

# Martin Currie Real Income Fund

## Product Disclosure Statement

Issued by: Franklin Templeton Australia Limited ("Franklin Templeton Australia") ABN 76 004 835 849, AFSL No. 240 827, part of Franklin Resources, Inc operating as Franklin Templeton

Martin Currie Real Income Fund ("Fund")

ARSN 146 910 349  
APIR SSB0026AU  
mFund Code LMA02

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### About this Product Disclosure Statement ("PDS")

This PDS is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider this information before making a decision about the Fund. The information provided in the PDS is general information only, is not a recommendation to invest in the Fund and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances. The offer to which this PDS relates is available only to persons receiving the PDS (electronically or otherwise) in Australia. Investments are subject to risks, some of which are outlined in this PDS. Franklin Templeton Australia ("Responsible Entity", "we", "our" or "us") does not guarantee any payment of income or repayment of capital or the performance of your investment in the Fund. It is important that you understand and accept the risks before you invest in the Fund.

The Responsible Entity is solely responsible for the management of the Fund, which includes day-to-day administration and making investment decisions.

All terms in "bold" are defined terms under Interpretations and definitions in Section 9 of this PDS.

### Updated information

The information in this PDS is up to date at the time of preparation. However, information relating to the Fund that is not materially adverse information is subject to change from time to time. We may update this information.

Where the change is not considered materially adverse to investors, the information may be updated on the Franklin Templeton website ([www.franklintempleton.com.au](http://www.franklintempleton.com.au)). For updated information about the Fund please contact us or consult your financial adviser.

We will provide you with a paper copy of any updated information without charge upon request. If there is a change in information which we consider is materially adverse we will generally issue a new PDS.

## 1 About Franklin Templeton Australia

Franklin Templeton Australia is the Responsible Entity for this Fund and part of Franklin Resources, Inc. The Responsible Entity is solely responsible for the management of the Fund, which includes day-to-day administration and making investment decisions. Franklin Resources, Inc. [NYSE:BEN] is a global investment management organisation with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and over AUD \$2.1 trillion in assets under management as of 30 June 2021. Through specialised teams, Franklin Templeton has deep expertise across all asset classes, including equity, fixed income, alternatives and multi-asset solutions. This includes a group of world-renowned specialist investment managers such as Martin Currie, Western Asset and Brandywine Global. For more information, please visit [franklintempleton.com.au](http://franklintempleton.com.au).

### Investment manager

Martin Currie Australia (a division of Franklin Templeton Australia) is investment manager of the Fund. Martin Currie is an active equity specialist manager crafting high-conviction portfolios. Headquartered in Edinburgh, Scotland and founded in 1881, with a significant presence in Australia through Martin Currie Australia, dating back to 1954. Martin Currie believes a stock focused approach, driven by in-depth fundamental research and skilled portfolio construction, is the best way to exploit market inefficiencies and generate consistent outperformance. They achieve this through a highly disciplined research process that scrutinises and identifies those companies that meet their rigorous selection criteria. Martin Currie's investment strategies are underpinned by the quality of its in-depth fundamental research and skilled portfolio construction, undertaken by its deeply resourced and highly experienced team of investment professionals. Martin Currie's approach to **"Active ownership"** is at the heart of its active management proposition, and its highly differentiated approach to the analysis of Environmental, Social and Governance (ESG) factors, is embedded in every part of the investment process to ensure they make better long-term decisions.

**Please note:** You should read the important information About Franklin Templeton Australia before making a decision. Go to the 'About Franklin Templeton Australia' section of the Additional Information Booklet which is available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to Franklin Templeton may change between the time when you read the PDS and the day when you acquire the Fund.

## 2 How the Fund works

### About the Fund and structure

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. The Fund comprises assets which are acquired by the Responsible Entity in accordance with the investment strategy for the Fund. The Fund is governed by a **"Constitution"**. The terms and conditions of the Constitution are binding on each Unit holder (and all persons claiming through them).

