Western Asset Australian Bond Fund

Product Disclosure Statement

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Western Asset Australian Bond Fund ("Fund")

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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 contained in the Franklin Templeton Fund's Additional Information Booklet (each of which forms part of the PDS). You should consider the information in this PDS and the Additional Information Booklet before making a decision about the Fund. You can download a copy of the PDS and the Additional Information Booklet on our website franklintempleton.com.au or request a free copy by calling us on 1800 673 776.

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 the 'Glossary' section of the Additional Information Booklet which is available at franklintempleton.com.au.

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 (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 a subsidiary 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 150 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 offers specialisation on a global scale, bringing extensive capabilities in equity, fixed income, alternatives, and multi-asset solutions. With more than 1,600 investment professionals, and offices in major financial markets around the world, the California-based company has over 75 years of investment experience. For more information, please visit franklintempleton.com.au.

Investment Manager

Franklin Templeton Australia has appointed Western Asset Management Company Pty Ltd. ("Western Asset") as Investment Manager for the Fund. Western Asset is one of the world's leading fixed income managers headquartered in Pasadena, USA and founded in 1971. Western Asset's expertise extends across all the world's major fixed income markets. Their investment philosophy is based on identifying and capturing long-term fundamental value for their clients. Founded on disciplined and rigorous bottom-up analysis, their objective is to systematically uncover mispriced securities below their fundamental fair value. Adopting multiple diversified strategies that benefit from different market environments, Western Asset seeks to generate attractive returns for investors over a full market cycle. Western Asset is a specialist Investment Manager and part of the Franklin Templeton Group.

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. Your rights as a Unitholder in the Fund are governed by a **"Constitution"**, which sets out how the Fund is to be operated. The terms and conditions of the Constitution are binding on the Responsible Entity and each Unitholder (and all persons claiming through them).

The Responsible Entity has appointed JPMorgan Chase Bank, N.A. (Sydney branch) (ABN 43 074 112 011) ("J.P. Morgan") to provide custody and fund administration services. J.P. Morgan have provided their consent to be named and have not withdrawn their consent before the issue date of this PDS. J.P. Morgan has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. J.P. Morgan has not independently verified the information contained in this PDS and accordingly accepts no responsibility for the accuracy or completeness of the information. J.P. Morgan 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.

MUFG Corporate Markets (AU) Limited (ABN 54 083 214 537) has been appointed as the registrar in relation to the Fund. The custodian and registrar may be changed from time to time and the custodian may be changed where we are satisfied that the proposed new custodian meets applicable regulatory requirements.

A Unitholder's interest in the Fund is represented by **"Units"**. A Unitholder has an interest in the assets of the Fund as a whole, subject to the liabilities of the Fund. A Unitholder 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 **("Withdrawal Price")** is determined in accordance with the Constitution.

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

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

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

The Application Price and the Withdrawal 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.

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" or an "Additional Application Form" ("Application Forms").

Application Forms need to be received by the registrar and appropriate funding provided to the Fund's nominated bank account by 12 noon on a Business Day to receive that day's Application Price. Refer to Section 8 "How to apply" for more information.

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 Unitholder can dispose of Units by making a **"Withdrawal"** from the Fund. A withdrawal request can be made by lodging a "Withdrawal Form".

Withdrawal Forms need to be received by the registrar by 12 noon on a Business Day to receive that day's Withdrawal Price.

Withdrawals are typically paid within 10 Business Days although the Constitution allows us up to 30 Business Days or longer in certain circumstances. Withdrawal proceeds will be paid to an investor's nominated bank account.

In some circumstances, such as a suspension of trading on a securities exchange, Unitholders 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 withdrawal 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 withdrawal offer. The Responsible Entity anticipates that the Fund will generally be liquid. We generally require a balance of $10,000 to keep your investment open and if your balance falls below this amount, we may (after giving 30 days' notice) redeem your Units without a withdrawal request from you.

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, allocate income as part of the Withdrawal Price of a Unit to a redeeming Unitholder in certain circumstances where the withdrawal constitutes a **"Significant Withdrawal"** to ensure a fair and reasonable allocation between investors.

Minimum investment

Unless otherwise determined by us, the minimum initial investment is $25,000. Additional investments can be made at any time. The minimum additional investment amount is $5,000. We may accept a minimum investment amount of less than $25,000 at our discretion. We may also accept a minimum additional investment amount of less than $5,000 at our discretion.

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

Distributions will generally be made on the last day of each calendar month in accordance with the Constitution. For periods other than the distribution period ending on 30 June, the Responsible Entity may in its discretion determine not to distribute any amount to Unitholders or to distribute an amount which is less than the distributable income for Class A Units for the distribution period. A Unitholder's entitlement to distributions of income is determined based on the number of Units held at the end of the relevant distribution period, subject to significant withdrawals (if any). Distributions will be paid within 10 Business Days of the end of the relevant distribution period. Unitholders who redeem Units during a distribution period will not receive a distribution of income in respect of those Units for that distribution period. Investors will be distributed all of the income of the Fund each year and will be assessed on their proportional share of the taxable income of the Fund, on a fair and reasonable basis, subject to significant withdrawals. The amount of distributions will vary from period to period and there may be periods in which no distribution is made.

