on its price in relation to balance sheet, cash flow and income statement information. The sentiment-oriented dimension evaluates the attractiveness of a company based on its earnings growth, analyst estimates and technical measures. The alternative-oriented dimension is an uncorrelated factor grouping, looking at alternative data sources and ways of processing traditional data. The Investment Management team uses a proprietary methodology to assign environmental, social and governance scores to the securities, using proprietary analysis and third-party data sources where relevant.

Negative screens

The Investment Manager applies screens which exclude certain investments and any screens imposed are set out in section 5 of the relevant PDS.

The Fund may invest in securities that are involved in the same supply chain as an excluded investment or otherwise have an indirect association with an excluded investment, for example, the Fund may invest in securities that have exposure to Companies:

- that, while not directly involved, operate in industries that are adjacent to the distribution of tobacco, weapons and small arms, or gambling products and services;
- involved in the distribution of tobacco and tobacco products within the revenue limit;
- involved in the distribution of weapons and small arms within the revenue limit;
- involved in the distribution of components and accessories of weapons and small arms; and
- involved in the distribution of gambling products and services within the revenue limit.

The Investment Manager considers the data provided by a third-party vendor (where available) in assessing revenue thresholds for excluding companies. The Investment Managers' analysts also compare the data provided by any third-party data provider with their own internal research and to the extent of any inconsistency, the Investment Manager's analysis will prevail. For the purposes of revenue-based exclusionary screens, revenue is generally on a net basis. The screening may not include the parent or subsidiaries of companies.

Should an investment cease to be consistent with the screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with negative screens is monitored through a third-party monitoring system. Franklin Templeton reviews the composition of the screens regularly and as the data is available from third party vendors.

Franklin Global Systematic Equity Fund

The Investment Manager applies screens which exclude certain investments and any screens imposed are set out in section 5 of the relevant PDS.

The Fund may invest in securities that are involved in the same supply chain as an excluded investment or otherwise have an indirect association with an excluded investment, for example, a Fund may invest in securities that have exposure to Companies:

- that, while not directly involved, operate in industries that are adjacent to the distribution of tobacco, weapons and small arms, or gambling products and services;
- involved in the distribution of tobacco and tobacco products;
- involved in the generation of electricity from thermal coal or involved in mining of thermal coal within the revenue limit;
- involved in the extraction or distribution of oil from tar sands within the revenue limit; and

- involved in the distribution of Controversial Weapons or production or distribution of other types of weapons not considered Controversial Weapons.

The Investment Managers consider the data provided by a third-party vendor (where available) in assessing revenue thresholds for excluding companies. The Investment Managers' analysts also compare the data provided by any third party data provider with their own internal research and to the extent of any inconsistency, the Investment Manager's analysis will prevail. For the purposes of revenue-based exclusionary screen, revenue is generally on a net basis. The screening may not include the parent or subsidiaries of companies.

Should an investment cease to be consistent with the screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with negative screens is monitored through a third-party monitoring system. The Investment Manager reviews the composition of the screens regularly and as the data is available from third party vendors.

Funds managed by Western Asset

- Western Asset Australian Bond Fund
- Western Asset Conservative Income Fund
- Western Asset Enhanced Income Fund
- Western Asset Global Bond Fund
(collectively the "WA Funds")

Western Asset may apply screens which exclude certain investments and any screens imposed are set out in section 5 of the relevant PDS.

A Fund may invest in securities that are involved in the same supply chain as an excluded investment or otherwise have an indirect association with an excluded investment, for example, a Fund may invest in securities that have exposure to companies involved in the:

- distribution of tobacco and tobacco products;
- generation of electricity from thermal coal or involved in mining of thermal coal within the revenue limits;
- extraction or distribution of oil from tar sands within the revenue limits; and
- distribution of Controversial Weapons or production or distribution of other types of weapons not considered Controversial Weapons.

Western Asset considers the data provided by a third-party vendor (where available) in assessing revenue thresholds for excluding companies. Western Asset's analysts also compare the data provided by any third party data provider with their own internal research and to the extent of any inconsistency, the Western Asset's analysis will prevail. For the purposes of revenue-based exclusionary screen, revenue is generally on a gross basis. The screening may not include the parent or subsidiaries of companies.

Should an investment cease to be consistent with the screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with negative screens is monitored through a third-party monitoring system. Western Asset reviews the composition of the screens regularly and as the data is available from third party vendors.

Funds managed by Royce

- Royce Global Small-Cap Premier Fund

Royce believes certain material environmental, social, and governance ("ESG") factors have the potential to contribute to a stock's long-term performance, and therefore Royce may evaluate the potential impacts of ESG considerations when assessing a company's financial condition and profitability. Royce assesses what is material based on type of investment, sectors, industries, regions, and issuer. This analysis allows Royce's portfolio managers to determine whether a company's ESG practices pose a material financial risk (ie have the ability to impact a company's long-term performance) or create an opportunity for investment. The Fund's investments in cash and cash equivalents will not be assessed for ESG factors. Consideration of ESG factors and risks is only one component of Royce's assessment of potential investments and, as with its consideration of other factors and risks, may not be a determinative factor in any decision to purchase, sell, or hold a security. In addition, where ESG factors are considered, the weight given to ESG factors may vary across different types of investments, sectors, industries, regions, and issuers; and ESG factors and weights considered may change over time. Royce may not assess every investment for ESG factors and, when it does, not every ESG factor may be identified or evaluated. Royce's assessment of a company's ESG factors is subjective and may differ from that of institutional investors, third-party service providers (e.g., ratings providers), and/or other funds, and may be dependent on the availability of timely, complete, and accurate ESG data reports from issuers and/or third-party research providers, the timeliness, completeness, and accuracy of which is outside of Royce's control. ESG factors are often

not uniformly measured or defined, which could impact Royce's ability to evaluate a company. While Royce views certain ESG factors as having the potential to contribute to a company's long-term performance, there is no guarantee that such results will be achieved.