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. JPMorgan have provided their consent to be named and have not withdrawn their consent before the issue date of the PDS. JPMorgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. JPMorgan has not independently verified the information contained in this PDS 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.

OneVue Fund Services Pty Ltd (ACN 107 333 308) has been appointed as the registrar in relation to the Fund. The custodian and registrar may be changed from time to time.

A Unit holder's interest in the Fund is represented by "Units". A Unit holder has an interest in the assets of the Fund as a whole, subject to the liabilities of the Fund. A Unit holder does not have an interest in any particular asset of the Fund.

Investors can acquire interests in the Fund by applying for Units and can redeem from the Fund by making a withdrawal request in relation to the Units they hold. The price at which Units are acquired ("Application Price") or redeemed ("Redemption Price") is determined in accordance with the Constitution.

The Application Price and the Redemption Price on a **"Business Day"** are, in general terms, equal to the product of the Net Asset Value ("NAV") of the Fund divided by the number of Units on issue and:

- for the Application Price, adjusted up for transaction costs (called the "buy spread"); and
- for the Redemption Price, adjusted down for transaction costs (called the "sell spread").

The Application Price and the Redemption Price are generally determined each Business Day.

The Application Price and the Redemption Price will increase as the market value of the Fund's assets increases and will decrease as the market value of the Fund's assets decreases.

Funds on the mFund Settlement Service ("**mFund**") are not traded on an exchange and investors will not trade units with other investors on the market.

### How we process your money

An investor can acquire Units by making an application for Units. An application for Units is made by lodging either an "Application Form for New Investors" or an "Application Form for Existing Investors" (application forms) or by making an application through mFund by placing a buy order for Units with your licensed broker.

Application forms need to be received by the registrar and appropriate funding provided to the Fund's nominated bank account by 11.00am on a Business Day to receive that day's Application Price. Refer to Section 8 "How to Apply" for more information.

### mFund applications

Please note, a buy or sell order ("order") for settlement through mFund received prior to 11:00am on a Business Day by your licensed broker will likely be given the same date value, but this is not guaranteed. Any order or instruction received prior to our cut-off times will generally be processed at the unit price for that Business Day. Where an order or instruction is received after our cut-off times, it will generally be processed at the unit price for the following Business Day. Your confirmation statement will be sent when your instruction is processed or the transaction settles through CHESS. Please contact your broker or Franklin Templeton Australia if you have not received your statement. If you invest via mFund, your broker will complete your identification requirements. Please contact your broker to effect any changes to these details. The broker will transmit the updated information via CHESS or in certain situations to us, where necessary. Your broker will complete any required Anti-Money Laundering and Counter-Terrorism Financing paperwork.

### Classes of Units

The Responsible Entity may offer or withdraw classes of Units. Currently under this PDS one class of Units is offered: "Class A". The Responsible Entity has the ability to issue further classes of Units under separate PDSs or other offer documents from time to time.

### Access to your money

A Unit holder can dispose of Units by making a redemption from the Fund. A redemption is made by completing a "Redemption Form" with the Responsible Entity. A redemption request can also be made by placing a sell order for Units via mFund with your licensed broker.

Redemption Forms need to be received by, the registrar, by 11.00am on a Business Day to receive that day's Redemption Price.

Redemptions are typically paid within five Business Days although the Constitution allows us up to 60 days or longer in certain circumstances. Redemption proceeds will be paid to an investor's nominated bank account.

In some circumstances, Unit holders may not be able to redeem their Units within the usual period upon request. If the Fund becomes illiquid, for the purposes of the **"Corporations Act"**, then you may only redeem from the Fund in accordance with the terms of a redemption offer (if any) made by the Responsible Entity in accordance with the Corporations Act.

There is no obligation on the Responsible Entity to make a redemption offer. The Responsible Entity anticipates that the Fund will generally be liquid.

### Minimum investment

Unless otherwise determined by us, the minimum initial investment is \$30,000. Additional investments can be made at any time. The minimum additional investment amount is \$5,000.