Income attributable to each Class may be impacted by the total level of fees charged to the Fund. You may use the "Application Form" to elect a distribution preference. If you are an existing investor, you can change your distribution preference through 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. Generally there will be no buy spread incurred on distributions that are reinvested.

Please note: You should read the important information about how the fund works before making a decision. Go to the section titled *Applications, Withdrawals and Unit Pricing* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to how the fund works may change between the time when you read this PDS and the day when you acquire the Fund.

3. Benefits of investing in the Fund

Significant benefits and features

The significant features of the Fund are:

The Fund provides exposure to an actively managed portfolio of diversified Australian bonds.

The investment approach aims to capture returns from a variety of actively-managed sources from Australian investment grade sectors, including interest rate management (duration), yield curve positioning, sector and security selection. Risk management is a core focus and is supported by fundamental credit research, diversification of holdings and investment guidelines designed to achieve the investment objectives.

The significant benefits of the Fund are:

• diversification across many debt issuers that would be difficult to achieve through direct investment;

• professional management of your investment with an experienced Investment Manager. This includes economic research and credit analysis, as well as active management of interest rate exposure (duration);

• active sector and security selection;

• 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 strategies may carry different levels of risk depending on the assets that make up the strategy;

• assets with the highest 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.

The level of risk for you will vary depending on a range of factors, including age, investment timeframes, where other parts of your wealth are invested and your risk tolerance.

The significant risks of investing in the Fund include:

Fund Risk - 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:

• the Fund terminates;

• the fees and expenses will typically be higher compared to investing directly in individual securities;

• investments and withdrawals by one or more Unitholders may have an impact on other Unitholders; or

• there is a change in the Responsible Entity or an 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.

Security Specific Risk - The value of an individual 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.

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's interest income and Net Asset Value of the Fund accordingly.

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.

Credit Risk - Where Funds invest in credit securities such investments carry credit risk, including adverse market or issuer developments and downgrading of securities ratings.

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. Also, changes in economic and political outlook affect the value of such securities.

Rated and Unrated Securities Risk - 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.

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.

Derivative Risk - 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. 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. Use of derivatives also risks loss of value due to sudden price movement or due to passage of time, illiquidity of derivative, inability to meet the obligations, severe volatility, and/or significant loss due to the leveraged nature of some derivatives.

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. 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.

Counterparty Risk - 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.

An investment in the 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 Fund.

Please note: You should read the important information about investment risks before making a decision. Go to the section titled *Risks* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to investment risks may change between the time when you read this 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.

Western Asset Australian Bond Fund

Investment objective	The Fund aims to earn an after fee return in excess of the Bloomberg AusBond Composite 0+yr Index ("Benchmark") over rolling three-year periods.
Minimum suggested timeframe for investment	At least three years.
What is the suggested investor profile?	The Fund may be suitable for investors seeking an investment in Australian fixed Income, with long-term financial goals.
What does the Fund invest in?	The Fund generally aims to invest within the following guidelines at the time of initiating investment decisions:

Sector Guidelines - Western Asset Australian Bond Fund	Minimum (%)	Maximum (%)
Commonwealth Government & Semi-Government Bonds	30	100
Supranational & Sovereign Bonds	0	80
Corporate Bonds	0	60
Mortgage & Asset Backed Securities	0	20
Inflation Linked	0	10
Cash	Balance	

Interest rate duration (a measure of the sensitivity of the price of a fixed income security to a change in interest rates, expressed as a number of years) will generally be positioned within ±1.0 year of the Fund's benchmark's duration.

The intention is not to hold more than 5% of the Fund's market value in a single non-government issuer or related group of non-government issuers.

The intention is not to hold more than 10% of the Fund's market value in an individual unit trust.

The Fund aims to hold no more than 5% of its market value in corporate bonds issued by Australian entities in foreign currency markets. The aim is to fully hedge these positions into Australian dollars.

The Fund aims to hold no more than 5% of its market value in sub-investment grade bonds. Sub-investment grade bonds means bonds rated as sub-investment grade by either S&P or Moody or so rated by the investment manager where a bond is not rated by either credit rating agency. Where the ratings are split the higher will apply. Credit ratings should not be used as an indicator of future returns or relied upon when making investment decisions.

The Fund will not invest in securities issued by companies directly involved in:

• the production of "**Controversial Weapons**";

• the manufacture of tobacco products;

• mining or extraction of thermal coal, or extraction of oil from tar sands (subject to a 10% revenue threshold).

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.