Negative screens

The Fund may invest in securities that are involved in the same supply chain as an excluded investment or have an association with an excluded investment. For example, the Fund may invest in securities that have exposure to companies involved in the distribution of tobacco products.

Royce considers the data provided by a third-party vendor (where available) in assessing revenue thresholds to determine whether the securities issued by a particular company should be an excluded investment. Royce's analysts also compare the data provided by any third-party data provider with its own internal research and, to the extent of any inconsistency, Royce's analysis will prevail. Company revenues are analyzed on a gross basis. The screening may not include the parent or subsidiaries of companies.

Should an investment cease to be consistent with the screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with such negative screens is monitored through a third-party monitoring system. Royce reviews the composition of the screen for tobacco or cluster munitions regularly.

Funds managed Brandywine Global

- Brandywine Global Opportunistic Fixed Income Fund ("Fund")

The exclusions are limited to securities that fall within the categories noted in section 5 of the Fund's PDS. The Fund may invest in securities that are involved in the same supply chain as an excluded investment or have an association with an excluded investment, for example, the Fund may invest in securities that have exposure to companies involved in the:

- distribution of tobacco and tobacco products;
- generation of electricity from thermal coal or involved in mining of thermal coal within the revenue limits;
- extraction or distribution of oil from tar sands within the revenue limits; and
- distribution of Controversial Weapons or production or distribution of other types of weapons not considered Controversial Weapons.

Brandywine Global considers the data provided by a third-party vendor (where available) in assessing revenue thresholds for excluding companies. Brandywine Global's analysts also compare the data provided by any third party data provider with their own internal research and to the extent of any inconsistency, the Brandywine Global's analysis will prevail. Revenue is generally on a gross basis. The screening may not include the parent or subsidiaries of companies.

Should an investment cease to be consistent with the screens imposed, such investment will be divested as soon as reasonably practicable and in the best interests of investors.

Compliance with negative screens is monitored through a third-party monitoring system. Brandywine Global reviews the composition of the screens regularly and as the data is available from third party vendors.

Fees and costs

Please note: This should be read in conjunction with Section 6 of each PDS.

Additional explanation of fees and costs Investing through a Master Fund or Wrap Service

The PDS shows the fees and other costs that are charged or recovered directly by Franklin Templeton Australia. These fees and other costs may be deducted from your money, from the returns on your investment or from the respective Fund's assets as a whole. Investors investing through a Master Trust or Wrap Service should note that these fees and costs do not include any other fees imposed by the Master Trust or Wrap Service operator.

Management fees and costs

For some Funds, the "Management Fees and Costs" identified in the Fees and Costs summary within the PDS' includes variables and estimates for administration and other costs in addition to Management fees. These administration and other costs components are based on the estimated expenses that may be incurred for a financial year. Under the Constitution of each Fund, Franklin Templeton Australia is entitled to recover from the Funds all expenses which are incurred in the proper performance and exercise of its powers and duties. Consequently, the expenses that are actually recovered may be higher or lower than the estimated other Fund costs.

These administration and other costs include the costs and/or expenses of the Funds (including those of the Responsible Entity, the Custodian and the Administrator). Other Fund costs may also include financial institution fees, costs of Unit holder meetings, costs of amending the Constitution of each Fund, costs of engaging auditors and/or other advisers, costs of promoting the Funds, costs of compliance, costs of Victorian stamp duty, indirect costs and administrative costs generally.

Indirect costs are variable amounts that directly or indirectly through underlying vehicles reduce the returns on the units that are paid from, or the amount or value of, the income or assets of a Fund. Indirect costs are reflected in the unit price of a Fund and include costs arising from interposed vehicles in or through which a Fund invests and the costs of investing in over-the-counter derivatives to gain investment exposure to assets or implement a Fund's investment strategy (if any). The indirect costs disclosed in each Fund's PDS are based on the indirect costs incurred for the 12 months to 30 June 2022, as a percentage of the average net asset value of each Fund during that period.

Transaction costs

In addition to the Management Fees and Costs, the funds may incur transaction costs. Such costs include brokerage, settlement, clearing costs and OTC derivative transaction costs (excluding such costs disclosed as indirect costs), such as derivatives used for hedging purposes.

Transaction costs exclude market impact costs.

Transaction costs incurred as a result of Unit holders coming into and going out of the fund may be accounted for in the buy/sell spread. Other transaction costs that are not incurred as a result Unit holders coming into and going out of the fund are additional costs to Unit holders that are deducted from the assets of the Fund. Such costs are recovered as they are incurred and reflected in the Unit price.

The transaction costs for the funds are provided in the Fees and Costs summary in each Fund's PDS. Unless otherwise stated in the table, the transaction costs disclosed in the table are based on the costs incurred for the 12-month period ending 30 June 2022. For those funds operating for less than 12 months, the transaction costs are estimates based on information available as at the date of issue of the Fund's PDS. Where Franklin Templeton Australia considers any change to these estimates are not materially adverse, the information may be updated on Franklin Templeton Australia's website, www.franklintempleton.com.au.