## Valuation of Fund assets and unit pricing

The Fund's assets are typically valued each Business Day. Unit prices are usually calculated each Business Day. We may declare Unit prices more or less frequently or delay calculation in certain circumstances.

A formal written policy has been established by us in relation to the guidelines and any relevant factors that are taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and the amount of liabilities). A copy of our policy is available to investors on request free of charge.

## Distributions and payment methods

The Fund may distribute income at 30 September, 31 December, 31 March and can determine to make an additional distribution from time to time. At present, the Fund intends to distribute all undistributed income at 30 June each year, but the Constitution for the Fund does allow us to accumulate income where the Fund is an Attribution Managed Investment Trust ("AMIT") for the relevant year. A Unit holder's entitlement to distributions of income is determined based on the number of Units held at the end of the relevant distribution period. Distributions will be paid within 60 days of the end of the relevant distribution period. Unit holders who redeem Units during a distribution period will not receive a distribution of income in respect of those Units for that distribution period. The Constitution for the Fund does provide us with the power to, where Units are redeemed during a year for which the Fund is an AMIT, attribute tax components to a redeeming Unit holder in certain circumstances where the redemption constitutes a "Significant Redemption". Income attributable to each Class may be impacted by the total level of fees charged to the Fund. You may use the "Application Form for New Investors" to elect a distribution preference. If you are an existing investor, you can alter your distribution preference using the "Change of Details Form". Reinvested distributions will be taken to be issued on the next day after the end of the relevant distribution period. The Application Price for Units issued on the reinvestment of distributions will be based on the NAV of the Fund used to calculate the last Application Price for the relevant distribution period adjusted for certain income amounts.

Distributions will be reinvested into additional Units unless otherwise directed by you.

## Reinvestment of capital gains

A key consideration for investors that want to generate income is the need to maintain invested capital. In order to facilitate this, an estimate of the capital component of the distribution as at 30 June each year will automatically be reinvested into additional Units in the Fund. Accordingly, Unit holders will see the number of Units they hold in the Fund increase as a result of any reinvested component of the distribution. The additional Units in the Fund will be processed at a Unit price not adjusted up with any buy spread. Unit holders can separately apply to redeem Units in the Fund.

Reinvested distributions will be taken to be issued on the next day after the distribution calculation date.

**Please note:** You should read the important information about how the Fund works before making a decision. Go to the "About the Funds" section of the Additional Information Booklet which is available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to the acquisition and disposal of interest in the Fund may change between the time when you read the PDS and the day when you acquire the Fund.

## 3 Benefits of investing in the Fund

### Significant features

The Fund seeks to provide a growing income stream by investing in a diversified portfolio of Australian listed real assets (such as A-REITs, utility and infrastructure securities) characterised by established physical assets with recurring cash flows.

The investment manager's approach is premised on the philosophy that high-quality listed real assets can sustain dividends, grow distributions to match a rising cost of living and are likely to be less volatile than the wider equity market.

The investment manager relies on complementary fundamental and quantitative research, and collective insights into the current investment landscape, to identify the most attractive opportunities.

Stewardship and ESG analysis is integrated deeply into the multi-lensed research process and portfolio construction.

### Significant benefits

The Fund offers a number of significant benefits:

- aims to provide long-term growth in its income stream to at least match the rate of "Inflation";
- the opportunity to receive regular income distributions from dividends (including a small component of "franked dividends") and net gains on the disposal of assets;
- professional management of your investment with an experienced investment manager;
- diversification benefits that would be difficult to achieve through direct investment;
- disciplined portfolio construction; and
- web-based reporting that includes performance, market commentary and portfolio strategy.

## 4 Risks of managed investment schemes

You should note:

- all investments carry risk;
- different funds may carry different levels of risk depending on the assets that make up the fund;
- assets with the highest potential long-term returns may also carry the highest level of short-term risk;
- the value of investments will vary;
- the level of returns will vary and future returns may differ from past returns; and
- returns are not guaranteed and you may lose some of your money.