	Refer to the Additional Information Booklet for more information on how these negative screens are applied. The Fund may also use certain derivatives to implement investment decisions, to manage cash flows or to facilitate timely exposure to securities. The Fund will not hold more than 20% of its market value in net derivative exposure. The Fund does not intend to borrow.
Approach to currency management	Non-AUD bonds will generally be hedged back to AUD between 95% and 105%.
Risk level	The Responsible Entity considers the risk level of the Fund to be low to medium. The Investment Manager has risk control methodologies in place which aim to mitigate the overall level of risk.
Fund performance	Investment performance of the Fund is published on our website at franklintempleton.com.au. Past performance is not necessarily a guide to future performance.
Labour, Environment, Social and Ethical considerations	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 an investment. This value is then considered by the investment manager in the selection, retention and realisation of investments. For more information about how the Fund takes labour, social, ethical and environmental practices and standards into account, refer to the Additional Information Booklet.
Changes to Fund details	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 Unitholders of the change.

Investment options

There are no other investment options for the Fund.

Switching

Switching is not available for the Fund.

Please note: You should read the important information about how we invest your money before making a decision. Go to the sections titled *How we invest your money* and *Environmental, Social and Ethical Factors and Labour Standards* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to how we invest your money may change between the time when you read this 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)** 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

Western Asset Australian Bond Fund		
Type of fee or cost	**Amount**	**How and when paid**
Ongoing annual fees and costs		
Management fees and costs (1,2) The fees and costs for managing your investment.	0.42% p.a. of the net asset value (NAV) of the Fund referable to Class A Units	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 quarterly in arrears. Otherwise, the fees and costs are variable and reflected in the unit price of the Fund as they are incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the Fund	Nil	Not applicable

Transaction costs (3) The costs incurred by the scheme when buying or selling assets	0% p.a. of the NAV of the Fund referable to Class A Units	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)		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	0.05% upon entry and 0.05% 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 Withdrawal. These figures are accurate as at the date of the PDS.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

(1) The fees shown above are inclusive of GST and net of **"RITCs"** actually received by or for the benefit of the Fund.
(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 2025. Past costs (inclusive of GST and net of RITCs) 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 0.42% p.a., payable to us. Ordinary expenses such as custodian fees, administration and audit fees and other ordinary expenses of operating the Fund and indirect costs (currently estimated at 0%) are covered by the management fee at no additional charge to you. While we choose to pay these other costs out of the management fee, we reserve the right to recover some or all of the expenses from the Fund.

The management fee component 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 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. 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. Transaction costs information may be updated on our website at 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 the 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. The dollar value of these costs based on an application or a withdrawal of $5,000 is $2.50 for each individual transaction. We reserve the right to amend the buy/sell spread where necessary to protect the interests of investors. We can change the buy/sell spread at any time without prior notice. Please refer to our website for the current buy/sell spreads at franklintempleton.com.au.

Differential fee arrangements

We may enter into individual fee arrangements with "**Wholesale Clients**" (as defined in the Corporations Act) or employees of the Responsible Entity or its related entities in accordance with applicable ASIC class order relief.

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.

Western Asset Australian Bond Fund		**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	0.42%	**And**, for every $50,000 you have in the Fund you will be charged or have deducted from your investment $210 each year (1).
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Transaction costs	0%	**And**, you will be charged or have deducted from your investment $0 in transaction costs.
EQUALS 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 $210* (2) **What it costs you will depend on the investment option you choose and the fees you negotiate.**

*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 Cost of Fund would be $231 ($55,000 x 0.42%). 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 Unitholder 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 or performance fee nor do we intend to increase the 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 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 before making a decision. Go to the section titled *Additional explanation of fees and costs* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to fees and costs may change between the time when you read this 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 Unitholders.
- Unitholders 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 section titled *Taxation* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to how managed investment schemes are taxed may change between the time when you read this 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 at 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".

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.

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 5 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:	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

Cooling off

If you are a **"Retail Investor"**, after you invest in the Fund you have a period of 14 days from the earlier of when you receive confirmation of your investment or at the end of the fifth Business Day after the day on which your Units were issued to you (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 cooling off right terminates immediately if you exercise certain other investor rights, such as withdrawing part of your investment. The cooling off right does not apply in certain circumstances, such as where Units are issued upon the reinvestment of distributions.

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 Unitholder 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 how to apply before making a decision. Go to the section titled *How to apply* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to how to apply may change between the time when you read this PDS and the day when you acquire the Fund.

9. Other information

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 Unitholder; have an interest in any contract or transact with ourself (as Responsible Entity of the Fund or in another capacity), an associate or any Unitholder 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.

Investor communication

All communication will be sent via email unless you request otherwise.

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.

Protecting your privacy

We are committed to protecting and respecting the privacy of your personal information.

All personal information collected by Franklin Templeton will be collected, used, disclosed and stored by us in accordance with our Privacy Policy, a copy of which is found on our website or can be made available on request. If you wish to access or update your personal information please contact auclientadmin@franklintempleton.com or call Investor Services on 1800 673 776.

Please note: You should read the other important information about the Fund before making a decision. Go to the section titled *Additional important information* of the Additional Information Booklet located at franklintempleton.com.au. The material relating to the other important information may change between the time when you read this PDS and the day when you acquire the Fund.

Need more information?

Please contact Franklin Templeton Australia:

Free call:	1800 673 776
Website:	franklintempleton.com.au
Email:	auclientadmin@franklintempleton.com