Buy/sell spread estimate

The buy/sell spread is an estimate of the transaction costs that are incurred in buying and selling the underlying assets of each Fund as a result of applications and Withdrawals. The Application Price is adjusted up by a buy spread and the Withdrawal Price is adjusted down by a sell spread. We can change the buy/sell spread at any time without prior notice.

The buy/sell spread is retained in each of the Funds and no portion is paid to Franklin Templeton Australia. Please refer to our website for the current buy/sell spreads at www.franklintempleton.com.au.

Rebates and related payments

Franklin Templeton Australia may make product access payments and fund manager payments to Master Trust and Wrap operators subject to the requirements of the Corporations Act.

Franklin Templeton Australia may also pay other alternative forms of remuneration. Alternative remuneration is at Franklin Templeton Australia's expense.

Additional fees may be paid to a financial adviser if an investor consulted a financial adviser. Where an investor receives financial advice, they should refer to their Statement of Advice or their adviser's Financial Services Guide for full details of these fees.

Taxation

Any tax benefit from reduced input tax credits or tax deduction is passed on to the investor in the form of reduced fee or cost. Please refer to "How managed investment schemes are taxed" section of this booklet and Section 7 of the relevant PDS for further information.

Performance fees

Where a Performance Fee is charged the fee's calculation methodology for the relevant Funds and classes are outlined below. The Performance Fee is the predetermined % rate (refer to the relevant Fund's PDS for the applicable % rate) of the amount by which the Fund outperforms its benchmark.

Performance fees

Martin Currie Select Opportunities Fund - Class A

The Management Costs may include a Performance Fee payable to the Responsible Entity in respect of the Class A Units of the Martin Currie Select Opportunities Fund. This fee is only payable where the Fund's return (net of fees) exceeds the stated benchmark.

The Performance Fee is set at 20% (inclusive of GST and net of **RITCs**) of that outperformance. The fee is calculated at each Valuation Time (which will generally be at the close of each Business Day, but may be any other time the Responsible Entity determines) and is paid half yearly. The

Unit price is reflective of accrued performance fees. The performance fee is calculated and accrued daily and is payable half yearly as at 30 June and 31 December each year. The fee is paid directly from the Fund and reflected in the Unit price. Depending on the return of the Fund in relation to the benchmark, the daily accrual may be a positive or negative amount. If no performance fee is payable at the end of a half year period, then the accrued performance fee, positive or negative, will be carried forward into the next half year period and form part of the performance fee for that half year. This means that negative performance by the Fund must be made up before a performance fee will be payable.

Worked Example

Fund performance	Benchmark return	Performance fee calculation	Amount	Performance fee payable?	How and when paid
The half yearly performance (net of fees) was -10%	For the half year period the benchmark return was -5%	$\$30,000 \times 20\% \times (-10\% - (-5\%))$	-\$300	No	A performance fee will not be paid as the Fund's return was both negative and underperformed the benchmark. A negative performance fee amount will be accrued and carried forward to the next performance period.
The half yearly performance (net of fees) was +5%	For the half year period the benchmark return was +10%	$\$30,000 \times 20\% \times (5\% - 10\%)$	-\$300	No	A performance fee will not be paid as the Fund underperformed the benchmark. A negative performance fee amount will be accrued in the Unit price and carried forward to the next performance period.
The half yearly performance (net of fees) was -5%	For the half year period the benchmark return was -10%	$\$30,000 \times 20\% \times (-5\% - (-10\%))$	\$300	Yes	A performance fee of \$300 will be paid at the end of the performance fee period.
The half yearly performance (net of fees) was +10%	For the half year period the benchmark return was +5%	$\$30,000 \times 20\% \times (10\% - 5\%)$	\$300	Yes	A performance fee of \$300 will be paid at the end of the performance fee period.

Brandywine Global Opportunistic Fixed Income Fund - Class I

In addition to the Management Fees and Costs, a Performance Fee may be payable to the Responsible Entity in respect of the Class I Units of the Brandywine Global Opportunistic Fixed Income Fund. This fee is only payable where the relevant Fund's return (before management fees) exceeds its benchmark. The Performance Fee for Class I Units is set at 20.5% (inclusive of GST and net of RITCs) of that outperformance and is subject to a cap of 3.0% of the NAV of the Class over rolling 12-month periods. The performance fee is calculated and accrued daily and is payable half yearly as at 30 June and 31 December each year. The fee is paid directly from the Fund and reflected in the Unit price. Depending on the return of the Fund in relation to the benchmark, the daily accrual may be a positive or negative amount. If no performance fee is payable at the end of a year period, then the accrued performance fee, positive or negative, will be carried forward into the next year period and form part of the performance fee for that year. This means that negative performance by the Fund must be made up before a performance fee will be payable.

Worked Example

Fund performance	Benchmark return	Performance fee calculation	Amount	Performance fee payable?	How and when paid
The half yearly performance (before management fees) was -10%	For the half year period the benchmark return was -5%	\$30,000 x 20.5% x (-10%-(-5%))	-\$307.50	No	A performance fee will not be paid as the Fund's return was both negative and underperformed the benchmark. A negative performance fee amount will be accrued and carried forward to the next performance period.
The half yearly performance (before management fees) was +5%	For the half year period the benchmark return was +10%	\$30,000 x 20.5% x (5%-10%)	-\$307.50	No	A performance fee will not be paid as the Fund underperformed the benchmark. A negative performance fee amount will be accrued in the Unit price and carried forward to the next performance period.
The half yearly performance (before management fees) was -5%	For the half year period the benchmark return was -10%	\$30,000 x 20.5% x (-5%-(-10%))	\$307.50	Yes	A performance fee of \$307.50 will be paid at the end of the performance fee period.
The half yearly performance (before management fees) was +10%	For the half year period the benchmark return was +5%	\$30,000 x 20.5% x (10%-5%)	\$307.50	Yes	A performance fee of \$307.50 will be paid at the end of the performance fee period.