The laws affecting registered managed investment schemes may change in the future. Your personal risk level will vary depending on a range of factors, including, age, investment time frames, where other parts of your wealth are invested and your risk tolerance.

The significant risks of investing in the Fund include:

- market risks, including declines in asset prices, unfavourable economic conditions, changes in government regulation, inflation and lack of liquidity (in this context, "lack of liquidity" means investments may not be readily disposed of);
- manager risks, including 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;
- counterparty risks, including when a counterparty either cannot or will not meet its obligations; and
- investment risks, including benchmark performance that is below Unit holder expectations and/or the Fund not meeting its investment objective.

Techniques used to manage risks include:

- extensive research;
- active portfolio management;
- risk management systems;
- compliance monitoring;
- monitoring economic factors;
- maintaining disciplined management controls; and
- auditing operational procedures.

**Please note:** You should read the important information about investment risks before making a decision. Go to the "Risks" section of the Additional Information Booklet which is available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to investment risks may change between the time when you read the PDS and the day when you acquire the Fund.

## 5 How we invest your money

**Warning:** you should consider the likely investment return, the risk, and your investment timeframe when choosing whether to invest in the Fund.

<b>Martin Currie Real Income Fund</b>	
<b>Investment objective</b>	The Fund aims to provide a pre-tax income yield above the S&P/ASX 200 Index yield and to grow this income above the rate of inflation.
<b>Minimum suggested timeframe for investment</b>	A minimum time frame for investment of three years is suggested. The Fund should be suitable mainly for investors seeking an investment in Australian listed assets with long-term financial goals.
<b>What does the Fund invest in?</b>	<p>The Fund predominately invests in listed real asset securities (such as A-REITs, utility and infrastructure securities (as defined by Martin Currie Australia) that are listed on the Australian Stock Exchange and may hold cash.</p> <p>The Fund aims to hold investments so that at the time of purchasing securities:</p> <ul style="list-style-type: none"> <li>• exposure to individual securities is no more than 9% of the portfolio; and</li> <li>• approximately 35 securities are held.</li> </ul> <p>While the maximum holding of cash or cash equivalents is 10%, the Fund is intended to be fully invested in securities at all times with cash being held for liquidity purposes only.</p> <p>The Fund will not invest in securities issued by companies directly involved in:</p> <ul style="list-style-type: none"> <li>• the production of <b>"Controversial weapons"</b>;</li> <li>• the manufacture of tobacco products;</li> <li>• mining or extraction of thermal coal, or extraction of oil from tar sands.</li> </ul> <p>The Fund does not use derivatives.</p> <p>The Fund does not intend to borrow.</p>
<b>Risk level</b>	The Responsible Entity considers the risk level of the Fund to be high. The investment manager has risk control methodologies in place which aim to mitigate the overall level of risk.
<b>Fund performance</b>	Investment performance of the Fund is published on our website at <a href="http://www.franklintempleton.com.au">www.franklintempleton.com.au</a> . Past performance is not necessarily a guide to future performance.
<b>Labour, Environment, Social and Ethical consideration</b>	In addition to the exclusions noted in "What does the Fund invest in" section above, environmental, social and governance considerations (including labour standards and ethical considerations) are taken into account in determining the value of a company. The value of the company is then considered by the investment manager in the selection, retention and realisation of investments.
<b>Changes to Fund detail</b>	The Responsible Entity is permitted to change how it invests the assets of the Fund at any time. If the Responsible Entity changes the investment objective of the Fund the Responsible Entity will advise Unit holders of the change.

### Investment options

There are no other investment options for the Fund.

### Switching

Switching is not available for the Fund.

**Please note:** Please note: You should read the important information about fees and costs of investing in the Fund before making a decision. Go to the "Additional Explanation of Fees and Costs" section of the Additional Information Booklet available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to how we invest your money may change between the time when you read the PDS and the day when you acquire the Fund.

## 6 Fees and costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investment Commission (ASIC)** website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The information in the following Fees and Costs Summary can be used to compare costs between different managed investment schemes. Fees and costs can be paid directly from an investor's account or deducted from investment returns. For information on tax please see section 7 of this PDS.