*Please note that the performance fees are subject to a cap of 3.0% of the NAV of the Class over a rolling 12-month period.

Taxation

Please note: This should be read in conjunction with Section 7 of each PDS.

Tax Considerations generally applicable to Schemes

The information set out below is a broad overview of some of the tax consequences for Australian residents of investing in managed investment schemes and Funds. It does not take into account the specific circumstances of each Unit holder that may invest in the Funds and should not be used as the basis upon which potential Unit holders make an investment decision.

This information has been prepared based on Australian tax law and administrative and judicial interpretations of such as at the date of this Booklet.

These summaries do not take into account the position of Unit holders who are assessed on their disposal of Units otherwise than under the Australian capital gains tax provisions, such as Unit holders who are in the business of trading or dealing in Units or securities.

Franklin Templeton Australia has elected into the Attribution Managed Investment Trust (“AMIT”) tax regime, from the year ended 30 June 2018, for each of the Funds that is eligible as an Attribution Managed Investment Trust. We have set out below a summary of how the AMIT regime will apply to those Funds

However, for those Funds that currently are not eligible or may cease to satisfy the qualification requirements to be an AMIT, this material may not be relevant. We have also set out below a summary of how the Funds are taxed under the default trust taxation rules, as well as some information that is relevant to the Funds irrespective of whether the AMIT regime applies or not.

The taxation implications of investing in a Fund are particular to each Unit holder’s circumstances. Franklin Templeton Australia recommends that you seek professional tax advice. Nothing contained in the Fund PDSs or this Booklet should be construed as the giving of, or be relied upon, as tax advice.

No Australian income tax should be payable by the Funds on the income of the Funds provided Unit holders become presently entitled to all of the taxable income of the Funds each financial year. Franklin Templeton Australia intends to take all reasonable steps to ensure that these requirements are satisfied.

Tax treatment of Schemes – AMITs

On the basis that the Funds are AMITs for tax purposes, Australian resident Unit holders of the Fund should be taxed on the tax components of the Funds that are attributed to them each year.

The tax components of the Funds that are attributed to an Australian resident Unit holder will be disclosed in a statement, known as the “AMIT member annual statement” or “AMMA statement”, following the Funds’ financial year end of 30 June. Aside from the tax components of the Funds which are attributed to a Unit holder in respect of the relevant financial

year, the AMMA statement will also state an estimate of the expected cost base adjustment to the Unit holder’s units for the relevant year.

The tax components which are attributed by the Funds to Unit holders should include the tax components of the Funds that are reflected in any distributions made by the Funds to Unit holders for the relevant year. Unit holders may also be attributed tax components where they undertake a Significant Withdrawal of units in the Funds, or where Franklin Templeton Australia determines that part of the taxable income of the Funds should be accumulated and not distributed. Franklin Templeton Australia does not currently have an intention to accumulate taxable income of the Funds.

For the Funds that qualify as AMITs, Unit holders should be subject to the regime for cost base adjustments provided for interests in AMITs. Under this regime, Unit holders may experience an upward cost base adjustment to the extent that the taxable components attributed to them for the year exceed the amounts distributed to them for the year, or a downward cost base adjustment to the extent that the distributions made to them exceed the taxable components attributed to them. As outlined above, the AMMA statement that Unit holders are provided should provide details of Franklin Templeton Australia’s estimate of these cost base adjustments.

Tax treatment of Schemes – where Funds are not AMITs

For those Funds that are not AMITs for a particular year of income:

- Unit holders should be taxed on the taxable income generated by the Funds to the extent that they are ‘presently entitled’ to all of the distributable income of the Funds. Franklin Templeton Australia intends to administer these Funds such that Unit holders of these Funds are ‘presently entitled’ to all of the distributable income of these Funds each year.
- Instead of being provided with an AMMA statement as described above, Unit holders will be provided with a distribution statement. This distribution statement will include information regarding the taxable net income of the Funds which Unit holders may be assessed on, based on their distributions and ‘present entitlement’ to the distributable income of the Funds. This should assist Unit holders in the completion of their tax returns for the relevant years.
- The regime for cost base adjustments that apply to units in AMITs (including the potential for upward cost base adjustments) should not apply. However, Unit holders may have downward adjustments to the cost base of their units in certain circumstances (see discussion below).

Taxation – continued

Please note: This should be read in conjunction with Section 7 of each PDS.

Taxable components from the Funds

We have set out below some of the tax consequences associated with certain components of the taxable income of the Funds which Unit holders may be attributed (where the Funds are AMITs) or distributed (where the Funds are not AMITs).

Capital gains

The disposal of certain investments by the Funds may give rise to capital gains for the Funds. Accordingly, the tax components that a Unit holder is attributed or distributed from the Funds may include a component of taxable capital gains, which should be included in the Unit holder's taxable capital gains for the relevant year.

As previously discussed, the inclusion of non-assessable amounts in the distributions made by the Funds may have capital gains tax consequences for Unit holders, such as the potential for downward cost base adjustments (or even capital gains where there is insufficient cost base) for a Unit holders' units in the Fund.

The amounts attributed to Unit holders may also include amounts that are referable to the discount capital gains concession. Irrespective of whether a Unit holder is assessed on these amounts, to the extent that these amounts are distributed by the Funds to Unit holders, no downward cost base adjustment should arise for the Unit holder in respect of these amounts.

Foreign income and tax credits

The Funds may realise assessable foreign-sourced income from their investments. Assessable foreign-sourced income components may be attributed or distributed by the Funds to Unit holders.

The Funds may also attribute or otherwise pass through foreign income tax offsets to Unit holders in respect of certain foreign taxes withheld from foreign-sourced income realised by the Funds. These should be disclosed in the AMMA statement (for Funds that are AMITs) or distribution statement (for Funds that are not AMITs) that are provided to Unit holders following the end of the financial year (see discussed above).

Other gains

The Funds may realise other types of assessable income, for example, gains arising on certain derivatives which may be entered into by the Funds.

As the Funds' investments may be denominated in a currency other than Australian dollars, the Funds may realise foreign currency gains in certain circumstances. The tax components of the Funds that are attributed or distributed to Unit holders may include amounts that are referable to these foreign currency gains.

Foreign taxes

Foreign taxes may be imposed where a Fund's investments or dealings have some connection with a foreign jurisdiction.

For example, the United States of America has enacted rules known as the Foreign Account Tax Compliance Act (FATCA), which commenced on 1 July 2014. FATCA withholding tax at 30% may apply to certain payments of US sourced income (and

certain other amounts) unless the recipient is FATCA compliant.

As Responsible Entity of the Funds, we are a Reporting Australian Financial Institution (AFI) and comply with our obligations under the FATCA Intergovernmental Agreement with the US (FATCA IGA) and Australian domestic laws. Under the FATCA Agreement, we do not report information directly to the IRS. Instead, we report to the Australian Taxation Office (ATO) and the information is made available to the IRS, in compliance with Australian privacy laws, under existing rules and safeguards in the Australia-U.S. Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income. We conduct appropriate due diligence procedures as set out in the FATCA IGA.

Provided we comply with registration, due diligence and reporting requirements in accordance with the FATCA IGA and associated Australian domestic law, and we comply with self-certification requests from other parties, the Funds will not be subject to FATCA withholding on payments made to them. We may request that you provide certain information about yourself and (where you are an entity) your controlling persons in order for the Funds to comply with their FATCA IGA obligations.

Subject to law, we may delay or refuse to accept an Application (and return any monies received with the Application without interest) where there is a delay or failure to produce the required information. Alternately we may be required to treat the Applicant, or Unit holder, as reportable to the ATO. By applying to invest in the Fund, you warrant that you, your agent, or your nominated representative will provide us with all additional information and assistance that may be requested in order to comply with our ongoing obligations under FATCA and the FATCA IGA.

In the event that we/the Funds incur any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither we/the Fund will be required to compensate you for any such tax or penalties.

Disposal or Withdrawal of Units by Unit holders

Under the capital gains tax provisions, Unit holders who redeem or otherwise dispose of their Units in the Funds may realise a capital gain or loss on the withdrawal or disposal. The amount of the capital gain or loss should broadly equal the excess of the consideration they receive in respect of the withdrawal or disposal over the cost base of their Unit.

For Units in Funds that are or have been subject to the AMIT regime, as previously discussed, the application of the AMIT regime to the Funds means that the cost base of Units in the Funds may be adjusted for the relevant year based on the distributions received on the Units and the tax components attributed to the Unit holder in respect of the Units for the relevant year. Any such cost base adjustments that arise in respect of the financial year in which Units that are redeemed or disposed of should be taken into account in calculating the capital gain or loss which arises for Unit holders in respect of the withdrawal or disposal.

Taxation – continued

Please note: This should be read in conjunction with Section 7 of each PDS.

Unit holders may be able to claim a capital gains tax discount to reduce any net capital gain arising on the disposal or withdrawal of their Units if they have held their Units for 12 months or more prior to the disposal or withdrawal and relevant conditions are satisfied.

Tax File Number or Australian Business Number

Collection of tax file numbers (“TFN”) is authorised and the use and disclosure of TFNs are strictly regulated by the tax laws and the Privacy Act. Unit holders may, but are not required to, quote a TFN, a TFN exemption or, if your investment is made in the course or furtherance of an enterprise carried on by you, an ABN.

If a Unit holder does not provide a TFN or an ABN, withholding tax may be deducted from distributions made to the Unit holder.

GST

Unit holders should not be subject to GST on applications to or withdrawals from the Funds. The Funds may incur GST in respect of various supplies that it acquires. However, a Reduced Input Tax Credit (RITC) may be available to the Funds on certain supplies.

Non-resident Investors

For any investor in a Fund who is an Australian non-resident for Australian tax purposes, Franklin Templeton Australia may be required to withhold Australian tax from any distributions. The applicable withholding tax rate will vary depending on the type of distribution, the non-resident investor’s country of residence and whether Australia has a double tax treaty with that country.

Under the AMIT regime, if the taxable components attributed to a foreign resident investor exceed the distributions made, then the trustee of the relevant Fund will be required to pay tax on behalf of the foreign resident investor on that excess. In this case, Franklin Templeton Australia may deduct amounts on account of such taxes from amounts payable to the non-resident investor, and may, if required, compulsorily redeem Units to meet these tax liabilities.

Common reporting standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) is a global standard for the collection, reporting and exchange of financial account information on foreign tax residents. The CRS tackles and deters cross-border tax evasion by establishing a common international standard for financial institutions to identify and report information about the financial accounts of foreign residents to their local tax authority and for tax authorities to exchange this information. Under Australian legislation implementing the CRS, banks and other financial institutions will collect and report to the ATO, financial account information of non-residents. The ATO will exchange this information with the participating foreign tax authorities of those non-residents.