### Fees and Costs Summary

Martin Currie Real Income Fund – Class A		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs (1,2)</b> The fees and costs for managing your investment.	0.85% p.a. of the net asset value (NAV) of the Fund	The management fees component of management fees and costs is calculated in relation to the NAV of the Fund on a daily basis. The management fees are deducted from the Fund's assets and are generally paid to us monthly in arrears. Otherwise, the fees and costs are variable and reflected in the unit price of the Fund as they are incurred.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<b>Transaction costs (3)</b> The costs incurred by the scheme when buying or selling assets	0.00% p.a. of the NAV of the Fund	Transaction costs incurred by the Fund are variable and deducted from the Fund as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Any transaction costs at an interposed vehicle level are reflected in the value of the Fund's investment in the relevant interposed vehicle and therefore reflected in the unit price.

Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.10% upon entry and 0.10% upon exit..	The Buy Spread is added to the NAV and is paid into the Fund as part of an application and the Sell Spread is deducted from the NAV and is left in the Fund as part of a redemption. These figures are accurate as at the date of the PDS
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable
(1) The fees shown above are inclusive of GST and net of "RITCs". (2) The amount of the management fee may be negotiated. See "Differential fee arrangements". (3) Calculated based on relevant costs charged to the Fund for the 12 months to 30 June 2021. Past costs (inclusive of GST and net of RITC) are not a reliable indicator of future costs.		

### Additional Explanation of Fees and Costs

#### Management Fees and Costs

The Management Fees and Costs are composed of the management fees, expenses and indirect costs in relation to the Fund. These include the management fees and Responsible Entity fees, totalling 0.85% p.a., payable to us. Out of this amount we will pay certain other costs the Constitution of the Fund otherwise gives us, as the Responsible Entity, the right to recover. These other costs include custodian fees, investment management fees, administration fees, audit fees, any indirect costs (estimated at 0.00% based on the relevant costs for the 12 months to 30 June 2021) and other expenses and costs such as those connected with the compliance committee and the compliance plan. While we choose to pay these other costs out of our fees, we reserve the right to recover some or all of the expenses from the Fund. The management fees component of the Management Fees and Costs is calculated and accrued daily based on the NAV of the Fund. The accrued fees are paid in arrears from the Fund at the end of each month. The Management Fees and Costs reduce the Fund's NAV and are reflected in the Unit price.

#### Transaction Costs

The Management Fees and Costs do not include certain transaction costs. Transaction costs are variable and generally deducted from the Fund as they are incurred and reflected in the unit price. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. They are disclosed net of amounts recovered by the buy-sell spread. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to day trading or when there are applications or withdrawals which cause net cash flow into or out of the Fund. Actual transaction costs for future years may differ. Please refer to the Additional Information Booklet for further information.

### 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 the Fund as a result of applications and redemptions. The Application Price is adjusted up by a buy spread and the Redemption Price is adjusted down by a sell spread. The dollar value of these costs based on an application or a withdrawal of \$5,000 is \$5.00 for each individual transaction. We can change the buy/sell spread at any time without prior notice. The actual buy/sell spread is subject to change from time to time depending on changes to the composition of the Fund's underlying assets and exposure to various investment managers. Where transaction costs are lower or higher than the estimated buy-sell spreads listed in this PDS, the actual costs may apply. Please refer to our website for the current buy/sell spreads at [www.franklintempleton.com.au](http://www.franklintempleton.com.au).

### Differential fee arrangements

We may enter into individual fee arrangements with "Wholesale clients" (as defined in the Corporations Act) in accordance with applicable ASIC class order relief.

### mFund settlement service

You must use an mFund accredited and licensed broker to facilitate your transactions on mFund. Your chosen broker may charge you additional fees which are not outlined in the "Fees and Costs" section of this PDS.

Information about the Fund's NAV will be published monthly at [www.asx.com.au/mfund](http://www.asx.com.au/mfund).

### Example of annual fees and costs for this investment option

This table gives an example of how the ongoing annual fees and costs in this investment option for this product can affect your investment over a 1 year period. You should use this table to compare this product with other products offered by managed investment schemes.

Martin Currie Real Income Fund – Class A		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	0.85%	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$425 each year (1).
PLUS Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs	0.00%	<b>And</b> , you will be charged or have deducted from your investment \$0 in transaction costs.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$425* (2) <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\*Additional fees may apply.

(1) You should note that this example assumes a constant investment balance of \$50,000 in Class A Units throughout the year. Management Fees and Costs will also be charged in relation to any additional contributions you make during the year and the amount you pay will depend on the proportion of the year during which the additional contributions are invested.

(2) Assumes the additional \$5,000 was invested at the end of the year. If it is assumed the additional \$5,000 was invested at the beginning of the

year, the Management Fees and Costs would be \$467.50 (\$55,000 x 0.85%). Please note this is an example only as the actual investment balance of your holding will vary on a daily basis.

**Note:** This is an example. In practice, the actual investment balance of an investor will vary daily and the actual fees and expenses we charge are based on the value of the Fund. The indirect costs and other expenses component of Management Fees and Costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

**Warning:** 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.

### Change in fees

We may vary the fees specified at any time at our absolute discretion, without Unit holder consent, subject to the maximum fee amounts specified in the Constitution. If the variation is an increase we will give you 30 days' advance written notice.

At the date of this PDS we do not intend to charge a contribution fee, exit fee nor do we intend to increase the combined Responsible Entity fee and management fee we charge you (which is specified in the Management Costs section of the Fees and Costs Summary).

We can recover out of the assets of the Fund all expenses which are properly incurred in operating the Fund including, without limitation, amounts payable in connection with custody, compliance, legal and tax consulting fees, banking, accounting and audit. However, we currently pay these costs out of our Fees.

### Calculator

The Australian Securities and Investments Commission provides a fees calculator at [www.moneysmart.gov.au](http://www.moneysmart.gov.au). This calculator can be used to calculate the effects of fees and costs on your investment.

**Please note:** You should read the important information about fees and costs of investing in the Fund before making a decision. Go to the "Additional Explanation of Fees and Costs" section of the Additional Information Booklet available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to the fees and costs of investing in the Fund may change between the time when you read the PDS and the day when you acquire the Fund.

## 7 How managed investment schemes are taxed

**Warning:** Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

You should note that:

- the Responsible Entity and the Fund is not expected to pay tax on behalf of Australian resident Unit holders;
- Unit Holders are assessed for tax on the taxable components of the Fund that are generated by the Fund; and
- you will be provided with a statement (known as an "AMMA statement" where the Fund is an AMIT, or as a "distribution statement" where the Fund is not) that sets out the taxable components of the Fund on which you may be assessed.

We recommend you seek advice from your financial or tax adviser.

**Please note:** You should read the important information about how managed investment schemes are taxed before making a decision. Go to the "Taxation" section of the Additional Information Booklet available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to how managed investment schemes are taxed may change between the time when you read the PDS and the day when you acquire the Fund.

## 8 How to apply

### How to invest in the Fund

To invest in the Fund, read this PDS with the “Additional Information Booklet” and complete an application form. The Additional Information Booklet and Application Forms are available online at [www.franklintempleton.com.au](http://www.franklintempleton.com.au) or by calling 1800 673 776. 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 for New Investors”.

We authorise the use of this PDS by investors (“Indirect Investors”) who wish to access the Fund through an authorised master trust or wrap account, investor directed portfolio service, investor directed portfolio service-like scheme or nominee or custody service (collectively referred to as “Master Trust or Wrap Service”) located in Australia. The operator of a Master Trust or Wrap Service is referred to in this PDS as the Operator and the disclosure document for a Master Trust or Wrap Service is referred to as the Master Trust or Wrap Guide. If you invest through a Master Trust or Wrap Service, your rights and liabilities will be governed by the terms and conditions of the Master Trust or Wrap Guide. Indirect Investors should apply for Units by using the Master Trust or Wrap Guide and applicable application form provided by the Operator of the Master Trust or Wrap Service.