The Australian CRS implementing legislation applies from 1 July 2017. The first exchange of information occurred in 2018. This legislation requires certain Australian financial institutions to conduct due diligence and collect certain information from new and existing investors. We may request that you provide certain information about yourself and (where you are an entity)

your controlling persons in order for us to comply with our CRS obligations.

Subject to law, we may delay or refuse to accept an Application (and return any monies received with the Application without interest) where there is a delay or failure to produce the required information. Alternately we may be required to treat the Applicant, or Unit holder, as reportable to the appropriate governmental agency(s). By applying to invest in the Fund, you warrant that you, your agent, or your nominated representative will provide us with all additional information and assistance that may be requested in order to comply with our ongoing obligations under any CRS laws.

How to apply

Please note: This should be read in conjunction with Section 8 of each PDS.

How to make an application

To invest in a Fund simply complete either an “Application Form” for new investors or an “Additional Application Form” for existing investors” (Application Form(s)) and send it to the address shown on the form. Application Forms are available online at www.franklintempleton.com.au. If you are not already an investor with Franklin Templeton Australia, you will be required to provide certain supporting documents detailed in Section 1 of the Application Form.

Eligible Investors (Class X, Class B and Class I Units)

To be eligible to directly invest in Class X, Class B or Class I Units of a Scheme you must meet one of the eligibility criteria applicable below.

Australian Investors

Eligible Investors for a Fund are wholesale clients as defined in the Corporations Act – that is, a person that meets the requirements in any one or more of paragraphs (a) to (j) below. The applicant must confirm that they qualify as a wholesale client and are eligible to hold Units in the Fund on at least one of the grounds listed below.

- (a) is a trustee of a superannuation fund, approved deposit fund, pooled superannuation trust or public sector superannuation scheme (within the meaning of the Superannuation Industry (Supervision) Act 1993) that has net assets of at least \$10,000,000; or
- (b) is applying for at least \$500,000 worth of Units in the Fund; or
- (c) is applying for Units in the Fund where the Applicant holds the same class of Units in the Fund for which the Applicant has paid at least \$500,000; or
- (d) has or controls gross assets of at least \$10,000,000 (including any assets held by an associate of the Applicant or under a trust that the applicant manages); or
- (e) is a body regulated by the Australian Prudential Regulation Authority other than a trustee under paragraph (a); or
- (f) is not acquiring Units in the Fund in connection with a business and the Applicant has, according to a certificate given by a qualified accountant not more than 24 months before the date of the application (a copy of the certificate must accompany this application)
 - net assets of at least \$2.5 million; or
 - gross income for each of the last two financial years of at least \$250,000 a year; or
- (g) is an Australian financial services licensee; or
- (h) is:
 - a listed entity or related body corporate of a listed entity; or
 - an exempt public authority; or
- a body corporate, or an unincorporated body, that:
 - carries on a business of investment in financial products, interests in land or other investments; and
 - for those purposes, invests funds received (directly or indirectly) following an offer or invitation to the public (within the meaning of Section 82 of the Corporations Act), the terms of which are provided for in the funds subscribed to be invested for those purposes; or
- (i) is a foreign entity that, if established or incorporated in Australia, would be covered by one of the paragraphs (a), (d), (e), (g) or (h) above; or
- (j) is obtaining the financial product for use in connection with a business employing:
 - if the business is or includes the manufacture of goods - at least 100 people; or
 - otherwise – at least 20 people.

Non-resident Investors

The Funds may be available to investors who are citizens and/or residents of foreign countries. Ultimately whether any Fund is available to a particular non-resident investor will depend on the laws of their home or resident country. Any non-resident investor considering investing in a Fund should contact our Investor Services Team to confirm whether the Fund can be made available to them.

Signatory requirements

In the case of joint applications, all applicants must sign. Applications lodged by companies must be signed in accordance with their constitution. Applications by trustees must be made in the name of, and signed by, the trustees. If an applicant wishes to specify individuals who have authority to act on their behalf in relation to their investment, they may do so by providing appropriate documentation. The same person or persons who sign the Application Form should sign the documentation.

How to apply – continued

Please note: This should be read in conjunction with Section 8 of each PDS.

Reporting

Franklin Templeton Australia will confirm transactions to Unit holders in the Funds and provide monthly reporting that documents the Units issued and/or redeemed over the month and the balance of Units held. Monthly reporting that includes performance and market commentary will be made available on our website. Audited accounts for the Funds will also be made available on our website at www.franklintempleton.com.au. Unit holders may also request to receive copies of the accounts by mail. Unit holders will receive other information as required under the Corporations Act for each financial year.

Applicant Verification

Pursuant to the AML/CTF, Franklin Templeton Australia must establish and enforce suitable risk control procedures and identification and verification procedures. These procedures require applicants to provide certain supporting documents detailed in Section 1 of the Application Form for New Investors. These documents must be verified by Franklin Templeton Australia before any application for Units can be processed. These procedures may require us from time to time to re-verify that information or request additional information. Franklin Templeton Australia accepts no liability for any loss an applicant may incur, of whatsoever nature that may arise in the application of these identification and verification procedures.

By agreeing to our verification process you give consent for Franklin Templeton Australia to disclose your name, residential address and date of birth to a credit reporting agency and ask the credit reporting agency to provide an assessment of whether the personal information so provided matches (in whole or in part) personal information contained in a credit information file in the possession or control of the credit reporting agency to assist in verifying your identity for the purposes of the AML/CTF. The credit reporting agency may prepare and provide Franklin Templeton Australia with such an assessment and may use your personal information including the names, residential addresses and dates of birth contained in credit information files of you and other individuals for the purposes of preparing such an assessment. If you disagree with having your identity verified by a credit reporting agency, please select another data source or contact Franklin Templeton Australia so that we can discuss other options with you.