### Complaints handling

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, or AFCA. AFCA provides a fair and independent financial complaint resolution service that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority,  
GPO Box 3, Melbourne VIC 3001

### Cooling off

If you are a “Retail client”, after you invest in the Fund you have a period of 14 days (the cooling off period) during which you can cancel the investment and have the funds repaid to you. The entire value of your investment may not be repaid depending on the impact of market movements, taxes, management fees, transaction costs etc. during the time you are invested in the Fund.

The right to cool off does not apply to you if you invest in the Fund through a Master Trust or Wrap Service as you do not acquire the rights of a Unit holder in the Fund.

If you have any questions about cooling off rights please contact your financial planner or us on 1800 673 776.

**Please note:** You should read the important information about applying to invest in the Fund before making a decision. Go to the ‘How to apply’ section of the Additional Information Booklet available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to how to apply may change between the time when you read the PDS and the day when you acquire the Fund.

## 9 Other information

### Consent

The investment manager described in Section 1 of this PDS have not prepared, authorised or caused the issue of this PDS. The investment manager has consented only to the inclusion in the PDS of the statements about them in the form and context in which they are included, and this consent has not been withdrawn.

### Related party transactions

Subject to the Corporations Act, we and our associates may hold Units in the 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. Unit holders’ rights and the Constitution.

Your rights as Unit holder in the Fund are governed by the Fund’s Constitution and the Corporations Act. The Fund is governed by the Constitution which sets out how the Fund is to be operated. The terms of the Constitution are binding on the Responsible Entity and all Unit holders.

### Reports

We will provide you with the following reports and information about your investment in the Fund:

- Transaction confirmations and distribution statements.
- Fund annual financial report (and if applicable half yearly financial reports and continuous disclosure notices) via our website.
- Annual Periodic and tax statements as required by the Corporations Act.

### Disclosing Entity

If at any time the Fund becomes and continues to be a disclosing entity under the Corporations Act, it will be subject to regular reporting and disclosure obligations.

We comply with ASIC’s Good Practice Guidance on continuous disclosure.

**Please note:** Go to the “Other information” section of the Additional Information Booklet which is available at [www.leggmason.com.au](http://www.leggmason.com.au).

### Protecting your privacy

Your right to privacy is important to us.

Our Privacy Policy contains important information in relation to our collection, storage, use and disclosure of your personal information.

As Responsible Entity, we may collect and use personal information to ensure compliance with various government and regulatory bodies where permitted or required to do so.

We may also disclose your personal information to:

- our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, amongst other operational activities; and
- to improve customer service, and/or allow our associated organisations and selected third parties to promote their products and services to customers.

All personal information collected by Franklin Templeton Australia will be collected, used, disclosed and stored by us in accordance with our Privacy Policy, a copy of which will be made available on request.

**Please note:** You should read the important information about privacy, the operation of the Fund and the retirement of the Responsible Entity before making a decision. Go to the ‘Additional important information’ section of the Additional Information Booklet available at [franklintempleton.com.au](http://franklintempleton.com.au).

The material relating to privacy, the operation of the Fund and the retirement of the Responsible Entity may change between the time when you read the PDS and the day when you acquire the Fund.

### Interpretations and definitions:

In this PDS:

**“Active ownership”** 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).

**“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”** includes but is not limited to cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons.

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

**“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.

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

**“Retail client”** 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 Redemption”** is defined in the “About the funds” section of the Additional Information Booklet.

**“Wholesale clients”** is defined in the “How to apply” section of the Additional Information Booklet.

In this PDS, 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.

### Need more information?

Please contact Franklin Templeton Australia:

**Freecall:**

1800 673 776

**Website:**

[franklintempleton.com.au](http://franklintempleton.com.au)

**Email:**

[auclientadmin@franklintempleton.com](mailto:auclientadmin@franklintempleton.com)