Investing via a Master Fund or Wrap Service

Investors accessing the Funds indirectly through a Master Trust or Wrap Service do not acquire the rights of a Unit holder. Rather, the operator acquires the Units and the rights of a Unit holder, meaning that the right to receive distributions, confirmations, reports, attend meetings and make complaints. The rights of Master Trust or Wrap Service investors, including the taxation implications of investing, should be set out in disclosure documents issued by the Master Trust or Wrap Service operator.

Withdrawal Form

Complete the “Withdrawal Form” and send it to:

Mail Link Market Services Pty Ltd

Locked Bag 5038
Parramatta NSW 2124

Fax + 612 9287 0367

The “Withdrawal Form” can be obtained by contacting Franklin Templeton Australia or found online at www.franklintempleton.com.au

In the case of joint withdrawals, all Unit holders must sign. Withdrawals lodged by companies must be signed in accordance with their constitution. Withdrawals by trustees must be made in the name of, and signed by, the trustees. If a Unit holder wishes to specify individuals who have authority to act on their behalf in relation to their investment, they may do so by providing appropriate documentation.

The same person or persons who sign the “Withdrawal Form” should sign the documentation.

Savings Plan

With a savings plan, you can make regular investments in the Funds automatically by direct debit from your nominated Australian bank, building society or credit union account.

The minimum savings plan investment amount is \$100 per Fund, which will occur on the 15th on a monthly basis.

If the 15th of the month is not a business day, the next business day will apply.

Your savings plan request must be received at least five business days before the relevant commencement date. Otherwise, your first debit will occur on the relevant date in the following month.

Please also contact us if you wish to change the investment amount or cancel your savings plan.

We can terminate, suspend, or impose additional conditions on the operation of your savings plan at any time with notice to you.

Additional important information

Please note: This should be read in conjunction with Section 9 of PDS.

Rights and the Constitution

The Constitution of each Fund, the Corporations Act and general legal principles govern Franklin Templeton Australia's responsibilities and rights as the Responsible Entity and the rights and liabilities of Unit holders.

Franklin Templeton Australia's duties include acting honestly and in the best interests of Unit holders; to exercise the degree of care, skill and diligence that a reasonable person would exercise if they were in Franklin Templeton Australia's position and, in relation to the Funds, to treat Unit holders of the same class equally and Unit holders of different classes fairly; and to exercise care and diligence. The terms and conditions of the Constitution of each Fund respectively are binding on Franklin Templeton Australia and on Fund Unit holders respectively. Some of the key terms and conditions of the Constitution of the Fund and the relevant law include:

- the nature and entitlements of Units in the Funds;
- amendments to the Constitution of each Fund and how meetings of Unit holders can be called and operated;
- termination of the Funds and the retirement of Franklin Templeton Australia as Responsible Entity;
- the powers of Franklin Templeton Australia to make investments on behalf of the Funds;
- the considerations and powers of Franklin Templeton Australia in accepting applications and paying Withdrawals;
- the processes and procedures when one or more of the Funds is not liquid;
- the indemnity which Franklin Templeton Australia is owed by the Funds; and
- details of the Compliance Committee and the Compliance Plan.

The Constitutions contain provisions designed to limit the liability of Unit holders so that they are not, by reason only of being Unit holders, under any personal obligation to indemnify Franklin Templeton Australia, or any creditor of Franklin Templeton Australia in the event of there being any deficiency of assets of a Fund. The law, however, in relation to liability of Unit holders is complex and, to date, limitations on the liability of Unit holders have not been tested by Australian courts. Therefore, it is not possible for Franklin Templeton Australia to give an absolute assurance that liability of Unit holders will be limited in all circumstances.

Franklin Templeton Australia will provide investors with a free copy of the Constitution for each Fund upon request.

Anti-money laundering (AML)

Anti-money laundering laws in Australia may require Franklin Templeton Australia to obtain additional information to verify the identity of an investor, any underlying beneficial owner of Units in the Funds and the source of any payment. The processing of applications or Withdrawals may be delayed or suspended until the requested information is provided in a satisfactory form.

Conflicts of Interest and Related Party Transactions

Subject to the Corporations Act, we and our associates may hold Units in any Fund. We are also permitted by the Constitution (subject to the Corporations Act), to deal with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unit holder; have an interest in any contract or transaction with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unit holder and retain for our own benefit any profits or benefits derived from such contract or transaction and act in the same or similar capacity in relation to any other managed investment schemes. Any such arrangement will be based on arm's length terms.

From time to time Franklin Templeton Australia may encounter conflicts in respect of its duties to Unit holders and to its own interests. Franklin Templeton Australia recognises it has an overriding duty to act in the best interests of Unit holders and will resolve any conflicts fair and reasonably in accordance with the law, and ASIC requirements and Franklin Templeton Australia's own policies.

Complaints

We have established procedures for dealing with complaints.

If you have invested via a Master Trust or Wrap Service and have a concern, you should first contact the Operator of the Master Trust or Wrap Service through which you invested in the Fund. The Operator will handle your complaint in accordance with its complaint handling procedures and may, in accordance with those procedures, refer the complaint to us.

If you have an inquiry or complaint, you can either phone us on 1800 673 776 during business hours or write to:

Attention: Complaints Officer

Franklin Templeton Australia

GPO Box 24011
Melbourne VIC 3001

Your written complaint will be acknowledged within five business days and we will make every effort to resolve your issues within 30 days of being notified.

If any complaint remains unresolved after 30 days or the issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, (AFCA). AFCA provides a fair and independent

financial complaint resolution service that is free to consumers.

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Continuous Disclosure

We comply with ASIC's Good Practice Guidance on continuous disclosure by making disclosure notices regarding the Funds available as soon as practicable on our website at www.franklintempleton.com.au. This includes any continuous disclosure notices, the Fund financial statements, and any other material updates.

You have the right to obtain a copy of the following documents at no charge from us:

- the most recent Fund annual financial report most recently lodged with ASIC by the Fund; and
- if applicable, any half-yearly financial reports lodged with ASIC after the lodgement of the annual financial report and before the date of the relevant PDS; and
- any continuous disclosure notice lodged after the annual financial report but before the date of the current Fund PDS.

These documents are available on our website at www.franklintempleton.com.au. Copies will be given to investors free of charge on request.

Your Privacy at Franklin Templeton Australia

We collect your personal information for the primary purpose of establishing and administering your investments, communicating with you and providing you with access to secure parts of our website.

We may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so for example under the Corporations Act 2001 (Cth), the Anti-Money Laundering and Counter Terrorism Financing Act, the Foreign Account Tax Compliance Act and the Common Reporting Standard under which Franklin Templeton Australia is required to ask about your tax residency status due to taxation information sharing agreements between Australia and other countries.

Franklin Templeton Australia may disclose your personal information to any third-party service provider organisation we engage, in order to provide custody, administration, technology, auditing, mailing, printing or other services and our professional advisers (including legal and accounting firms, auditors, consultants and other advisers). Such third parties may use and disclose your personal information for a purpose described in our Privacy Policy which is available upon request or from our website at www.franklintempleton.com.au. The Privacy Policy sets out in detail how we will collect, store, manage, use and disclose your personal information.

The Privacy Policy also contains information as to how you can access and seek correction of your personal information, how you can complain about a breach of the *Privacy Act 1988* (Cth) and how we will respond to and deal with such a complaint.

You can request access to your personal information or a copy of the Privacy Policy by telephone or writing:

Phone: 1800 673 776
Email: auclientadmin@franklintempleton.com
Mail: PO Box 24011, Melbourne VIC 3001

Please address all written requests: 'Attention: Privacy Officer'.

Consent to be named

The Custodian, Administrator, Registrar and each Investment Manager have consented to being named in the applicable PDS based on information the respective party has provided and in the form and context in which each party has been included, and each party has not withdrawn its consent before the date of the PDSs.

Need more information?

Please contact Franklin Templeton Australia:

Free call: 1800 673 776

Website: www.franklintempleton.com.au

Email: auclientadmin@franklintempleton.com

Definitions

“Active ownership” with respect to Funds managed by Martin Currie Australia, is the use of the rights and position of ownership to influence the activity or behaviour of investees. For listed equities it includes both engagement and (proxy) voting (including filing shareholder resolutions).

“Application Price” means the price at which Units are issued. The method for determining the Application Price is described in the “Application Price” section of the relevant PDS.

“Business Day” means a day, other than a Saturday or Sunday on which banks are open for business in Melbourne, Victoria.

“Constitution” is a legally enforceable document between the Responsible Entity and Unit holders that sets out some or all of the rights, duties and liabilities of the Responsible Entity in its operation of the Fund.

“Controversial weapons” means cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons.

“Corporations Act” means the Corporations Act 2001 (Cth).

“Effective Duration”, with respect to the Western Asset Enhanced Income Fund, calculates the expected price decline of a bond when interest rates rise by 1%.

“Franked dividends” means payments made to shareholders out of income on which the company has already paid tax.

“Inflation” is defined as the All Groups Consumer Price Index as published by the Australian Bureau of Statistics.

“Investment Grade” with respect to Funds managed by Western Asset, means a rating that indicates a bond has a relatively low risk of default. S&P considers bonds designated with a rating of BBB or above to be investment grade or of adequate protection parameters.

“OECD” means the Organisation for Economic Cooperation and Development.

“mFund” is an unlisted managed fund admitted for settlement under the ASX Operating Rules and available to investors through the mFund Settlement Service.

“Modern Slavery” means the investment manager’s assessment of situations in which coercion, threats or deception are used to exploit persons and undermine their freedom and includes:

- (a) conduct which would constitute an offence under an applicable criminal code, such as slavery, servitude, forced labour, deceptive recruiting, debt bondage, forced marriage and any form of human trafficking; and
- (b) any form of child labour prohibited by law.

“Net Asset Value” or “NAV” means the aggregate of the value of the assets of the Fund determined in accordance with the Constitution, less all liabilities of the Fund.

“Retail Client” or “Retail Investor” is an investor that does not satisfy one of the requirements to be classified as a wholesale client.

“RITCs” means reduced input tax credits.

“Significant Withdrawal” is a redemption of 5% or more of the net asset value of a Fund or should other amount that the Responsible entity may from time to time determine to be a significant withdrawal in accordance with a Fund’s Constitution.

“Units” means units in the Fund.

“Wholesale Clients” is defined in the “How to apply” section of this Booklet.

“Withdrawal Price” means the price at which Units are redeemed. The method for determining the Withdrawal price is described in the “Withdrawal Price” section of the relevant PDS.

In each PDS or IM and this Booklet, all fees and costs are expressed in Australian dollars inclusive of GST less any RITC. References to “you” or “your” refers to you as the reader of the PDS, IM or this Booklet.